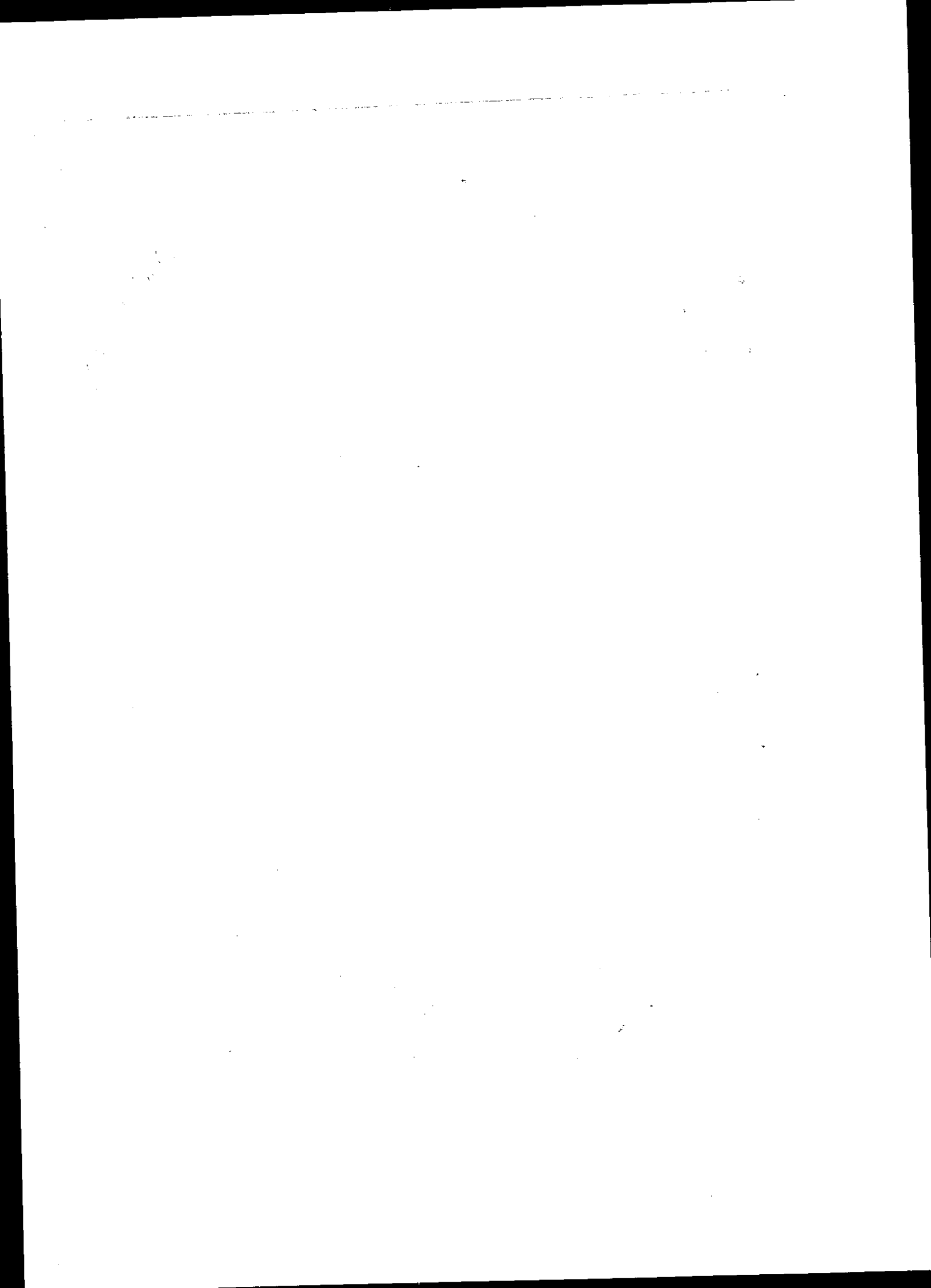


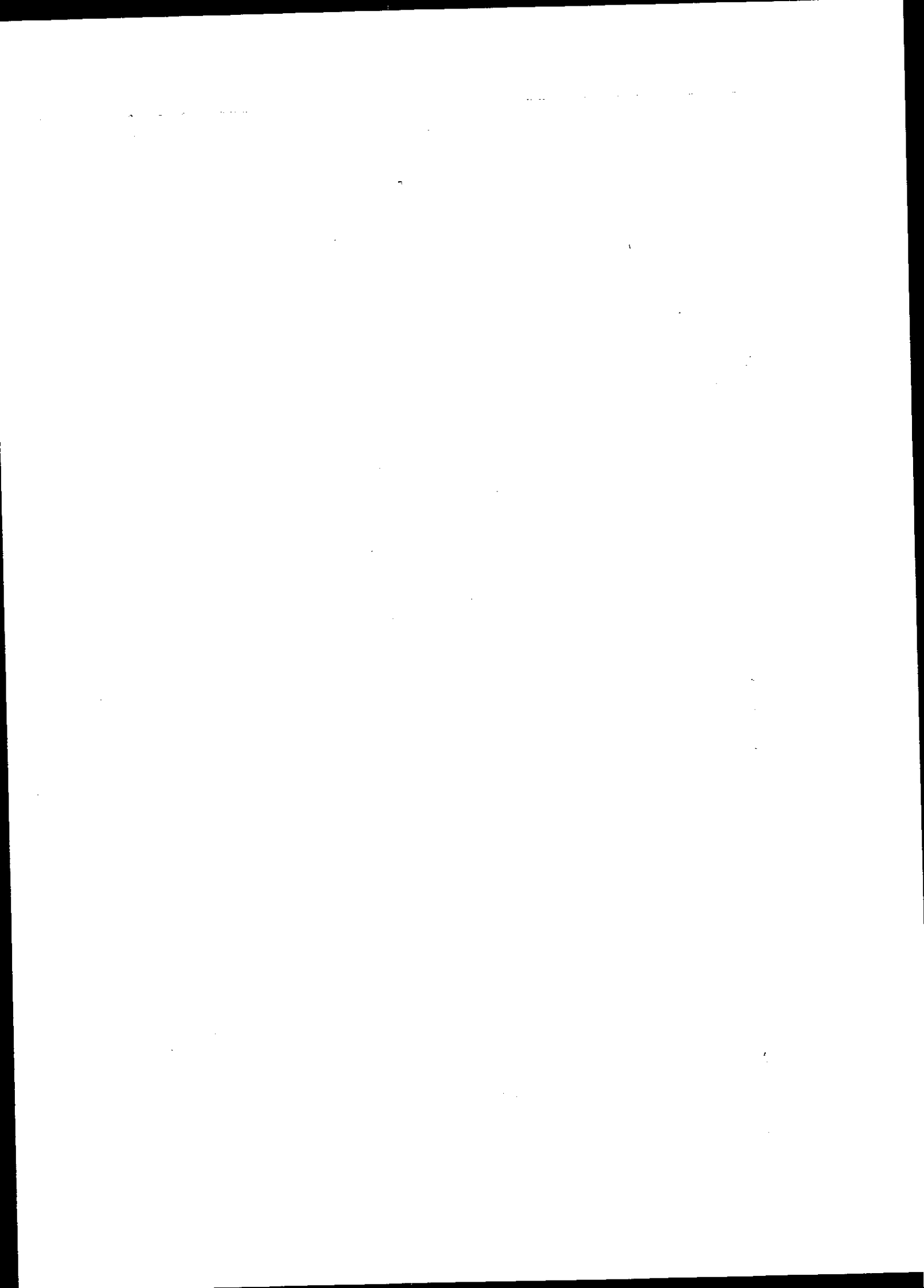
**ECONOMIC SURVEY OF PAKISTAN**  
**1962-63**

**ECONOMIC ADVISER TO THE  
GOVERNMENT OF PAKISTAN,  
MINISTRY OF FINANCE,  
RAWALPINDI**



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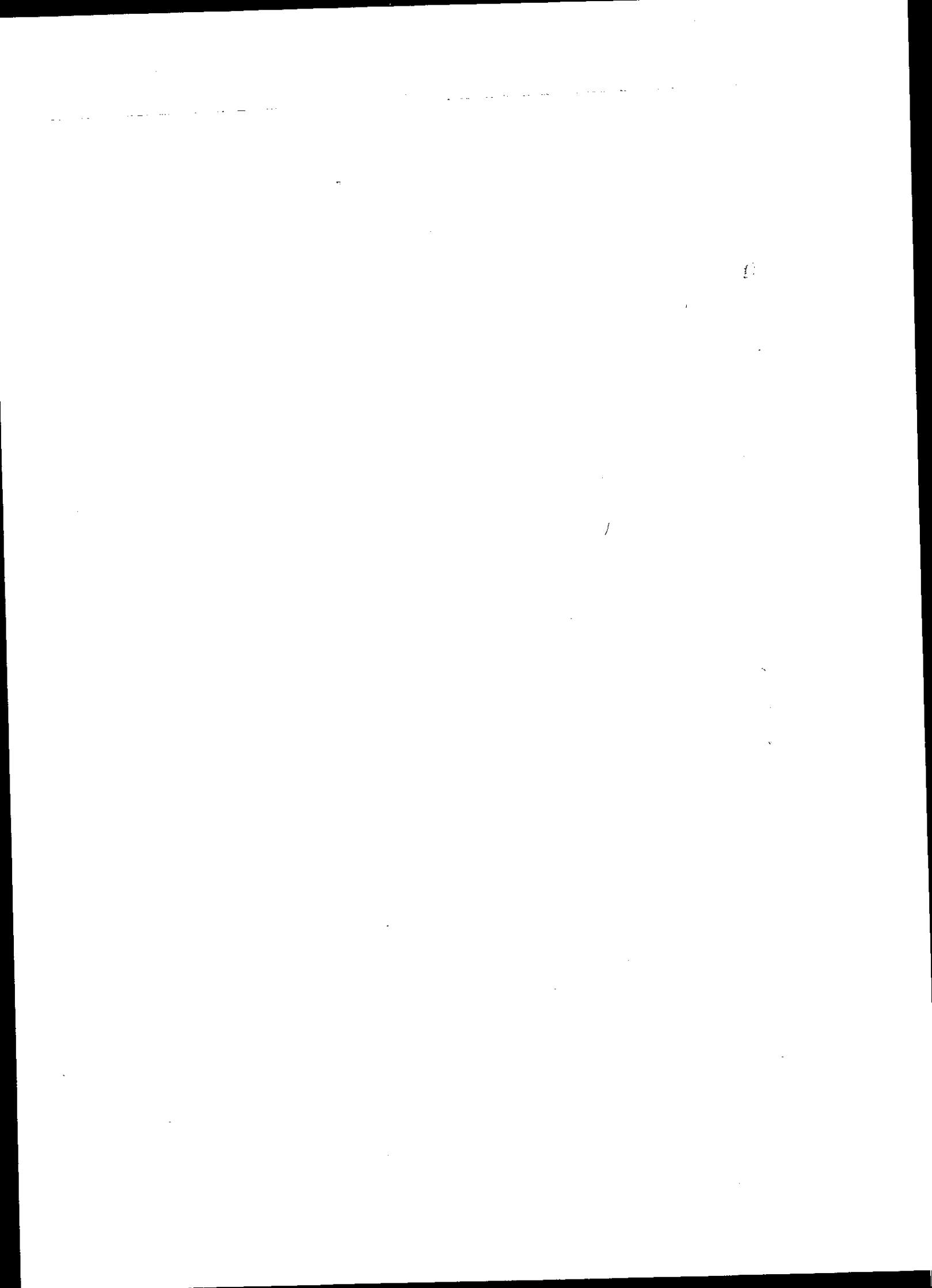
The *Economic Survey* 1961-62, in which an attempt was made to present a comprehensive account of the country's economy, and co-ordinated statistical tables were provided for those who were interested in still greater details, was very favourably received. In view of the keen interest evinced in this publication, both at home and abroad, an attempt has been made to increase its utility for general readers and, as a consequence, an increase in the scope of its coverage has become inevitable.

The help and active co-operation received from various Ministries and others is gratefully acknowledged. Suggestions for further improvement will be welcomed.

The views expressed in the Survey do not necessarily represent the official views of the Government of Pakistan or of its individual Ministries.

ANWAR IQBAL QURESHI,  
*Economic Adviser to the  
Government of Pakistan.*

Ministry of Finance,  
Rawalpindi,  
May 31, 1963.



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\*Figures for 1962-63 differ from those in the text and Statistical Section as the charts were prepared earlier.

## GLOSSARY

One Lakh (1,00,000)=One Hundred Thousand (100,000)  
Ten Lakhs (10,00,000)=One Million (1,000,000)  
One Crore (1,00,00,000)=Ten Million (10,000,000).

### *Units of measurement*

One Maund=82.286 lbs.  
One Seer =2.057 lbs.  
One Ton=2,240 lbs.  
One Acre=4,840 Sq. Yds.  
One Acre=0.4047 Hectare  
One Bale (Jute)=400 lbs.  
One Bale (Cotton)=392 lbs.

### *Currency equivalents*

One Rupee (100 Paisa)=0.21 Dollar (U.S.)  
=0.075 Pound Sterling, or 18 Pence.

### *Year*

Calendar Year=January 1 to December 31

Fiscal Year } 1st July to 30th June (Example : 1960-61  
Trade Year } means the period covering July 1960 to  
Agriculture Year } June 1961).

Before 1959-60, the fiscal year was from April 1 to March 31

### *Other terms*

*Aman*=Rice crop sown in Summer in East Pakistan

*Aus*=Rice crop sown in Spring in East Pakistan

*Boro*=Rice crop sown in Winter in East Pakistan

*Basmati*=A superior variety of rice in West Pakistan

*Haor*=Low lying areas of East Pakistan which are completely under water in the rainy season

*Joshi*=A variety of rice

*Kangani*=A variety of rice

*Khal*=Canal

*Kharif*=Crops sown in late spring or in the beginning of summer and harvested in autumn in West Pakistan

*Mandi*=Local market in West Pakistan

*Rabi*=Crops sown in autumn and harvested in the following spring in West Pakistan

*Taccavi*=State agricultural loan



## SUMMARY OF MAIN FINDINGS

### POPULATION

THE POPULATION of Pakistan is increasing at a rate of 2.2 per cent, compared to 1.7 per cent for the world as a whole. Such a high population growth rate requires a high rate of savings and investment. In order to maintain present living standards Pakistan should invest annually 4.5-6.5 per cent of its national income, and still more if the standard of living which is very low, is to be improved.

The age structure changed appreciably between 1951 and 1961. In 1951 the most productive age group, 15-59 included 52.46 per cent of total population; for 1961, the percentage fell to 49.53. Conversely, the age groups 0-9 and over 60 increased by 31.30 per cent, as against 23.69 per cent for total population and only 16.79 per cent for the 15-59 age group.

The male-female ratio changed from 112.7 to 100 in 1951 to 111.1 in 1961, showing a faster increase in the female population. The percentage of unmarried women to total woman population increased to 46.20 compared to 45.14 in 1951. Unmarried women are normally more than married ones.

The proportion of civilian labour force to total population increased between 1951 and 1961, from 30.68 per cent to 32.58 per cent (age 15 and above). In 1961, 33.46 per cent of total population was included in the civilian labour force under a new definition (age 10 and above).

### NATIONAL INCOME

An informal committee of experts was appointed on November 6, 1961 by the Director-General of the Central Statistical Office, to make a critical appraisal of the present national income series, and to recommend improvements. Its report, submitted on July 30, 1962 has been partially implemented during 1962-63.

The Government felt that a thorough study of the subject was needed and on April 3, 1963 appointed a National Income Commission with the following terms of reference:

1. To examine the available data and the requirements for compilation of national income accounts.
2. To recommend ways and means of collection of accurate and fuller data required for the preparation of national income statistics.
3. To report on suitable classifications under which national income statistics should be prepared, keeping in view particularly the need for separate statistics for the two Provinces and for areas in different stages of development within the

Provinces so as to assist the National Economic Council in fulfilling the obligations placed on it under Article 145(4) of the Constitution.

4. To recommend lines of guidance of the Central Statistical Organization for setting up national accounts procedures.
5. To make recommendations regarding promotion of research in the field of national income statistics.

The Central Statistical Office has made a number of improvements in national income estimates. This year, two tables of national income have been prepared, instead of one in the past. One table shows national income in constant prices and the other in current prices. The national income in constant prices, according to provisional estimates, rose from Rs. 2,495.6 crores in 1961-62 to Rs. 2,523.1 crores in 1962-63, or by 1.1 per cent. Considering the greater increase in population, the per capita income declined by Rs. 2 to Rs. 259.

It appears that during the first three years of the Second Five-Year Plan, national income increased by 11 per cent, an average annual rate of 3.7 per cent

#### AGRICULTURAL PRODUCTION

Agricultural production during 1962-63 presented a mixed trend. East Pakistan crops, jute, rice and tea suffered from the recurrence of floods and drought. In West Pakistan, good weather conditions resulted in record figures for sugarcane and cotton. In the country as a whole, cotton output, previously stagnant around 17 lakh bales, touched 20.65 lakh bales (according to trade estimate); and sugarcane set a new record of 191.5 lakh tons.

The production index for all crops, which had risen steadily from 117 in 1959-60 to 131 in 1961-62, dropped back to 126 in 1962-63. Non-food crops production remained at the previous year's figure.

The food situation was generally satisfactory during 1962-63. The policy of decontrol of wheat continued successful in West Pakistan; the price of wheat had declined considerably in May-June 1962, as a result of a good harvest, and regained the previous year's level after the Government entered the market and the ban on movement of wheat to Karachi was lifted.

The price of rice in East Pakistan showed a rising trend. To prevent an undue increase, modified rationing was introduced and wheat was released from Government stocks at Rs. 12.50 a maund.

Imports of wheat, which had declined to 8.59 lakh tons in 1961-62 against 13.50 lakh tons in 1960-61, again rose in 1962-63; the nine-month total, up to the end of March 1963, was 8.78 lakh tons. The imports rose because of Government policy of building up stocks as also to make up for food shortage in East Pakistan. The price of wheat, therefore, remained satisfactory.

The model scheme was continued in the selected districts in both Wings. The Agricultural Development Corporations intensified their activity in the two Provinces. Of 25.74 lakh acres resumed by the Government under the land reforms, 11.36 lakh acres were disposed of and

bonds worth Rs. 1.34 crore were issued as compensation for the resumed land. A total of 56.5 lakh acres were consolidated up to the end of March 1963. Increasing amounts of agricultural credit were provided to cultivators through Agricultural Development Bank, co-operative societies and *taccavi* loans.

## INDUSTRY AND MINING

The objectives of Government's industrial policy are to maximize production, accelerate the pace of development, augment the supplies of consumer goods, push up exports, accelerate the development of other sectors, improve manufacturing efficiency and achieve fuller use of existing capacity.

Industrial output continues to increase. The production index rose from 100 in 1959-60 to 107.8 in 1960-61 and 119.2 in 1962. In October-December 1962, it stood at 134.6. Almost all industries shared in this rise.

During the first 2½ years of the Second Five-Year Plan sanctions for private investment within the framework of the Industrial Investment Schedule exceeded the target by 43 per cent. As a result, a new Schedule of Rs. 153 crores was framed for implementation during the rest of the Plan period. For small-scale industries, 24 industrial estates are being set up, as well as centres to provide various facilities for their development and the public sector too contributed appreciably to industrial growth. In the first two years of the Second Plan Rs. 172 crores were invested by the Pakistan Industrial Development Corporation before its bifurcation. The Government-sponsored financial institutions continued to provide credit in local and foreign currencies.

## WATER AND POWER DEVELOPMENT

During 1962 and the first quarter of 1963 significant progress was achieved in water and power development. The first two phases of Karnaphuli Hydro Electric Project, the Guddu Barrage Project, the Rechna Doab Reclamation Project, and the Rawal Dam were completed and gas was discovered at Titas in East Pakistan.

Pakistan's entry into the space age was heralded by the launching of space rockets, and preliminary surveys were carried out for establishing nuclear plants in both East and West Pakistan.

The generation of power by EPWAPDA rose to 274 million units in 1961-62, against 199 million in 1959-60, and the number of consumers to 55,000 from 38,600.

Installed capacity in West Pakistan, excluding Karachi, at the end of 1962 was 466,000 kw, against 119,000 kw in 1958-59. The number of units generated in West Pakistan increased from 665 million in 1958-59 to 1,460 million in 1962, and the number of consumers rose by 100 per cent to 4,80,000.

The U.S. Scientific Mission's preliminary report on water-logging and salinity was presented to President Ayub in September 1962 during his visit to the United States. The report has since been under

( x )

revision in consultation with Pakistani experts. In the meantime, the West Pakistan WAPDA Reclamation Project No. 1 in the Rechna Doab, covering an area of 1.2 million acres, was completed.

The estimated cost of Indus Basin Projects was revised upwards to Rs. 901 crores in view of the bids received for various works. Work on the projects in hand was ahead of schedule.

### COMMERCIAL POLICY

The policy of liberalizing imports so far as foreign exchange resources permit was continued during 1962-63. As imports ultimately depend on exports, the policy of linking import licences with export performance was continued, and a token cut of 10 per cent on import licences was imposed on industries showing poor export performance. The liberal import policy, together with other measures to increase the supply of goods, helped to hold the price line, particularly for goods consumed by the common man.

The export drive was strengthened by the introduction of the Export Credits Guarantee Scheme in March 1962; widening of the scope of the Export Bonus Scheme by adding new items to both the export and import lists; allowing rebate of excise and customs duties on articles exported; lifting export controls from practically all items; and setting standards for certain export items as well as the more conventional methods of sending and receiving trade delegations and entering into trade agreements.

#### **Pakistan and the G.A.T.T.**

In G.A.T.T. tariff negotiations, Pakistan secured agreement to the withdrawal of a number of tariff concessions which are no longer consistent with the country's changing pattern of economic development. Fresh tariff concessions were obtained from the European Economic Community and other contracting parties on simple manufactures exported by Pakistan. Pakistan also accepted the long-term arrangement regarding trade in cotton textiles, drawn up by the Cotton Textiles Committee of the G.A.T.T.

A meeting of the Trade Ministers of the contracting parties, held in Geneva from May 16-21, 1963, is undertaking a complete reappraisal of the role of the G.A.T.T. in the promotion of international trade in general and the trade of less developed countries in particular.

#### **Pakistan and the U.K.'s entry into the European Common Market**

It is not yet clear after the break down of the Brussels talks, whether the U.K. will ultimately join the European Economic Community, and if so in what form. Depending on the arrangement that may be arrived at, its joining might not only end the concessions and preferences, which the Commonwealth countries enjoy in trade with the U.K., but might impose 'reverse preferences' and progressively rising tariff barrier against almost the entire range of Pakistan's manufactured exports to the United Kingdom.

Pakistan opposed the provisional agreements which were reached at Brussels between the United Kingdom and the Six, on the ground that imposition of the Common External Tariff would considerably reduce its foreign exchange earnings. It cited the G.A.T.T. principle that where new restrictions are imposed, or existing concessions and preferences withdrawn, adequate compensatory concessions should be given.

Pakistan wants the objectives of the proposed comprehensive trade agreement to be amplified so as to check the growing imbalance in Pakistan's trade with the enlarged Community, abolition of quota restrictions, reduction of the Common External Tariff to a level which would promote a reasonable outlet for the manufactured goods of Pakistan and other developing countries, and nil tariffs for a number of industrial items that are important for Pakistan's economy but constitute an infinitesimal part of production in the enlarged Community. Up to the breakdown of negotiations, the Community had agreed only to the proposal for early conclusion of the comprehensive trade agreement.

### REGIONAL TRADE

As a result of several measures taken to promote inter-zonal trade, there has been a marked expansion. Its value set a record at Rs. 128.08 crores in 1962, compared to previous year's total of Rs. 127.03 crores. A further upward trend was indicated in the first three months of 1963.

That the coastal trade is proving beneficial to the economic growth of both the Provinces is indicated by the fact that the share of Pakistan merchandise is on the increase while that of foreign goods is on the decline. The proportion of finished goods is also increasing sharply.

### INTERNATIONAL TRADE

In 1962 there was an appreciable increase over 1961 in exports of fish, rice, raw cotton, sports goods and oil cakes; while exports of hides and skins, raw jute, raw wool, cotton twist and yarn, jute manufactures, newsprint and woollen carpets declined.

Imports of capital goods and raw materials increased while that of consumer goods declined, reflecting the growth of the economy.

The changing pattern of foreign trade has necessitated a radical change in the direction of Pakistan's trade; exports to European Common Market countries and to the Communist countries of Eastern Europe declined, while those to the countries of the European Free Trade Area and other European countries increased appreciably.

Imports from the E.F.T.A. countries and the Communist *bloc* countries increased while those from the European Common Market and other European countries fell off. Both exports and imports from American countries increased sharply.

Of the Asian countries, Japan and India were the most important trade partners of Pakistan. There was a considerable improvement in trade relations with Iran, while there was no appreciable change in trade with the African countries.

There was a marked deterioration in Pakistan's terms of trade during 1962 compared to 1961, since export prices fell sharply and there was no appreciable decline in import prices.

### BALANCE OF PAYMENTS

The position improved in 1962 compared to 1961. The adverse current balance was reduced from Rs. 21.96 crores in 1961 to Rs. 9.08 crores in 1962, due to a decline of about Rs. 32 crores in payments. Receipts in 1962 were Rs. 337.88 crores compared to Rs. 356.67 crores in 1961, mainly due to the fall in official donations, although visible receipts increased by more than Rs. 11 crores. Payments declined during the same period from Rs. 378.64 crores to Rs. 346.96 crores, largely because of a reduction in aid financed imports.

The gold, dollar and sterling reserves increased from Rs. 113.30 crores at the end of 1961 to Rs. 118.41 crores at the end of 1962 and to Rs. 131.55 crores at the end of March 1963. This was largely due to increased inflow of foreign capital.

### PRICES AND PRICE TRENDS

Since 1960 there has been considerable stability in the general price level as a result of various Government measures. Since decontrol, the supply of goods has improved considerably and free market prices were, in most cases, lower than those paid previously in black market.

#### Wheat

The average wholesale price of wheat at Lyallpur, opening at Rs. 18.60 a maund in January 1961, dropped to Rs. 15.25 in May; during the 1961-62 season it ranged between Rs. 14.87 and Rs. 16.15 per maund. In April 1962, Government fixed the retail price of imported wheat at Rs. 14 a maund in West Pakistan and Rs. 12.50 in East Pakistan. In March 1963, at tail end of the crop season, the price ranged between Rs. 14.50 and Rs. 16.50 a maund.

#### Rice

East Pakistan had very satisfactory rice crops during 1959-61, but in 1961-62 it was slightly less than in 1960-61. The drop in production and also in imports, coupled with the high rate of population growth and huge development expenditure forced prices somewhat upward.

#### Sugar

From 1,23,000 tons in 1961, domestic production rose to 1,85,000 tons in 1962 (+ 53 per cent). This increased production, coupled with imports under bonus vouchers, eased the supply position during 1962. The wholesale price of refined sugar ranged between Rs. 53 and Rs. 58 per maund in Karachi from March 1962 to February 1963. In the latter half of March 1963 it, however, rose sharply to Rs. 67 per maund due to steep rise in the prices of bonus vouchers and tight supply position in world markets and sharp rise in world sugar prices.

### **Tea**

In view of a carry-over of 17 million pounds from the previous season, and in anticipation of another record crop of 59 million pounds, the price control was lifted from tea from April 25, 1962. However, due to adverse climatic factors this was followed by widespread reports of shortages and prices rose. The monthly average price at the internal auctions, which opened at Rs. 2.37 in July 1962 (compared to Rs. 2 per pound in the same period last year), rose sharply to Rs. 4 per pound by September 1962, but dropped to Rs. 3.46 in February 1963, mainly due to timely intervention by the Government.

### **Cotton cloth**

During the period April 1962 to March 1963, there was generally a downward trend in cloth prices, with a few exceptions.

### **Oils**

As a result of heavy imports of soyabean and cottonseed oils during 1962 under P.L.-480, the price of cottonseed oil in Lahore declined from Rs. 73.50 per maund in January 1962 to Rs. 55 per maund in January 1963. There was a consequent fall in the price of vanaspati *ghee*. In March 1961 the wholesale prices of vegetable *ghee* quoted by the Agricultural Marketing Adviser was Rs. 53 per tin of 35 pounds, which declined to Rs. 39.50 in March 1963.

### **Cost of living**

Various Government measures have kept the prices of most essential goods, such as foodstuffs, textiles and fuel, from rising unduly. The cost of living indices in Karachi and Lahore declined appreciably in 1962, while that for Narayanganj rose because of rise in price of rice in East Pakistan. The cost of living index for industrial workers at Karachi, which stood at 130 in January 1962, declined to 128 in March 1963; at Lahore it declined from 127 to 122; but at Narayanganj it increased by three points, to 129 during this period.

## **TRANSPORT AND COMMUNICATIONS**

### **Railways**

There are 5,330 route and 7,529 track miles on the Pakistan Western Railway, and 1,712 route and 2,597 track miles on the Pakistan Eastern Railway.

On the P.W.R. the average distance travelled per passenger during 1961-62 was 45 miles, while on the P.E.R. it was 26 miles. An increase of 80 per cent in passenger miles and freight-ton miles is projected for 1964-65 as compared to 1955-56.

### **Roads**

Pakistan inherited 16,425 miles of roads managed by the Provincial Governments which rose to 22,797 in 1962. At present there are sixteen miles of high-type all weather roads to every 1,00,000 persons.

### **Air transport**

The operational results of P.I.A. during 1962 show appreciable progress. It has now a fleet of 3 Boeings beside other aircrafts. The London-New York service is continuing satisfactorily and its domestic network was extended to new routes. Total operating revenues, for the period April-December 1962, amounted to Rs. 13.14 crores, as compared to Rs. 10.53 crores for the corresponding period of the previous year. Helicopter services in East Pakistan will start before the end of 1963.

### **Inland water transport**

Inland Water Transport accounts for over 70 per cent of the total transportation in East Pakistan, over 3,000 perennial route miles which rise to about 4,500 during the monsoons. Annual traffic handled includes 1,198 million passenger miles and 907 million cargo-ton miles. Most of the traffic is still being handled by the country boats.

The E.P.I.W.T.A. established in November 1958, has been allocated Rs. 23 crores in the Second Plan for development of I.W.T. It has been able so far to complete about 43 per cent of the schemes originally approved under the Second Plan for development of I.W.T. During the last four years the number of motor vessels increased by 55 per cent, dumb craft by 5 per cent, passenger capacity 39 per cent, cargo capacity 8 per cent, annual passenger miles by 43 per cent, and cargo ton-miles by 19 per cent.

### **Ports and shipping**

During 1961-62, Karachi Port handled 4.61 million tons, Chittagong 2.90 million tons and Chalna 0.99 million ton of cargo.

The country's merchant fleet of 43 vessels, of 4 lakhs D.W.T., is run entirely by private enterprise. The Plan originally envisaged expenditures totalling Rs. 10.3 crores during 1960-65 to modernize the fleet and extend its operation. Proposals for an expanded programme are under consideration.

### **Communications**

Rs. 36.3 crores has been allotted for this sector in the Second Plan against 25.4 crores in the First Plan. Pakistan inherited 6,474 post offices at the time of Independence and now has 10,774.

The post and parcels traffic between the two Wings of the country used to pass through India. Since February 1, 1962 it has been diverted entirely through the Karachi-Chittagong sea route. The postage rate on air parcels within the country was reduced from Rs. 2 to Rs. 1.25 per pound.

During the last two years (1960-62), 15,600 new telephones were installed against the Plan target of 45,700. Expansion of the Haripur Telephone Factory was undertaken at an estimated cost of Rs. 1.04 crore. At the end of the Plan, installed telephones are expected to total 1,20,700. Pakistan is now connected with all major cities of the world through radio-telephone, telegraph and teleprinter services.



## MONETARY AND CREDIT SITUATION

Government policy is to maintain stable monetary conditions to promote healthy economic growth. In 1960-61 the money supply increased only nominally, to keep the inflationary pressure under strict control. Expansion was accelerated in 1961-62 to finance the increasing economic activity, and this process was accelerated after June 1962. During the period ending March 1963, money supply increased by Rs. 51.38 crores (compared with Rs. 9.51 crores during the corresponding period of last year) ; currency circulation increased by Rs. 19.70 crores, demand deposits by Rs. 30.65 crores and other deposits by Rs. 1.03 crore. This expansion was more pronounced during the busy season of November-March than in April-October, which is normally the slack season.

The causative factors leading to increase in money supply during the year under review were increased credit made available to the private sector (31.14 crores), expansion of Rs. 11.49 crores in the Government sector and an increase of Rs. 19.27 crores in the foreign sector. Other items contracted by Rs. 10.52 crores.

On May 10, 1962, the Government appointed a Credit Committee to make a comprehensive review of the credit and monetary situation. It made a number of important recommendations which are under implementation.

### DEVELOPMENTS IN BANKING

There was a considerable increase in banking activity during the period ending March 1963. The number of reporting scheduled banks rose from 33 at the end of March 1962 to 36 a year later. The number of bank branches also rose from 674 to 861, of which 262 were in East Pakistan and 599 in West Pakistan. At the end of September 1962, the paid-up share capital of the scheduled banks stood at Rs. 20.80 crores compared to Rs. 17.75 crores at the end of December 1961. Reserves also improved during the same period.

Credits supplied to various sectors of the economy, by such specialized institutions as the Pakistan Industrial Credit and Investment Corporation, Industrial Development Bank of Pakistan, Agricultural Development Bank of Pakistan, House Building Finance Corporation and the co-operative banks and societies, also expanded considerably.

### STOCK MARKET

The general performance of the stock exchange in recent years reflects overall improvement in the investment climate of the country. The all shares index compiled by the Habib Bank Ltd. rose from 165.17 in January 1959 to 255.59 in December 1962.

In 1962 the index of all shares advanced from 218.23 in January to 222.62 in June and 255.59 in December. This rising trend continued in the first quarter of 1963. The all shares index rose to 276.35 at the end of March 1963.

Persistent rise in share-value was attributed to :

1. sound financial condition of the Government ;
2. general improvement in the economy of the country ;
3. greater confidence in the stock market ;

4. declaration of favourable working results by leading companies ;
5. concessions offered to the industrial sector in the budgets for 1961-62 and 1962-63 ; and
6. establishment of the National Investment Trust.

### **Bonus Vouchers**

The Export Bonus Scheme was instituted in January of 1959 to promote exports and foreign exchange earnings. The earnings from exports covered by the Scheme have been increasing from year to year (Rs. 24.8 crores in 1958 to Rs. 77.69 crores in 1962).

The price trends of bonus vouchers fluctuated but did not fall below a reasonable level. The lowest price, Rs. 125.50 in July 1962, resulted from the absence of large-scale buying by sugar and art-silk importers and the availability of large stocks of ready vouchers. Quotations were comparatively steady during the first quarter of 1963. The price of vouchers rose to Rs. 158.50 in early January and further to Rs. 172 at the end of March 1963 (against Rs. 181.25 in March 1962, and Rs. 118 in the same month of 1961).

### **PUBLIC FINANCE**

The 1962-63 budgets of the Central and the Provincial Governments showed an all round improvement.

Compared with 1961-62 there was a fall of Rs. 10.15 crores, to Rs. 212.75 crores, in revenue receipts of the Central Government, due to the transfer of a much larger proportion of Central receipts to the Provinces under the new formula for sharing the proceeds of Central taxes. Revenue expenditure was, however, estimated at Rs. 195.88 crores, Rs. 5.98 crores more than the previous year, due to increased spending on defence services, medical and public health, agriculture, co-operation, etc.

The diversion of maximum resources towards development continues to be the aim of budget policy. Allocation of assistance to the provinces has been increased substantially to enable them to finance their expanded development responsibilities. In all, the provinces were to get Rs. 230.90 crores, against Rs. 120.61 crores in 1961-62.

Improved financial conditions in the country enabled the Government to give some tax concessions to investors, consumers, industrialists and people with fixed income. These included a development allowance to industries at the rate of 20 per cent of the original cost of plant and machinery installed after June 30, 1962, instead of the initial, normal, additional and extra-shift depreciation allowances to which new undertakings had previously been entitled. Owner-occupants of houses whose net annual letting value did not exceed Rs. 4,800 were exempted from tax. The exemption limit for dividend income was raised from Rs. 1,000 to Rs. 1,000 plus additional 20 per cent of income in excess of Rs. 1,000.

Income from creative writings was completely exempted ; and the earned income relief was raised to 20 per cent of such income subject to a maximum of Rs. 4,000. For the salaried classes the maximum of Rs. 6,000 was increased.

In order to give relief to the common man sales tax on several items was abolished. Duty on betelnut, *khandsari* sugar and *sitta* salt was withdrawn.

Donations to institutions or funds established for charitable purposes (approved by the Central Board of Revenue for purposes of the tax exemption) were exempted from income tax up to a maximum of 10 per cent of the total income of the tax payer.

### **Pay and Services Commission**

The Pay and Services Commission submitted their report on June 1, 1962. Its recommendations being very far-reaching, needed examination in some detail. On the other hand, it was felt that lower-paid Government employees required some financial relief immediately.

The Central Government sanctioned interim relief from July 1962 to its civilian employees drawing pay up to Rs. 600 p.m., equal to 10 per cent of their basic pay (subject to a minimum of Rs. 5 p.m. and a maximum of Rs. 25 p.m.) with marginal adjustments for those drawing pay between Rs. 600 and Rs. 624. It was stipulated that this relief would be merged in the increase that might accrue on final implementation of the Commission's recommendations.

Later, on the recommendations of the Secretaries' Committee, the Central Government decided, as from December 1, 1962, to merge the dearness allowance, the Dearness Pay, the *ad hoc* increase in dearness allowance and interim reliefs other than the latest, in the basic 'prescribed' scale of pay of their non-gazetted civilian employees, and to enhance the scales thus consolidated so as to give an immediate increase (including the last interim relief) of 10 to 12½ per cent and an average increase not exceeding 20 per cent. Enhanced scales of non-gazetted categories belonging to some of the Ministries, attached departments and subordinate offices have also been sanctioned and others will be sanctioned shortly.

The question of increase in the emoluments of Class I and Class II (gazetted) employees of the Central Government and the recommendations of the Commission relating to their benefits are under active consideration.

### **THE SECOND FIVE-YEAR PLAN**

Planning in Pakistan aims at directing the economic development of the country in a systematic way, taking advantage of the mass of experience and technical knowledge available from other countries and adapting them to the country's special conditions. Among its objects are to develop a better balanced economy, less dependence on agriculture; to remove the disparity between agriculture and the non-agricultural sectors and between various regions of the country; and to make Pakistan self-supporting at an acceptable standard of welfare and progress.

The First Plan covered the five-year period 1955 to 1960. Its implementation was not satisfactory. Financial outlay amounted to 90 per cent of the target, but national income rose by only 11 per cent, as against 15 per cent envisaged in the Plan. The Second Plan began in July 1960 with higher aims and resources. Its targets are to effect increases of 24 per cent in national income, 21 per cent in food production, 60 per cent in the output of large-scale industries, and 3 million

in the number of jobs and to pave the way for self-sustained growth. Total capital outlay was envisaged at Rs. 1,900 crores, later raised to Rs. 2,300 crores of which the Government would invest Rs. 1,462 crores and the private enterprise Rs. 838 crores. Domestic savings were expected to finance 52 per cent of the planned investment.

The progress of the Plan seems to be satisfactory to-date. Investment in some sectors has been in excess of the Plan objectives. The aggregate national output also seems to be on schedule. Agricultural production appears to be increasing, although year-to-year fluctuations are still substantial. Industrial growth has been still more satisfactory. Other sectors are also showing good results.

### FOREIGN ECONOMIC ASSISTANCE

Foreign economic assistance received by Pakistan was discussed at some length in a publication entitled *Foreign Economic Aid* issued with other budget documents in June 1962.

The total amount of assistance committed to Pakistan since the start of the Second Plan up to the end of March 31, 1963 amounts to \$ 726 million in loans. This does not include foreign commitments for the Indus Basin Replacement Works, amounting so far to \$ 640 million (exclusive of a rupee contribution equivalent to \$ 235 million committed by the United States) of which \$ 480 million is on a grant basis and \$ 160 million in the form of loans. Nor does it include assistance to be provided through sales of U.S. surplus agricultural commodities against payment in Pakistan currency under P.L. 480; during the Second Plan period these would amount to \$ 707 million (\$ 85 million allocated in 1960-61 and \$ 622 million in October 1961 for the remainder of the Plan period).

Aid had already been pledged for the first three years of the Second Plan by members of the World Bank's Aid-to-Pakistan Consortium in the amount of about \$ 1,175 million. In May 1963, the Consortium members pledged to make additional funds amounting to \$ 425 million available for commitment during the fourth year of the Plan, beginning July 1, 1963.

Out of this \$ 425 million in new foreign exchange funds, the United States agreed to provide \$ 212.5 million. The other eight nations in the Consortium—Belgium, Canada, France, West Germany, Italy, the Netherlands, and the United Kingdom—pledged a total of \$ 132.5 million. The World Bank and its affiliate, the International Development Association, agreed to provide \$ 80 million.

The Consortium recognized that the new aid should be furnished as much as possible on terms calculated to minimize Pakistan's repayment obligations in foreign exchange. More than half of the new aid will be in the form of grants or long-term loans at nominal rates of interest.

### CONSTITUTIONAL DEVELOPMENTS

On the morning of June 8, 1962 the President inaugurated the new National Assembly of 156 members. The President proclaimed the lifting of Martial Law and the restoration of constitutional democracy in the country, 'based on the Islamic principles of justice, equality and tolerance; the consolidation of national unity; and a firm and stable system of government.

### **General election**

In pursuance of this aim, a general election for members of the National and Provincial Assemblies was held in April, 1962. All members of the Assemblies, National and Provincial, were elected by the electoral college of Basic Democrats.

### **National Assembly sessions**

The National Assembly was first summoned on June 8, 1962 at Rawalpindi. The National Budget for 1962-63 and the Political Parties Act were passed. The Advisory Council of Islamic Ideology called for by the new Constitution was formed on August 4, 1962. A Franchise Commission was set up with the function of reviewing the electoral system established under the Constitution; it submitted its recommendations to the President in January 1963.

The National Assembly met again in November 1962 in an emergency session at Rawalpindi. The third session was held in March 1963, at Dacca.

### **Central Government reorganization**

On the recommendation of the Standing Reorganization Committee, the President ordered the creation of 11 Ministries, 22 Divisions and the accommodation of 5 Divisions in the President's Secretariat.

The Economic Council was reconstituted with appropriate changes, as the National Economic Council. An Executive Committee of the National Economic Council was formed.

### **Provincial Government reorganization**

On the recommendation of the Provincial Administrative Reorganization Committee, sixteen departments have been constituted in the West Pakistan Secretariat. The Commissioners, the Deputy Commissioners and Basic Democrats are given more powers in both Provinces. Reorganization of services and decentralization of their control are taking place based on the Committee's recommendations. Financial Advisers are appointed in the various departments to fully decentralize financial control. A Services and General Administration Department is to be formed in East Pakistan by splitting up the present Home Department and an integrated Communications and Transport Department is being organized.

The Committee made concrete proposals for larger delegation of administrative, executive and financial powers to the Provincial Governments. A fuller classification of the present services in East Pakistan is proposed.

For the Third Five-Year Plan, the Committee recommended a substantial allocation for 'local development' through Basic Democracies and, during the current Plan period, the making of such a provision in the Provincial budget every year.

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POPULATION

THE STATISTICAL data which have become available in the reports so far issued by the Census Commissioner regarding the 1961 census show that total population stood at 94.5 million, which is more than 3 per cent of the total world population of 3,061 million. It is about 5.5 per cent of the Asian population, estimated at 1,714 million. Pakistan's population is the sixth largest in the world. The table below shows the population of some selected countries.

POPULATION OF SELECTED COUNTRIES (MID-1961 ESTIMATES)

	Million
China (Mainland) ..	670
India ..	442
U. S. S. R. ..	218
U. S. A. ..	184
Indonesia ..	95.7
Pakistan ..	94.5
Japan ..	94.1

The relative importance of Pakistan in Asia and the world in relation to other Continents may be seen from the following table.

MID-1961 ESTIMATES OF WORLD POPULATION

	Million
World total ..	3,061
Africa ..	261
North America ..	273
South America ..	148
Asia ..	1,714
Europe ..	430
Oceania ..	17
U. S. S. R. ..	218
Pakistan ..	94.5

The rate of population growth is even higher in Pakistan than in some of the neighbouring countries who are known for their teeming millions. For instance, between 1951-61, the rate of growth in India was 21.1 per cent compared to 23.7 per cent in Pakistan. In comparison with the average growth rates for the whole world and for the various Continents, the growth rate in Pakistan in the 1960's was second only to that of Oceania and considerably above the others as shown in the table below.

#### ANNUAL RATE OF POPULATION INCREASE (1950-59)

World total	..	1.7
Africa	..	1.9
America	..	2.1
Asia	..	1.8
Europe	..	0.8
Oceania	..	2.4
U. S. S. R.	..	1.7
Pakistan	..	2.2

Among the individual countries, Pakistan's annual rate of population growth is one of the highest in the world. The rate of population growth is theoretically, closely related to the stage of economic development. In the industrialized countries, the rate tends to fall. In some countries such as Ireland, the population is actually declining. In the underdeveloped countries, however, the rate of growth is either constant or tends to rise. Pakistan's growth rate shows an upward trend which was discussed in the *Economic Survey*, 1961-62. The latest United Nations estimates of the annual growth rate of population of selected countries are given in the following table, which shows that the growth rate is high in the underdeveloped countries while it is low in the developed countries.

#### ANNUAL RATE OF POPULATION GROWTH IN SELECTED COUNTRIES

		Per cent.
Ghana	..	4.92
Malaya	..	3.48
Turkey	..	2.93
Pakistan	..	2.16
Argentina	..	2.15
United States of America	..	1.58
United Kingdom	..	0.44
Ireland	..	(-) 0.43

A high growth rate of population necessitates a high rate of savings and investment if the existing standard of living is to be maintained or to be raised. According to well-known belief, if a country's population increases by one per cent annually, the maintenance of the existing



# GROWTH OF POPULATION

IN  
LAKHS  
1000

  
EAST PAKISTAN

  
WEST PAKISTAN

800

600

400

200

0

1901

1911

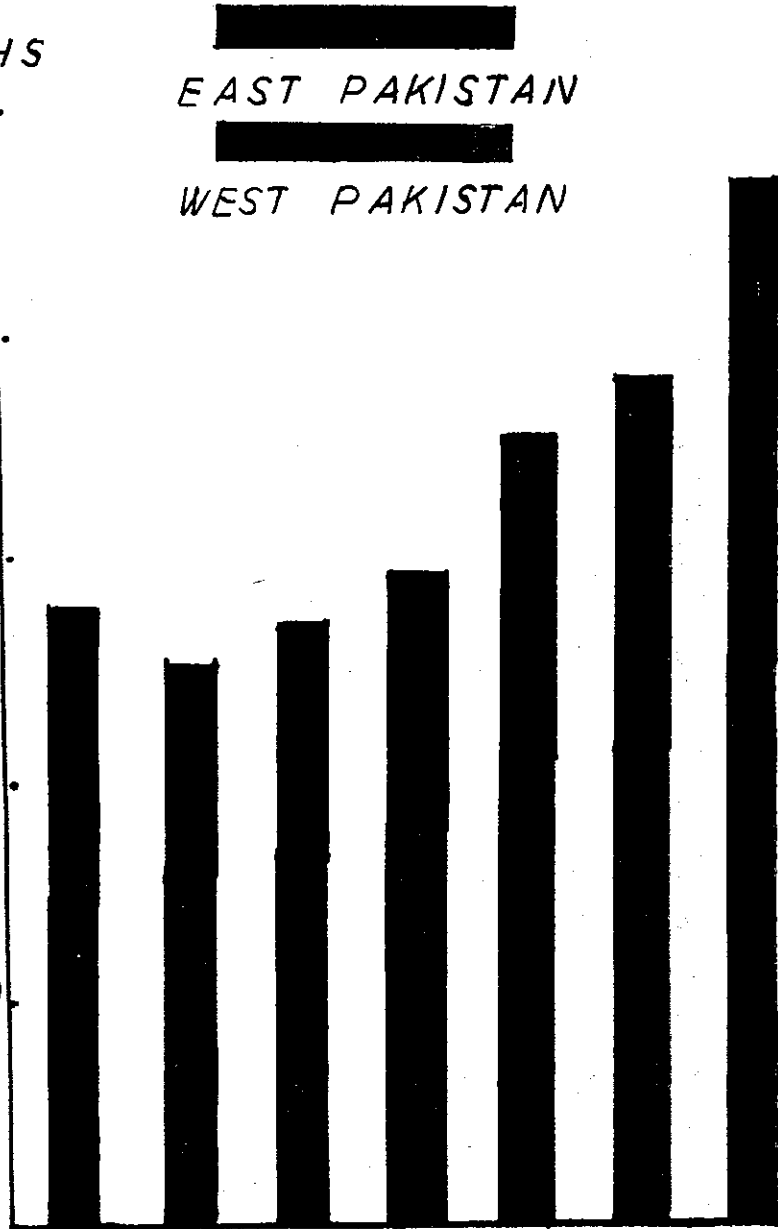
1921

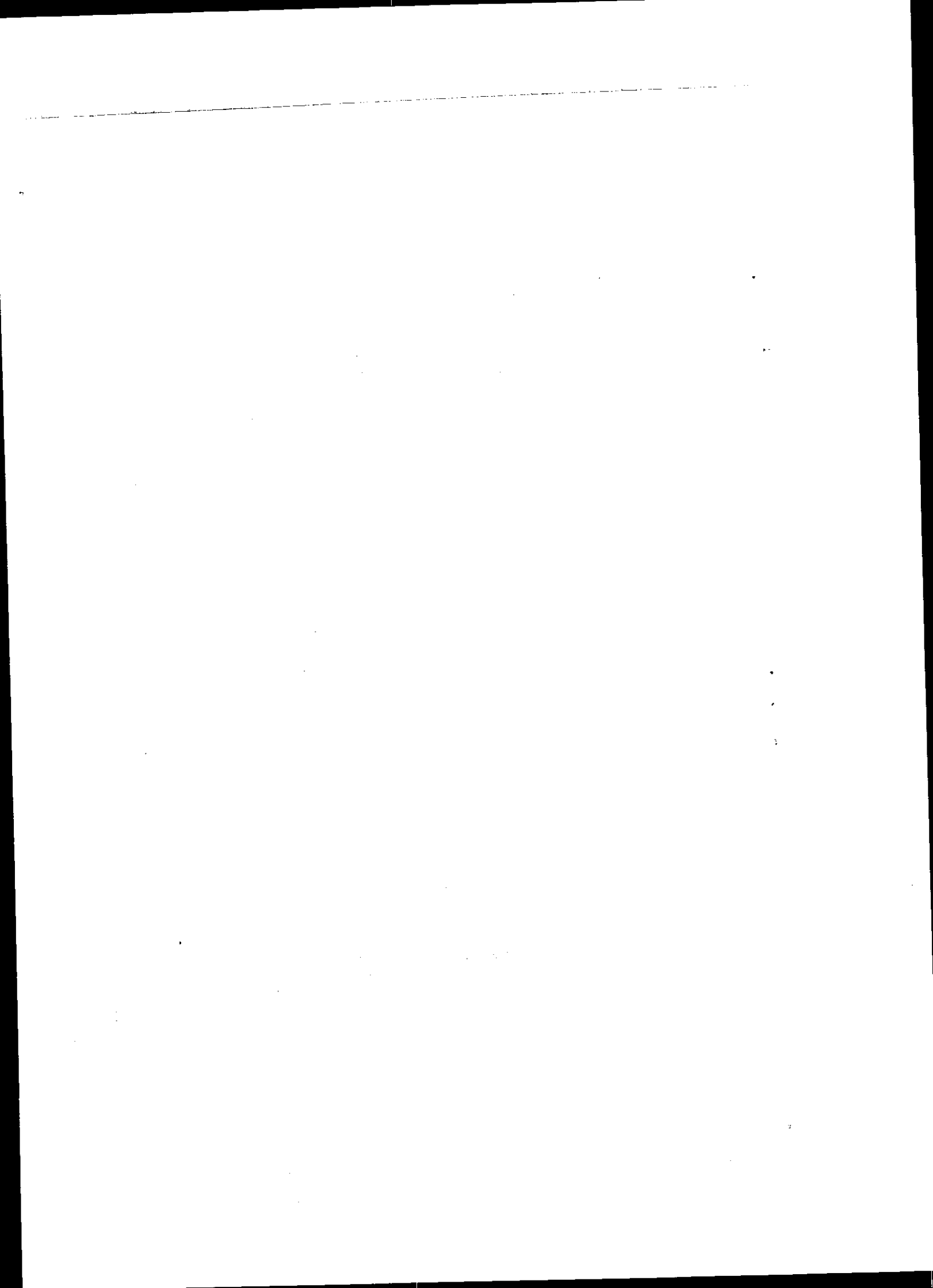
1931

1941

1951

1961





standard of living requires the investment of 2 to 3 per cent of its national income. According to this standard, Pakistan with its 2.2 per cent growth rate, should, in order to maintain the existing living standard invest annually about 4.5 to 6.5 per cent of its annual national income, and more than 6.5 per cent, if the standard of living is to be improved. Another way of improving the standard of living would be by a lowering of the growth rate of population.

### ANALYSIS OF PAKISTAN'S POPULATION

In the chapter on population in the *Economic Survey, 1961-62*, the relation between population growth and economic development was analysed with special reference to Pakistan. However, the analysis was somewhat incomplete as full data relating to the 1961 census were not then available. By now most of the facts and figures have been released by the Census authorities. In the following paragraphs the 1961 census figures are analysed under four major categories, age, sex, literacy, and economic characteristics, each of which has an important bearing on the rate of economic growth.

### DISTRIBUTION BY AGE GROUPS

The age distribution of the population has an important effect upon the number of workers and the ratio of workers to dependants and the total population. The 'Active' population is generally defined to include all between the ages of 15 and 64. In Pakistan, however, all who are 60 or more are classified in a single group. The active population therefore, has to be defined as including all between the ages of 15 and 59. The census figures of 1961 show that 4,47,17,335 persons out of a total of 9,02,82,674, viz., 49.53 per cent, were between the ages of 15 and 59. This indicates a deteriorating trend in comparison with a decade earlier. In 1951 the percentage of people between the ages of 15 and 59 was 52.46, a fall of 2.93 points. It is, however, uncertain how much importance should be attached to the age factor in countries where there are few complete and reliable birth records and the age records are based mainly on guess-work. These factors must, however, be compared in this and previous census records.

In Pakistan, the age distribution by sex is very important, as most of the economically active people are drawn from the male population and only a fraction of the female population, is gainfully employed. In 1961, 49.62 per cent of the total male population was in the 15-59 age group, compared to 52.94 per cent in 1951.

The female population in the 15-59 age group, expressed as percentage of the total female population declined more slowly, from 51.91 in 1951 to 49.43 in 1961 than the corresponding percentage for either, the total population (both sexes) or the male population.

### Increase in population by age-groups (1951-61)

Total population increased between 1951 and 1961 by 23.69 per cent. The increase in East Pakistan was 20.9 per cent and in West Pakistan 27.1 per cent. This increase, however, was not uniform in all age groups. In the 0-9 age groups, i.e., school-going children, it was most rapid i.e., at a spectacular rate of 53.22 per cent. The 60+ age group

increased by 48.63 per cent. In the 10-14 age group there was actually a decline. Altogether the number of dependents increased more than the number of self supporting persons, and the ratio of the 15-59 age groups to total population declined. Details are given in the table below.

#### PERCENTAGE VARIATIONS IN POPULATION BY AGE GROUP (1951-61)

Age group	1951	1961	Percentage variation
All ages .. .. .	7,29,93,118	9,02,82,674	(+)23.69
0-14 + 60 and over .. .. .	3,47,03,157	4,55,65,339	(+)31.30
15-59 .. .. .	3,82,89,961	4,47,17,335	(+)16.79

*Note.* Excluding non-Pakistanis and population of agencies, Added and Special areas of Frontier Regions of West Pakistan. Also excludes Jammu and Kashmir, Gilgit and Baltistan, Junagarh, Manavadar and Pakistan enclaves in India.

The above table shows that the 15-59 age group included more than half the total population in 1951, but less than half in 1961.

#### DISTRIBUTION BY SEX

In 1951, the male-female ratio was 112.7 to 100. In 1961, this ratio declined to 111.1. This shows that the female population increased at a faster rate than the male population. Total population increased at the rate of 23.69 per cent, male population by 22.87 per cent and female population by 24.60 per cent. As most of the labour force consists of male workers, and females participate rarely in gainful employment, these figures explain in part the increase between 1951 and 1961 in the ratio of dependants to self-supporting persons. The following table shows the relevant facts.

#### DISTRIBUTION OF POPULATION BY SEX (1951-61)

Sex	1951	1961	Percentage variation
Both sexes .. .. .	7,29,93,118	9,02,82,674	+23.69
Male .. .. .	3,86,70,927	4,75,16,890	+22.87
Female .. .. .	3,43,22,191	4,27,65,784	+24.60
Male-female ratio .. .. .	112.7	111.1	

*Note.* These figures do not include non-Pakistanis and the population of Special areas.

### Marital status of women

In a modern society, the marital status of woman is important from the point of view of the labour force. A woman can take up any occupation if she is educated and mould her career according to the requirements of that occupation. Further, the period of her potential employment depends largely upon the period a woman remains unmarried.

In some cases, even married women take up jobs in various lines. Their chance of employment, however, depends upon the number of children they bear. With a large number of children, it is difficult for a woman to get rid of her domestic commitments. Further, as the number of her children increases, the scope of employment for a woman decreases.

In Pakistan, rural women rarely take up profitable employment, although the assistance they give to the male members of their families in various functions pertaining to agriculture is very useful. With the growth of industrialization and urbanization the scope for the increased participation of women in gainful employment is increasing. The number of woman workers increased from 13.17 lakhs in 1951 to 37.62 lakhs in 1961—an increase of about 186 per cent. It is relevant to note that during the same period total population increased by 23.69 per cent and the civilian labour force by 31.35 per cent.

The Census of 1961 shows that there was a slight change in the marital status of women over the last decade. In 1961, 46.20 per cent of females were unmarried as compared to 45.14 per cent in 1951. Of the total number of women 43.92 per cent were married as compared to 44.84 per cent in 1951. The percentage of widows declined slightly from 9.62 to 9.48 and that of divorced women from 0.40 to 0.39.

The average number of children per married woman increased between 1951 and 1961 by 20.04 per cent.

### DISTRIBUTION BY LITERACY

According to the definition of the 1961 census, literacy is the ability to read with understanding a short statement on every day life in any language. A literate person may, however, be unable to write similar statement. This definition differs from that used in the first census of 1951, when people were classed as literate if they could read clear print in any language even without understanding.

As Pakistan is predominantly a Muslim country, an appreciable part of its population can read the Holy *Quran* without understanding. These people, however, have not been treated as literate in the 1961 census.

This change in the definition of literacy means that any increase shown in the literacy rate in 1961 compared with that of 1951 greatly underestimates the actual rate of increase.

In estimating the number of the literate population, and the percentage of literacy, children below 5 years are excluded. The Census Commissioner has, however, prepared an additional table to show the percentage of literate people to total population, including children below 5. This percentage is 17.6 in East Pakistan and 13.6 in West Pakistan.

The percentage of literates to total population of 5 years and over is 19.2—21.5 in East Pakistan and 16.3 in West Pakistan. The table below gives the details.

LITERACY BY SEX AND PROVINCES—1961 CENSUS

Region	NUMBER OF LITERATES			PERCENTAGE OF TOTAL POPULATION			PERCENTAGE OF POPULATION OF 5 YEARS & ABOVE		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
Pakistan ..	1,43,35,809	1,11,06,746	32,29,063	15.9	23.4	7.6	19.2	28.9	9.3
East Pakistan ..	89,55,501	68,46,160	21,09,341	17.6	26.0	8.6	21.5	31.5	10.7
West Pakistan ..	53,80,308	42,60,586	11,19,722	13.6	20.1	6.1	16.3	23.9	7.4

There is a wide disparity in literacy between rural and urban areas. In urban areas, the literacy percentage is 35.8 and in rural areas only 16.6. East Pakistan in this respect is more advanced than West Pakistan. In the urban areas of East Pakistan, the literacy percentage is 45.7, compared to 33 in the urban areas of West Pakistan. In the rural areas, the disparity between East and West Pakistan, is still wider—20.2 in East Pakistan and 10.9 in West Pakistan.

The literacy percentage is also higher among males than among females, and in this respect the women of West Pakistan are the most backward. The following table shows the relevant facts.

LITERACY BY SEX IN URBAN AND RURAL AREAS

PER CENT OF POPULATION OF 5 YEARS AND OVER

NUMBER OF LITERATES

Region	Urban			Rural			Urban			Rural		
	Both Sexes Total	Male	Female	Both Sexes Total	Male	Female	Both Sexes Total	Male	Female	Both Sexes Total	Male	Female
Pakistan†	37,03,021	26,70,434	10,32,587	1,06,32,788	84,36,312	21,96,476	35.8	45.0	23.3	16.6	25.0	7.2
East Pakistan	10,23,006	7,39,010	2,83,996	79,32,495	61,07,150	18,25,345	45.7	54.8	31.9	20.2	29.9	9.7
West Pakistan	26,80,015	19,31,424	7,48,591	27,00,293	23,29,162	3,71,131	33.0	42.2	21.2	10.9	17.5	3.2

† Excludes non-Pakistanis, population of Agencies, and of Special Areas of Frontier Regions in West Pakistan, Jammu and Kashmir, Gilgit and Baltistan, Junagadh and Manavadar and Pakistan enclaves in India.

### Progress of education

The difference between the definitions of literacy in the 1951 and 1961 censuses as mentioned earlier means that the literacy standards of the two censuses are not comparable. However, it is possible to compare the numbers of students who have attained certain definite standards such as matriculation, degree, etc. The following table shows the changes between 1951 and 1961.

NUMBER OF MATRICULATES, GRADUATES AND POST-GRADUATES IN 1951 AND 1961

Region	MATRICULATES <sup>2</sup>			GRADUATES			POST-GRADUATES		
	1951	1961	Percent- age change	1951	1961	Percent- age change	1951	1961	Percent- age change
Pakistan .. ..	5,21,856	8,84,148	+69.4	85,988	82,069	-4.6	22,546	31,470	(+ )39.6
East Pakistan .. ..	2,82,158	2,99,967	+6.3	41,484	28,069	-32.3	8,117	7,146	(- )12.0
West Pakistan .. ..	2,39,698	5,84,181	+143.7	44,504	54,000	+21.3	14,429	24,324	(+ )68.6

<sup>2</sup>Including Intermediates.

The decrease in the number of graduates and post-graduates and a slight increase in the matriculates in East Pakistan may be partially attributed to the following factors:

1. Migration of educated Hindus from East Pakistan. The data available with the Census Organization but not yet published substantiate this statement since the decrease in the number of educated Hindus is large while that of Muslims is considerably smaller.
2. Employment of sufficient number of East Pakistani matriculates, graduates and post-graduates in West Pakistan in commercial and industrial establishments and especially Central Government Offices.

### ECONOMIC CHARACTERISTICS

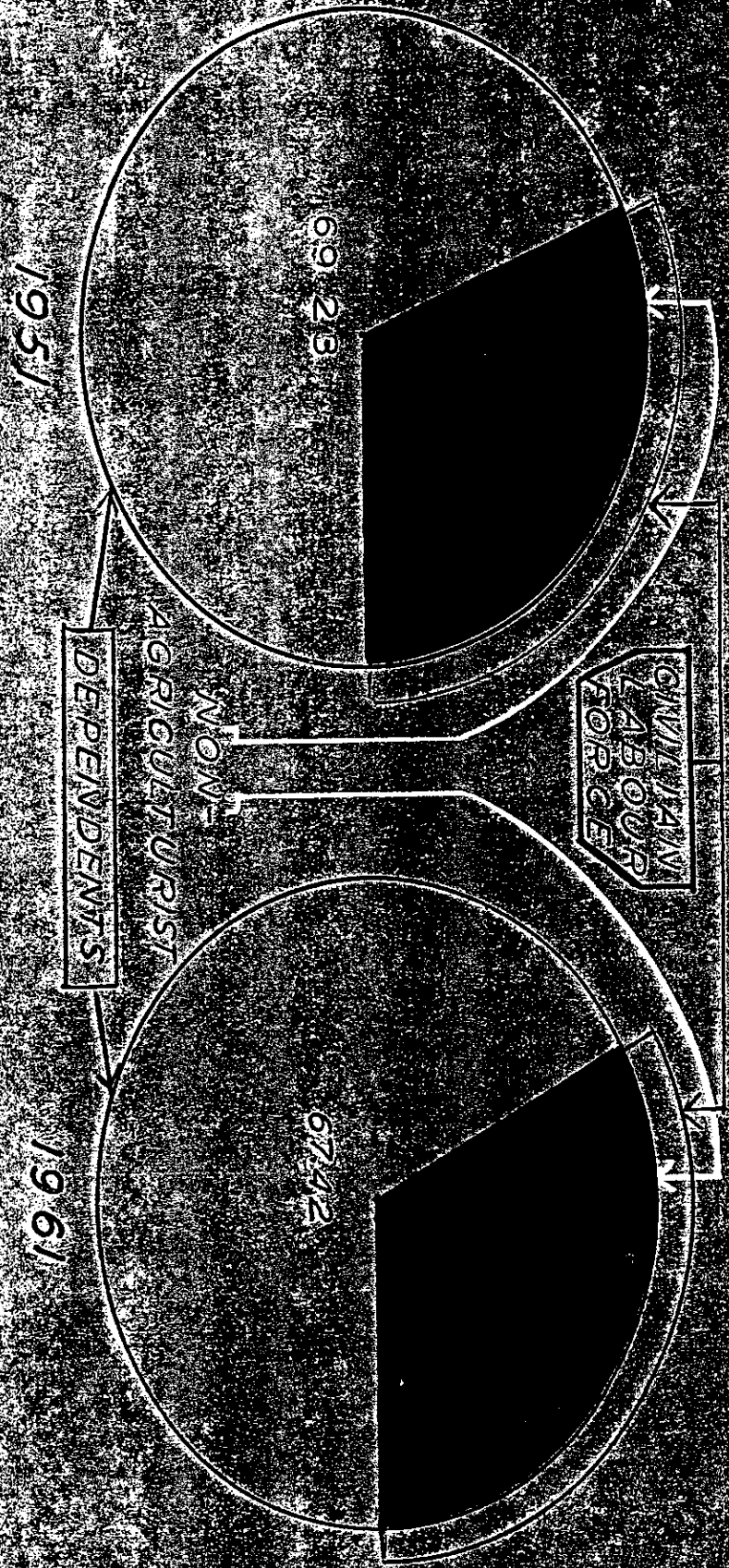
All the symptoms of underdevelopment are present in the civilian labour force as indicated in the first two censuses of 1951 and 1961. During the decade ending 1960, there was some improvement in this situation, but not enough to bring about any rapid economic development.

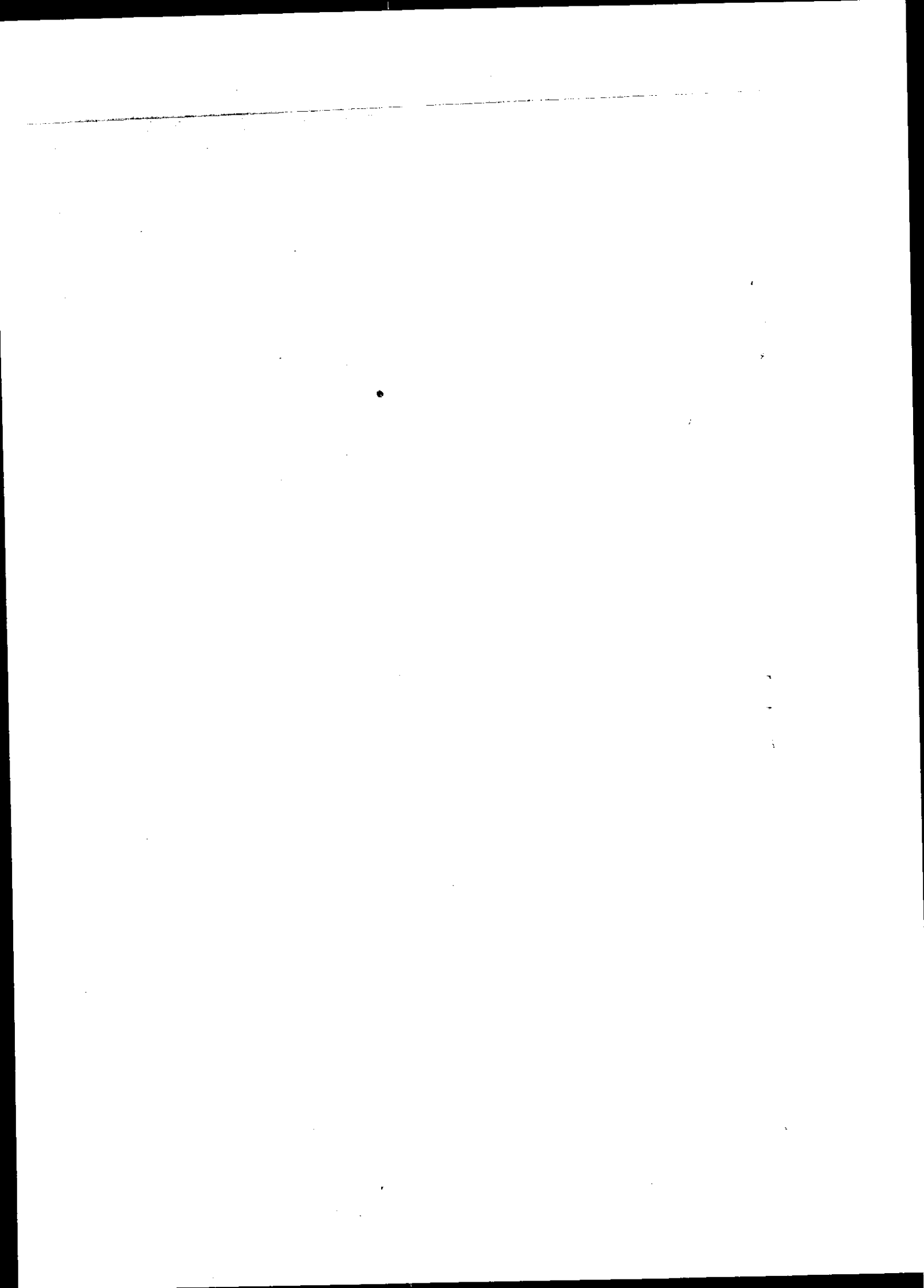
The definition of civilian labour force in the 1961 census was different from that adopted in 1951. In the 1961 census all persons of ten years of age and above were considered for inclusion in the labour force, although not all were in fact included. In the 1951 census, on the other hand, the minimum age considered in enumerating the economically active population was 12 years. According to the 1961 census, there were 3,02,05,981 persons or 33.46 per cent of total population in the civilian labour force (excluding Frontier Regions). Of these 2,64,43,488 were male and 37,62,493 female. In East Pakistan the number was 1,74,42,957, i.e., 24.31 per cent of total population, and in West Pakistan it was 1,27,63,024 i.e., 32.36 per cent of total population. If the 1951 definition had been retained the civilian labour force, i.e., persons of 12



# DISTRIBUTION OF POPULATION BY ECONOMIC CATEGORIES

1951-1961





years and above, would have increased between 1951 and 1961 by 31.35 per cent, from 2,23,92,684 to 2,94,12,747. The increase in total population (excluding Frontier Regions) between 1951 and 1961 was 23.69 per cent. Thus the growth rate of the civilian labour force was greater than that of total population.

In 1961, according to the old definition (12 years and above), the civilian labour force was 32.58 per cent of total population compared to 30.68 per cent in 1951, an increase of 1.90 points during the decade. This improvement is partly due to the increased participation of the female population in economic activities. The number of women in the civilian labour force increased by 186 per cent from 13,16,548 in 1951 to 37,62,493 in 1961. In East Pakistan the percentage increased by 2.43 points, from 30.73 to 33.16 and in West Pakistan it increased from 30.61 to 31.83 i.e., 1.22 points.

In Pakistan male workers form the overwhelming majority of the economically active population. Of the total male population of 4,75,16,890 in 1961, 264,43,488, or 55.65 per cent were in the civilian labour force. The ratio of working women to total female population was very small, only 8.8 per cent or 37,62,493 out of a total female population of 4,27,65,784. This percentage (10.78) was higher in East Pakistan than in West Pakistan where it was only 6.14.

The agricultural sector is still predominant, although it is gradually losing ground to the non-agricultural sector. In 1961, 74.3 per cent of civilian labour force was in agriculture while only 25.7 per cent was in other fields. In 1951, the percentage of the civilian labour force engaged in agriculture was 75.5 per cent, 24.5 per cent being employed in other fields.

In East Pakistan, the importance of agriculture is greater than in West Pakistan. In 1961, 85.26 per cent of the total civilian labour force in East Pakistan was in agriculture (compared to 83.15 per cent in 1951) and only 14.74 per cent was in other fields. Agricultural labour in East Pakistan in fact increased at a faster rate than either total of the civilian labour force or non-agricultural labour.

In West Pakistan, in 1961, 59.31 per cent of the civilian labour force was in agriculture (compared to slightly over 65 per cent in 1951). The non-agricultural labour force increased more rapidly (by 55 per cent) between 1951 and 1961 than either total population, total civilian labour force or the agricultural labour force.

## NATIONAL INCOME

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IN THE *Economic Survey*, 1961-62, it was pointed out that in Pakistan, as in other underdeveloped countries, national income estimates suffer from many limitations. Only one table of national income is prepared annually by the Central Statistical Office, in terms of constant prices (by industrial origin). Because of certain statistical difficulties the method used does not correspond precisely to that recommended by the United Nations Organization.

The Government, however, took some concrete steps recently to improve the methodology of the estimation of national income. An informal Committee of local and foreign experts was constituted on November 6, 1961, by the Director-General of the Central Statistical Office with the following terms of reference :

1. To make a critical appraisal of the present national income series with a view to—
  - (i) recommend, within the limitations of the currently available data, how this series may be revised ;
  - (ii) suggest specific improvements in the quality of basic data ; and
  - (iii) recommend ways and means for filling essential gaps therein.
2. To recommend a phased programme for establishing an integrated system of national accounts, with specific provision for regional estimates in respect of East and West Pakistan.
3. To advise on the provision of guidelines for potential users of national accounts, both official and unofficial, concerning the scope and limitations of these data and illustrating their relevance for the shaping of economic and social policy of the country.
4. To advise on the formulation of a programme of research in the field of national accounting by specialized institutions and universities.

The Committee submitted its report to the Director-General of the Central Statistical Office on July 30, 1962. The Committee made a number of recommendations. The most important ones are :

1. National Accounts should cover annual period from July to June.

2. National Accounts should contain separate estimates for each Province (East and West Pakistan) and aggregate estimates for the country as a whole.
3. The estimates should be presented in both current and constant prices.
4. The Central Statistical Office should present each year an integrated set of national accounts consisting of the following estimates :
  - (i) National product (*i.e.*, distribution by industries) ;
  - (ii) National expenditure (*i.e.*, consumption and investment expenditure) ;
  - (iii) National income by type of organization ; and
  - (iv) National income by distributive shares.

The Committee regarded tables (i) and (ii) above as the minimum for the presentation of national accounts. However, it strongly recommended that in due course all accounts be included.

5. Each of these estimates should be prepared in accordance with the United Nations manuals on National Accounts and with the detailed recommendations presented in the subsequent parts of the Committee's report.
6. All estimates should be published together with the relevant supplementary tables and explanatory notes indicating the methods and accuracy of the estimates.
7. Estimates for each current year should be put together with the data for the past years in the form of time series.
8. The time series of estimates should be followed by a broad analysis of changes in the size, structure and distribution of the national economic aggregates. The analysis should concern itself with the past trends in the national accounts as well as with likely developments in the year ahead with a view to providing a better understanding of Pakistan's economic development.
9. All the statistics, notes, and analysis as described in Nos. 1-8 above should be published annually by the Central Statistical Office under the title National Accounts of Pakistan.

The Committee, however, recognized that the recommended changes in the national income estimates, were of a major character and that it was not immediately possible to incorporate them. However, the Committee suggested that minor revisions in the estimates from 1961-62 onwards could be made soon in the light of the recommendations contained in the report.

The Committee recommended that in 1964 the publication of the national accounts of Pakistan should also contain revised series for 1955-56 to 1959-60 (First Five-Year Plan), in addition to the series covering 1960-61 to 1962-63, and provisional estimates for 1963-64. These recommendations are receiving the careful attention of the Central Statistical Office.

The Central Statistical Office is taking necessary steps to improve not only the methodology of the preparation of estimates but also the accuracy of national income data. The Office has already revised the national income estimates in constant prices and has prepared estimates in current prices in accordance with the recommendations of the Committee of Experts on National Accounts.

### NEED FOR THOROUGH STUDY OF NATIONAL INCOME PROBLEMS

Modern economics aims more and more at tackling its important problems by the application of a national accounting system. Therefore, the study of problems relating to the national income are assuming increasing importance.

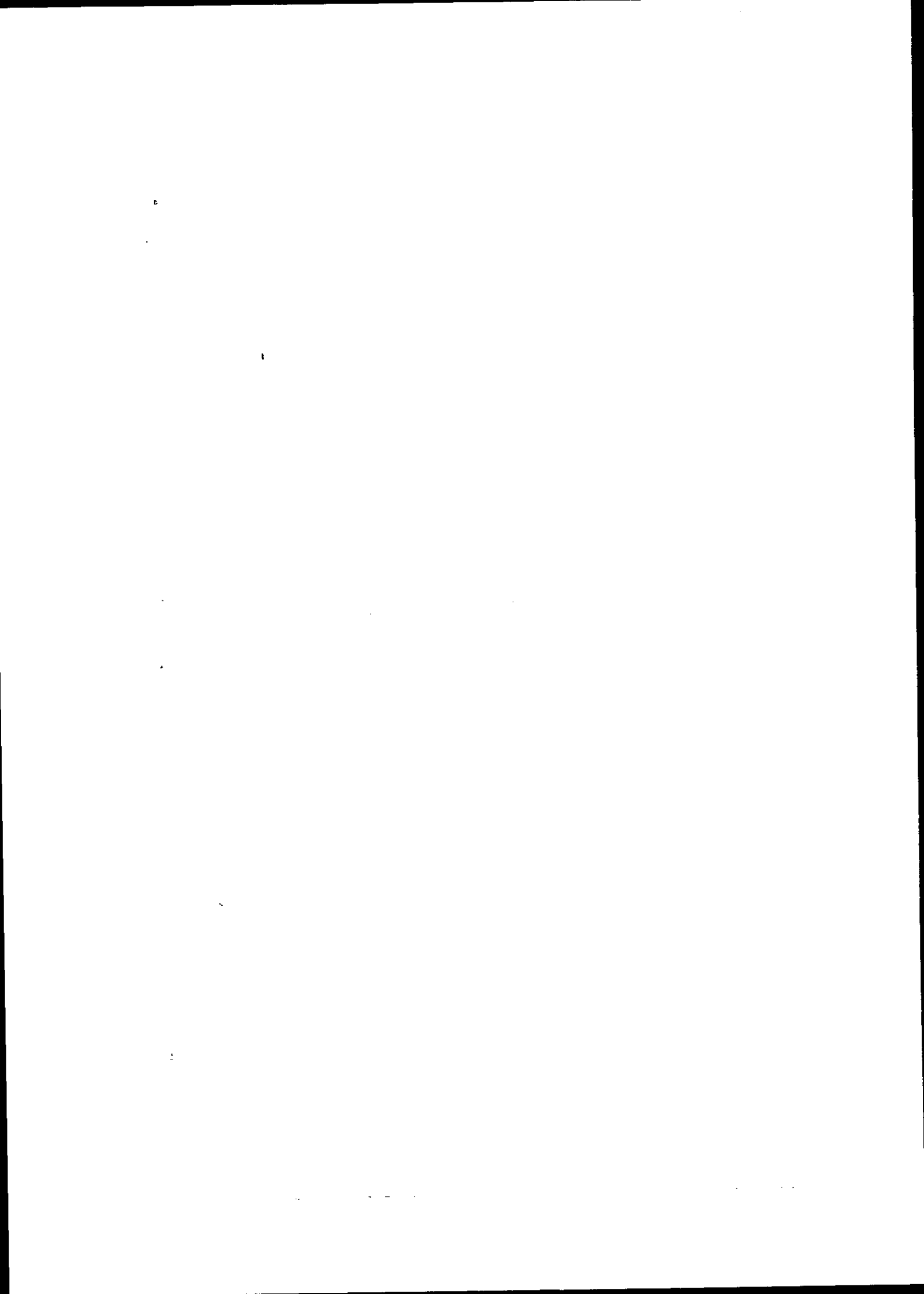
Economic development has brought with it several economic, social and political problems which necessitates an early and thorough study of the national income and its various aspects. Regional disparity of income and wealth are one of the most important issues. The Government are committed, and are taking various measures to remove the disparity between the various regions and especially between East and West Pakistan. A definite procedure to this effect has been laid down in Article 145 (4) of the Constitution which provides for removal of disparities between the Provinces and different areas within a Province in relation to income per capita.

Similarly the Government need to be able to measure accurately the shifts and resources that are taking place in the process of economic development, among the different sectors of the economy and the population, in order to adapt its policies to the requirements of national growth and progress. For example, tax measures must be adjusted to the financial capacity of different sectors, budget and credit allocations to their respective needs and both fiscal and monetary measures pinpointed to stimulate economic growth along the lines laid down in the Plan. Reliable up-to-date and fairly sophisticated national accounts data are of vital importance for making sound judgements in these fields.

### NATIONAL INCOME COMMISSION

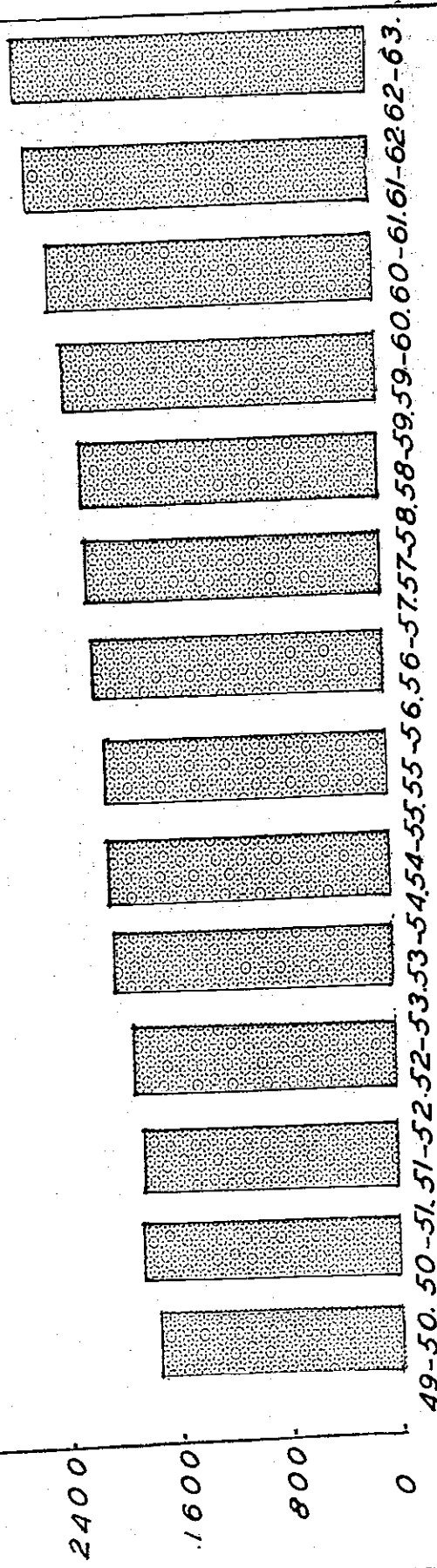
It is hoped that a more satisfactory plan for compilation of these data will be established by the report of the National Income Commission, which was appointed by the Government on April 3, 1963. It consists of Mr. Abdul Qadir, former Minister of Finance, as Chairman and six well-known economists and statisticians and is charged with studying the problems of income statistics and allied matters with the following terms of reference.

1. To examine the available data and the requirements for compilation of national income accounts.
2. To recommend ways and means of collection of accurate and fuller data required for the preparation of national income statistics.
3. To report on suitable classifications under which national income statistics should be prepared, keeping in view particularly the need for separate statistics for the two Provinces and for areas in different stages of development within the



RS. IN CRORES

# TOTAL NATIONAL INCOME OF PAKISTAN





Provinces so as to assist the National Economic Council in fulfilling the obligations placed on it under Article 145(4) of the Constitution.

4. To recommend lines of guidance to the Central Statistical Organization for setting up national accounts procedures ; and
5. To make recommendations regarding promotion of research in the field of national income statistics.

The Commission is to submit its report as early as possible on completion of its investigations. The assistance of foreign experts with special knowledge of national income problems will be made available to the Commission.

### REVISED NATIONAL INCOME ESTIMATES

As stated in the preceding paragraphs, the national income estimates in constant prices have been revised and estimates in current prices have been prepared by the Central Statistical Office. Estimates—original as well as new ones—in constant prices and those in current prices are shown in the table below.

NATIONAL INCOME						(In crore rupees)		
Year						IN CONSTANT PRICES (BASE : 1949-50 to 1952-53= 100)		IN CURRENT PRICES
						<i>Old estimates</i>	<i>New estimates</i>	
						1949-50	..	..
1950-51	..	..	..	..	1,857.5	1,862.3	1,787.7	
1951-52	..	..	..	..	1,852.2	1,848.8	1,917.5	
1952-53	..	..	..	..	1,876.1	1,902.3	1,943.5	
1953-54	..	..	..	..	1,972.2	2,017.7	1,919.6	
1954-55	..	..	..	..	2,006.4	2,034.3	1,817.8	
1955-56	..	..	..	..	1,958.6	2,008.6	1,976.7	
1956-57	..	..	..	..	2,088.2	2,137.5	2,336.0	
1957-58	..	..	..	..	2,101.1	2,147.1	2,515.7	
1958-59	..	..	..	..	2,085.0	2,185.8	2,486.7	
1959-60	..	..	..	..	2,168.3	2,273.8	2,792.4	
1960-61	..	..	..	..	2,294.3	2,355.9	2,976.3	
1961-62	..	..	..	..	2,380.2	2,495.6	3,261.6	
1962-63	..	..	..	..	—	2,523.1	—	

On the basis of the above estimates per capita income is shown below.

## PER CAPITA INCOME

(In rupees)

Year	IN CONSTANT PRICES (BASE: 1949-50 to 1952-53 =100)		IN CURRENT PRICES
	Old estimates	New estimates	
	1949-50	236	
1950-51	248	244	234
1951-52	238	234	240
1952-53	234	235	243
1953-54	242	245	233
1954-55	242	243	217
1955-56	232	236	232
1956-57	243	246	269
1957-58	240	243	285
1958-59	234	243	276
1959-60	238	247	304
1960-61	247	251	318
1961-62	251	261	341
1962-63	—	259	—

**National income (1961-62)**

National income estimates for 1961-62, included in the *Economic Survey* for 1961-62 were only preliminary. Final estimates now released by the Central Statistical Office show a faster growth than estimated earlier. Total national income increased by about 6 per cent from Rs. 2,355.9 crores in 1960-61 to Rs. 2,495.6 crores, in 1961-62, at constant prices. Per capita income also increased from Rs. 251 to Rs. 261 during the same period.

**National income (1962-63)**

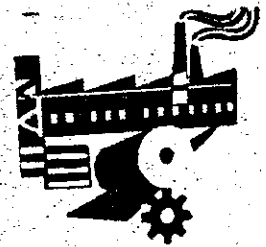
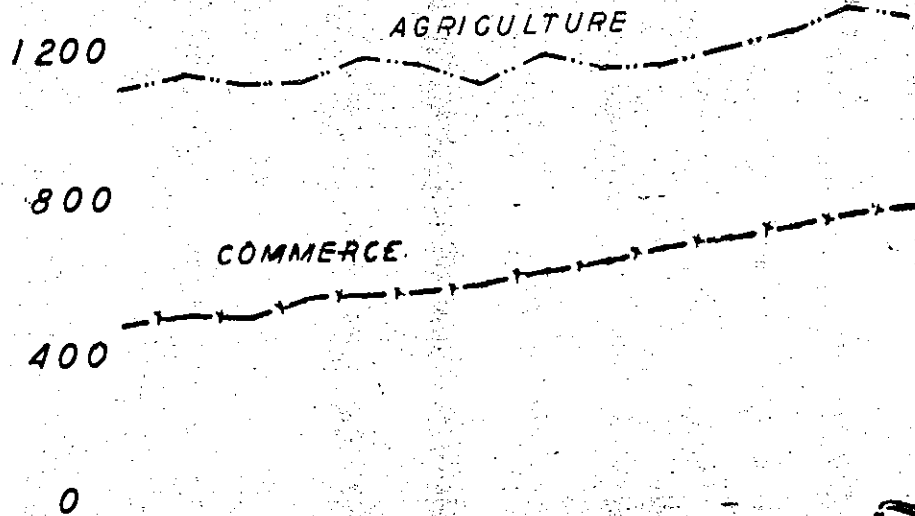
The final estimates for 1962-63 are not yet available. However, preliminary estimates show that total national income in 1962-63 stood at Rs. 2,523.1 crores, an increase of 1.1 per cent only over 1961-62, due to fall in agricultural production caused by climatic factors. The rise in the output of industrial goods was relatively faster. The index of industrial output increased from 119.2 in 1961-62 (Base: 1959-60=100) to 134.6 in the second quarter of 1962-63. The average index of output during the first two quarters of 1962-63 stood at 129.5, showing a six-

# NATIONAL INCOME OF PAKISTAN

RS IN CRORES

AT CONSTANT PRICE BY INDUSTRIAL ORIGIN

1600



RS IN CRORES

400

300

200

100

MINING & INDUSTRIES

OTHERS

1949-50

50-51

51-52

52-53

53-54

54-55

55-56

56-57

57-58

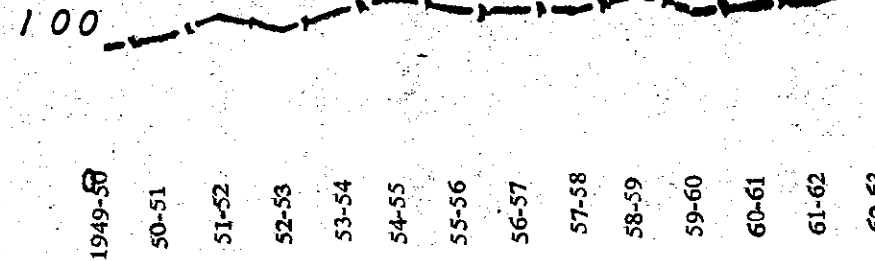
58-59

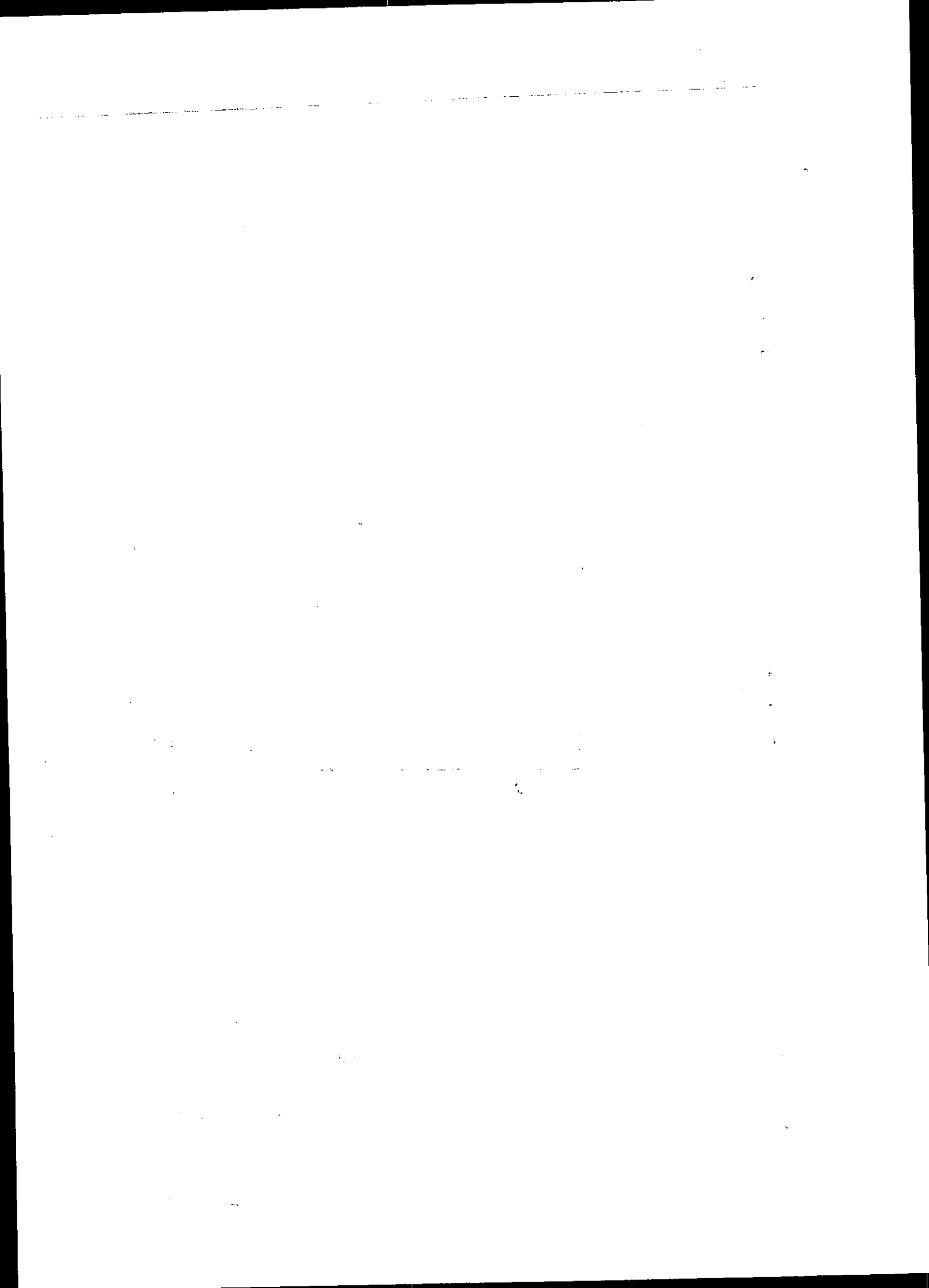
59-60

60-61

61-62

62-63





month increase of 8.6 per cent over 1961-62. This compares favourably with the rise of 7.8 per cent for the full year 1960-61 over 1959-60 and of 10.6 per cent in 1961-62 over 1960-61. Other economic sectors were also more active in 1962-63 than in the preceding year. Per capita income in 1962-63 (in constant prices) stood at Rs. 259, showing a decrease of Rs. 2 or more than 1 per cent from that of 1961-62 due to fall in output in the agricultural sector.

#### NATIONAL INCOME DURING THE SECOND PLAN

The rate of economic growth has been speeded up since the Second Five-Year Plan. The national income in constant prices during the first three years of the Plan increased from Rs. 2,273.8 crores in 1959-60 to Rs. 2,523.1 crores in 1962-63 (provisional), *i.e.*, by 10.9 per cent. The annual rate of increase was roughly 3.6 per cent. Per capita income in constant prices during the three-year period under review increased from Rs. 247 in 1959-60 to Rs. 259 in 1962-63. The aggregate increase in per capita income was 4.9 per cent and the average annual increase 1.6 per cent.

## AGRICULTURAL PRODUCTION AND ORGANIZATION

### III

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THE AGRICULTURAL situation during 1961-62 was satisfactory in both East and West Pakistan mainly because of good weather conditions and various measures taken by the Government to improve agricultural production. Record figures were registered in all the major crops *viz.*, rice, wheat, jute, cotton, sugarcane and tea. For the first time in many years a break-through was achieved in cotton which touched 18.4 lakh bales after remaining stagnant around 17 lakh bales during the past few years. The rice crop again increased, for the third year in succession.

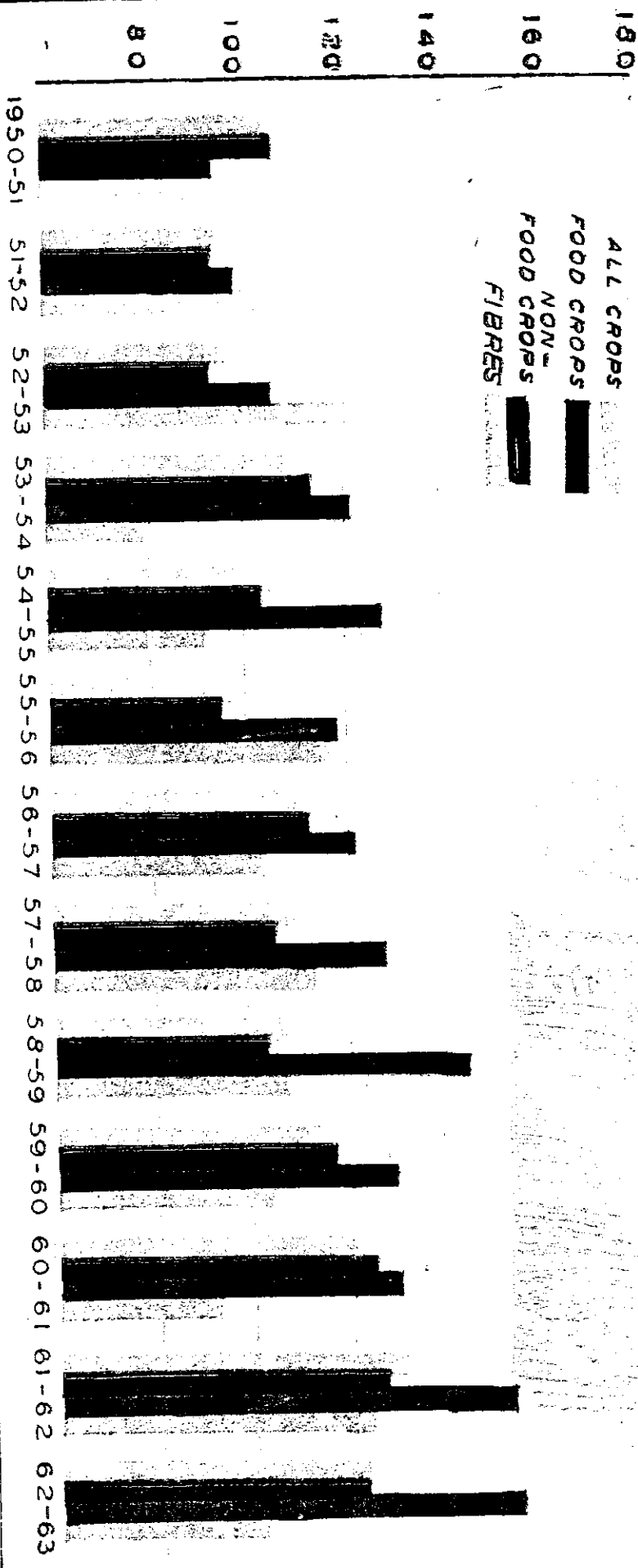
The prospects for agricultural production during 1962-63 present a mixed outlook. Some of the major crops of East Pakistan, *e.g.*, jute, rice and tea, have suffered setback due to the recurrence of flood and drought. In West Pakistan, weather continued to be favourable and good harvests in sugarcane and cotton<sup>1</sup> are expected during 1962-63. Locust activities were reported in West Pakistan but through the vigilance of the Plant Protection Department, this menace is being successfully fought and much of the damage has been averted. On the whole, agricultural production, which had been rising since 1959-60, suffered a setback during 1962-63. The index of agricultural production which had risen steadily from 117 in 1959-60 to 131 in 1961-62, dropped to 126 in 1962-63. The index of non-food crops maintained the rising trend during 1960-61 and 1961-62 but remained steady at previous year's level in 1962-63.

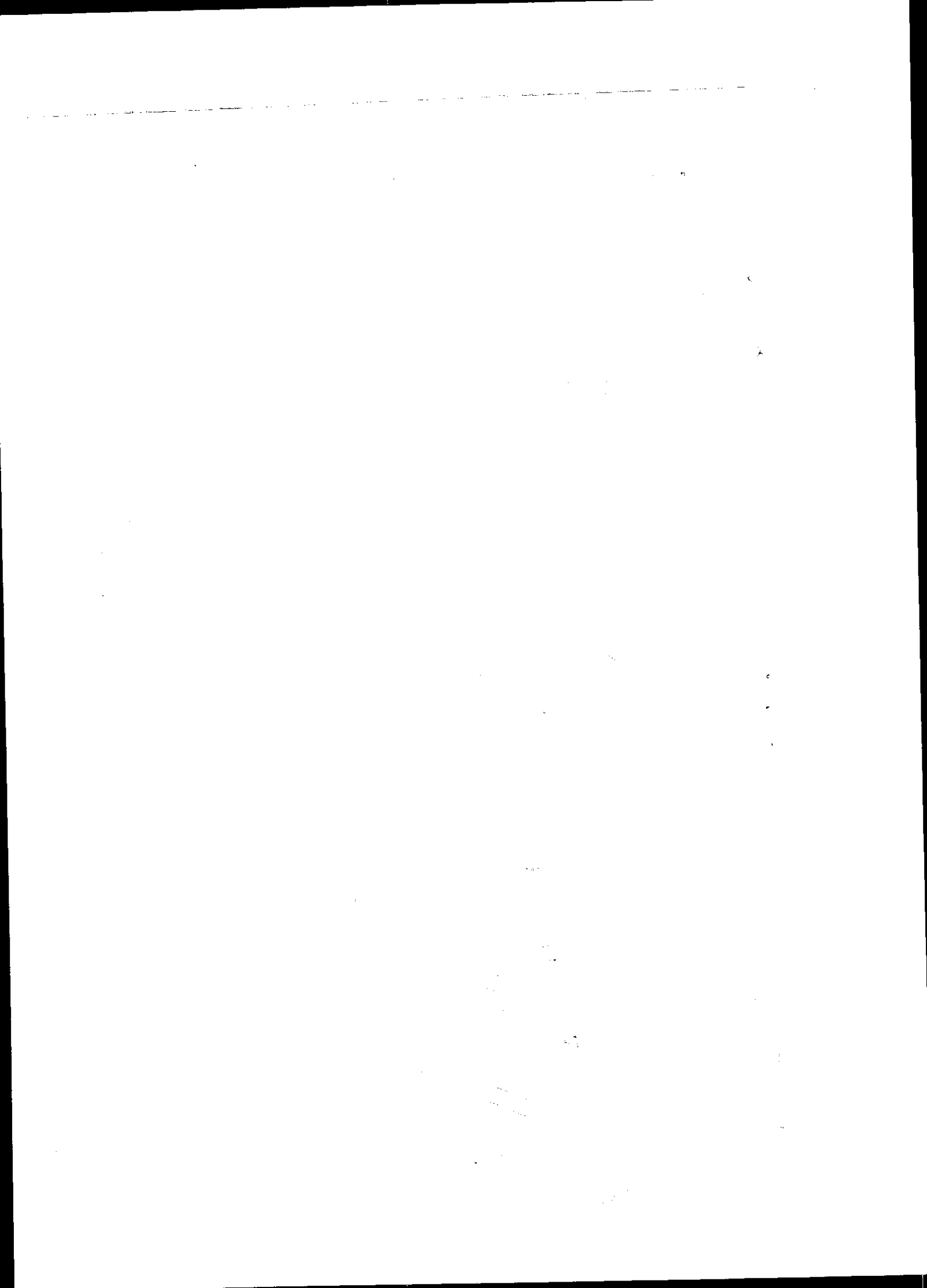
#### ACREAGE AND PRODUCTION

The table on the opposite page shows changes in acreage and yield of principal crops during the last three years.<sup>1</sup>

<sup>1</sup>The figures as used in the table on the opposite page, are based on second official estimates are likely to be revised upwards by the time final estimate figures are released.

# INDEX OF AGRICULTURAL PRODUCTION







## ACREAGE AND PRODUCTION OF PRINCIPAL CROPS

Crop	AREA IN '000' ACRES			PRODUCTION IN '000' TONS				
	1961-62	1960-61	Percentage increase (+) or decrease (-) in 1961-62 over 1960-61	1961-62	1962-63 (a)	1960-61	Percentage increase (+) or decrease (-) in 1961-62 over 1960-61	1962-63 (a)
Rice	23,964	24,804	(-) <u>3.4</u>	10,575	24,281(d)	10,533	(+) <u>0.4</u>	9,871(d)
Wheat	12,571	11,603	(+) <u>8.3</u>	4,064	12,140(c)	3,786	(+) <u>7.3</u>	3,961(c)
Bajra	2,055	1,844	(+) <u>11.4</u>	364	2,104	301	(+) <u>20.9</u>	416
Jowar	1,269	1,177	(+) <u>7.8</u>	245	1,204	218	(+) <u>12.4</u>	248
Maize	1,191	1,207	(-) <u>1.3</u>	487	1,151	439	(+) <u>10.9</u>	486
Barley	544	536	(+) <u>1.5</u>	132	526(b)	135	(-) <u>2.2</u>	139(e)
<b>Total food grain</b>	<b>41,594</b>	<b>41,171</b>	(+) <u>1.0</u>	<b>15,676</b>	<b>41,406</b>	<b>15,412</b>	(+) <u>1.7</u>	<b>15,121</b>
Gram	3,093	2,881	(+) <u>7.4</u>	650	2,926(c)	636	(+) <u>2.2</u>	690(c)
<b>Total food crops</b>	<b>44,687</b>	<b>44,052</b>	(+) <u>1.4</u>	<b>16,312</b>	<b>44,332</b>	<b>16,048</b>	(+) <u>1.6</u>	<b>15,811</b>
Sugarcane	1,388	1,238	(+) <u>12.1</u>	18,548	1,381(c)	15,412	(+) <u>20.3</u>	19,154(c)
Rapeseed and mustard	1,704	1,791	(-) <u>4.9</u>	305	1,648(b)	308	(-) <u>1.0</u>	310(e)
Jute	2,061	1,518	(+) <u>35.8</u>	1,244	1,723	796	(+) <u>56.3</u>	919
Cotton (lint)	3,489	3,242	(+) <u>7.6</u>	322	3,283(c)	(4,457)	(+) <u>7.7</u>	(5,145)
Tea	79	78	(+) <u>1.3</u>	(1,840)	81	(1,711)	(+) <u>37.9</u>	(1,776)(c)
Tobacco	219	198	(+) <u>10.6</u>	(58.8)	207(c)	(42.3)	(+) <u>19.0</u>	(52.0)
<b>Total cash crops</b>	<b>8,940</b>	<b>8,065</b>	(+) <u>10.8</u>	<b>20,545</b>	<b>8,323</b>	<b>16,918</b>	(+) <u>21.4</u>	<b>20,808</b>
<b>TOTAL PRINCIPAL CROPS</b>	<b>53,627</b>	<b>52,117</b>	(+) <u>2.9</u>	<b>36,857</b>	<b>52,655</b>	<b>32,966</b>	(+) <u>11.8</u>	<b>36,619</b>

N.B. Figures in brackets indicate thousand bales for jute and cotton and million lbs. for tea and tobacco.

(a) Provisional except for jute, tea, bajra, jowar and maize.

(b) First estimate.

(c) Second estimate.

(d) Third estimate plus three years' average *boro* production.

(e) Previous three years' average.

In the following pages the condition of some major crops such as rice, wheat, cotton and tea are discussed in some detail. The international situation of these crops, especially their production, stock, trade and prices, are also discussed, because of their direct impact on internal supplies and trade.

## RICE

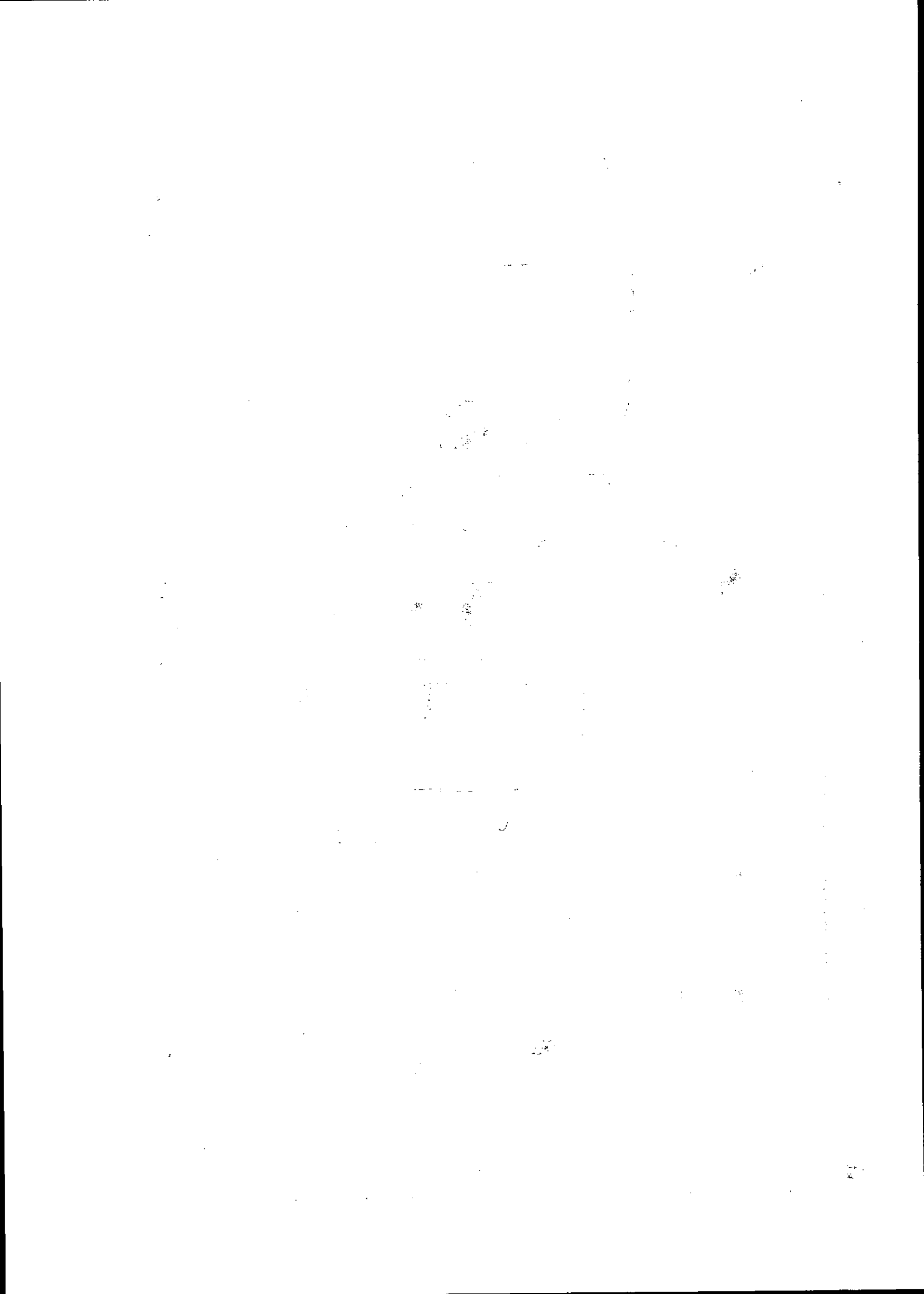
### International situation

In 1961-62, world paddy production, which over the past decade has shown an average increase of more than 2 per cent per annum, remained at 239.2 million tons slightly below the previous season's level of about 239.5 million tons. In the Far East, there were bumper crops in India, Pakistan, the Philippines, Korea, China and Taiwan, but unfavourable weather reduced harvests in Burma, Cambodia, Indonesia and Japan, and production in the region as a whole (excluding Mainland China) was unchanged at 131 million tons. Output in the rest of the world was slightly smaller than in 1960-61.

Preliminary data indicate that the volume of world exports (including re-exports) in 1962 failed to recover appreciably from the reduced 1961 level of 5.9 million tons. Shipments from Burma and the United States, as well as from a number of smaller exporting countries in Latin America and other regions, were unexpectedly heavy. However, lower supplies in some traditional exporters, including the United Arab Republic and Viet-Nam, forced smaller exporting countries to reduce their foreign sales in order to conserve adequate supplies for their home markets.

With rice production lagging behind population growth in several areas, world import demand for rice was well sustained in 1962, and may have been stronger than in 1961. Among regular Far Eastern importers, the Philippines became self-sufficient, but most of the other deficit countries maintained, or even expanded, their purchases. The pressure on the somewhat reduced supplies caused free market support prices to show a pronounced increase in the first half of 1962. Bilateral contract prices, as discussed below, have been stable in recent years. On the whole, the general price level in the free market was about 10 per cent higher than in the previous year, and the F.A.O. index of export prices averaged about 104 (1957-59=100). This recovery was probably sufficient to raise the total value of rice exports.

Since carry-over stocks in exporters' hands again remained relatively small at the end of 1961-62, supplies for sale in the calendar year 1963 must be drawn largely from the current crops. So far, the prospects for these harvests are generally satisfactory, though there has been some damage from floods, droughts, and typhoons in certain areas of the Far East. The volume of export supplies outside Asia is probably bigger than in 1962, despite smaller crops in Brazil and Italy. Total availabilities should be as large as, or larger than in 1962, although a final judgement must await the actual crop returns. World import demand should be well maintained and, in expectation of this, Burma has raised the basic price in its bilateral contracts by £ 1 to £ 34 per ton in the 1962-63 season. The world rice market is unlikely to show any marked disequilibrium in 1962-63, and the general level of international prices should be no lower than the average for the previous season.



PRODUCTION OF  
RICE

000  
TONS

1200

800

400

0



AV: 47-48. 52-53. 57-58. 58-59. 59-60. 60-61. 61-62. 62-63.  
51-52. 56-57.

A striking characteristics of the 1961-62 season was the contrast between the wide fluctuations in free market quotations and the stability of bilateral contract prices. Prices in private commercial trade rose to their highest level since 1954, and then fell back considerably, while prices negotiated under government-to-government contracts remained steady at the previous year's level. As measured by the F.A.O. index of export prices, the average year-to-year variation in 1957-61 was 3 per cent for bilateral contract price against 10 per cent in free market quotations. The rice trade is unique today in having these two sectors, each comprising approximately one-half of the world market.

### Situation in Pakistan

The area under rice during 1961-62 was about 239.6 lakh acres compared to 248 lakh acres in the previous year. The decline is due to a fall in acreage in East Pakistan from 219 lakh acres to 210 lakh acres, attributed partly to unfavourable weather and partly to extensive cultivation of jute, which competes for land with rice in that Province. The area in West Pakistan, however, increased slightly from 29 lakh acres to 30 lakh acres. The production of rice (clean) continued to rise in spite of the fall in acreage, and stood at 105.8 lakh tons against 105.3 lakh tons in 1960-61. The increase in production was the result of favourable weather and increased application of manures in certain areas. The price of rice in East Pakistan, the chief rice consuming area, however, kept an upward trend.

According to the third official estimate, the acreage under rice during 1962-63 stood at 242.8 lakh acres compared to 239.6 lakh acres in the final estimate of the preceding year. The increase was due to a reduction of the area under jute and Government efforts to increase the area under food crops. The production of rice (clean), however, did not keep pace with increased acreage. According to the above estimate production was 98.7 lakh tons (including the 3-year estimated average for the *boro* (summer crop), against the record total of 105.8 lakh tons reached in 1961-62. The sharp decrease in production is chiefly attributable to the recurrence of floods and severe attacks of pests and diseases in East Pakistan.

Imports of rice into East Pakistan during 1961-62 stood at 2.1 lakh tons against 3.8 lakh tons during 1960-61. However, any failure of the rice crop in East Pakistan during 1962-63 would necessitate large imports of wheat under PL-480 from the United States and of rice from Burma and West Pakistan. The Government of East Pakistan continued to supply rice in the Province under modified rationing in order to check any abnormal rise in the free market price.

The rice procurement scheme was continued in West Pakistan during 1961-62 and 1962-63. Under the scheme, the Provincial Government procured 3.33 lakh tons of rice during 1961-62 season against 2.96 lakh tons in the previous year. The procurement price of various varieties of rice remained unchanged during 1962-63, except that the price of *basmati* was raised from Rs. 25 to Rs. 26 per maund. Exports of rice have been increasing during the last few years. Their value rose from Rs. 2.20 crores in 1958-59, to Rs. 6.52 crores in 1960-61, and further to Rs. 11.22 crores in 1961-62.

## WHEAT

**International situation**

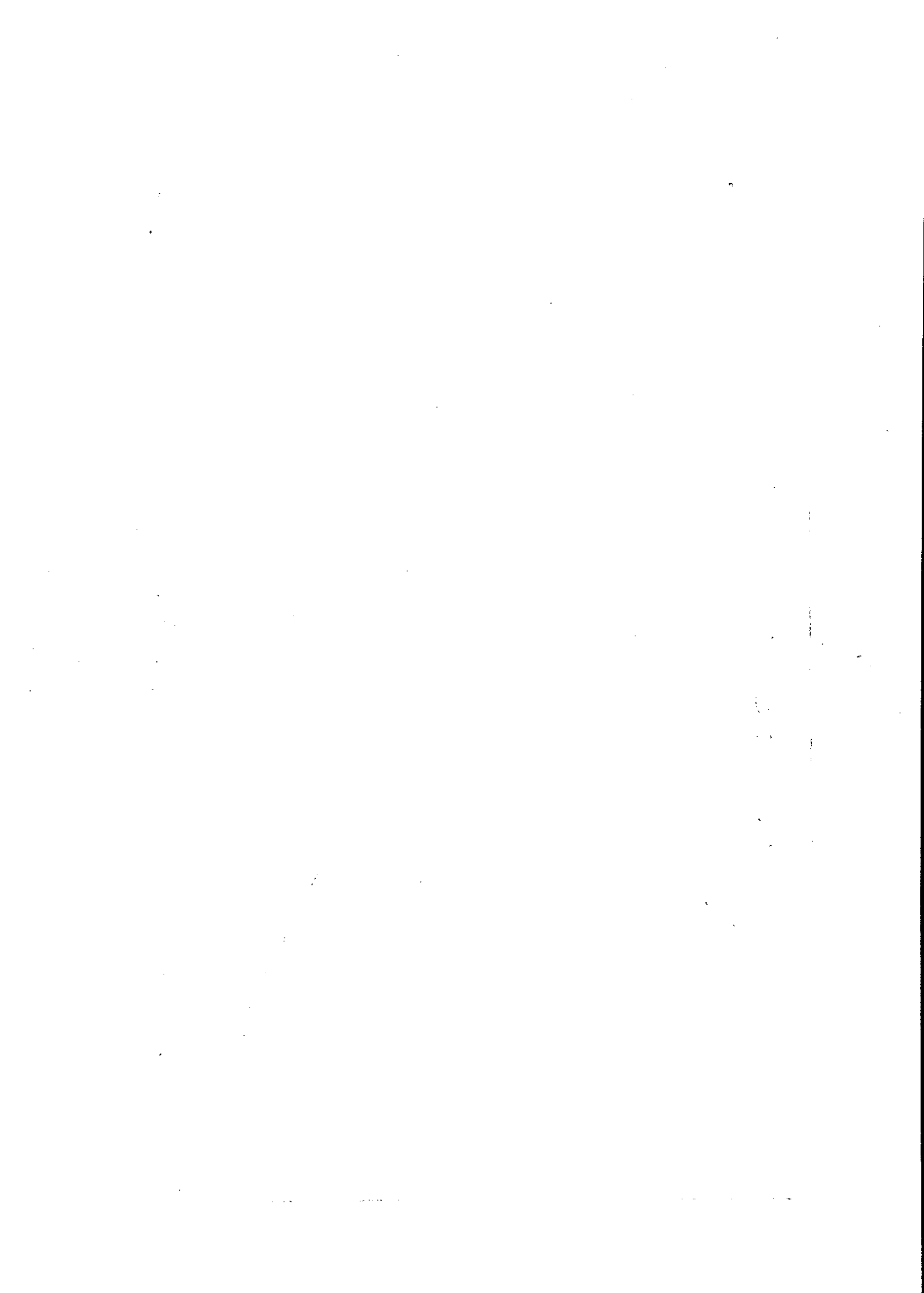
World wheat production in 1962-63 recovered sharply from the setback suffered in 1961-62. The total outside the Sino-Soviet area may exceed even the large harvests of 1958-59 and 1960-61, setting a new record of close to 144 million tons, some 14 million tons more than in 1961-62. The biggest increase occurred in Western Europe, from 37.4 million tons to 45.1 million tons, but most other major regions also harvested larger crops, with the probable exception of South America, where a smaller harvest is in prospect, mainly because of drought in Argentina. In particular, the 1962-63 season marks the end of the world shortage of durum wheat which became acute last year.

The general advance in wheat prices, which occurred in the second half of 1961, has not been sustained in the face of an increase in world output and a prospective decline in imports in 1962-63. However, average prices received by the United States producers for all types of wheat rose during the season from \$1.73 per bushel in July 1961 to \$1.99 in June 1962 when they exceeded the support price by 20 cents per bushel. The United States national average minimum support price for the 1962-63 harvest in the 39-State commercial wheat producing area was set at \$2 per bushel. This is 21 cents higher than the support price for the previous harvest.

World trading during 1961-62 established another record for the fourth consecutive year. Total trade in wheat and flour amounted to 43.6 million tons, 12 per cent more than in 1960-61. The main element in this expansion was a marked rise in shipments to Mainland China, Western Europe and North Africa. A sharp decline in imports by India and Pakistan and a smaller reduction in those of Japan, following bumper domestic crops, more than counterbalanced a large increase in Turkey's imports. All the major exporters shared in the general expansion of trade. The largest gains in absolute terms were achieved by the United States, whose shipments rose from 18 million tons in 1960-61 to a record 19.5 million tons in 1961-62. Exports by Argentina and France increased by 22 per cent and 17 per cent respectively. The combined effect of the lower supply at the beginning of 1961-62 and the larger volume of exports during the season was a sharp decrease in carry-over stocks.

In 1962-63, the upward trend in the world wheat trade is expected to be interrupted for the first time since 1957-58. This will be due mainly to reduced imports into Western Europe, following exceptionally large imports in the last two years. The import requirements of North Africa and the Near East will be slightly reduced. In Asia, India may again be taking less wheat, but imports into Pakistan and Japan, are expected to increase. The volume of world trade will be further maintained at a relatively high level by continuing shipments to China.

Despite the expected decline in world trade in 1962-63, of some 4-5 million tons, or 10 per cent, there are good prospects of another reduction in the combined carry-over stocks of the major exporting countries at the end of the 1962-63 season. The total supplies of these countries are lower for the second consecutive year, since an increase in their production was more than offset by a decline in opening stocks.



# PRODUCTION OF WHEAT

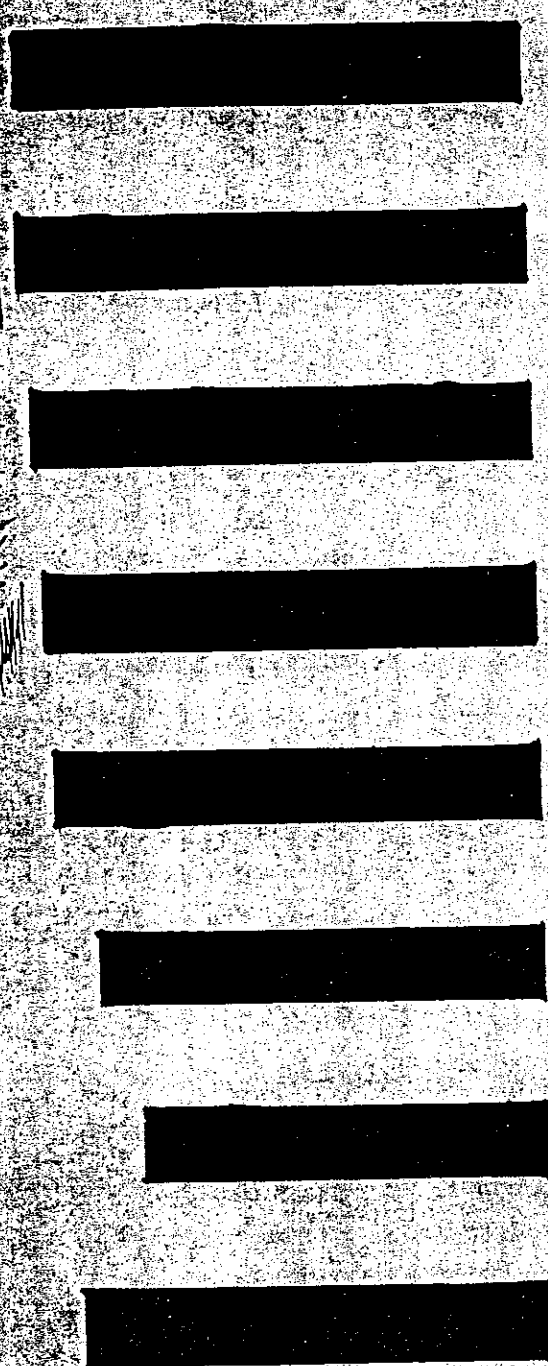
000 TONS

4500

3000

1500

0



AV: 47-48. 52-53. 57-58. 58-59. 59-60. 60-61. 61-62. 62-63.  
51-52. 56-57.



## Situation in Pakistan

The area under wheat during 1961-62 was 125.7 lakh acres, compared to 116 lakh acres in the previous year. The increase is attributed to timely pre-sowing rains and a regular supply of canal water coupled with efforts made by the Government agencies. Production increased by 7.3 per cent to 40.6 lakh tons during 1961-62, against 37.9 lakh tons in the previous year. Besides increased acreage, increase in production was due to favourable weather conditions and adequate water supply during the growth period.

The good wheat harvest during 1961-62 enabled the Government to cut its import requirements to 8.59 lakh tons from a record figure of 13.50 lakh tons during 1960-61. The happy supply position reflected itself in a sharp decline in prices. The price of wheat in the open market ruling on February 28, 1962 between Rs. 14.50 and Rs. 17 per maund dropped, and on June 21, 1962 ranged between Rs. 11.50 and Rs. 14 per maund. With a view to supporting the price, the Government entered the market and purchased 28,984 tons of wheat from different *mandis* and a ban on the movement of wheat to Karachi was also lifted. These policies had a salutary effect on the prices, which by March 20, 1963 ranged between Rs. 15.50 and Rs. 16.50 per maund.

According to second official estimates the acreage under wheat during 1962-63 was 121.4 lakh acres against 125.7 lakh acres in the final estimate of 1961-62. However, this figure is likely to be increased when the area covered by late sowings is included. The production of wheat, according to the same estimate, stood at 39.6 lakh tons, against 40.6 lakh tons reported during 1961-62.

In spite of a good wheat harvest, import requirements increased during 1962-63, firstly, because of the Government policy of building up stocks and secondly, to make up for the food shortage in East Pakistan, where the rice crop had a setback. Imports of wheat in the first nine months of 1962-63 (July-March) amounted to 8.78 lakh tons, against 8.59 lakh tons in 1961-62.

## JUTE

### International situation

As a result of the decline in prices following record jute crops in India and Pakistan, the major producers, in 1961-62, sowings during the current season were greatly reduced and production was smaller. Moreover, floods in July 1962 in Pakistan had an adverse effect on the quality of the crop. World production of jute and allied fibres in 1962-63 was estimated at 160 lakh bales against 200.7 lakh bales in 1961-62.

In 1961-62, raw jute exports from Pakistan recovered from the low figure of 29.9 lakh bales in the previous season to a more normal level of 41.2 lakh bales. However, their value remained approximately the same because of lower prices. In the last ten years, Pakistan's position as practically the sole exporter has been challenged by Thailand, whose exports of *kenaf* and jute may have reached 13.7 lakh bales in 1961-62, as against 6.1 lakh bales in 1960-61. If this figure was, in fact, reached, Pakistan's share of world exports would have been reduced to about 70 per cent, against an average of 96 per cent between 1954-55 and 1958-59. India has only infrequently exported raw jute in the last decade.

World mill consumption of jute and production of jute goods recovered in 1961-62, particularly towards the end of the season, as plentiful supplies of raw jute became available. In India, restrictions on the production of jute goods were progressively reduced between September and December 1961 as stocks of jute goods became depleted and demand increased. In 1962, for the first time in many years, Indian mills were free to produce to capacity, but because of shortages of coal and electricity and other difficulties, this was not always possible in practice.

In Pakistan, production of jute goods recovered from the setback of 1960-61, the first since the establishment of the industry, and increased by 6 per cent above the previous record reached in 1959-60. In Western Europe, on the other hand, production declined further in 1961-62, although the situation improved considerably late in the season and early in 1962-63, when order books were reported to have been full.

After the scarcity of jute in 1960-61 had pushed prices up to their highest level since the Korean war, the flow of increased jute in to the world market in 1961-62 brought about a protracted and severe fall in jute prices.

The 1962-63 season opened with somewhat higher prices in international markets influenced by the resumption of export control in Pakistan and expectations of a smaller crop in the new season. The price control in Pakistan was strengthened in September 1962 by the imposition of minimum internal prices for loose jute, and earlier in June 1962 minimum export prices of good quality jute were raised in response to a keen demand and somewhat restricted supply of better quality jute. Prices in world markets responded, and in the second half of October were somewhat above those ruling at the beginning of the season.

In India also, efforts were made through support operations to halt the decline in prices. Prices of Thailand *kenaf* declined sharply during the 1961-62 season, reflecting both the enormous expansion in production in Thailand and the high proportion of low grade jute in the crops in India and Pakistan. With a greatly reduced crop anticipated in 1962-63 the price in international markets rose from the low of about £ 63 per long ton for Grade A *kenaf* c.i.f. Europe, reached during the 1961-62 season, to £ 74.10 s. late in October 1962.

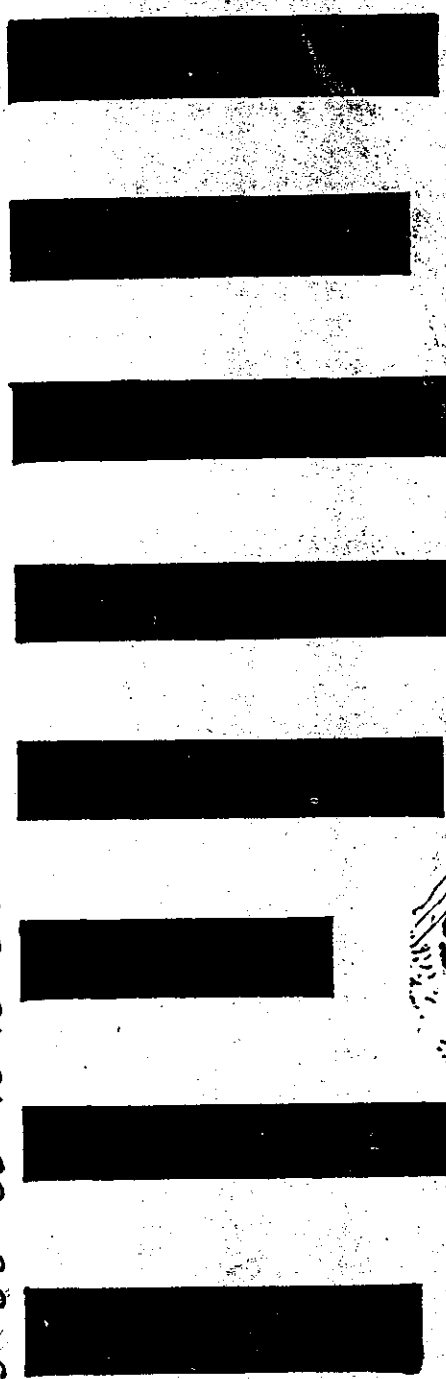
#### **Situation in Pakistan**

The area under jute during 1962-63 was estimated at 17.2 lakh acres against 20.6 lakh acres in the previous year. This decrease of 16.4 per cent was partly the result of the comparatively low jute price during 1961-62 season and of the washing away of large tracts under jute by two successive floods in East Pakistan. Production during 1962-63 was estimated at 51.45 lakh bales against 69.69 lakh bales in 1961-62. The fall of 18.24 lakh bales in production was due to decreased acreage coupled with the recurrence of floods and drought earlier in the season. In some areas, however, the availability of a sufficient quantity of clean water for retting purposes made possible an improvement in the quality of the crop.

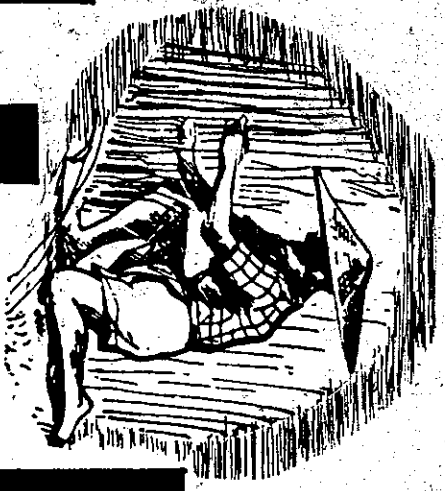
Jute arrivals during the 1962-63 season at all baling centres up to the end of March 1963 amounted to 57.7 lakh bales, against 58.2 lakh bales in the corresponding period last season. Total exports since the

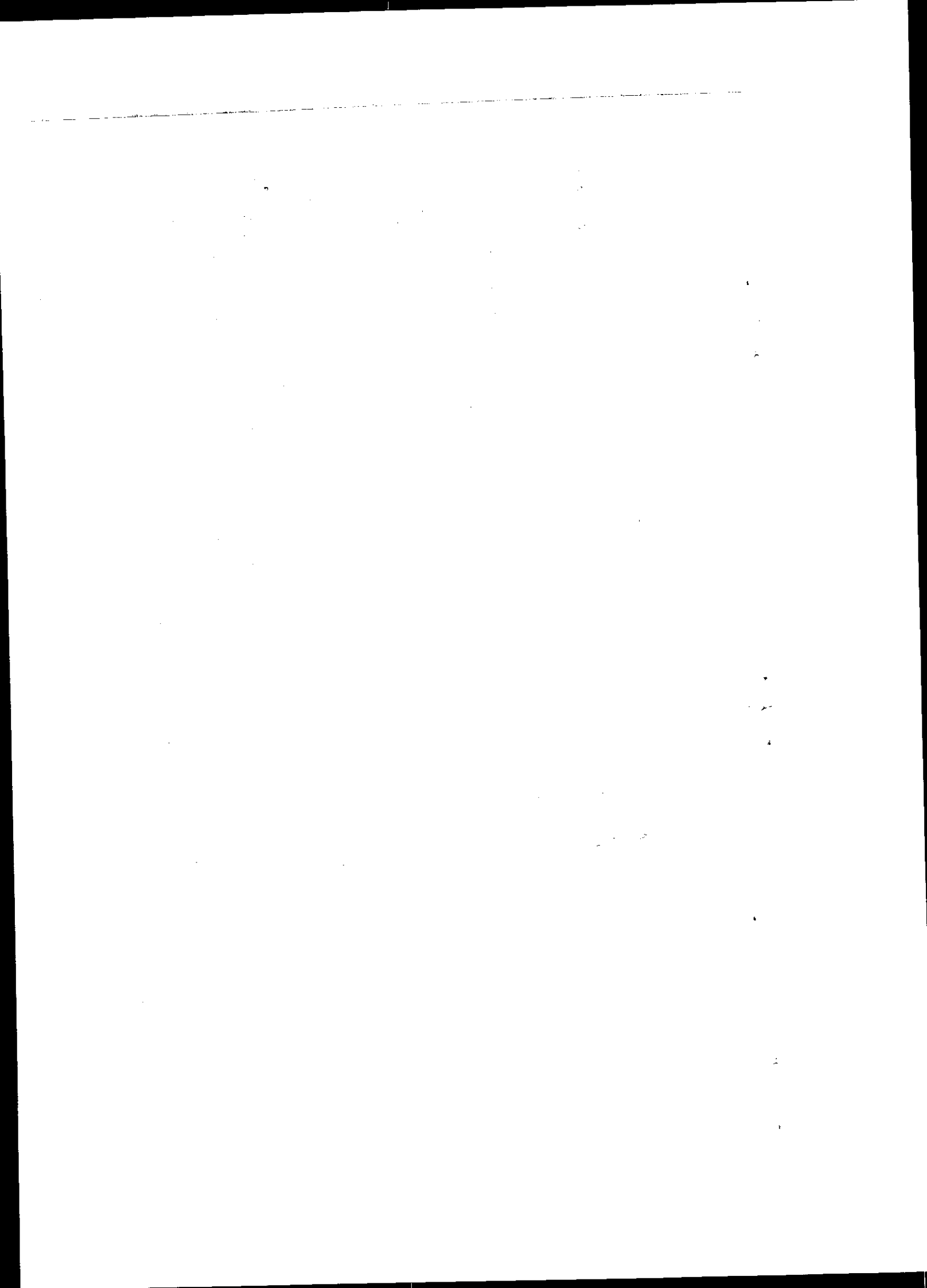
PRODUCTION OF  
JUTE  
000  
BALES

10000  
7000  
5000  
3000  
1000



AV: AV: 57-58. 58-59. 59-60. 60-61. 61-62. 62-63.  
47-48. 52-53.  
51-52. 56-57.





beginning of the season to the end of March 1963 amounted to 36.20 lakh bales, which was 1.48 lakh bales higher than exports in the corresponding part of the last season. However, export earnings were low in view of the fall in the export price. The average unit value of jute for export was Rs. 184.9 per bale during the first three quarters of 1962-63, against Rs. 219.5 per bale in the corresponding period last season.

The total availability of jute during the 1962-63 season was 61.45 lakh bales, including a carry-over of 10 lakh bales from the previous season. In spite of low production, the price was generally on the low side in comparison to the 1961-62 season. In order to ensure fair returns to growers, the Government took a number of measures to regulate the jute price and jute trade. The minimum export price was fixed in mid-June 1962, to take effect from the beginning of the new jute season on July 1, 1962. The Jute Board was asked to buy jute to build up buffer stocks as recommended earlier by the Jute Enquiry Commission. The Jute Marketing Corporation was to act as agent to the Jute Board for making purchases of raw jute directly from the growers. The Government decided on September 3, 1962 to place a revolving credit of Rs. 8 crores at the disposal of the Jute Marketing Corporation to build up buffer stock. The Government also promulgated the Jute Ordinance 1962 to ensure reasonably fair price to growers. Minimum prices for various grades of jute were fixed at the growers' level on September 20, 1962, and jute cannot be sold or purchased for consumption within Pakistan or for export below these prices. The minimum prices for jute cuttings for export and for the internal market were announced on October 2, 1962. The Jute Board also made arrangement with some Pakistani banks for the supply of credit on easy terms to *farias* and *beparis*, who operate in the lower rungs of the jute trade.

The result of all these measures was that export prices, which had maintained a continuous declining trend in the last half of the previous season, rallied near the minimum fixed by the Government. Superior grades such as Export Firsts started to earn a premium by October 1962. From the export minimum price of £ 95 per bale for Export Firsts, prices had risen to £ 98 in October 1962 and to £ 119 per bale by the end of January 1963. Thereafter, it receded and by the end of March 1963 was quoted at £ 109 against £ 104 per bale in March 1962. Export prices of other grades such as Export Lightnings, Export Hearts and Outport Tossa 2½ remained firm around the minima fixed at £ 85, £ 73 and £ 90 per bale respectively up to the end of March 1963. The export and *pucca* bale prices of Cuttings (NC|MC) and TC made improvement in October 1962 with the announcement of the minimum prices. Thereafter, prices remained firm. In the *pucca* bale section, superior grades such as Export Firsts, opening at Rs. 180 per bale in July 1962 against Rs. 336.54 per bale in July 1961, moved steadily to Rs. 235 by the end of December 1962 against Rs. 250 per bale in the corresponding period last year. Thereafter, the price declined and by the end of March 1963 stood at Rs. 225 per bale against Rs. 215 per bale in March 1962. The price of Export Lightnings opened at Rs. 160 in July 1962; there was a setback in the early months of the season, but by the end of December 1962 the price was quoted at Rs. 170 per bale, and by the end of March 1963 it had fallen to Rs. 165 per bale. Other varieties such as Export Hearts and Outport Tossa 2½ showed little fluctuation.

The Jute Marketing Corporation purchased 21.26 lakh maunds of jute (plus 1.41 lakh maunds bought in *pucca* bales earlier) on Buffer Stock Account at 84 centres up to the end of March 1963. Agents were also appointed by the Jute Board under a guarantee that any stocks remaining unsold with them after six months, would be purchased by the Board. These agents operating at 88 centres, purchased a total of 14.95 lakh maunds of jute from the growers by the end of March 1963.

In order to deal with the competition from certain fibres, particularly *kenaf* from Thailand, a ban on the cultivation of mesta was lifted during the 1962-63 season. The total production of mesta amounted to 3 lakh bales. In view of world demand for a cheaper fibre for mixing with good quality jute to reduce the cost of production, export of mesta was allowed with effect from October 27, 1962. Export sales of mesta up to March 15, 1963 amounted to 94,048 bales.

## COTTON

### International situation

World cotton consumption in 1961-62 recovered some of the ground lost in the previous year, mainly as a result of the sustained upswing in textile activity in the United States and an accelerated rate of increase in India, which more than compensated for somewhat lower levels of textile activity in Western Europe and Japan. Consumption of extra-long staple cotton in 1961-62, was fractionally higher than in the previous year, but still 10 per cent less than the 1959-60 peak.

Despite higher consumption, the volume of international trade in cotton declined in 1961-62. In Western Europe and Japan, which during the last five years accounted together for nearly two-thirds of world imports, stocks were run down and imports declined more than proportionately to the fall in consumption. In India also, requirements were met by running down stocks and imports declined. United States exports declined further from 6.6 million bales in 1960-61 to 5 million bales in 1961-62. The role of the U. S. A. as a residual exporter was again in evidence. There were also significant increases in exports from Brazil, Pakistan and Turkey, where in recent years the expanding requirements of domestic textile industries had curtailed export availabilities. However, exports from the United Arab Republic, Mexico, Uganda and the Sino-Soviet area declined because of reduced availabilities.

World stocks of cotton declined again in 1961-62 for the sixth successive seasons, to reach the lowest level in a decade. Stocks in net importing countries registered a particularly sharp decline. However, United States stocks increased for the first time since 1958-59 as the larger domestic consumption failed to compensate for the decline in exports.

World prices of cotton were relatively stable or increased during the early months of the 1961-62 season, but a downward trend set in later, due to the less favourable textile situation and the prospects of a record crop in 1962-63. Average prices of many grades did not differ significantly from those of the previous season. Prices of extra-long staples showed the largest fluctuations and registered the biggest decline.

World cotton production at 49.6 million bales in 1962-63 against 47.8 million bales in 1961-62 established a new record for the fifth successive season. In the United States, still by far the world's leading producer, area planted, yield and output were somewhat higher than in 1961-62. More favourable weather and better availability of production requisites stimulated some increase in Mainland China, but little change appeared likely in the U. S. S. R. In the rest of the world, production continued its upward trend.

The overall average level of support prices for the 1962-63 United States harvest remained at 31.88 cents per pound. The export subsidy on cotton remained at 8½ cents per pound. In July 1962, the United States Government announced a supplementary programme under which Commodity Credit Corporation (C. C. C.) stocks of cotton may be offered for export sale on a competitive bid basis. However, this cotton may be sold only when, in the judgement of the C. C. C., the domestic market price for cotton exceeds the support price sufficiently for such sales so as not to interfere with the orderly operation of the price support programme. The main objective of the supplementary programme is to prevent any sharp price movement in the event of a small crop.

Recent developments in other exporting countries included the announcement in August 1962 of a far-reaching new policy in the United Arab Republic, under which, the Egyptian Cotton Commission (E. C. C.) fixes export prices and issues permits without which cotton may not be exported. The weak state of cotton markets also made itself felt in other exporting countries. An increase in the applicable exchange rate made Brazilian cotton more competitive, minimum export prices were lowered in Turkey, and the Pakistani export duty on staple cotton was cut by two-thirds.

Although the textile situation in the United States at the beginning of the 1962-63 season was not unfavourable, there were signs that the top of a cycle had been reached and that consumption in 1962-63 would decline. In addition, the wide price margin between rayon and cotton—estimated at 9 cents a pound at mill between middling one inch and viscose rayon staple—in the latter part of the 1961-62 threatened further inroads into the demand for cotton. In Western Europe and Japan, consumption in the early months of the season was running at a lower rate than a year ago. In India, consumption during the early months of the season was reported to have increased further.

The outlook for international trade in 1962-63 is somewhat more favourable than the outlook for consumption in the net importing countries because of the low level of stocks in these countries. The subdued character of demand for United States cotton at the beginning of the season suggested that the United States would continue to be the residual supplier.

Owing to a larger U. S. harvest and the anticipated decline in domestic consumption, the carry-over is likely to increase. Stocks in a number of other countries may also rise, but in view of their general depletion in the previous season, this is not altogether an unfavourable development.

### Situation in Pakistan

The area under cotton during 1962-63 according to the second official estimate amounted to 32.8 lakh acres, compared to 34.9 lakh acres during 1961-62, a decline of 6 per cent. Production of cotton, however, during 1962-63 according to the revised trade estimate showed an unprecedented rise to 20.65 lakh bales from 18.4 lakh bales during 1961-62. This marked increase was chiefly attributed to favourable weather, control of pests and diseases and grow more cotton campaign launched by the Government.

The total availability of cotton including a carry-over of 1.19 lakh bales from the 1961-62 crop, stood at 21.84 lakh bales. With estimated mill intake of 13 lakh bales, the exportable surplus during 1962-63 is expected at 8.84 lakh bales. Of the total exportable surplus, foreign commitments up to the end of March 1963 stood at 7.53 lakh bales, compared to 2.72 lakh bales in the corresponding period last year. Actual exports from September 1, 1962 to March 31, 1963 amounted to 5.16 lakh bales, compared to 1.76 lakh bales in the corresponding period last season.

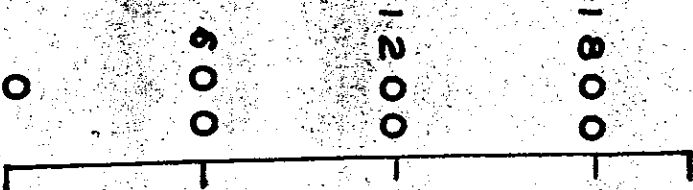
The cotton policy for 1962-63 season was announced on September 3, 1962 with the onset of the new season. The new policy envisaged no change in the existing rates of export duty on raw cotton, but the sales tax of  $3\frac{1}{2}$  per cent *ad valorem* was shifted from ginning to the export stage. Previously, sales tax was realized from the cotton ginners, but a refund was allowed on cotton bought by the textile mills. The incidence of the duty fell on cotton exporters. The shifting of the tax to the export stage simplified the collection procedure and saved a lot of trouble for ginners and growers. The new policy was, however, received with disfavour by exporters of raw cotton, because in their view the shifting of the sales tax to the export stage without any relief from export duty in effect meant a palpable increase in the aggregate incidence of export taxes on raw cotton. The policy was, however, well received by mill-owners, because of its inherent tendency to depress local prices to their advantage. The export duty on staple cotton was, however, reduced by two-thirds from Rs. 75 to Rs. 25 per bale on November 22, 1962 in view of the increased production at home and sub-normal foreign demand. The export duty on desi cotton remained unchanged at Rs. 25 per bale.

The arrivals of cotton in the current season in Karachi up to the end of March 1963 were 11.38 lakh bales against 8.37 lakh bales in the corresponding period last season. The spot market opened at higher level during 1962-63 season but because of heavy arrivals in Karachi and the announcement of the cotton policy for 1962-63, prices became depressed. The declining trend persisted till the third week of November 1962. 4 F-Punjab R. G., opening at Rs. 77 on September 1, 1962 against Rs. 74.50 per maund last year, dropped to Rs. 63 per maund by November 22, 1962 against Rs. 85.55 per maund on the same date in 1961. With the announcement of the reduction in the export duty on staple cotton, however, there was considerable excitement in the spot market and the price at once rose. On November 23, the price of 4 F-Punjab R. G. was quoted at Rs. 73.80 per maund and by the first week of January 1963, it had moved to Rs. 81.75 per maund. Thereafter, there was some

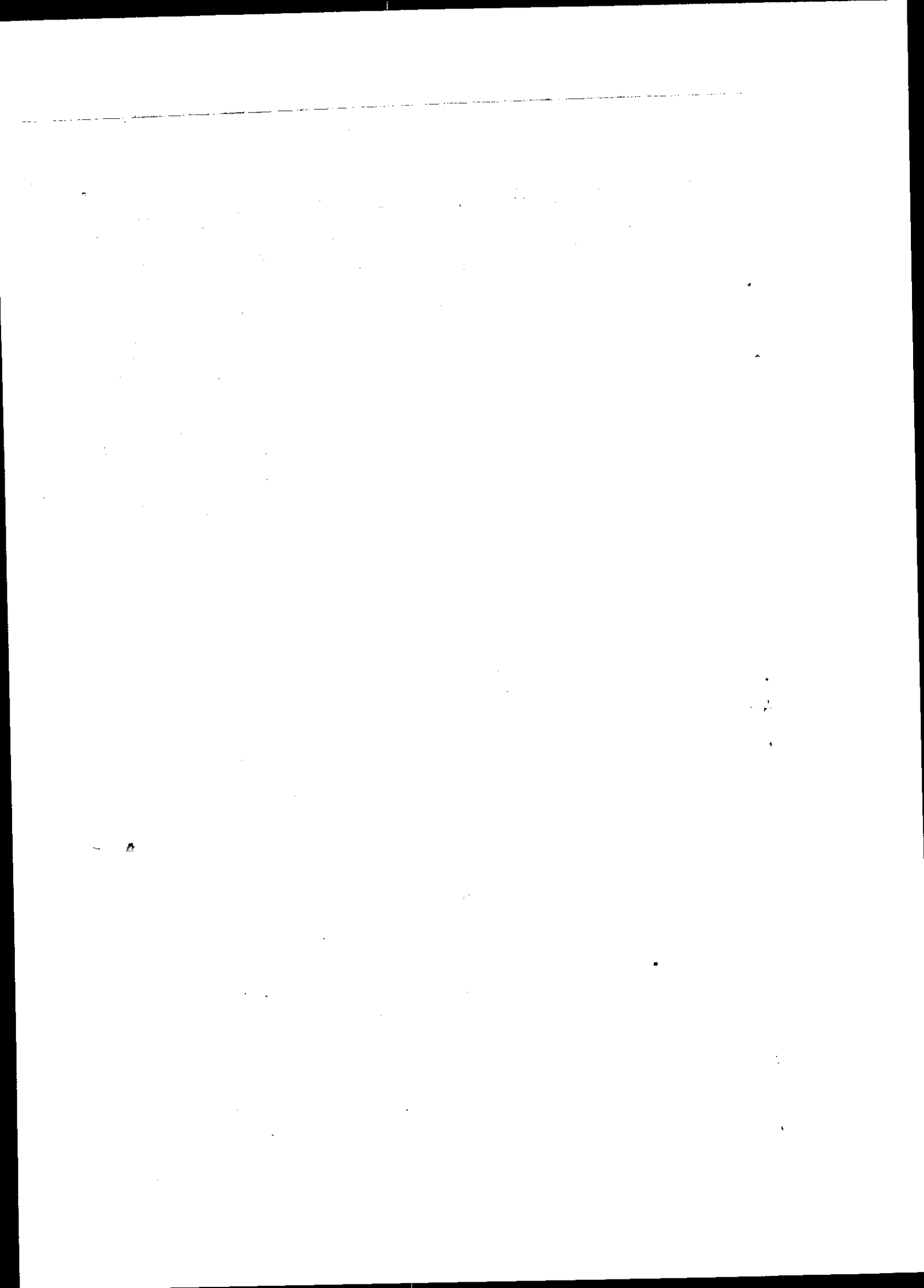


000  
BALES

# PRODUCTION OF



AV: 47-48. 52-53. 57-58. 58-59. 59-60. 60-61. 61-62. 62-63.  
51-52. 56-57. ESTIMATED.



fluctuation and by the end of March 1963, the price was quoted at Rs. 78.95 against Rs. 75.50 per maund last year. The price of desi cotton, however, fluctuated within a narrow range during 1962-63. This was because of large release of export quota of Bengal Desi by India. In September 1962, Sind Desi was quoted at Rs. 73.50 per maund against Rs. 72 per maund last year. The prices maintained a declining trend and in early December 1962 was quoted at Rs. 71 against Rs. 83 per maund last year. Thereafter, there was a steady rising trend and touched the figure of Rs. 74 by mid-January 1963 against Rs. 74.50 last year. During mid-February to mid-March 1963 the price remained steady at Rs. 72 per maund. In the second fortnight of March 1963, the prices had again a rising trend and on March 30, 1963 the prices stood at Rs. 74.50 against Rs. 62 per maund last year.

## TEA

### International situation

World tea output in 1962 was 2,268 million lbs., against 2,255 million lbs. in 1961. In India, the major producer, a reduction in northern tea harvest more than offset gains in the south. In the early part of the year, total Indian production was running well ahead of the 1961 level, but these gains were lost in the second half. Production in Ceylon and Indonesia was a little higher than in the previous year and the strong upward trend in East Africa continued. The U. S. S. R. harvest increased by 11 per cent. However, Chinese production is reported to have declined.

Total exports from the producing countries may have been a little larger than in 1961. In the first 7 months of 1962 India shipped nearly 6 per cent more than in the corresponding part of 1961 and exports from Ceylon to the end of August 1962 and from Indonesia to the end of July 1962 were also slightly higher. The rise in East African exports was again relatively large.

Imports into the United Kingdom during the first 3 quarters of 1962 were fractionally lower than in the corresponding part of 1961. A large reduction, of 9 per cent, occurred in the intake from India, while Ceylon increased its share of the market by a similar amount. Re-exports from the United Kingdom during this period were slightly larger and when account is taken of changes in stocks the quantity of tea available for consumption was some 4 per cent lower than in 1961. Imports into the E. E. C. continued to expand, increasing by 13 per cent over those of 1961, despite relatively high duties and internal taxes and heavy expenditure on the promotion of coffee.

In 1962, auction prices were, on average, fractionally below those of 1961. In Calcutta, teas for export regained part of the ground lost in 1961, while in Colombo these declined further. Plainer teas, facing a more plentiful supply, lost some ground as buyers became more selective. In 1961, the deflated prices of tea in the London auctions was actually below the 1934-38 average, while prices of coffee, cocoa and sugar remained 30 to 60 per cent above pre-war levels. In the face of this situation, some of the Asian countries have taken steps to reduce the burden of taxation, or are contemplating such action. India, in spite of heavy new taxation in June 1963-64 budget to meet the rising defence expenditure, abolished the export duty on tea to make Indian teas more competitive in the international markets.

### Situation in Pakistan

The area under tea during 1962-63 was estimated at 81,000 acres against 79,000 acres last season showing an increase of 2.5 per cent. The upward trend is chiefly due to Government's efforts to encourage setting up of new tea gardens and extending the area under the existing ones. The production, however, declined from 58.8 million lbs., in 1961-62 to 52 million lbs., in 1962-63. The decrease was attributed to abnormally lean season. This was the third year of the Second Plan and we are still far behind the target of 64 million lbs. set for 1964-65. Viewed in this perspective, the performance has been somewhat disappointing and calls for all out effort to catch the target.

In keeping with the general policy of free economy, price control from tea was lifted on April 25, 1962. At the time of lifting of price control, it was anticipated that the production during 1962-63 would be around 59 million lbs., and with a carry-over of 17 million lbs. from the previous season, the supply position would be easy and the lifting of price control would not entail any hardship to consumers. However, these hopes were belied. With the lifting of price control, quality teas disappeared from the market and were available only at a much higher price. One well known better quality brand against previous printed price of Rs. 2.88 for half pound packet was available between Rs. 3.75 and Rs. 4.25 per packet. The tea companies raised the printed prices from 50 to 75 paise per pound in September 1962 and another rise of 60 paise per pound in October 1962. A third rise in price by 25 paise per pound was also announced in December 1962 which was later withdrawn at the initiative of the Government. The tea companies maintained that these rises were justified due to steep rise in price in internal tea auctions. To take only one example, the price of Broken Pekoes in the internal auctions increased from Rs. 2.17 per pound in the first auction to a peak of Rs. 4 per pound in the eighth auction in September 1962, after which some decline was noticed.

The cumulative quantity of tea offered at internal auctions from April 1, 1962 to March 31, 1963 was 45.8 million lbs. against 44.9 million lbs. in the corresponding period last season. The average price per lb. at the internal auction during 1962-63 was Rs. 3.44 against Rs. 2.20 last season.

In order to ease the tea situation the Government took a number of measures. First, the export quota was reduced from 10 million lbs., to 5 million lbs., in October 1962. Supplies meant for export auction 'C' and 'D' of the season were diverted to internal auctions and in December 1962 the Government abolished the export auctions altogether. Second, with a view to check the prices at the internal auctions, it was decided not to register new bidders and also not to allow the producers to withdraw more than 10 per cent of tea offered for auction. Further, in the import policy for January-June 1963, it was decided to import one million lbs. of tea on barter to augment internal supplies.

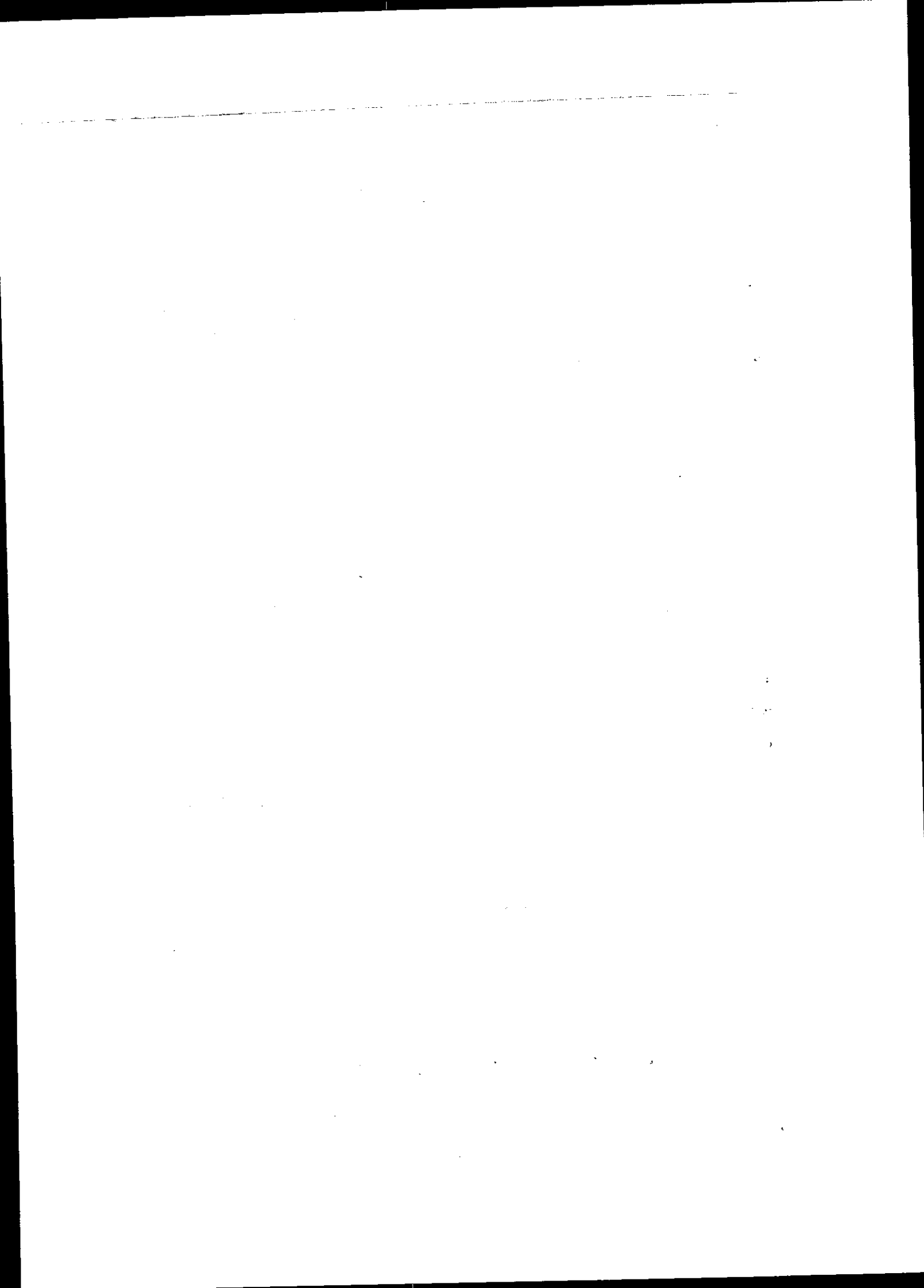
Only two export auctions were held during 1962-63 season and the prices in these auctions ranged between Rs. 1.30 and Rs. 2 per lb. which was slightly higher than the prices last season. The quantity of tea sold at the export auctions was only 1.87 million lbs. The cumulative quantity of tea exported up to the end of March 1963 amounted to 4.2 million lbs. against 12.5 million lbs. during 1961-62 season.

# PRODUCTION OF TEA

MILLION  
LBS.



47-48. 52-53.  
51-52. 56-57.  
4V. 4V. 57-58. 58-59. 59-60. 60-61. 61-62. 62-63.



## DEVELOPMENTS IN AGRICULTURAL ORGANIZATION

In order to intensify the implementation of agricultural development programmes two semi-autonomous Agricultural Development Corporations were set up in October 1961—one in each Province. The authors of the Food and Agriculture Commission had assigned two main functions to the Corporations *viz.*, to organize supplies needed by the farmer and to provide him with technical knowledge. They had, therefore, recommended that each Corporation should have one supply wing and one field wing to fulfil its two-fold responsibility.

### East Pakistan Agricultural Development Corporation

The supply wing of the E.P.A.D.C. has not so far been fully organized. The distribution of fertilizers is being done through the field staff of the Directorate of Agriculture, until the Corporation is able to make an alternative arrangement. Negotiations are in progress with reputed private commercial organizations for handling the distribution of fertilizers. The fertilizers produced by the Fenchuganj Fertilizer Factory were, however, being lifted regularly by the E.P.A.D.C.

The E.P.A.D.C. has taken over 22 seed multiplication farms. At the time of take-over, only 4,753 acres out of 6,724 acres commanded by the farms, were under cultivation. 426 acres were reclaimed during 1962 and further reclamation work on another 175 acres was in progress. Arrangements were also completed to instal 10 deep turbine tubewells to ensure regular water supply.

During 1961-62 the registered growers scheme for multiplication of foundation seeds was operated in 12 districts in the Province. Under this scheme 50,000 maunds of *aus* rice and 75,000 maunds of *aman* rice seeds were produced. The E.P.A.D.C. was experiencing difficulty in supervising these registered growers as they were scattered all over the district. Arrangements are being made to organize the growers in one Thana in each sub-division situated as far as possible, near the seed multiplication farms.

The E.P.A.D.C. procured 33,000 maunds of C 591 variety of wheat seed from West Pakistan, 7,000 tons of potato seeds from Burma and India and 2,900 lbs. of winter vegetable seeds from the United States.

The E.P.A.D.C. has in hand 2,250 irrigation and 200 reclamation|cultivation schemes during 1962-63. Out of this, work on 1,850 irrigation and 130 schemes for reclamation was undertaken up to the end of December 1962. The development of poultry and artificial insemination of cattle scheme was also taken over by the E. P. A. D. C. during 1962-63. The E.P.A.D.C. has plans to construct 29 intermediary godowns and 1,119 union stores for storage of agricultural materials, mainly fertilizers, during 1962-63. Sites for 21 intermediary and 1,051 union godowns have so far been selected.

### West Pakistan Agricultural Development Corporation

The West Pakistan Agricultural Development Corporation has so far taken over Ghulam Mohammad Barrage, Guddu Barrage and Thal Development Authority (T.D.A.) as project areas and is discharging its function through its Field Wing, Supply Wing and Small Dams Organization. The functions carried out by each of these wings are as follows :

### Field Wing

*G. M. Barrage.* The Barrage commands an area of 28 lakh acres lying in two districts of Hyderabad and Thatta. Up to December 1962 a total of 5 lakh acres of *Kabuli* (private) and nearly 10 lakh acres of *Nakabuli* (Government) area were released for irrigation.

Forward camps with the representatives of different departments were established at vital points for the guidance of settlers at the spot. On the pattern of Canal Colonies of the old Punjab a total of 330 *Chaks* were planned to be set up at a cost of Rs. 4.68 lakhs in the area. 129 *Chaks* were demarcated up to December 1962. Each *Chak* is to consist of about 2,000-3,000 acres with a village *abadi* site of 64-96 acres each. For drinking water, out of 246 open tanks planned in the area at a cost of Rs. 50 lakhs, 96 tanks were completed up to December 1962. 22 *mandi* towns are also planned to be established to provide facilities for organized marketing of agricultural produce to the farmers. In order to produce sufficient foundation seed of required quantity, 5 seed multiplication farms extending over 8,828 acres were established. A scheme for development of fisheries in an area of 2,000 acres was also drawn up.

Agricultural Machinery Organization (A.M.O.) of the West Pakistan A.D.C. is responsible for clearing, breaking and levelling of land. Since May 1961 it is in possession of 98 tractors. Out of total *Nakabuli* (Government) area of 3.5 lakh acres requiring mechanical development, nearly 1 lakh acres were developed up to the end of 1962. Due to the inadequacy of machinery, a loan for the purchase of additional 100 tractors has been applied. A.M.O. has also established 2 sub-shops at Thatta and Mirpur Sakro to carry out major and minor repair of the machinery.

*Guddu Barrage.* This Barrage was declared project area of A. D. C. in April 1962. Guddu Barrage commands an area of 27 lakh acres. Except for a small portion, which lies in Larkana district, the whole of the area is located in Sukkur and Jacobabad districts. With a view to accelerating land development, A. D. C. hired 50 tractors from the Thal Development Authority in May 1962. An area of 4,342 acres at a rate of Rs. 140 per acre was developed. As these tractors were light, these were later returned to T. D. A.

*Water-logging and salinity.* The Government have made A. D. C. responsible for attacking water-logging and salinity in its project areas. Tando Mohammad Khan Cattle Farm with an area of about 4,000 acres and Umed Ali Jat Seed Farm of 2,000 acres are seriously affected. Detailed proposals after inspection were made for the relief measures.

### Supply Wing

The Supply Wing of the Corporation is responsible for arranging agricultural supplies like fertilizers, seeds, pesticides, implements etc. in adequate quantities to farmers. A. D. C. has to procure fertilizers and distribute it through co-operative societies which work as agent to the A. D. C. The quantity of fertilizer procured during 1962 from indigenous sources was 46,800 tons and imported was 14,892 tons. The progress of distribution was slow due to reduction in subsidy from 56 per cent to 25 per cent. Schemes were prepared for the nucleus seed multiplication on Corporation farms and its distribution to farmers. For *Kharif* 1963, arrangements are in hand to procure seed of cotton and rice. Up to the end of December 1962, 1.5 lakh maunds of cotton and 35,000 maunds of



rice seed were procured. 17 seed farms comprising an area of about 28,000 acres were taken over during 1962 by the A. D. C. from the Agriculture Department.

#### *Small Dams Organization*

This organization is responsible for construction of small dams in the hilly areas which are presently dependent upon rainfall for cultivation. The ultimate target is to construct 500 such dams all over West Pakistan. The routine work was going on 9 dams while construction of Misroit Dam (Rawalpindi district) was almost complete.

### OTHER DEVELOPMENTS IN AGRICULTURE

#### **Implementation of Land Reforms**

Work on the implementation of land reforms was in progress in West Pakistan. Under the excess land surrender programme, out of the total land of 25.47 lakh acres resumed by the Government, 21.95 lakh acres were proprietary area and 3.62 lakh acres under *jagirs*. The number of landlords affected by the Reforms in West Pakistan was 902 including 755 proprietary landholders and 147 *jagirdars*. The total compensation payable by the Government for resumed land would amount to Rs. 7.59 crores. Land reforms provided for resumption of land under *jagirs* without compensation. However, it was later decided to pay compensation to *jagirdars* holding *Mukhadimi* rights and the amount payable for such compensation came to about Rs. 28,000.

Up to the end of February 1963, 11.36 lakh acres were disposed of and work on the remaining area of 14.11 lakh acres was in progress. The State Bank of Pakistan issued bonds worth Rs. 1.34 crore as compensation to those landlords whose lands were resumed. These bonds are redeemable on July 1, 1985.

#### **Consolidation of holdings**

Under the West Pakistan Consolidation of Holdings Ordinance 1960, a total of 56.5 lakh acres were consolidated up to the end of March 1963. The total number of revenue estates covered so far was 4,286. Sub-division of holdings below the subsistence level which is 12½ acres for the former Punjab and 16 acres for Sind is prohibited under the Ordinance. The whole operation is expected to be completed in five to seven years.

#### **Model Scheme**

The Model Scheme (Crash Programme) in 7 selected districts of West Pakistan and in 10 sub-divisions in 8 districts of East Pakistan was continued during 1962-63. The improved practices of cultivation for increasing per acre yield envisaged under this programme have shown quite satisfactory results.

#### **Forestry**

Forests are one of the most important assets and play a vital role in the economic development of a country. Timber, fire-wood, resin, medicinal plants, fodder, grasses and fibres are the chief forest products. These products constitute raw material for a large number of industries and provide employment to lakhs of workers.

In East Pakistan, 7,912 acres of plantation, which includes plantation of 1,200 acres under bidi leaves along with hard and soft wood plantation is envisaged during 1962-63. Besides, 5,000 acres of reserve forests will be planted by way of regeneration. Game Sanctuary in Sunderbans and a tourist resort at Ramsagar, Dinajpur have been completed and are open to the visitors now. A national park at Modhupur is also being organized.

West Pakistan is sorely deficient in natural forest. Measures are being taken to make up the deficiency by raising new plantations and by extending the afforestation along roads, canals, railway tracks and riverain tracts. The slow growing species in the hills and scrub forests are being replaced by quick growing and economic species. Afforestation on private lands has been encouraged by free supply of about 20 million plants at the planting weeks organized during 1962-63. Besides, new irrigated plantations have been raised over 2,670 acres in Lloyd Barrage, 11,323 acres in Rawalpindi Division and in an area of 6,000 acres in the watershed of Jhelum and Indus Rivers as flood control measures. A new forest nursery over 793 acres has been established in addition to existing forest nurseries. Two separate schemes spread over a period of 5 years for establishment of a national park at Changa Manga and in the Kaghan Valley remained under implementation. At Changa Manga, a wild birds farm has been established and a timber seasoning kiln is being installed. The plant is otherwise ready and will start functioning as soon as electricity is made available.

### **Animal husbandry**

The need for expanding the production of supplementary and subsidiary foods, especially proteins, has been increasingly realized in recent years. The demand for these articles has rapidly increased. Augmenting supplies of milk and milk products, eggs and meat, depend ultimately on the development of animal husbandry. To improve the livestock in East Pakistan, it is proposed to procure improved breed of cattle worth Rs. 2 lakhs from West Pakistan during 1962-63. Under the scheme for establishment of veterinary hospital at sub-divisional headquarters and thana levels, 18 hospitals will be constructed during 1962-63 in the Province. Besides, work on producing vaccines was accelerated, in order to launch a massive attack on animal diseases.

In West Pakistan, 65 schemes embracing the activities of the Animal Husbandry Department were running during 1962-63. A new scheme introduced during the year was 'Training and Employment of Stock Assistants' at union council level. As an experiment, the scheme has been tried in Sheikhpura district with far-reaching results. The main object of the scheme is to provide veterinary aid even in the remotest corner of the Province. Two milk projects with U.N.I.C.E.F. aid are being established, one each at Lahore and Karachi. Artificial insemination is being tried in important cattle breeding tracts and the method is gaining popularity amongst the breeders. Special efforts were made for the destruction of wild boars.

### **Agricultural credit**

The Agricultural Development Bank of Pakistan continued to provide more and more financial assistance to agriculturists during 1962. In addition to short-term loans which are given for seasonal requirements

like seeds, fertilizers, plant protection measures and hired labour charges, the Bank also advanced long-term loans for over 5 years for items like development of land, installation of tubewells, purchase of tractors and raising of orchards. The Bank charges interest at 6 per cent only on such loans, as compared to 7 per cent on short and medium-term loans. The Bank also provided financial assistance for horticulture, forestry, fisheries, animal husbandry, poultry farming, dairying, bee-keeping, sericulture and for the purposes of cottage industries in rural areas. Loans were given in kind as far as possible. The Bank also provided fixed deposit and savings bank facilities in rural areas on attractive terms. The Bank has at present 96 offices in the country and arrangements are under way for the opening of four more offices. During the nine months from July 1962 to March 1963, the Bank advanced Rs. 5.89 crores, the total amount of loans advanced since inception being Rs. 28.84 crores.

Credit facilities are also being offered to the cultivators through co-operative societies. Besides *taccari* loans amounting to Rs. 4 crores, Rs. 3 crores in East Pakistan and Rs. 1 crore in West Pakistan, were given during 1962-63. These loans meet a real need of the cultivators and go a long way towards agricultural development in the country.

## INDUSTRY AND MINING

## SECTION I—INDUSTRY

THE GUIDING objective of Government's industrial policy is to maximize the production of manufactured goods within the country and to accelerate the development of the less developed regions. The pattern of industrial production will be developed in order to :

1. meet the requirements of consumer goods at an adequate level ;
2. provide for as large a quantity as possible for export ;
3. provide facilities for the development of other sectors such as agriculture, communications, health, irrigation and power ;
4. maximize the availability of producer goods to meet as large a proportion as possible of the requirements of indigenous industry for new capacity and replacement, and for raw materials and spare parts ;
5. improve industrial efficiency and the quality of local products ;  
and
6. maximum use of existing industrial capacity.

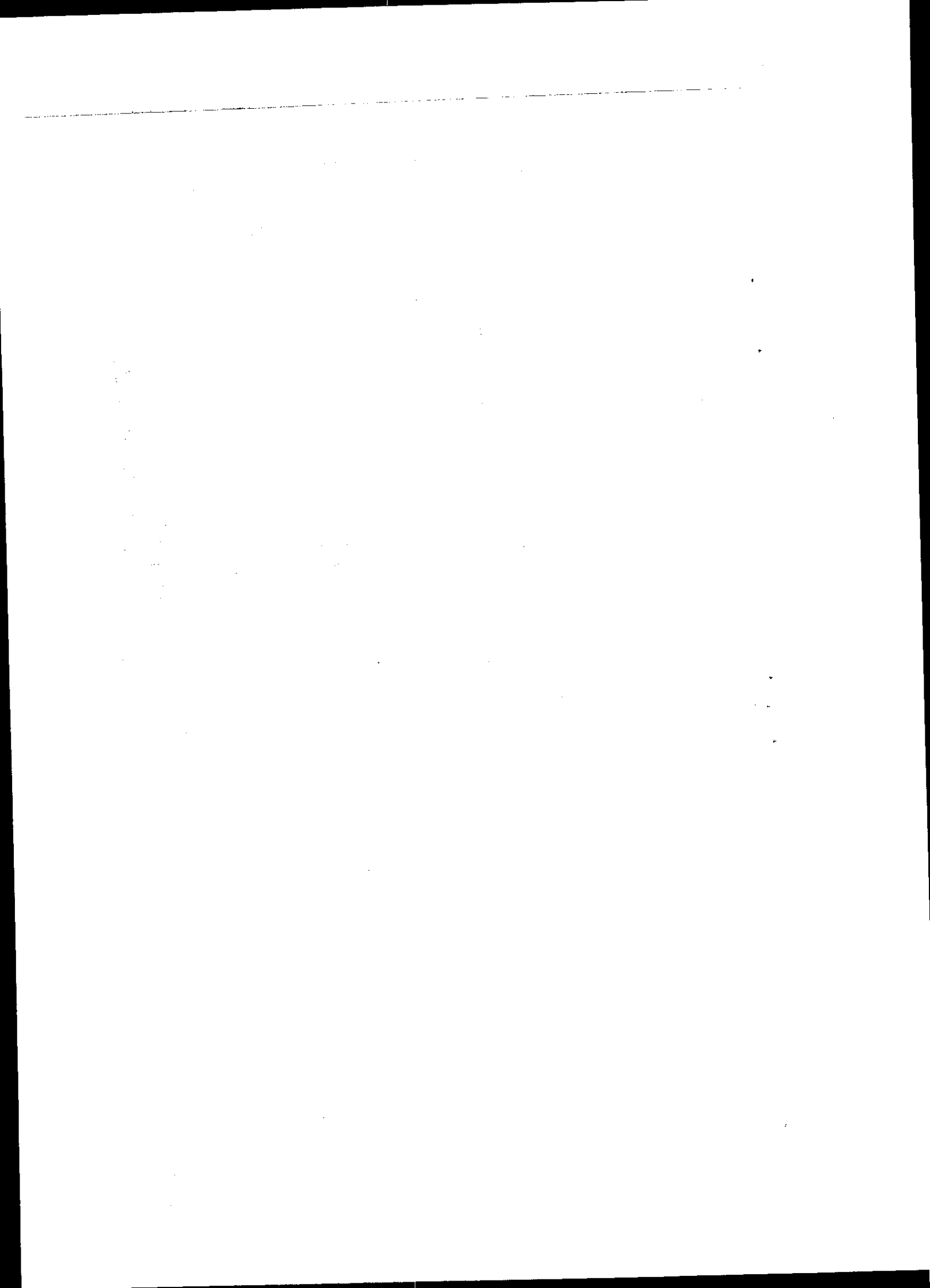
Industry has, thus, been assigned a crucial role in the economic setting of the country. Though still in its infancy, this sector has been the most dynamic, rapidly growing sector of the national economy, and there is no doubt that it will fulfil the responsibilities placed on it.

The industrial sector has continuously recorded a sustained expansion, and 1962-63 is no exception. The index of industrial production (Base : 1954=100) increased from 191.6 in 1960 to 203.2 in 1961 and further to 227 <sup>(1)</sup> in January-June 1962. The increase in industrial production in the first half of 1962 was about 18 per cent, as compared to only 6 per cent during 1961. (This series of index has been discontinued after June 1962 and replaced by a more representative index <sup>(2)</sup> with 1959-60 as the comparison and weighting base, and a larger coverage of items). According to the new series, where the base year is 1959-60, the index of industrial production, which stood at 107.8 in 1960-61, rose to 119.2 in 1961-62. It rose further to 124.4 during July-September 1962 and to 134.6 in October-December 1962. The mining sector, which is included in the above indices, was comparatively more buoyant during the latter half of 1962 which helped to raise the index of industrial production.

(1) Provisional (For details see Table No. 24 of the Statistical Section).

(2) The index is provisional (For details see Table No. 24 of the Statistical Section).





Almost all the industries contributed to the increase in production. Production of cotton piece goods increased from 70 crore yards in 1961 to 72.5 crore yards in 1962, that of cotton yarn from 41.3 crore lbs. to over 43 crore lbs., jute manufactures from 2.50 lakh tons to 2.86 lakh tons, paper from 60,700 tons to 63,400 tons, cement from 12.23 lakh tons to 13.73 lakh tons, sugar from 1.23 lakh tons to 1.85 lakh tons, hydrogenated vegetable oil from 45,200 tons to 62,700 tons and cigarettes from 1,207 crores to 1,370 crores. The production of paper board, however, recorded a small decline. <sup>(3)</sup>

The stable conditions prevailing in the country, coupled with the availability of substantial amount of foreign aid, loans and foreign investment, made it possible for the private sector to forge ahead with the industrial development of the country. The Government's policy of giving maximum possible assistance and freedom to the private enterprise paid rich dividends. During the first 2½ years of the Plan period (July 1960-December 1962), the provisions made in the last Industrial Investment Schedule (November 1960) had been over-committed to the extent of 43 per cent—against the total provision of Rs. 284 crores the amount committed was Rs. 407 crores. Also, provision for as many as 69 items of the schedule had been exhausted. The progress made in the implementation of the schedule and the availability of new studies and projects necessitated a revision of the schedule. A revised schedule envisaging an investment of Rs. 153 crores was, therefore, issued in February 1963. In addition, provision has been made for several large industries without specifying monetary targets.

While the credit for these impressive achievements largely goes to private enterprise, the role played by the Government in its attainment is no less significant. The production-oriented import policy, liberal provision of industrial credit facilities, setting up of a number of technical and allied institutions, provision of adequate infra-structural facilities, protection from foreign competition and the various fiscal and monetary concessions and facilities are some of the many aids which the Government have provided to industry. These are dealt with in greater detail at a later stage in this chapter.

The public sector has also played an impressive role in promoting industrial development. It is Government's policy to entrust the public sector with only such enterprises as the private sector is either unable or unwilling to undertake, because of large capital investment or low return. The Pakistan Industrial Development Corporation, which has been bifurcated into two provincial organizations, has been the main agency of Government for promoting industries in the public sector. Up to June 1962 the undivided P. I. D. C. had undertaken the establishment of 55 projects at a total cost of Rs. 172 crores.

The Government continued to give special attention to the industrial development of less developed areas, the establishment of heavy/sophisticated industries and the promotion of small industries. Projects for some heavy industries such as trucks, machine tools and electronic equipment have already been sanctioned. In the revised Industrial Investment Schedule, greater emphasis has been placed on such industries. In order to avoid congestion in bigger cities and to ensure dispersal of industries, a number of large industrial estates are being set up. Incentives in the shape of larger tax concessions, creation of excise-free zones

(3) For details see Table No. 25 of the Statistical Section.

and provision of infra-structural facilities are some of the measures adopted for speedy industrialization of the less developed areas. The development of small industries is being encouraged in such a way as to ensure that they do not have to face unfair competition from large industries.

Agencies connected with the industrial development of the country such as Industrial Development Bank of Pakistan (I. D. B. P.), Pakistan Industrial Credit and Investment Corporation (P. I. C. I. C.), Investment Promotion Wing (formerly called Investment Promotion Bureau), Pakistan Council of Scientific and Industrial Research (P. C. S. I. R.), Pakistan Industrial Technical Assistance Centre (P. I. T. A. C.), etc., continue to render assistance to industry in their respective spheres.

The policy of the Government has all along been to give maximum freedom to market forces to operate, and price and distribution controls have been resorted to only when it was inescapable. Controls have, accordingly, been lifted from all but a few articles.

In order to ensure that wealth and economic power are not unduly concentrated in a few hands, Government intend to take measures to avoid the harmful effects of monopolies, cartels and concentration of industrial ownership.

#### INDUSTRIAL INVESTMENT SCHEDULE

The impact of the various measures taken by the Government to assist the industrial sector is brought out in bold relief in the Industrial Investment Schedule of November 1960. The schedule was announced in order to accelerate the pace of industrial development in the private sector and covered the period from July 1960 to June 1965. The progress made in the implementation of the schedule during the first two and a half years of the Second Plan period showed that, as against the provision of Rs. 284 crores (Rs. 170 crores in foreign exchange) made in the schedule, the amount sanctioned during this period is Rs. 407.48 crores (Rs. 246.41 crores in foreign exchange). The classification of these figures is as follows :

#### INDUSTRIAL INVESTMENT SCHEDULE (1960)

(In crore rupees)

	West Pakistan			East Pakistan			Total		
	Internal	External	Total	Internal	External	Total	Internal	External	Total
<i>New capacity</i>									
Amount provided .. ..	68.50	102.57	171.07	34.07	47.62	81.69	102.57	150.19	252.76
Amount sanctioned .. ..	97.52	158.41	255.83	42.19	64.74	106.93	139.61	223.15	362.76
<i>Balancing and modernization</i>									
Amount provided .. ..	9.22	14.50	23.72	3.09	4.83	7.92	12.31	19.33	31.64
Amount sanctioned .. ..	16.83	17.99	34.82	4.63	5.27	9.90	21.46	23.26	44.72
<i>Total</i>									
Amount provided .. ..	77.72	117.07	194.79	37.16	52.45	89.61	114.88	169.52	284.40
Amount sanctioned .. ..	114.25	176.40	290.65	46.82	70.01	116.83	161.07	246.41	407.48



It will be seen from the above that the amount so far sanctioned has exceeded the provision made in the schedule by 43 per cent. Of the 107 industries provided for in the schedule, provision in respect of 69 has either been fully committed or over-utilized. Some of the important items for which allocations have been exhausted are steel, G.I. pipes, soda ash, acetate rayon, viscose rayon, polyacrylonitrile (P.A.N.), polyvinylchloride, acetylene, pulp, paper, card board, cotton spinning and weaving, jute manufactures, razor blades, sewing machines, bicycles, electric motors, ceramics, canning and processing of fish and shrimps, edible oils and vegetable *ghee*.

The rate at which the implementation of the Industrial Investment Schedule is progressing reinforces the confidence placed in private enterprise to accelerate the pace of industrial development in the country. The imperative need for establishing, with utmost dispatch, industrial undertakings that have been sanctioned is fully realized, and a close watch is being kept over the physical implementation of the sanctions that have been or are being given.

The progress made in the implementation of the schedule and availability of new studies and projects have necessitated revision of the schedule. A revised schedule, as mentioned earlier, envisaging an investment of Rs. 153 crores was issued in February 1963. In addition, provision has been made for several large industries without specifying a monetary target. The regional distribution of the provisions of the schedule is as under.

#### REVISED INDUSTRIAL INVESTMENT SCHEDULE

February 1963

(In crore rupees)

<i>Particulars</i>	<i>Internal</i>	<i>External</i>	<i>Total</i>
<i>New capacity</i>			
East Pakistan .. .. .	34.00	45.97	79.97
West Pakistan .. .. .	16.25	19.66	35.91
<i>Balancing and modernization</i>			
East Pakistan .. .. .	5.71	9.76	15.47
West Pakistan .. .. .	7.87	13.66	21.53
Grand Total .. .. .	63.83	89.05	152.88

It will be seen that of a total provision of Rs. 153 crores, the share of East Pakistan is 95.4 crores or 61.3 per cent of the total.

#### SETTING UP OF SOPHISTICATED INDUSTRIES

The progress which Pakistan has been making and is likely to make in the older and more conventional industries is, no doubt, impressive, but hardly a ground for complacency. Practically all the emerging nations, including the Commonwealth countries, are setting up capacities in conventional industries such as textiles, sugar, cement, leather and a host of simpler industries and the time is not far off when they would not only

become self-sufficient but would be thinking in terms of export. The reason is simple. Such industries require comparatively less capital investment and little technical know-how to get them going. Practically all the industrialized countries also have exportable surpluses of these items. There is, therefore, little scope for these goods in the markets of developing countries.

Viewed against this setting, it is imperative for Pakistan to venture into industries of the future also, if the economy is to be kept forward moving. Since the beginning of the Second Plan, Pakistan has started moving into more complex types of industries such as steel, petro-chemicals, heavy machine industries, machine tools, cars and trucks, air conditioning and refrigeration etc. Both the last Industrial Investment Schedule of 1960, and the new schedule have allocated sizable amount for such industries.

### SMALL-SCALE INDUSTRIES

In a primarily agricultural economy, burdened with seasonal surplus population, small industries have a significant role. These industries are capable of producing a wide range of goods with a considerable export potential. In the 'Big Business' world of today, the only way to ensure the survival of small industries is by integrating them into the total industrial structure. For these reasons, the Government, in November 1960, for the first time, announced an Industrial Investment Schedule for small industries. It provides for investment of Rs. 18 crores. The implementation of this schedule is being watched, and the question of its revision, in the light of the progress made, is being examined. The Government are encouraging the development of small industries in such a way as to ensure that they do not have to face unfair competition from large industries.

Government agencies are assisting small industries by providing long-term loans on easy terms, arranging training of workers, holding fairs and exhibitions and extending export promotion facilities. Rural industrial centres have also been set up to improve the techniques and equipment of rural industries. Twenty-four small industrial estates (sixteen in East Pakistan and eight in West Pakistan) are being established during the Second Plan period. In addition, a number of common facilities centres are also being established.

### ASSISTANCE TO INDUSTRIES

A brief account of some of the main measures taken to promote industrial development is given below.

Credit continued to be provided liberally to the industrial sector, both by the commercial banks and by specialized credit institutions such as the Pakistan Industrial Credit and Investment Corporation (P.I.C.I.C.) and the Industrial Development Bank of Pakistan (I.D.B.P.).

In May 1962, the Government had appointed a Credit Committee to review the credit situation in the country as there were complaints of stringency of credit in the market, and to make recommendations for regulating it in the best interest of the country. The Committee's findings, which were submitted in November 1962, were *inter alia*, that there was no general stringency of credit in the country; but while the larger

borrowers were fully accommodated, the smaller borrowers and less developed regions were experiencing difficulties. Measures are being taken to remedy the situation. At the end of December 1962, the amount of credit outstanding and provided by scheduled banks to the manufacturing sector stood at Rs. 105.6 crores against Rs. 78.05 crores in December 1961. The P.I.C.I.C. and the I.D.B.P. also made concerted efforts to strengthen the base of industrial credit, both in foreign and local currencies.

### **Pakistan Industrial Credit and Investment Corporation**

The Pakistan Industrial Credit and Investment Corporation is the chief institution in the country providing medium and long-term finance for industry. Since its establishment in 1957 up to March 1963, P.I.C.I.C. had sanctioned 323 loans amounting to Rs. 43.54 crores, of which Rs. 39.82 crores were in foreign currency and the rest in local currency.

During 1962 P.I.C.I.C. played an increasingly wider role in financing the industrial sector and sanctioned as many as 85 loans for Rs. 15.10 crores, against 65 loans worth Rs. 12.65 crores in 1961. The textiles sector accounted for 27 loans amounting to Rs. 4.23 crores, followed by chemicals (Rs. 1.85 crore), paper, paper products and printing (Rs. 1.37 crore) and food products and processing (Rs. 1.33 crore).

### **Industrial Development Bank of Pakistan**

In order to provide medium and long-term credit to medium-scale industries on a wider scale, the Pakistan Industrial Finance Corporation was converted into the Industrial Development Bank of Pakistan in 1961. The I.D.B.P. has a much wider scope of operation than the P.I.F.C.O. Unlike its predecessor which could provide credit only to existing industries, the Bank can finance the establishment of new units, besides modernization and balancing of existing industries. The scope of the Bank has been further broadened by raising the limit of loan advances from Rs. 10 lakhs to Rs. 25 lakhs. The total accommodation sanctioned by the Bank since its inception in August 1961 to June 30, 1962 amounted to Rs. 26.69 crores, compared to Rs. 14.57 crores sanctioned during the period from July 1, 1960 to July 31, 1961 by the P.I.F.C.O. Of the total loans sanctioned during 1961-62, Rs. 5.57 crores were in local currency and Rs. 21.12 crores (or about 79 per cent) in foreign currency.

I.D.B.P.'s policy has been directed towards meeting the long-term credit requirements of small and medium industries. The share of the smaller loans, *i.e.*, loans up to Rs. 5 lakhs, amounted to about 69 per cent of loans sanctioned during 1961-62.

During the second half of 1962, the accommodation sanctioned by the Bank amounted to Rs. 11.31 crores of which Rs. 9.18 crores were in foreign currency. These loans were given to nineteen different types of industries in both East and West Pakistan. In East Pakistan, the main purposes for which accommodation was provided were food products, river transport, textile and clothing, and engineering; while in West Pakistan they were polythelene plant, non-metallic mineral products, hotels, chemicals and pharmaceuticals, food products and textiles.

### Foreign loans and credits

Foreign exchange has been a serious bottleneck in the process of industrialization. Mainly as a result of the improvement in the economic situation and of sustained efforts made by the Government, foreign loans and credits are now being made available by friendly countries in a larger measure.

The following foreign loans and credits have been obtained so far for industrial purposes and allocated to various projects.

		\$ million
West Germany	..	116.03
Japan	..	70.50
U. S. A.	..	277.40
U. K.	..	46.81
France	..	27.44
Yugoslavia	..	10.00
World Bank and I.D.A.	..	81.30
Canada	..	10.30
Switzerland	..	10.00 (provisional)
Total	..	649.78

### Foreign investments

The Investment Promotion Bureau, now known as the Investment Promotion Wing of the Department of Investment Promotion and Supplies, was set up for attracting foreign investment. The Government have allowed liberal concessions to foreign investors, including guarantee against expropriation, repatriation of capital and facilities for remittance of profits. The investment climate in the country has been very favourably commented upon by the different international financial agencies and eminent foreign industrialists and bankers.

The Wing sanctions proposals for the establishment of new industries involving foreign investment, provides guidance to industrialists and serves as a clearing house for the problems facing intending investors such as the availability of land, building materials, water, railway sidings, raw materials and technical help, etc. Regional offices have been set up at the headquarters of the two Provincial Governments at Dacca and Lahore.

Since its inception in April 1959 till the end of 1962 it has accorded sanctions to 318 investment proposals for Rs. 74.55 crores, excluding foreign loans amounting to Rs. 43.15 crores.

### Pakistan Council of Scientific and Industrial Research

The research activities of the P.C.S.I.R.'s laboratories have, of late, considerably expanded. A large number of processes evolved by the Council have been leased out to industry. While some of them relating to manufacture of products like Jutoid, Cemto and Gas Plants have already gone into production, others are making fair progress to that stage. The cellular concrete introduced by the P.C.S.I.R. has also been quite popular with the building industry.

During the period April 1962 to March 1963, the Council filed 12 patent applications of which 4 have been granted. So far, the Council has obtained 93 patents, including 54 in foreign countries.

The Council has in hand a number of schemes including Pak-Swiss Precision Mechanics Instrumentation Centre, National Drug Research Institute, Chittagong and Lac, Wax, Fibre Research Institute, Rajshahi.

#### **Pakistan Industrial Technical Assistance Centre**

The Government, in collaboration with I.C.A. (the U.S. A.I.D. Mission), established in 1957 the Pakistan Industrial Productivity Services (Karachi) and the Pakistan Industrial Development Services (Lahore), to provide technical assistance to industries, particularly small and medium size industries. These institutions have recently been merged into one organization called the Pakistan Industrial Technical Assistance Centre (P.I.T.A.C.) with headquarters at Lahore and branches at Karachi and Dacca. These Centres have tendered useful technical advice to a number of firms, handled a large number of production orders from private industries, and developed special machines and machine aids aimed at providing cheap substitutes for expensive imported equipment.

#### **Central Testing Laboratories**

The Central Testing Laboratories constitute a general-purpose scientific organization concerned with experimental work of a varied nature and scientific evaluation of materials according to prescribed standards. It is responsible for testing goods purchased through Government agencies and the scientific assessment of commodities produced, consumed and exported on behalf of industry and Government departments.

#### **Pakistan Standards Institution**

This institution was set up to help improve the quality of local products by laying down recognized standards and to promote the adoption of standards, quality control and simplification processes in industry and commerce. The Institution has so far finalized 225 standard specifications of which 145 have been published.

Considering the importance and urgency of Certification Marks in controlling the quality of indigenous products having export potential or related to the health and safety of their users, the Government, in 1961, promulgated the Certification Marks Ordinance empowering the Institution to administer the Certification Marks, to issue licences, to levy fees, etc. A programme for the gradual introduction of the metric system is also being developed by the Institution.

#### **Swedish-Pakistan Institute of Technology**

This institution was established in 1955-56 to further the development of small industries by training future foremen, instructors and entrepreneurs in selected fields such as wood working, ready-to-wear garments, electronics and gas welding. Since July 1961, three new divisions have been introduced, namely, electrical technology, sewing machine mechanics and maintenance of machinery and equipment.

In view of the success achieved by the Institute, similar institute, one at Kaptai in East Pakistan and the other at Gujrat in West Pakistan, are being set up.

### Patent Office

The Patent Office is playing a useful role in the industrial progress of the country by granting patents to new inventions and registering new industrial designs from all over the world. Between March 1962 and February 1963, the Patent Office granted patents to 944 new inventions and registered 365 new designs, bringing the total number of patents to 5,886 and of designs to 2,029.

### Protection to industries

During 1962-63 the Tariff Commission continued to look after the interests of nascent industries seeking Government protection. The Commission carried out its investigations on a more searching and selective basis, having due regard to the interests of consumers and the present stage of the country's industrial development. The principle followed has been that protection is not to be given to an industry just because it is unable to stand competition against similar imported articles; it has also to satisfy the Commission that it meets the minimum requirements of efficiency, quality, costs and prices.

During the period April 1962 to March 1963, the Commission conducted enquiries into six industries, *viz.*, drugs and pharmaceuticals, antibiotics, sulphur, barytes, textile power looms and transformers. It submitted its recommendations to the Government on fourteen industries during the same period—some of the industries had been surveyed earlier. The main industries on which reports were submitted were: drugs and pharmaceuticals, printer's ink, glass bottles and jars, belting, sulphur, acetone and several types of brass products. On the recommendations of the Tariff Commission, the Government, during the period April 1962 to March 1963, granted protection to three industries, *i.e.*, transformer, fruit preserving and acetone; while protection already granted to drugs and pharmaceuticals industry was extended to antibiotics on the recommendations of the Commission.

### Large industrial estates

Dispersal of industries, besides avoiding congestion in bigger cities, is desirable from other angles also. To ensure dispersal of industries, a number of large industrial estates are being developed. These include the industrial estates at Jhelum, Multan, Sukkur, Rahimyar Khan, Nowshera and Sargodha in West Pakistan, and Khulna, Faujdarhat, Tejgaon and Tongi in East Pakistan.

### Industrial Development Corporations

The Pakistan Industrial Development Corporation, which has been bifurcated into two provincial organizations—West Pakistan Industrial Development Corporation (W. P. I. D. C.) and East Pakistan Industrial Development Corporation (E. P. I. D. C.)—has been the main agency of the Government for promoting industries in the public sector. Up to June 1962 the undivided P. I. D. C. had undertaken the establishment of fifty-five projects, either on its own account or in partnership with

private enterprise, at a total cost of Rs. 172 crores. These projects included twelve jute mills, four paper, board and newsprint mills, two cement factories, three fertilizer factories, four chemical plants, a penicillin factory, a dyestuff plant, three woollen mills, two cotton textile mills, two gas transmission pipelines, gas distribution companies, development of coal mines and six model cotton ginning factories.

*West Pakistan Industrial Development Corporation.* On the bifurcation of P. I. D. C. thirty-two completed projects were transferred to the W.P.I.D.C., involving a capital outlay of Rs. 53.4 crores. Included among them were two board paper mills, two sugar mills, two cement factories, three woollen and textile mills, two fertilizer factories, six ginning factories, one shipyard, three chemical plants, one dyestuff plant, several collieries and an area of iron ore deposits (under survey). Of these, twenty-four have been formed into limited companies. Eight projects, although completed, have not yet been formed into limited companies. The investment position of the completed projects as on July 1, 1962 was as under :

#### INVESTMENT POSITION OF COMPLETED PROJECTS

(In crore rupees)

<i>Particulars</i>	<i>Government investment through W.P.I.D.C.</i>	<i>Private investment</i>	<i>Foreign aid</i>	<i>Total</i>
Public limited companies managed by W.P.I.D.C. .. ..	20.05	1.10	7.70	28.85
Public limited companies managed by associates (Private parties) ..	2.00	10.79	..	13.04
Projects not yet formed into limited companies .. ..	11.01	0.19	0.31	11.51
Total ..	33.06	12.08	8.01	53.40

There has been a marked improvement in the operating results of W. P. I. D. C. projects (large industries), under both private and W. P. I. D. C. management. During 1962-63, the completed projects are expected to produce goods worth Rs. 38.15 crores.

The W. P. I. D. C. has lately decided to set up manufacturing capacity for different types of heavy machinery. With this end in view, a contract was signed in March 1963 between the W. P. I. D. C. and a West German firm for advisory services in regard to establishing a heavy industry complex in West Pakistan.

*East Pakistan Industrial Development Corporation.* The schedule of the E. P. I. D. C. names fourteen industries on which the Corporation is concentrating attention. All those industries are such as require heavy capital investment and fulfil the needs of basic industries of the country. Through its efforts, the Corporation has given a lead and a momentum to the industrial development and has set a base upon which further development of the country can securely progress.

E. P. I. D. C. has so far set up twenty-two projects on its own and in partnership with private enterprise. Of these, it has been successful in transferring twelve projects to the private sector, retaining only a nominal investment. Of the rest, nine projects are under the management of E. P. I. D. C. and one is being managed by another Company, with E. P. I. D. C. holding forty per cent shares in it.

The Corporation has several projects in hand. They include setting up of twelve new jute mills, a hard board factory, three sugar mills, a steel mill at Chittagong and a D. D. T. factory etc.

The steel mill is the biggest industrial undertaking being sponsored by the Corporation in East Pakistan. The projected mill will cost Rs. 27 crores and produce 1,50,000 tons of finished products, resulting in foreign exchange saving of nearly Rs. 3 crores.

The projects being undertaken by the Corporation involve a total investment of Rs. 70 crores. Among the most significant projects are a D. D. T. plant at a cost of Rs. 1 crore, a paper pulp complex project costing Rs. 14 crores, a superphosphate plant for Rs. 4 crores and a sulphuric acid plant for Rs. 10 crores. Besides, the E. P. I. D. C. has also finalized the setting up of a dry dock at Chittagong.

## DEVELOPMENT OF SOME LARGE-SCALE INDUSTRIES

### Steel

Government have approved the projects for the Karachi and Chittagong steel mills with an installed capacity of 3.5 lakh tons and 1.5 lakh tons respectively. The estimated cost of the Karachi Steel Mill is Rs. 65 crores (Rs. 45.5 crores in foreign exchange). It is expected to produce billets, rails, black and galvanised sheets, tube strip, tin plates etc., and will use imported iron ore and coal. The estimated cost of the Chittagong plant is Rs. 27 crores (Rs. 17 crores in foreign exchange). It will use imported pig iron and steel scrap supplemented by return and mould scraps available from within the mill during processing.

With the establishment of the steel industry in the country, a base for other heavy industries will be provided, apart from feeding other industrial units.

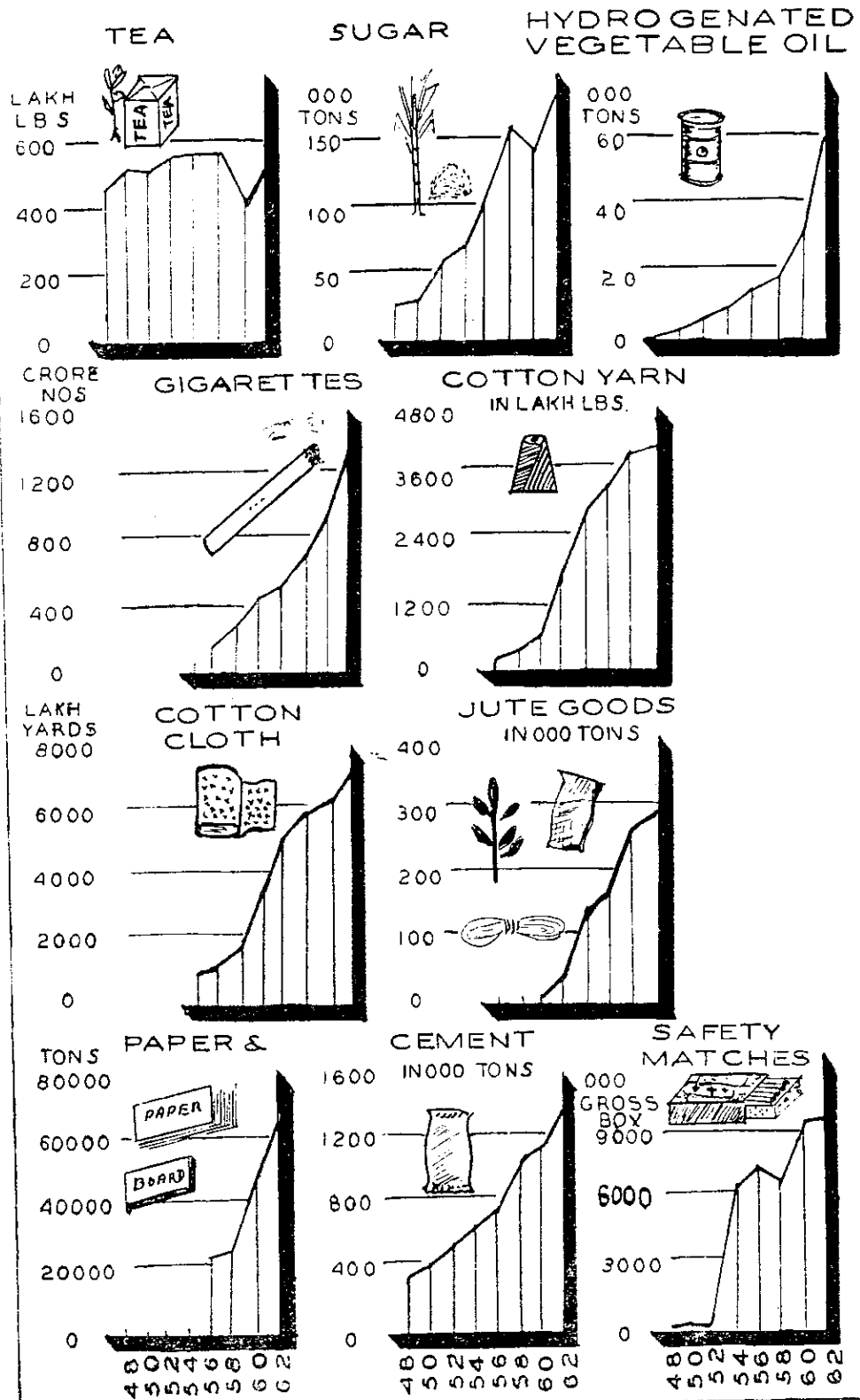
### Engineering industries

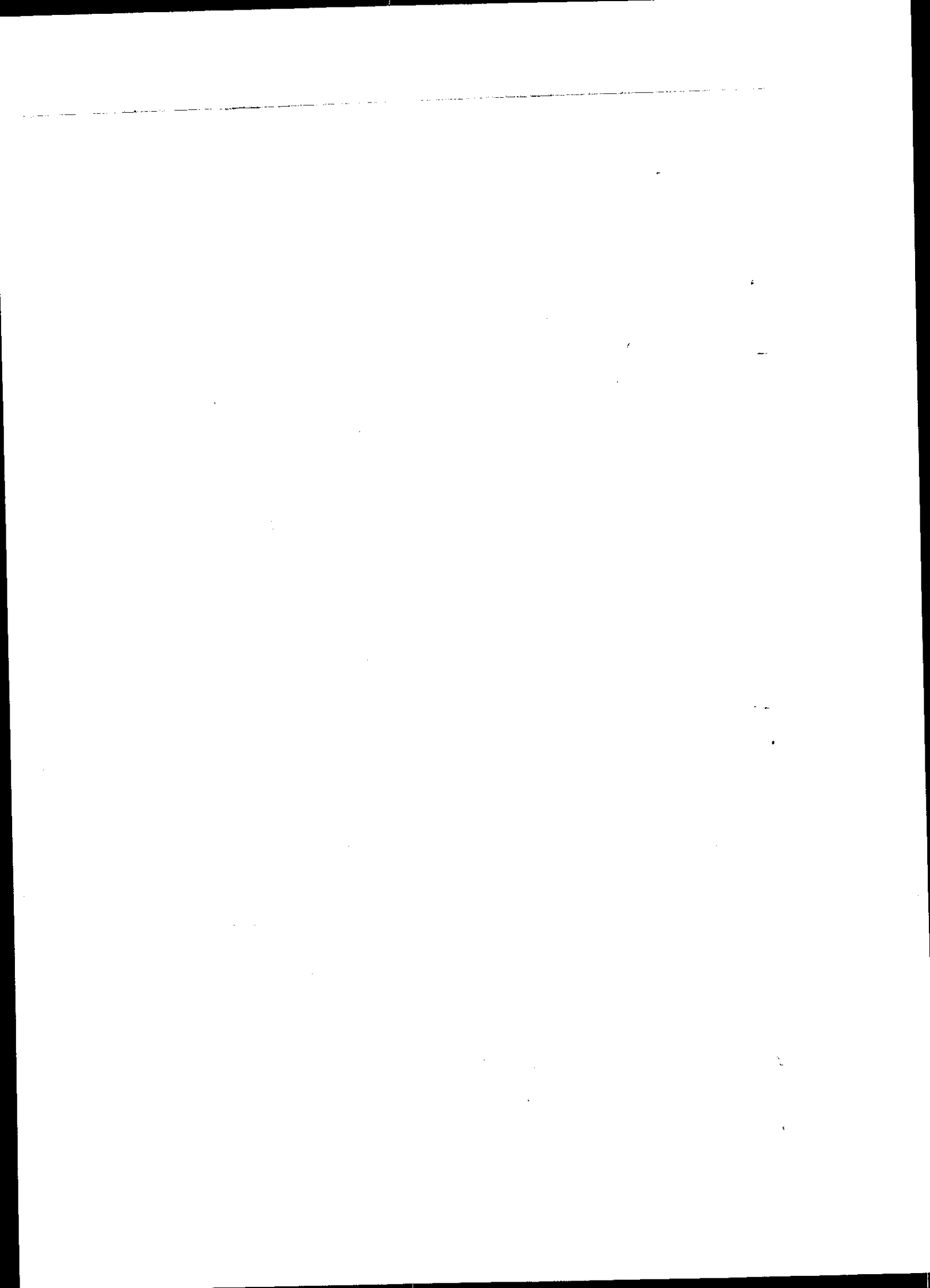
*Re-rolling.* At the time of Independence there were about twenty-nine re-rolling mills, all of them in West Pakistan. This number has now increased to 156 spread all over the country. The effective annual capacity is now of the order of 5 lakh tons.

*Assembly production of mechanically propelled vehicles.* There are three regular assemblers in the country. The Government have recently accorded sanction to M/s. Mack of U. S. A. for setting up a truck manufacturing plant with a capacity of 2,000 trucks per annum. A project for the progressive manufacture of jeeps has also been sanctioned. Sanction has also been accorded for the assembly manufacture of tri-wheelers and motor cycles. Proposals for the manufacture of cars have also been invited.



# TREND OF INDUSTRIAL PRODUCTION





*Bicycles.* The installed and sanctioned capacity for the manufacture of cycles in the country is 2.8 lakh units per annum as against the estimated requirement of 3 lakh units. The production of cycles has increased from 66,000 in 1961 to 1,05,000 in 1962.

*Machine tools.* A number of units with a total capacity of producing machine tools worth Rs. 2.8 crores are in operation. Most of them are manufacturing ungraded machine tools to meet the requirements of low-priced machines. The Government have agreed to the setting up of a machine tool factory, the details of which are being worked out.

*Sewing machines.* The installed and sanctioned capacity for assembly and manufacture of sewing machines is 74,000 units. The production of sewing machines in 1962 was 57,942 units.

*G. I. pipes.* The installed capacity for G. I. pipes is 11,600 tons per annum on single shift basis. Two units, one for East Pakistan, with a capacity of 5,000 tons and the other for West Pakistan with a capacity of 6,000 tons have been sanctioned. In addition, a seam welded spiral pipe plant with a capacity of 9,100 tons has also been sanctioned. With the coming into production of these units, the total installed capacity will increase to 31,600 tons per annum.

*Pumps.* The existing annual capacity for the manufacture of centrifugal pumps is above 3,700 units and that of deep well turbine pumps is 1,100 units on single shift basis. Pumps valued at Rs. 79.75 lakhs were produced in 1962 as against Rs. 45.20 lakhs in 1961.

*Ship building.* The Karachi shipyard has both ship building and ship repairing facilities. The Khulna shipyard offers facilities for building craft up to 300 feet in length and for repairs. The yard is at present constructing barges, tugs and launches and undertaking repair work. The shipyard at Narayanganj is being modernized and expanded. The yard can also undertake construction of small craft. The yards at Karachi and Khulna and the dockyard at Narayanganj continued to work on the construction of barges and tugs, ship repairs and other miscellaneous jobs.

### **Chemicals and drugs**

*Oil refinery.* An oil refinery has been set up at Karachi with a total capacity of 15 lakh tons. Proposal for increasing its capacity to 21 lakh tons is under consideration. In addition, two more oil refineries, one for Chittagong and the other for Karachi, have been sanctioned. These refineries will have a capacity of 12 lakh tons per annum each.

*Fertilizers.* The requirements of fertilizers are estimated at 6,85,000 tons in 1962-63 and 8,89,000 tons by the end of the Second Plan period. The existing capacity is 5,62,000 tons equivalent of ammonium sulphate per annum. The expansion of Lyallpur factory by 38,000 tons of superphosphate and Daudkhel factory by 40,000 tons of ammonium sulphate has been approved. A unit with a capacity of 80,000 tons of superphosphate has been sanctioned for Chittagong. The question of setting up two natural gas fertilizer factories, one in each Wing of the country, is under consideration. When all these proposals for expansion and setting up new factories materialize, total production capacity will increase to 12,40,000 tons equivalent of ammonium sulphate. In 1962, the production of superphosphate, urea, ammonium sulphate and ammonium nitrate was 1.58 lakh tons.

*Caustic soda and soda ash.* The installed and sanctioned capacity for soda ash and caustic soda is 1,00,000 tons and 46,800 tons respectively, as against the Second Plan targets of 74,000 and 35,000 tons. This will be sufficient to meet the country's requirements.

*Petro-chemicals.* The development of the petro-chemical and synthetic fibre industry is a landmark in the industrial development of the country. An acetylene plant, with a capacity of sixteen tons per day, has been sanctioned at a total cost of Rs. 3.2 crores. This plant will feed the polyvinylchloride (P.V.C.) and polyacrylonitrile (P.A.N.) plants.

A polyvinylchloride plant with a capacity of 4,950 tons per annum has been sanctioned at a total cost of Rs. 2.69 crores. This project will effect a foreign exchange saving of Rs. 22.40 lakhs and will export 1,000 tons of polyvinylchloride finished goods valued at Rs. 50 lakhs.

A polythelene plant with a capacity of 5,000 tons per annum is being set up at an estimated cost of Rs. 7.55 crores. When in production, the unit will substantially reduce the imports of plastic compounds.

A urea formaldehyde plant has been sanctioned in East Pakistan with a capacity of 2,400 tons of urea formaldehyde compounds at a total cost of Rs. 1.16 crore. The unit will effect a net foreign exchange saving of Rs. 24 lakhs.

*Synthetic fibres.* A polyacrylonitrile (P.A.N.) unit with a capacity of 4,950 tons per annum has been sanctioned at a total cost of Rs. 12.43 crores. When in production, the proposed unit will effect, foreign exchange saving of Rs. 1.37 crore. The unit is also expected to export 3,150 tons of staple fibre, thereby earning foreign exchange worth Rs. 3.15 crores.

An acetate rayon plant is being set up with an annual installed capacity of 3,000 tons at a total cost of Rs. 13.6 crores.

A viscose rayon plant has been sanctioned for East Pakistan with a capacity of 35 tons of pulp, 16 tons of rayon and 5 tons of cellophane per day at a total cost of Rs. 7.55 crores. The unit is expected to export 1,000 tons of rayon yarn valued at Rs. 30 lakhs and to effect a foreign exchange saving of Rs. 93 lakhs.

A polyester fibre plant has been sanctioned at an estimated cost of Rs. 11.28 crores. It aims at a production capacity of 1,750 tons of staple fibres and 1,750 tons of filament. The unit is expected to effect sizable exports, and also bring about some saving in foreign exchange by substituting current imports.

*Drugs and pharmaceuticals.* Following Government's policy of liberal licensing, imports of drugs and pharmaceuticals increased from Rs. 4.5 crores in 1958-59 to Rs. 8 crores in 1961-62. Sizable capacity has been sanctioned during the first two years of the Second Plan period for the manufacture of tablets, liquid preparations, injectibles, liver extracts, santonin and ephedrine. As against a provision of Rs. 3.2 crores made in the Industrial Investment Schedule of 1960, sanctions amounting to Rs. 3.4 crores have been issued. Most of the capacity sanctioned and installed in the country is for tablet manufacturing and liquid formulations. In order to reduce the import bill, attention is being given to the development of basic manufactures.

*Paints and varnishes.* The installed capacity in the country for paints and varnishes is 13,500 tons per annum. Additional capacity of 3,000 tons per annum is being developed for the production of special type paints such as aircraft finishes, automotive nitrocellulose based paints, etc. The production of paints and varnishes during 1962 was 101,000 cwt. against 92,000 cwt. in 1961.

### Electrical industries

*Electric fans.* The installed and sanctioned capacity for electric fans is 2,36,600 per annum. The production of fans has increased from 1,33,500 in 1961 to 1,46,100 in 1962. The total installed and sanctioned capacity is sufficient to meet the country's requirements and also to effect some exports.

*Electric motors.* The installed and sanctioned capacity for electric motors is 60,000 units per annum. This is sufficient to meet the requirements of the country for motors up to 50 H.P. Production of motors has increased from 2,121 in 1961 to 2,758 in 1962.

*Switch gears.* Industrial type power switch boards are now being manufactured by five units. The value of switch gears produced in the country in 1962 was Rs. 85.5 lakhs as against Rs. 58.5 lakhs in 1961.

*Electric bulbs and tubes.* The production of electric lamps from 15 to 300 watts and of train lighting lamps has increased from 41 lakhs in 1961 to 41.39 lakhs in 1962 and that of fluorescent tubes from 11,476 units in 1961 to 40,549 units in 1962. Two lamp manufacturing units, one in each Wing, and five fluorescent tube manufacturing plants have been sanctioned. The capacity sanctioned is considered sufficient to meet the country's present requirements.

*Electric meters.* The existing capacity is 1,70,000 units. A unit has been sanctioned for East Pakistan with an annual capacity of 15,000 units.

*Transformers.* The annual installed capacity for the manufacture of transformers of 5 to 1,600 k.v.a. at 33 k.v. is 1,20,000 k.v.a. Three units, one in West Pakistan and two in East Pakistan, have been sanctioned with a capacity of 2,80,000 k.v.a. per annum.

*Accumulators and dry batteries.* At the moment, 13 units are engaged in the production of accumulators and 7 units engaged in the production of dry batteries. The production of accumulators and batteries has decreased from 50,593 and 1.2 crore in 1961 to 37,647 and 1.1 crore in 1962 respectively.

*Wires and cables.* The present installed capacity for the manufacture of wires and cables is 3,000 tons. A unit has been sanctioned for the manufacture of 25,325 tons of wires and cables. This is expected to meet our total requirements.

*Radios.* At present, 15 units with a total capacity of 61,800 radio sets per annum are engaged in the assembly of radio sets. Six more units have been sanctioned. The question of setting up a plant for the manufacture of basic items of radio, like valves, transistors, resistors and capacitors is under active consideration.

### Cement

The existing effective capacity of cement production is estimated at 14.5 lakh tons per annum. Production of cement increased from 11.20 lakh tons in 1960 to 12.23 lakh tons in 1961 and to 13.73 lakh tons in 1962.

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Three new cement factories (Monghopir, Gharibwal and Nattar) and the expansion of Wah Cement Factory have been sanctioned. When all the sanctioned capacity goes into production, the annual capacity will increase to above 25 lakh tons. A white cement plant, with an installed capacity of 70,000 tons per annum, has also been sanctioned.

The production of cement in East Pakistan is about one lakh ton per annum as against requirements of 4.5 lakh tons.

### Glass

The installed capacity in the country is 25,850 tons. Additional capacity of 14,700 tons per annum has been sanctioned. The present production of glass is estimated at 20,000 to 25,000 tons per annum.

### Paper and board

The existing capacity consists of 23,000 tons of newsprint, 42,550 tons of paper and 1,50,000 tons of paper, straw and corrugated boards. Sanctions have been given for setting up a particle board and a hard board plant in East Pakistan. The Khulna Newsprint Extension scheme is under implementation. On its completion, the installed capacity of the unit will increase to 50,600 tons of newsprint and mechanical paper. The production of newsprint during 1962 was 30,568 tons as against 28,800 tons in 1961, of paper at 32,809 tons as against 31,925 tons and that of paper, straw and corrugated boards at 17,785 tons as against 17,906 tons. A project for the manufacture of paper from bagasse, with a capacity of 18,000 tons per annum, has been sanctioned at Mardan.

A duplex board project with a capacity of 5,400 tons and a straw board unit with a capacity of 1,500 tons per annum have also been sanctioned recently. The import of paper and paper board during 1961-62 amounted to Rs. 2.55 crores. When all these sanctioned units come into production, the import of these items will be reduced substantially. The possibility of exports also cannot be ruled out.

### Rubber and leather products

*Rubber tyres and tubes.* Annual imports of rubber tyres and tubes have been of the order of about Rs. 3 crores. Capacity exists to meet the total demand in respect of cycle tyres and tubes. A big rubber tyres and tubes manufacturing unit, with an annual capacity of 1.5 lakh car tyres and tubes each, has been sanctioned. When in production, this unit will be able to meet almost the full requirements.

*Leather and leather products.* Pakistan still exports most of its hides and skins in raw form. At the beginning of the Second Plan, the tanning industry comprised eighty large and medium-scale tanneries with an annual capacity of 3 crore square feet of upper leather and 1.6 crore pounds of sole leather. This, with the capacity of numerous small units, was sufficient to meet the internal demand. Sanctions valuing Rs. 98 lakhs have been issued for tanning and leather curing. As the sanctioned units go into production, tanned leather output will rise and this should lead to an increase in export earning. In 1962, the production of upper leather (tanned) was about 3.83 crore sq. ft. and of sole leather 1.26 crore lbs.

### Food products

*Canning and preservation of fruits and vegetables.* There are at present about 100 cottage-scale units, but their capacity is not enough to

utilize an appreciable proportion of fruits and vegetables. Because of lack of suitable machinery and technical know-how, the quality of products does not come up to international standards. The present production is over one crore pounds valued at Rs. 2.5 crores.

*Processing, canning and freezing of fish.* The country abounds in fish resources, and there is, therefore, a substantial potential for the development of fish freezing and canning industry. A large number of fish freezing and canning units have recently been sanctioned. When in production, they will lead to substantial exports.

*Sugar.* The Second Plan proposed an increase in the sugar manufacturing capacity to 3 lakh tons. The capacity so far sanctioned and installed is 3.15 lakh tons. The question of further expansion of the target is under consideration. The production of sugar has increased from 1.23 lakh tons in 1961 to 1.85 lakh tons in 1962.

*Vegetable ghee.* The installed and sanctioned capacity for the manufacture of vegetable *ghee* is 1,18,000 tons. The production of vegetable *ghee* has increased from 45,200 tons in 1961 to 62,700 tons in 1962.

*Tobacco manufactures.* The Second Plan has proposed a production target of 1,500 crores of cigarettes. Sanctions in excess of the Plan target have been issued. The production of cigarettes has increased from 1,206 crores in 1961 to 1,370 crores in 1962.

### Textiles

*Jute manufactures.* The Second Five-Year Plan proposed to increase the jute goods manufacturing capacity from 8,040 looms to 12,000 looms. Capacity is under installation for achieving the Second Plan target. Government have recently decided to increase the target from 12,000 looms to 14,000 looms. Sanctions have since been issued for the additional 2,000 looms envisaged in the revised target which include a unit of 171 looms for West Pakistan. It has also been decided to install 600 broad looms for manufacturing carpet backing cloth.

Production of jute manufactures has increased from 2,50,400 tons in 1961 to 2,86,400 tons in 1962. Exports of jute manufactures, however, declined from Rs. 34.76 crores in 1961 to Rs. 31.30 crores in 1962.

*Cotton textiles.* The Second Plan proposed to increase cotton textile manufacturing capacity from 19.41 lakh spindles and 30,000 looms in 1960 to 25 lakh spindles and 40,000 looms by 1965. The capacity installed and sanctioned at present stands at 28.17 lakh spindles and 42,500 looms. The production of cotton cloth and yarn has increased from 69.90 crore yards and 41.26 crore lbs. in 1961 to 72.52 crore yards and 43.22 crore lbs. in 1962, respectively. In 1963, the production of cloth is expected to rise further to 77.83 crore yards and that of yarn to 56.58 crore lbs.

*Woollen textiles.* The sanctioned capacity for woollen textiles is 26,464 spindles and 172 looms and that of worsted textiles 23,358 spindles and 298 looms. The production of woollen and worsted yarn is estimated at 51 lakh lbs.

*Art-silk.* There are about 282 factories engaged in the manufacture of art-silk fabrics. The production of art-silk fabrics has increased from 2.2 crore square yards in 1961 to 2.5 crore square yards in 1962.

## SECTION II—MINING

During 1962-63 the mining sector was more buoyant than in the preceding year and the output of most of the minerals increased. The search for petroleum resulted in the discovery of several new gas-fields in East Pakistan and of a number of minerals including iron ore in West Pakistan. Besides, the development of some oil wells in West Pakistan was also completed during the year.

According to the revised index of industrial production, where the base year is 1959-60, the index of mineral production rose by 21.8 points between July-December 1962, as compared with only 9.3 points during 1961-62.<sup>(\*)</sup>

## OIL

In view of the inadequacy of domestic supplies of oil in the country, the Government have been taking effective action for the development of resources in this sector. In 1962, for instance, imports of oil and petroleum products alone amounted to nearly Rs. 25 crores. A number of foreign companies have, therefore, been granted licences for oil prospecting. The Government also, in addition to participating with private oil companies to the extent of 25 per cent, directly undertook exploration and prospecting for oil through the Oil and Gas Development Corporation. The Corporation has launched an extensive programme of surveys throughout the country and is being assisted in its exploration activities by a large team of Russian specialists. It is expected that the drilling of some promising structures would be started during the current year.

Seven oil companies are engaged in the exploration and production of oil and natural gas in the country. In addition, two more foreign oil companies have shown interest in off-shore exploration work in collaboration with a Pakistani oil company. During 1962, the Attock Oil Co. Ltd., completed the development of well no. 42 at Dhulian and brought it on to production of 400 barrels of oil per day. The company is also drilling another well at Dhulian where prospects of striking oil are bright. Another company, the Pakistan Oilfields Ltd., also completed the Dhulian POL-2 well in April 1962. This well is producing about 600 barrels of oil per day. It is proposed to put this well on production from the Ranikot horizon as a dual producer.

The Pakistan Sun Oil Co., started off-shore seismic survey near Thatta in West Pakistan in November 1962 and completed the work in March 1963. This is the first time that a company has ventured to undertake off-shore work. As a result of this survey, a large structure favourable for accumulation of oil/gas has been located in off-shore region and one or more deep wells will be drilled shortly to test the structure.

## GAS

While prospecting for oil, the private companies have found a number of rich gas-fields in both East and West Pakistan. Gas has been discovered in West Pakistan at Sui, Zin, Ich, Khairpur, Khandkot, Mazrani and Mari. The natural gas field at Mari is the second biggest find in the

(\*) For details see Table No. 24 of the Statistical Section.



country. Ways and means for utilization of this gas by setting up a fertilizer factory are being explored. In West Pakistan, gas is being supplied from Sui to Karachi and Multan, and it has recently been decided to supply the northern areas with Sui gas by laying a pipeline from Multan to Lyallpur and Gharibwal, with a spur to Lahore.

In East Pakistan, the gas field in Sylhet was discovered in 1960 and Kailash Tila Well No. I was completed in February 1962. This was proved gas-bearing in commercial quantity. Also, the well at Titas in East Pakistan was completed as gas producer in August 1962. Another well at Titas was spudded on the same structure which was completed in February 1963. Negotiations for laying pipelines for transmission of gas from Titas field to the industrial town of Dacca are underway.

#### OTHER MINERALS

The search for minerals, other than oil and gas, has also been intensified. The Geological Survey of Pakistan launched over fifty field investigation projects during the year with promising results. Geological data indicate good quality reserves of limestone and coal at shallow depths in Sylhet. A deposit of glass sand was discovered in Mymensingh and extensive peat deposits have been proved in a number of districts in East Pakistan. Deep drilling was undertaken in 1962 near Kansat in East Pakistan to prove the existence of Gondwana coal in that area. Large deposits of iron ore have also been proved in the Makerwal-Chichali-Kalabagh areas of Mianwali district in West Pakistan, and the quality of that ore is being investigated. Reserves of over 15 lakh tons of barytes were discovered during the year in the Khuzdar area of Kalat Division. Disseminated copper mineralization has been discovered over a large area in the Chagai district. Detailed radio-metric survey of the Rakhi-Munh area in Dera Ghazi Khan district are being conducted and samples of radio-active sandstone are being tested.

The following table shows the production of some important minerals<sup>(5)</sup>.

PRODUCTION OF IMPORTANT MINERALS

<i>Mineral</i>	<i>Unit</i>	1960	1961	1962
Chromite .. .. .	'000' tons	18	25	30(a)
Coal .. .. .	" "	818	906	947(a)
Fireclay .. .. .	" "	16	16	9 (a)
Gypsum .. .. .	" "	90	100	128(a)
Limestone .. .. .	" "	1,067	1,176	1,515(a)
Rocksalt .. .. .	" "	181	198	192
Barytes .. .. .	" "	635	437	2,677(a)
Crude oil .. .. .	Million I. G.	92	99	117
Natural gas .. .. .	Million cubic ft.	29,842	34,665	42,076

(a) Provisional.

It will be seen from the above table that the production of most of the minerals recorded a fair increase in 1962 as compared to 1961. In this group fall such important minerals as chromite, coal, gypsum, limestone, barytes, crude oil and natural gas. On the other hand, the production of only two minerals, *i.e.*, fireclay and rocksalt registered a fall.

<sup>(5)</sup> For details see Table No. 28 of the Statistical Section.

## WATER AND POWER DEVELOPMENT

THE DEVELOPMENT of water and power resources is not an end in itself, but a means to an end. The great importance attached to this sector in both the First and the Second Plans speaks of the anxiety of the planners for providing a solid base for rapid growth of agriculture and industry. The allocation under this sector in the Second Plan is Rs. 439 crores or 19 per cent of the total and is next only to industry which claimed 22 per cent of the total planned expenditure.

Agriculture in Pakistan is highly susceptible to the vagaries of nature. There is rarely a year when in some part of the country there is not a natural calamity such as flood or drought. Water-logging and salinity are a permanent scourge. The difference between a good and a bad year is only one of degree. Expansion of irrigation facilities, adoption of flood control measures and reclamation of land under water-logging and salinity, through large as well as small projects are, therefore, essential to diversify agriculture and increase crop yields. The development of power is a prerequisite for carrying out large industrial programmes. Since Independence, much progress has been achieved in the industrial sector. Since development is taking place in a planned manner, every care is being taken to ensure that power supply keeps pace with demand. The conventional sources of power, such as hydro, thermal and gas are limited. Therefore, efforts for establishing nuclear plants in both East and West Pakistan are being made to meet the ever growing requirements of power. In this connexion some preliminary surveys have already been undertaken.

Water and power have been among the most significant fields of development. During 1962 and the first quarter of 1963, significant progress was achieved in this sector. The period under review saw the completion of some important projects in both East and West Pakistan. Since the development of water and power resources is the responsibility of the Water and Power Development Authority in each province, the activities of the two organizations are discussed separately in the following pages.

EAST PAKISTAN WATER AND POWER DEVELOPMENT  
AUTHORITY(i) *Water Sector*

The Second Five-Year Plan for water development in East Pakistan for the period 1960-65 provides for an expenditure of Rs. 138.92 crores. The effective investigation and survey of any scheme depends upon

acquisition of basic data. Much progress has been made by the Water Development Wing in obtaining field information which is a pre-requisite for the planning, design and execution of water resources schemes. These data include gauge and discharge of rivers, cross-sections of rivers, silt data, rainfall data, ground water data, aerial-photography, contour survey, soil survey and deep soil exploration for foundations. Other studies include field surveys and hydraulic studies of river problems by use of models. The WAPDA network of hydrological and meteorological observations now include 306 river gauges, 135 discharge observation stations, 153 sub-soil water level stations, 1,900 temporary sub-soil water level stations, 45 silt observation stations, 231 rain gauges and 33 evaporation stations spread over the Province. Progress in this sphere of activity has made it possible to obtain the desired benefits from specific projects.

A short review is given below of the major works under implementation by the Water Development Wing during 1962-63.

### **Ganges-Kobadak Project**

East Pakistan's first major irrigation project under implementation is the Ganges-Kobadak Project. This project has been divided into number of sub-projects.

The Kushtia unit of this project commands a gross area of 4,88,00 acres in the Kushtia and Jessore districts and will ultimately irrigate a net area of 3,50,000 acres at an estimated cost of Rs. 19.78 crores. The subsidiary pump house with a capacity of 1,500 cusecs has since been completed and the main pump house is under construction.

A barrage site on the Ganges downstream of the Hardinge Bridge is under investigation. This barrage will command an area of 3.5 million acres in Faridpur and Barisal districts in addition to Kushtia, Jessore and Khulna units proposed to be commanded by the original Ganges-Kobadak Project.

### **Coastal Embankment Project**

The Coastal Embankment Project is located along the Bay of Bengal in the Khulna, Bakerganj, Noakhali and Chittagong districts. The purpose of the project, already under execution, is to make possible an enormous increase in agricultural production by protecting against saline inundation those low lying delta lands along the shore line which are presently unsuitable for habitation or farming, and providing drainage during the monsoon to prevent flood damage to standing crops. Completion of the project will afford protection to 3.4 million acres of which 2.4 million acres are presently under limited cultivation. The increased agricultural yields to be derived from the completion of this project will provide immediate benefits to those specific areas where the project is located but will ultimately also improve the whole national economy. More than ten lakh acres of land are already being protected by this project from salt water submergence. The project is expected to be completed by the end of the Third Plan period.

### **Old Brahmaputra Multipurpose Project**

Phase I of the old Brahmaputra Multipurpose Project estimated to cost Rs. 72.62 crores has since been approved by the Government which aims at providing irrigation to 6,50,000 acres of land and construction of a

power plant of 40,000 kw which can produce 280 million KWH of electrical energy. The diversion channel, main canals and some natural channels will be made navigable.

### Ground water development

The north-western part of East Pakistan is ideally suited for the supply of irrigation water by the combined use of tubewells and low-lift pumping. The purpose of the project is to supply supplementary water for improvement of crop yields during the monsoon season and to help produce additional crops during the dry season. The project provides for the installation of 300 tubewell pumps, 60 electrically driven pumps of 4.5 cusec capacity and 800 low-lift pumps received from the Agriculture Department. The project is estimated to cost Rs. 9.5 crores. Lands to be irrigated will exceed 1,49,000 acres. The project has progressed in accordance with the construction schedule. 120 tubewells have been drilled in the Thakurgaon area and 30 have been tested for discharges of between 1.5 cusecs and 3.25 cusecs, which are more than the anticipated capacities. Over 300 low-lift pumps have been installed at carefully selected pump house sites along the banks of different rivers in the districts of Dinajpur, Rangpur, Bogra and Rajshahi. By 1964, the entire project will be in complete operation. Partial financing for the tubewell portion of the project has been provided by a West German loan of D.M. 16 million.

### Dacca-Narayanganj-Demra Irrigation Project

The Dacca-Narayanganj-Demra Project is intended to serve as a demonstration unit for planned irrigation which is easily accessible for public observation. The area covered by this project lies in the south-east suburbs of Dacca. Four rivers, Sita Lakhya, Buriganga, Balu and Dhalai Khal, surround the project which has been divided functionally into two separate areas. The purpose of development is to increase food production by the supply of irrigation water to the entire area and the provision of flood-protection and pump-drainage from the area. Area I, which is encircled by the Dacca-Narayanganj-Demra road, has a gross area of 14,500 acres, and Area II, north of the Dacca-Demra road comprises 6,100 acres. Of the gross area of 20,600 acres, 16,800 acres are cultivable. Most of the land at present grow one crop of deep-water *aman*. The capital investment for the entire project is estimated at Rs. 85.92 lakhs. After completion of the project, three crops will be grown annually in Area I and two in Area II. The net annual increase in crops value is conservatively estimated at Rs. 37.63 lakhs. The project has been recently started and is expected to be completed in two years. It is being partially financed by an I.D.A. loan of \$ 1 million.

### Comprehensive Drainage Scheme in Faridpur district

Bounded on three sides by major rivers and intersected by numerous river branches, the densely populated Faridpur district urgently needs drainage of excess water for reclamation of waste area and improvement of crop yields. The scheme will improve navigation and relieve the drainage congestion by flushing and draining the northern and central part of Faridpur district and by re-excavating the existing river systems which are aligned with the general direction of flood spill. The improvement of the rivers will quickly dispose of flood waters and facilitate all-year navigation in the area. The scheme will cost Rs. 2.75 crores and benefit an area of about 3,75,000 acres. In addition to the agricultural

benefits, the scheme will improve waterway communications and the sanitary, health and social conditions in the entire district of Faridpur. Almost 70 per cent of the work has been done so far.

### **Teesta Barrage Project-Gaddimari**

This project will consist of a barrage across the Teesta River near Gaddimari and a system of canals commanding a gross area of 18,50,000 acres in the Dinajpur, Rangpur and Bogra districts. The area is a vast alluvial plain of rich agricultural soils built up by the Teesta River, but crop production is extremely low and health conditions are poor, because of inadequate land drainage and a flood season which extends from July to October. In addition to the 2,500 feet long barrage at Gaddimari and the canal system, the project includes a highway bridge across the barrage, flood embankments, 13 hydro-power stations, drainage systems and navigation locks. Upon completion, the value of annual agricultural production from this area will be increased from Rs. 38.77 crores to Rs. 72.59 crores.

Since Teesta River has shifted its course by about 3 miles, the construction of a barrage at Gaddimari site, as originally planned, will not be feasible. It is, therefore, proposed to shift the barrage site near Kaunia, about 40 miles downstream. The benefits from the project will however, remain unaltered.

### **Improvement of Old Dakatia and Little Feni Rivers in Comilla and Noakhali districts**

The River Old Dakatia originates from the low area south of Comilla town and flows southward with the name of Little Feni River beyond Gunabati, whence it flows to the Bay of Bengal. The river has silted up badly especially in the upper reaches. Inadequate drainage after heavy rainfall promotes flooding in the early monsoon which destroys the immature paddy plants, and during the post monsoon period, the flood waters prevent timely sowing of *rabi* and *boro* crops. The purpose of the project is to provide flood control, land reclamation, drainage and irrigation benefits to an estimated 71,000 acres. The project provides for improvement of drainage channels and dredging of river and outlet channels marginal embankments and construction of a regulator at the outfall. All earthwork has been completed. Construction of the regulator remain to be taken up. The project is estimated to cost Rs. 2.30 crores.

### **Comprehensive Drainage Scheme for Sadar Sub-Division of Noakhali district**

The Sadar Sub-division of the Noakhali district is bounded on the west and south by the River Meghna, by the river Dakatia on the north and by Little Feni on the east. All three rivers are saline from tidal waters. The scheme proposes to prevent tidal inflow by constructing ten regulators and utilizing the protective embankments already executed under the Coastal Embankment Project. Drainage improvement will be effected by re-excavation of the roadside *khal* from Chowmuhani to Lakshmipur. The scheme is expected to cost Rs. 2.24 crores and to benefit an area of 48,000 cultivable acres.

### **Prevention of flood in Feni Sub-Division of Noakhali district**

The scheme estimated to cost Rs. 50.39 lakhs will relieve drainage congestion and protect an area of 22,000 acres from flood. About 59 per cent of the work has been done.

### **Improvement of the Waterway Route from Narayanganj to Chalna**

The purpose of this project is to improve navigation by shortening the waterway route from Narayanganj to Chalna by about 80 miles or 55 per cent of the present distance.

### **Re-excavation of Ghungur, Salda and Buri Nadi in the district of Comilla**

The scheme envisages the removal of drainage congestion in the catchment area of Ghungur Nadi and its tributaries. This scheme is nearing completion. The work will cost Rs. 68 lakhs and will provide benefits of increased agricultural productivity to about 46,000 acres.

### **Small schemes**

Besides major water resources developments, a large number of smaller schemes are under implementation in various parts of East Pakistan. These schemes recognize the urgency of local needs and take immediate measures to solve flood-control, drainage, land reclamation and irrigation problems in these areas so as to increase the production of food grains.

### *(ii) Power Sector*

Since East Pakistan WAPDA came into being in 1959 and took over the production and supply of power in 1960, considerable progress has been made. This is evident from the fact that the total installed capacity of power generation at the time of Independence was only 21,000 kw which increased to 1,94,000 kw by the beginning of 1960. The present installed capacity of power in East Pakistan is 2,58,000 kw of which the installed capacity of generators run by East Pakistan WAPDA alone is 1,75,000 kw.

The total units generated by East Pakistan WAPDA in 1961-62 were 274 million, while the total generated units in 1959-60 were 199 million. The number of consumers which in 1959-60 was 38,600 increased to 55,000 in 1961-62. The total length of transmission and high tension distribution lines increased from 202 miles to 660 miles in 1961-62. The target of total installed capacity of East Pakistan WAPDA by the end of the Second Five-Year Plan is 2,57,000 kw. During the current financial year, East Pakistan WAPDA will spend over Rs. 10.56 crores for development of power throughout the Province. In the development programme of the fiscal year 1962-63, the following schemes were included.

### **Dacca Electric Supply**

Dacca Electric Supply was taken over in May 1957 by the Government and handed over to EP WAPDA in 1959. A scheme costing Rs. 195 lakhs for improvement, expansion and reorganization of the Dacca

Electric Supply was formulated during 1960-61. Considerable progress was achieved during the last two years. At the end of June 1962, the total number of consumers was 26,837, the length of distribution lines 137 miles of H.T. and 234 miles of L.T., the number of A.C. distribution sub-stations 54, and the number of H.T. consumer sub-stations 182. Work on further electrification of satellite towns such as Mohammadpur Housing Estate, Gulshan town, etc. and drawing of H.T. lines and laying cables, setting up more sub-stations, installation of transformers, expansion of street light main and construction of staff quarters were taken up during 1962-63.

### **Electric Equipment Pool**

Two million dollars, provided by the second Japanese credit will be fully utilized during 1962-63. The work involved is the construction of godowns at Dacca, Chittagong and Khulna, and the placement of orders for cables conductors, insulators and major equipment such as transformers, circuit breakers, switchgears, indicating and integrating meters and protective relays. It is expected that some of the materials and equipment ordered will be received by the end of 1962-63.

### **132 K.V. Goalpara-Bheramara Inter-connector and 132 KW Comilla-Fenchuganj Inter-connector with Extension to Sylhet**

The consulting engineers appointed by the Government of Canada for these schemes have already visited their sites and collected technical data ; work on the detailed design and placement of order for the required materials and equipment was in progress. Shipment of material is expected by the end of 1962-63. Approval of the Canadian Government to an allocation of \$ 3.5 million for these projects was obtained in February 1963. Preliminary work on the two projects will be completed during this financial year.

### **Acquisition and supply of power to small undertakings**

The work involved during 1962-63 is the expansion and improvement of electric supplies already taken over by EP WAPDA, and also of the electric supplies set up by WAPDA at Rangamati, Barisal, Cox's Bazar, Gaibandha, Habiganj, etc., and the improvement and augmentation of electric supplies which are to be handed over by the Government to EP WAPDA. The scheme envisages supply of electric power in places where presently there is no electricity.

### **Secondary transmission and distribution**

Orders have already been placed for materials and equipment for secondary transmission lines from Bheramara-Paksey-Ishurdi and Ishurdi-Pabna for which a loan of £ 5,86,000 was received from the U.K. It is expected that materials and equipment will be received at the site during the current financial year.

### **132 KV Dacca-Chittagong Inter-connector**

132 kv Dacca-Chittagong Inter-connector, Addition of 2nd circuit.

132 kv Dacca-Chittagong Inter-connector, Extension to Karnafuli.

A re-survey of this line, construction of staff quarters and minor work will be completed during 1962-63.

### **Supply of Power and Warning System at Moheshkhali and Hatiya**

This scheme, costing Rs. 5.98 lakhs with a foreign exchange component of Rs. 3.2 lakhs envisages two diesel power stations, one at Moheshkhali and the other at Hatiya, in order to electrify these two islands and also to supply power to a cyclone warning system. Diesel generating sets and other equipment have been received as gifts from the Government of Sweden.

### **Shifting of Dhanmandi Power Plant to Rajshahi**

This scheme, approved at a cost of Rs. 20 lakhs, with a foreign exchange component of Rs. 8 lakhs, envisages the shifting of the plant of 6 MW steam station from Dhanmandi to Rajshahi. This shifting was proposed because the railway siding is being removed from Dhanmandi. The location of the new steam station at Rajshahi is to provide for ever increasing power demand in that area. The scheme has been taken up during 1962-63.

### **Survey of Secondary Transmission and Distribution**

A survey of the secondary transmission and distribution lines in different parts of East Pakistan was undertaken to collect necessary data for the erection of lines. U.S. aid amounting to \$ 8.6 million has been committed for improvement and expansion of electricity distribution facilities in and around Chittagong and Dacca as a part of the main Secondary Transmission and Distribution Project. Negotiations are at an advanced stage for Canadian aid amounting to \$ 6 million to finance the construction of isolated power plants, again as a part of the main Transmission and Distribution Project.

The total budgeted amount during 1962-63 for the power sector was Rs. 10.56 crores with a foreign exchange component of Rs. 6.51 crores. The foreign exchange to be made available through foreign aid and loan is Rs. 5.29 crores.

### **WEST PAKISTAN WATER AND POWER DEVELOPMENT AUTHORITY**

The West Pakistan Water and Power Development Authority made further progress during 1962 in the development of water and power resources by completing several projects begun in the preceding years and have continued with their programme of investigation and planning for the future.

Broadly speaking, the responsibilities of West Pakistan WAPDA are generation, transmission and distribution of electricity, development of water resources, control of salinity and water-logging and the execution of the Indus Basin Settlement Plan as agents of the Government. The projects undertaken to achieve these objectives have made WAPDA one of the biggest organization of its type in this part of the world. The rate of progress achieved by WAPDA during the short span of four years can be claimed to be unprecedented and they have achieved a construction rate in the country which compares favourably with foreign standards. WAPDA's budget for the year 1960-61 stood at Rs. 43.24 crores for 1962-63, this was increased to Rs. 66.66 crores, excluding expenditure on Indus Basin Settlement Works.



The activities of the West Pakistan WAPDA can briefly be enumerated in three major sections :

1. Work connected with the investigation and planning of water resources ; construction of projects connected with the development of such resources ; and anti-salinity measures.
2. Work connected with the development and distribution of power in West Pakistan ; and
3. Work connected with the Indus Basin Settlement Plan.

### Investigation and planning

*Master Plan for West Pakistan's Water Resources Development.* One of the main responsibilities of WAPDA is to prepare a Master Plan for the development of water resources in West Pakistan which would serve as an inventory for all future water developments. The preparation of the Master Plan has been entrusted to WAPDA's General Consultants, Messrs. Harza Engineering Company International, who, in collaboration with WAPDA's General Investigation Division, has collected a large volume of geological, hydrological and other data. A draft appraisal report, which is to form the basis of the Master Plan was presented by the Consultants towards the end of the year to WAPDA and was discussed in great detail by WAPDA engineers. The draft of the Master Plan is expected to be available during 1963.

*Other schemes.* WAPDA is also preparing a number of schemes for improving the irrigation facilities on the right and left banks of the Indus. An important scheme on the right bank aims at the construction of a dam at Gomal Zam, utilizing the flood waters of the Gomal Zam River for storage purposes. Power will also be generated under this project which will be located in Dera Ismail Khan district. The other right bank schemes now under investigation and for which feasibility reports are under preparation include construction of dams at Dera Tang, Shaikh Haider Zam, and Darban, and sinking of a number of tubewells for lift irrigation in Dera Ismail Khan division and Bara Bunda. On the left bank of the Indus the Authority intensified its investigations for schemes to construct dams at Khanpur on Haro River and at Chirah on Soan River.

Another WAPDA scheme for the construction of a dam on the Hub River, although approved by the National Economic Council, could not be accommodated in the budget allocation for the year 1962-63 ; it continues to have a high priority in the list of future construction projects, and as soon as finances are made available construction will commence. Under this scheme an earth-fill dam 146 feet high and 22,900 feet long will be built at a distance of 35 miles north-east of Karachi, to provide irrigation to 84,000 cropped acres. This would yield enough fresh vegetables and fruits to feed the growing population of Karachi.

During 1962, WAPDA also continued its investigation in Sibi and Jhatpat areas and the Porali Basin. These investigations are now in advanced stages and recommendations regarding building of dams, reservoirs, cattle grazing areas and improvement in irrigation or fresh water supplies are likely to be submitted by the Consultants during 1963.

Under its General Investigation Scheme WAPDA engineers collected the required data by measuring the surface flows in the river in the plains and its correlation with the snowfall in the upper mountain regions in the Himalayas. This work is being done jointly by the engineers of WAPDA's Consultants, Messrs. Harza Engineering Company International, and engineers of the General Investigation Division who took numerous readings throughout the year at a number of points regarding snowfall, rainfall, stream flows etc., so as to have comprehensive data available on river flow conditions in Pakistan.

*Guddu Barrage.* Guddu Barrage was declared open by the President on March 1, 1963. This was the third great irrigation project completed since Independence. Constructed at a cost Rs. 47.48 crores, it is the second biggest barrage in the country. The work on this project was initiated by the Irrigation Department, but the project was transferred to WAPDA in November 1958. The Guddu Barrage Project involved the construction of a barrage—4,445 feet in length and three main feeders—i.e. Gothki Feeder, Desert Feeder and Begari Feeder. It aims at the irrigation of 27 lakh acres when it is fully developed. It has been designed to pass a flood discharge of 1.2 million cusecs, making it a safe structure under the most adverse conditions.

The barrage has a gross command area of 32.5 lakh acres, of which 27.3 lakh acres is cultivable. Large forests are proposed to be developed in the barrage commanded area covering at least 2.25 lakh acres. The commanded area includes fresh cultivation in about 10 lakh acres of virgin land. Apart from direct benefits in the form of enhanced agricultural production of foodgrain and cash crops, there will be numerous other direct and indirect benefits arising out of this project. It will have a moderating influence on climate and with the development of means of communications, trade and commerce will receive a great impetus.

*Rawal Dam.* During 1962 WAPDA also completed the Rawal Dam which has been designed and built entirely through Pakistan's own resources. The Rs. 1.69-crore project was formally inaugurated on May 17, 1962. Work on the filtration plant and irrigation channels is in progress and is likely to be finished by the middle of 1963.

*Tanda Dam.* The National Economic Council gave its final approval to the Rs. 4.50-crore Tanda Dam Project near Kohat during July 1962. President Field Marshal Mohammad Ayub Khan formally laid the foundation stone of the project on November 23, 1962.

The project aims at closing a narrow gorge, south-west of Kohat city, to create an off-stream storage up to 70,000 acre-feet of the Kohat Toi in a dry basin. The water from this reservoir will be used for permanent irrigation of 32,500 acres of land in Kohat valley, giving 150 per cent intensity of irrigation with a *kharif-rabi* ratio of 60 : 90. The project is expected to be completed by December 1964.

#### Anti-salinity measures

WAPDA achieved substantial progress during 1962 in projects for the elimination of salinity and water-logging from irrigated lands. This was the first year in which the 1,800 tubewells installed in the Rechna Doab under Salinity Control and Reclamation Project No. 1 started

working. These tubewells, located in an area of 12 lakh acres, were found successful in lowering the water table in the entire area by over three feet after a year's operation.

Followed by the success of tubewell operations in Rechna Doab, WAPDA has also started work in the Chaj Doab area. A scheme for sinking 3,300 tubewells has been worked out for reclaiming 22 lakh acres. Because of the paucity of funds the work was restricted in 1962 in the Chaj Doab and the sinking of only 160 tubewells was undertaken by a Yugoslav firm under a barter agreement. Loan negotiations have been finalized for \$10.8 million for the construction of another 800 tubewells through U.S. A.I.D., and the work will commence in 1963. Work also started in Chaj on 140 tubewells in Mona area as U.S. A.I.D. pilot project.

WAPDA's consultants for salinity and water-logging in the southern region, Messrs. Hunting Technical Services, completed during 1962 the first phase of investigations in a large area under Ghulam Muhammad and Sukkur Barrage commands and submitted their report for the eradication of these evils. A loan agreement for \$18 million was finalized with the International Development Agency of the World Bank for reclamation work in Khairpur. Work on the Khairpur Reclamation Project, which provides for the reclamation of 3,18,000 acres, is expected to commence in the first half of 1963. Under this project 568 deep tubewells are to be sunk, in addition to the construction of seven pumping stations and over 600 miles of drains to eliminate water-logging from the area. Plans for the reclamation of 94,000 acres in the Gaja area in the G. M. Barrage are also complete, and negotiations for a loan are in progress with I.D.A.

#### **Master Plan for reclamation**

The draft recommendations of President Kennedy's Scientific Mission, which visited Pakistan in September-October 1961 in connexion with the study of WAPDA's Master Plan for salinity and water-logging, were received by the President in September 1962; this was followed by the visit of Dr. Roger Revelle, Chairman of the White House Interior Panel on Salinity and Water-logging in December 1962 and March 1963 to finalize its recommendations on WAPDA's Master Plan.

The Master Plan envisages reclamation and drainage of 3.3 crore acres in the irrigation command of West Pakistan, at a cost of about Rs. 590 crores. The work involves installation of over 33,000 tubewells, construction of 7,500 miles of major drainage channels and 25,000 miles of supplementary drains and electrification of these tubewells.

#### **Power Development**

At the end of December 1962, the Province of West Pakistan, excluding Karachi, had an installed capacity of 4,66,000 kilowatts, as compared to 1,19,000 kilowatts available at the end of the financial year 1958-59 when WAPDA took over the electricity operations; this speaks well for the progress made in the power development sector. Despite this increase, however, it has been felt that those power stations will still be insufficient to meet the growing demands for power.

To meet additional power requirements the existing thermal station at Multan is being extended by the installation of 2 units of 65,000 kw each. This extension has been financed with the help of a German loan. The first turbine is expected to be in operation by June 1963 and the complete extension will be in operation by December 1963.

The small hydel station at Gujranwala (capacity 13,200 kw) is expected to be commissioned during the first half of 1963. The Quetta Thermal Station at present under construction, is being financed by the A.I.D. and is expected to go into commercial operation by 1964 with a capacity of 15,000 kw. The existing Hyderabad Station is being extended by the addition of 23,000 kw partly to be financed through a U.K. loan. A new Thermal Station is under construction at Sukkur through Canadian assistance under the Colombo Plan with a capacity of 25,000 kw and is to be completed by 1964. As this power is expected to be fully utilized by 1965, plans are already in hand for the extension of Sukkur Station by another 25,000 kw. This project is also likely to be financed by the Canadian Government. The pace of progress on all these works has been satisfactory.

To meet the ever increasing power demand of industries in the Karachi area, the Karachi 'C' Station scheme, which provides for the installation of 2 generating sets of 66 MW capacity each with necessary transmission and distribution facilities is being set up by the Karachi Electric Supply Corporation. The scheme is estimated to cost Rs. 23.35 crores over a period of 4 years. A loan agreement for \$ 26 million has already been signed with U.S. A.I.D. for execution of the project.

As early as 1959, WAPDA designed a primary grid to serve the northern and central regions of West Pakistan. This primary grid, with high tension lines of 132 kv capacity, aims at linking Warsak Hydro Electric in the north with Multan Thermal Station in the south, connecting all power stations en route, and is the most economical means of carrying energy to the various parts of the Grid Zone. The primary grid passes through major towns such as Peshawar, Multan, Lahore, Rawalpindi, Kharian, Lyallpur, Daudkhel, Montgomery, Sargodha and Bahawalpur, has its lines extending over 628 miles and is strung over 3,000 high towers. The work on the primary grid is almost complete and the total cost is expected to be Rs. 12.1 crores, the foreign exchange component having been financed by U.S. A.I.D.

Under the Secondary Transmission and Distribution Scheme, which is meant to carry power from the Primary Load Centres to the distribution point, over 4,000 miles of transmission lines of various voltages are to be erected, the work is progressing satisfactorily, and the project is likely to be completed in 1964.

During 1962-63 the renovation of the existing system in seven major towns in the province continued in accordance with the schedule; it is expected that by the end of financial year 1963-64, the entire work will be completed.

WAPDA plans to give connexions at the rate of about 1,00,000 annually in the coming years. The number of new connexions given in 1961-62 was over 82,000. The significance of the increasing use of power in West Pakistan can be judged from the fact that anticipated revenues in 1962-63 are Rs. 14.50 crores, actual sale of power during the year 1961-62 amounted to over Rs. 11.75 crores compared to Rs. 7.5 crores in the pre-WAPDA period, the number of units generated increasing from 665 million in 1958-59 to 1,460 million in 1962. The number of consumers rose from 2,42,550 in 1958-59 to 4,80,000 by December 1962, an increase of about 100 per cent in a short span of four years.

Under the WAPDA's Village Electrification Programme over 800 villages have been electrified during the past four years out of WAPDA's own resources, compared to a total of about 200 electrified, mostly in the former N.-W.F.P. area, at the time of WAPDA taking over the Electricity Department. During the remaining period of the Second Five-Year Plan WAPDA proposes to electrify 2,000 more villages out of a loan of \$19 million received from a group of Italian firms.

WAPDA has worked out a number of schemes for meeting the future power needs in the Province. In addition to the Mangla Power Station which will have a capacity of 3,00,000 kilowatts on commissioning in 1967-68, the Development Working Party has also approved in principle a WAPDA project for a power station near Lyallpur, based on Sui gas with a capacity up to 2,00,000 kw. The financing of the Lyallpur Thermal Power Project is now being explored. The power station is expected to be commissioned in 1965.

### **Indus Basin Projects**

Under the Indo-Pakistan Canal Waters Treaty signed in September 1960, it was decided to construct in West Pakistan two huge reservoirs, four new barrages and one syphon, eight new link canals and to remodel a number of existing canals to replace the supplies of the eastern rivers which are to go to India by 1970.

During the year under review the cost of the entire Indus Basin projects was reviewed in the light of the bids received for various works included in the first phase. The revised estimates, worked out jointly by WAPDA's engineers and its consultants, have now put the cost of the Indus Basin Projects at \$1,892.84 million or Rs. 900.1 crores. Of the total, projects valued at \$ 895 million have so far been committed by the World Bank under the first phase. The revised estimates have now been submitted to the World Bank and the possibilities of their financing are under consideration by the friendly countries.

After initial planning, designing etc., tenders for the works included in the first phase were issued in 1961-62. These included the Mangla Dam Project on the River Jhelum, the Sidhnai Barrage on the Ravi, the Mailsi Syphon on the Sutlej and the three link canals, i.e., Trimmu-Sidhnai, Sidhnai-Mailsi and Mailsi-Bahwal. Works also commenced on a number of existing canals which were to be remodelled for future needs.

Contracts for the rest of the work included in the first phase were awarded during 1962, and during the year construction work was in hand on one dam, three link canals, one barrage and the Mailsi syphon.

WAPDA engineers have at present work in hand on the planning and designing of the second phase projects, which include the barrages at Qadirabad, Chashma and Rasul, the remaining five link canals and the Tarbela Dam. Work was also in hand for the designing of a new barrage at Marala.

### **OIL AND GAS**

Developments in oil and gas sector have been discussed in detail in Chapter IV on Industry and Mining.

The importance of petroleum in a developing economy can hardly be over-emphasized and Government has been taking effective action for the development of resources in this sector. In addition to participating with private oil companies to the extent of 25 per cent, Government directly

undertook exploration and prospecting for oil through the Oil and Gas Development Corporation. The Corporation launched an extensive programme of surveys throughout the country and it is expected that they would start drilling some promising structure during 1963. The Corporation is being assisted in its exploration activities by a team of seventy-eight Russian specialists. Apart from the Attock Oil Company the private oil companies have not been successful in discovering oil so far in any quantity but they have found a number of gas fields in both East and West Pakistan. Gas has been discovered at Sui, Zin, Uch, Khairpur, Khankot, Mazran and Mari in West Pakistan and at Sylhet, Chhatak, Rashidpur and Titas in East Pakistan. The Titas gas field was proved during 1962 and its proximity to the industrial town of Dacca makes the find extremely valuable. Government are, at present, considering a scheme for the transmission of gas from Titas to Dacca to meet the industrial and domestic needs of that area. The question of transmitting gas to Chittagong is also being studied. A significant step towards self-sufficiency in petroleum products was taken during 1962 with the inauguration of the Pakistan Refinery at Karachi in October 1962. Its present capacity is 1.5 million ton per annum and it is being expanded to 2.1 million tons. This refinery will save the country more than Rs. 3 crores in foreign exchange annually. It has also been decided to set up a similar refinery at Chittagong in East Pakistan and to have another refinery at Karachi for the production of bitumen and lubricants.

Government have paid ever increasing attention to keeping strict control on the national fuel bill. Pakistan has been spending about Rs. 30 crores every year on the import of petroleum products and lubricating oils. In addition, Rs. 7 crores are being spent on import of coal and coke from overseas. Apart from the establishment of the refineries mentioned above, which will considerably reduce the foreign exchange expenditure on import of fuels, a number of other important steps are being taken to reduce the import cost. It has been decided to extend the Sui-Multan gas pipeline to northern areas of West Pakistan. It has also been decided that all the industries dependent on imported coal should be compelled to meet at least 25 per cent of their requirements from indigenous sources. The boilers of other industries which could work wholly on Pakistan coal will be modified in accordance with a programme.

### ATOMIC ENERGY

The programme of atomic energy development has continued to gather momentum. Substantial progress was made towards the establishment of the Pakistan Institute of Nuclear Science and Technology which would symbolize the entry of Pakistan into the atomic age. The entire components of the atomic reactor have since been received from the U.S.A. and it has been decided to award the contract for Phase I of the Institute, which includes installation of 5 M.W. reactor, to Messrs. American Machine Foundry & Co., the reactor suppliers. Arrangements for providing necessary ancillary facilities, viz., temporary water supply, storage sheds, site offices, electric power sub-station etc., have been made. Work on the preparation of detailed working drawings and specifications of Phase II of the project is also in hand with the help of Pakistani consulting engineers.

A five-member team comprising leading international experts on reactor safety was invited by the Pakistan Atomic Energy Commission (P.A.E.C.), through the good offices of the International Atomic Energy Agency (I.A.E.A.). After examining the reactor design and working

drawings and survey of the reactor site, they confirmed that the site is well chosen and the operation of the reactor will not present any hazards to the growing population of Rawalpindi and the Federal Capital Area.

The facilities for providing training in nuclear disciplines at graduate and post-graduate levels are practically non-existent in the universities in Pakistan. To remedy this situation, it was decided to establish training-cum-research centres in the vicinity of well-established universities. These centres are expected not only to meet the growing staff requirements of the P.A.E.C. but also to provide much needed manpower in the field of industry, medicine and agriculture where extensive use of radio-isotopes and radiation sources is being made. Accordingly, such a Centre was established in Lahore in 1961. Construction work on the establishment of a similar Centre in Dacca is progressing according to schedule.

As the mainstay of the economy of the country, agriculture has received special consideration. A research centre where radio-isotopes are being used to solve the peculiar agricultural problems of the country has been established in Dacca. This Centre, as well as the Atomic Energy Centre, Lahore, have received international recognition, as the International Atomic Energy Agency have awarded research contracts to the scientists working in these Centres. These awards deal with researches which are directed towards solving water-logging and other problems and increasing the productivity of rice.

Sustained efforts to discover radio-active minerals were continued during 1962 and survey and prospecting of the Attock-Terbela area and Rakhi-munh area of the Dera Ismail Khan were conducted with great vigour. The Pakistan Atomic Energy Commission is collaborating with the Geological Survey of Pakistan and with Great Britain in this connexion. It is planned to carry out such surveys during 1963 also.

At a high powered meeting in Rawalpindi on October 26, 1962 to consider the prospects of development of nuclear power in Pakistan, it was decided that sanction should be given to the P.A.E.C. to incur expenditure on the preparation of a feasibility report by a competent consultant for a 50,000 k.w. nuclear power station at a suitable site, west of the Brahma-putra in East Pakistan. Government have agreed to provide one lakh dollars to cover the expenses involved in the preparation of this report.

The Government also agreed to consider the possibility of making available another \$ 1 lakh for a feasibility report on a nuclear power station of 1,32,000 k.w. to meet the power gap of the Karachi area in 1970. The role of the P.A.E.C. with regard to the establishment and preparation of nuclear power station is to be settled after the feasibility reports have been considered by the Government.

The benefit of atomic energy is being extended to the people of Pakistan through the medical radio-isotope centres set up in Karachi, Lahore and Dacca, where radio-isotopes are being used for curative and diagnostic purposes.

Realizing that without a corps of trained scientists, the Nuclear Development Programme cannot make any headway, the P.A.E.C. ever since its inception has attached great importance to the building of such a corps. Through the assistance of friendly countries the Commission was

able to train 57 scientists, engineers etc., by the end of 1962 and about 153 scientists etc., are receiving training abroad. However, much remains to be done in this field, for it is now estimated that to man the various scientific establishments of the Commission and the proposed Nuclear Power Station, 500 scientists and engineers would have to be trained.

The entry of Pakistan into the space age was heralded by the successful launching of two weather sounding rockets, on June 7 and 11, 1962 respectively. These rockets carrying a pay-load of 80 pounds of sodium, reached a height of about 80 miles leaving a trail of sodium cloud. Specially designed cameras installed at various places took photographs of these clouds. These photographs are used in studying the wind pattern of the upper atmosphere between 50 to 80 miles. The information collected by rockets will lead to improved techniques in weather forecasting, thus giving timely warning against cyclonic storms. The launching of these rockets was conducted by the Pakistan Space and Atmosphere Research Committee which was set up by Government in September 1961. The whole launching programme was supervised and conducted by Pakistani scientists.



## COMMERCIAL POLICY

THE MAIN objectives of Pakistan's commercial policy are to make goods freely available in the market, either from domestic production or imports, and to earn enough foreign exchange not only to pay for these imports but also to support the developmental and other programmes of the country. The attainment of these objectives necessitate the adoption of sound import and vigorous export policies which is possible only if they are supported by necessary ancillary facilities.

## IMPORT POLICY

The policy of liberal imports, consistent with the availability of foreign exchange resources, was continued during 1962-63. This was done with a view to ensuring adequate supplies of industrial raw material and spare parts required for the growing industrial base to produce goods for domestic consumption as well as for export. Imports of essential and other consumer goods also continued to be permitted in adequate quantities to ease the supply position. Some imports of non-essential goods were allowed, mostly on Bonus Vouchers. These are highly taxed and, besides bringing in some revenue to the exchequer, help to offset inflationary pressures by draining off surplus purchasing power. This policy also helps consumers to exercise their choice if they are prepared to pay the free market prices.

As imports, in the ultimate analysis, depend on exports, the policy of linking imports with exports was continued, and a new element, a token cut of 10 per cent on import licences, was introduced for industries showing poor export performance.

In the import policy for the shipping period July-December 1962, the Open General Licence list was extended from 48 to 49 by adding building and engineering materials to it. The list of items under automatic licensing was maintained at 14, but the scope of this facility in the industrial sector was extended from 36 to 52 industries. The industrial consumers eligible for this facility received initial and repeat licences for raw materials and spare parts at 100 per cent of assessed single shift capacity. The number of industries whose licensing was linked with export performance was increased from 31 to 35. These industries were entitled to initial licensing on the formula applicable for January-June 1962 and additional licensing at 100 per cent of f.o.b., value of export orders performance. Moreover, the number of industries licenced on request basis was raised from seven to nine by adding fish canning an

preservation and Kapok ginning to the list. Under the various import facilities allowed to the industrial sector, nearly four-fifths of this sector was assured of their full import requirements. The licensable list was also expanded to 178 items from 173 in the January-June 1962 shipping period. To benefit the agricultural sector, the foreign exchange ceiling for the import of tractors was raised and provisions were made for meeting the requirements of boat and fishing industries, wood and timber, marine diesel engines and nylon twine. To give an incentive to the film industry and to provide amenities in the cinema halls, provision was made for the issue of licences for studio equipment to the film producers and for airconditioning equipment to the cinema owners on first-come-first-serve basis.

The import policy for the shipping period January-June 1963 continued to be liberal with increased export bias. Some of the goods which were being produced in the country in adequate quantity or which could be equally well imported under bonus vouchers were removed from normal licensing list and placed exclusively on the bonus import list. As a result, the number of items on the licensable list was reduced to 166 from 178. The number of items on the O. G. L. list was maintained at 49 but the minimum units for the issue of licences were raised for a number of essential items to increase their availability. Later on, in March 1963, six more items importable from the U. S. A. under P. L. 480 Title I Programme, were placed on O. G. L. These were cotton seed, soyabean oil (for East Pakistan only), dried milk (non-fat), dried eggs, frozen poultry (for West Pakistan only) butter oil (*ghee*), peas and beans. In the industrial sector, the number of industries licensed on request basis was raised from 9 to 10 by adding wool scouring and cleaning industry to the list. Two industries, *viz.*, pharmaceutical and biscuits and confectionary were, however, excluded from the list of 'export industries' whose licensing was linked with export performance, thereby reducing the total number of such industries from 35 to 33. An important feature of the import policy during this shipping period was the imposition of a token cut of 10 per cent on the initial import licences of those 'export industries' which had failed to show satisfactory export performance. Still another step of considerable importance was the removal of 4 industries from the normal licensing list in order to save foreign exchange for other essential imports. These industries were mainly based on indigenous raw materials and could easily meet their small import requirements either on bonus vouchers or from the open market. The facility of import licences for studio equipment and air-conditioning equipment to the film industry and cinema houses was also continued. The requirement of import permits for the import of publicity material and technical literature received free of cost was waived. Similarly, the import of such parts of machinery as were received free of cost in replacement of the original parts, and of the unsolicited gift parcels for certain articles up to the value of Rs. 300 per annum, was also exempted from the production of import permits. The allocation for the issue of import licences to Tribal Areas and Azad Kashmir was raised to expedite their development.

The liberal import policy, coupled with other measures adopted for increasing the availability of goods, helped to hold the price line, particularly of goods consumed by the common man. This aspect is dealt with in greater detail in Chapter VIII.

## EXPORT POLICY

With the rising tempo of developmental activities consequent on the increase in population and the desire of the people for a more satisfying life, the import requirements of the country are fast rising. To foot the import bill it is necessary to increase foreign exchange earnings through larger exports, for continued dependence on foreign aid and loans is neither practicable nor desirable. There is not much scope for economizing on the already slender import budget for this would threaten industry with stagnation, and depress the already low standard of living of the people. The only practical solution is an increase of exports, which constitutes the sheet anchor of the country's export policy. The export drive was strengthened by the introduction of the Export Credits Guarantee Scheme in March 1962, the widening of the scope of the Export Bonus Scheme by adding new items to both the export and the import lists, allowing rebate of excise and customs duties on articles exported, lifting export controls from practically all items, laying down standards for export items etc., besides the more conventional methods of sending and receiving trade delegations and entering into trade agreements. The various measures adopted to step up exports are dealt with more fully later in this chapter.

It would, however, be well to remember that the problem of export promotion is a ticklish one and that it cannot be achieved merely by providing concessions and facilities for export. A rapid increase in output is a prerequisite which, in turn, depends on efficient organization of human and natural resources and efficient use of capital so that goods can be produced cheaply and sold competitively. The composition of exports must also change. The traditional products are not enough to support Pakistan's break-through into self-sustaining growth. More and more diversified industrial exports are an absolute necessity.

Besides the tariff, quota and other restrictions maintained by the industrialized countries on our cotton textile exports, there are two other obstacles to increasing exports of manufactured goods—the high costs of Pakistani producers in relation to their competitors abroad, and the strong domestic demand which permits these high-cost articles to be absorbed locally. Pakistan's industries can prosper and progress only if they are able by cutting production costs and profit margins and prices, to cater to a much wider market than at present. With a sellers' market at hand, manufacturers and businessmen are not keen on export trade which is a rather involved process. The Export Bonus Scheme has offered an excellent opportunity to the manufacturing and business community to increase their exports, but the results achieved do not measure up to the incentives provided. Further, for goods to be easily exportable, their quality must be high, for while domestic consumers often have little or no choice between goods, foreign buyers are not generally so handicapped—they simply refuse to buy sub-standard goods. The Government have laid down standards for some articles meant for export, such as wool and animal hair, and intend to include more articles in the pre-shipment check list. These pre-conditions underscore the importance of exporting only quality goods and the significance of a higher business morality in the exporting community.

## EXPORT PROMOTION MEASURES

The more important measures adopted for promoting exports are :

1. Export Bonus Scheme ;
2. Export Credits Guarantee Scheme ;
3. Trade Agreements ;
4. Trade delegations from and to foreign countries ;
5. Advisory Council for the Ministry of Commerce ;
6. Export Promotion Councils ;
7. Department of Trade Promotion and Commercial Intelligence ;
8. Jute, Cotton and Tea Boards ;
9. Trade Offices abroad ;
10. Export-oriented import-policies ;
11. Import and Export Control Department ;
12. Reorganization of Chambers and Associations of trade and industry ;
13. Eradication of unethical business practices ;
14. Lifting of export control ;
15. Drawback of customs and excise duty ;
16. Licences for bonded warehouses ;
17. Freeing exports from Letter of Credit requirements ;
18. Inland Freight Rates Committees ;
19. Overseas Freight Study Committee ;
20. Standards in respect of goods for export ;
21. Pre-shipment Inspection Organization ;
22. Fairs and Exhibitions Abroad ;
23. Branch offices abroad of Pakistani firms ;
24. Business travels abroad.

A brief review of the measures is given below.

### 1. Export Bonus Scheme

The Export Bonus Scheme, introduced in early 1959, provides for the grant to exporters of specified commodities of stated percentage of the proceeds of their exports in terms of foreign exchange. The sum so granted is called the Export Bonus and the documents of title to it are called Bonus Vouchers. Bonus Vouchers are transferable, and the export bonus may be used for the import of a stated range of goods either by the exporter who first earned it, or, except for one-half of the bonus earned at the rate of 20 per cent on the export of jute manufactures, by anyone who has bought the voucher. Bonus Vouchers command a premium in the market because they make possible imports of goods which are in short supply, as being either on the restricted licensable list or not licensable at all. The premium thus earned enables the exporter to sell his goods abroad at competitive prices even if his costs are higher than the prices at which he sells abroad. He is thus enabled to export goods which he would not have been able to export in the absence of the bonus.

Exports of bonus-earning items have increased by Rs. 5.22 crores from Rs. 72.47 crores in 1961 to Rs. 77.69 crores in 1962. But for the fact that cotton yarn remained outside the coverage of the Export Bonus Scheme during the major part of 1962, i.e., up to August 1962, the exports would have increased further. The scope of the scheme was enlarged during 1962 and early 1963 by adding over 80 items to the export bonus schedule. Some of the important items added were chrome ore, cotton ginning machinery, sports goods (except hockey blades), fruits and vegetables etc. Reports indicate that the exports of the last two items have risen substantially since they were included in the Export Bonus Scheme. Likewise, during 1962 and early 1963, nine items were added to the bonus import list, such as art-silk thread, cycle tyres, cycle tubes, mechanical and educational toys, advertising rubber balloons, glass and glassware, earthenware China, betel nut (East Pakistan only).

The table below shows the amount of bonus vouchers earned and import licences issued.

#### AVAILABILITY OF BONUS VOUCHERS AND IMPORT LICENCES ISSUED

(In crore rupees)

<i>Year</i>	<i>Bonus vouchers issued</i>	<i>Import licence issued (1)</i>
1959	9.58	7.63
1960	13.80	14.34
1961	15.13	15.52
1962	17.51	19.31

(1) Value of licences issued is more than the availability of vouchers because of advance licensing in some cases.

Since the inception of the scheme, vouchers for Rs. 56 crores have been issued. Of these, nearly three-fourths have been utilized for the import of raw materials and machinery, and the rest for consumer goods. This scheme has, therefore, not only made possible further utilization of the existing industrial capacity, but also increased the availability of certain consumer goods which might otherwise have remained scarce.

## 2. Export Credits Guarantee Scheme

This scheme, introduced in March 1962, is designed to promote the export trade by providing guarantee against certain financial risks incurred by exporters in realizing the sale proceeds of their goods from foreign countries, and not covered by normal insurance. The percentage of loss which may be made good under the scheme is 75 for commercial risks and 85 for political risks, the balance remaining the liability of the exporters. The security provided by the scheme is expected to encourage exporters to explore new avenues of export and also to provide an inducement for more liberal bank advances against the value of their exports.

The administration and execution of the scheme has been entrusted to the Pakistan Insurance Corporation. During the first year, efforts were directed mainly to launching and establishing the scheme on a firm basis. - As it was an entirely new venture, the scheme had to be publicized, both within and outside the country, and the necessary staff trained for this specialized field. This has now largely been done, and the Export Credits Guarantee Scheme has set up branches in all the main industrial centres of the country. The following table shows the position of business done under the scheme during 1962.

PERFORMANCE OF E.C.G. SCHEME

Region	No. of proposals received	Policies issued	Face value Rs.	Premium Rs.
Karachi	28	19	29,97,000	4,232
Lahore	20	17	40,52,500	4,966
Dacca	7	4	8,25,000	830
Total	55	40	78,74,500	10,028

Although the amount of business handled was small, there is no doubt that, given due publicity, it is bound to become popular with the business community. One difficulty which it has encountered is that in Pakistan the traditional mode of trading is on cash-before-export or confirmed irrevocable letter of credit basis, leaving only a small portion of the total export trade which can be handled on any other basis. Besides, the exporters doing business on such terms are mostly people of limited means and find it rather difficult to pay even the low premiums laid down under the scheme.

Moreover, such major items as raw jute, jute manufactures, raw wool and raw cotton are at present excluded from the scope of the scheme. The question of bringing these items within its purview is under consideration of the Government.

### 3. Trade Agreements

Pakistan has cordial commercial relations with practically all countries, including those in the Communist *bloc*. Trade Agreements, by providing for exchange of commodities and the grant of most-favoured-nation treatment in regard to imports and exports of goods, are important instruments for the promotion of trade between Pakistan and other countries. Pakistan has, therefore, been striving to enter into such agreement with as many countries as possible.

At present Pakistan has agreements with 32 countries out of which two are transit agreements—one with Afghanistan and the other with Nepal. Some of these agreements are automatically extendable, a few are for indefinite periods, and the rest for a specified duration. A brief account of some of the agreements signed during 1962 and early 1963 is given below.

*Trade agreement with China.* The agreement with the Peoples' Republic of China, signed in Karachi in January 1963, aims at strengthening and developing trade relations between Pakistan and China. It provides for the reciprocal grant of most-favoured-nation treatment in matters of commerce and trade, including shipping. The agreement also provides for consultation between the two countries to facilitate mutual trade expansion.

Besides the commodities and goods mentioned in the lists attached to the agreement, exchange of other commodities may also take place. Items to be exported from China includes metals and steel products, coal, cement, machinery, chemicals, raw materials and cereals; while exportable goods from Pakistan include jute and jute manufactures, cotton and cotton textiles, leather, sports goods, surgical instruments, chrome ore and newsprint.

All payments are to be made in convertible sterling unless otherwise agreed to by the parties. The agreement is automatically extendable unless a notice of termination is given by either contracting party three months before the date of its expiry.

*Pak-Nepal trade agreement.* This trade agreement, which was signed in October 1962, also provides for the reciprocal grant of most-favoured-nation treatment. The agreement, initially valid for a period of two years, will be automatically extended for further periods of one year each unless either Government give to the other notice for its termination three months before the expiry of the two years or of the extended period.

The main items of export to Nepal are cotton yarn and piece goods, ready-made garments, woollen blankets and textiles, rock salt, newsprint, paper, tea, toilet goods, cigarettes, rubber goods, cycles, etc. The chief imports are timber and wood, pulses, oil seeds, potato seeds, stone boulders, cardamom and wool.

In January 1963, a transit trade agreement was also signed between Pakistan and Nepal. It provides for freedom of transit of goods, on a reciprocal basis, intended for import into or export from the territories of either country and from or to any third country. It also provides for exemption from customs and transit duties of such goods, besides guaranteeing their safety. It is to be valid for two years and continue in force for further periods of one year each unless terminated earlier by either Government on giving six months' notice of termination.

*Trade agreement with Iraq.* The agreement was signed in May 1962 and came into force from September 18, 1962. It is valid for one year and automatically renewable for similar periods unless notice of termination is given by either party three months prior to its expiry in any executive year. The agreement provides for the reciprocal grant of most-favoured-nation treatment with respect to customs duties, taxes and other charges relating to importation, exportation, storage, transit and transshipment of goods.

The main items of export from Pakistan are jute and jute manufactures, cotton piecegoods, cotton yarn and thread, tyres and tubes and other rubber products, rice, electric goods, sports goods, etc.

The main items of imports, on the other hand, are dates, cement, petroleum and petroleum products, including asphalt.

#### 4. Trade delegations from and to foreign countries

Trade delegation from and to foreign countries, besides strengthening bonds of friendship between nations, provide a strong stimulus to trade and commerce. During the period from January 1962 to February 1963, Pakistan sent seven trade delegations to different parts of the world, two of which were non-official. These were sent to Ceylon, Iran, Iraq, Morocco, Nepal, Persian Gulf areas (non-official) and West African countries (non-official).

During the same period, trade delegations from the following sixteen countries visited Pakistan : Belgium, Bulgaria, Burma, Ceylon, People's Republic of China, Czechoslovakia (non-official), Nepal, Rumania, Thailand, Iraq, Sudan, Tanganyika, Zanzibar, Nayasaland, Cameroon and the U. A. R.

#### 5. Advisory Council for the Ministry of Commerce

This Council, which is headed by the Secretary Commerce and includes official and non-official representatives, is charged with the responsibility of advising the Ministry on the whole range of commercial policy and the related rules and regulations. The Council provides a forum for free and frank discussion of the Government's commercial policies and reorientation of these policies to meet the changing requirements of the country.

#### 6. Export Promotion Councils

Export Promotion Councils consisting of officials and non-officials have been set up for cotton textiles, cotton, sports goods, carpets and films. More such Councils have been planned for certain other important items of export.

#### 7. Department of Trade Promotion and Commercial Intelligence

This department is responsible, *inter alia*, for the maintenance and dissemination of commercial information, introducing reliable exporters to foreign buyers, rendering assistance in the settlement of trade disputes between Pakistani exporters and foreign importers, surveying markets abroad with the help of trade officers, assisting the Government and trade in participating in International Trade Exhibitions and Fairs etc. Regional offices of this Department have been opened at Lahore and Dacca.

#### 8. Jute, Cotton and Tea Boards

Jute, cotton and, till recently, tea, account for most of the country's foreign exchange earnings. In international markets these commodities are facing keen competition and offer complicated problems. To deal with these matters and also to regulate and promote international trade in them, jute, cotton and tea Boards are functioning at Narayanganj, Karachi and Dacca respectively.

#### 9. Trade Offices abroad

For the development of export trade, the Government have set up 16 trade offices in important commercial and industrial centres of the



world. These offices keep the Government and the trade (through the Department of Trade Promotion and Commercial Intelligence) posted with up-to-date developments in the field of international trade and commerce, survey foreign markets for Pakistan products, report on the possibilities of introducing Pakistani goods abroad, help Pakistani exporters in establishing contacts with foreign importers and organize or help Pakistan's participation in fairs and exhibitions abroad.

#### 10. **Export-oriented import policies**

It will be seen from our import policies that they are highly production and export-oriented. The system of 'repeat' licensing and licensing on 'request' basis has been considerably extended to help achieve this end.

#### 11. **Import and Export Control Department**

This department grants licences to industrialists for imports of machinery, spare parts and raw materials required for the manufacture of goods for export, and grants export licences for a small number of goods which are subject to export restrictions.

#### 12. **Reorganization of Chambers and Associations of Trade and Industry**

In November 1959, the Government introduced a scheme for reorganizing the Chambers as their number had increased out of all proportion and they were neither serving the interest of the trade nor assisting the Government in formulating sound commercial policies. The Government, therefore, promulgated the Trade Organizations Ordinance in December 1961 to prohibit the unrestricted formation of such organizations, eliminate unrepresentative bodies, and regulate their affairs. The result was that the registration of over 1,200 mushroom organizations was cancelled, and, instead, 13 Chambers of Commerce and Industry, 50 Associations representing specific trade and industries and some Town Associations and Trade groups were set up. These organizations are now playing a constructive role in the field of trade, commerce and industry.

#### 13. **Eradication of unethical business practices**

One of the objects of the reorganization of Chambers and Associations of trade and industry was to eradicate, through these bodies, unethical business practices from the field of trade and industry in the country. Such malpractices as supplying substandard goods to foreign buyers and not fulfilling the terms of contracts scare them away and adversely affect exports. The responsibility for keeping a check on the conduct of their members, particularly in regard to black marketing, hoarding, over and under invoicing of exports and imports, were also made the responsibility of these trade bodies.

#### 14. **Lifting of export control**

To encourage exports, restrictions have been lifted from all Pakistan products, except a small number.

### 15. Drawback of customs and excise duty

Under this scheme, exporters of manufactured goods can get a refund of import duty paid on raw materials entering into the goods exported. For exports of excisable goods, rebate of excise duty is allowed in full.

### 16. Licences for bonded warehouses

To facilitate the export of excisable goods by non-manufacturing exporters, a system of issuing licences for bonded warehouses to such exporters has been introduced. Under this system, excisable goods such as jute manufactures, cloth, matches, paints, varnishes, tanned leather, salt, etc., may be purchased without payment of excise duties and held in the bonded warehouses till they are exported.

### 17. Freeing exports from Letter of Credit requirements

Almost all exports from Pakistan, have been freed from Letter of Credit requirements. This is a great incentive for export trade. The export proceeds must, however, be realized within three months for exports to India and in four months for exports to other countries.

### 18. Inland freight rates committees

Two inland freight rates committees have been set up at Lahore and Chittagong to consider applications for reduction in the inland rail and river craft freight rates for transportation of goods to the ports of export and to make recommendations to the appropriate authorities.

### 19. Overseas Freight Study Committee

This Committee has been set up in Karachi to take up with the authorities concerned the question of adjustment of freight rates from Pakistani ports to foreign destinations where such freights are considered excessive or discriminatory, and also to help exporters in acquiring shipping space for transportation of goods to those countries for which shipping space is not easily available.

### 20. Standards in respect of goods for export

Standards have been prescribed in respect of a number of exportable goods and commodities, and for many others are in the process of being prescribed. Under the enactments Government have powers to prohibit or restrict export from Pakistan of such items as do not conform to the prescribed standards.

### 21. Pre-shipment Inspection Organization

Government have already set up machinery for pre-shipment inspection of wool and animal hair and the question of setting up similar machinery for certain other commodities is under consideration. Government are also considering the desirability of entrusting the work of pre-shipment inspection in respect of certain items to non-official agencies or trade organizations.

## 22. Fairs and exhibitions abroad

International trade fairs and exhibitions are recognized media for the development of trade and commerce between nations. They provide invaluable opportunities not only for publicity for the country as a whole but also for the display of its products and on-the-spot sale of goods and booking of orders. Pakistan has participated in several fairs and exhibitions held in foreign countries.

## 23. Branch offices abroad of Pakistani firms

There has been a long-standing demand from Pakistani firms for release in their favour of the foreign exchange necessary for setting up and maintaining branch offices in foreign countries, but owing to the scarcity of foreign exchange this facility could not be provided. To meet a part of this essential requirement, bonus vouchers can now be utilized for opening and maintaining branch offices abroad.

## 24. Business travel abroad

Personal contracts are essential for the development of export trade. To facilitate business trips abroad by genuine exporters, the scope of the Export Bonus Scheme has been extended to cover such trips.

## SHIPPING FREIGHT RATES

The question of freight rates and their effect on Pakistan's import-export trade continues to cause concern to the Government and the business community alike. In October 1961, the Conference Lines which still handle most of Pakistan's foreign trade had decided unilaterally to increase the freight rates on Pakistan's imports and exports moving to and from the U.K. Continent.

Such a step was resented to by the trade, and the Government of Pakistan informed the Conference Lines of its concern over the increase in freight rates, particularly on raw jute exports. After protracted negotiations, a standstill agreement was signed in June 1962, between the Government of Pakistan and the Conference Lines. In addition, to an increased participation in the Conference Lines trade from 20 to 37½ per cent, this agreement stipulates that the Government would consider the introduction of a formula system for determining proper rates of freight for all traffic, including jute and jute cuttings, and that every effort would be made to agree upon a formula system in time to allow rates to be revised with effect from July 1, 1963. Should an acceptable formula or any alternative arrangement not be arrived at by the prescribed date, the Conference Lines will continue to operate the service, broadly as at present, and they may alter the rates on any commodity—East bound or West bound—including jute and jute cuttings, after consultation with the Government of Pakistan subject to giving 3 months' written notice on or after March 31, 1963.

In November 1962, the Conference Lines forwarded proposals for a formula system to determine the proper freight rates for all traffic moving between Pakistan and the U.K. Continent with effect from July 1, 1963. Their proposal included financial trading results of the Conference Lines for a period of 6 months ended March 31, 1962, and

covered the sums expended on port charges, wages, insurance, overheads, repairs, fuel, etc., and the amounts received by way of freight and passage earnings.

A delegation of the Conference Lines arrived in Pakistan in early January 1963 to discuss the formula system or any other arrangement that may be arrived at for the determination of the freight rates. Government appointed a Shippers' Negotiation Committee headed by Mr. G. Faruque, on which the Jute Board and the various Chambers of Commerce and Industry were represented. The first round of discussions was held in January 1963 at Narayanganj and Dacca. In this meeting, the trade explained their difficulties as also the quality of service provided by the Conference Lines after the rationalization of their sailings schedule in order to economize their operating expenses. While appreciating the losses being incurred by the Conference Lines in the operation of this service, the Shippers' Negotiation Committee proposed that due to the depressed state of shipping in the world, it would be quite reasonable to fix the freight rates on the basis of current charter rates *plus* a premium for the Conference Lines providing a regular liner service. These discussions concluded with the understanding that the shipping Company would indicate their firm proposals by the end of March 1963, and during this period the trade was to work out procedure and formula for determining the alterations in freight rates. The Conference Lines have not yet submitted their proposals and are expected to do so shortly. The alterations in the current freight rates would take place three months after the actual submission of the proposals. The Conference delegation led by its vice-chairman, Mr. L. G. Hudson arrived in Pakistan in the second week of May 1963. to discuss their firm proposals with the trade and if these discussions fail these would be held with the Government of Pakistan.

#### PAKISTAN AND THE G.A.T.T.

The General Agreement on Tariffs and Trade (G.A.T.T.) is the only instrument at present which provides a set of rules for international trade, applicable on a world-wide basis, together with the machinery required for ensuring that these rules are observed. The number of the contracting parties to the G.A.T.T. now stands at forty-four, besides eight more countries which are associated with it under special arrangement or have acceded provisionally to the G.A.T.T. The membership of the G.A.T.T. covers more than 85 per cent of the trade of the Free World. Its main objectives are to help raise standards of living, achieve full employment, develop the resources of the world, expand production and exchange of goods and to promote economic development. In order to achieve these objectives, the main policies followed by the G.A.T.T. have been as under :

The G.A.T.T. imposes an obligation to extend most-favoured-nation treatment unconditionally to all members. This ensures fair and equal treatment to the imports and exports of each member and enables them to compete on equal terms in trade with other countries.

The general prohibition of the use of quantitative restrictions on imports, together with the rule of non-discrimination, is one of the basic principles of the General Agreement. A country may, however, apply quantitative restriction to safeguard its balance of payments and

monetary reserves. This provision is advantageous to countries like Pakistan, as industrially and economically advanced countries who are not so much in balance of payments difficulties are required to remove quantitative restrictions on import of commodities, while the developing countries which are generally facing pressures on their foreign exchange resources, are in a position to impose quantitative restrictions even on a discriminatory basis.

The reduction of tariffs, as laid down in the General Agreement, is one of the principal means of promoting international trade and other objectives of the G.A.T.T. As a result of the tariff conferences held under its aegis since its inception in 1947, tariff rates for thousands of items entering into world commerce have been reduced or bound against increase. G.A.T.T. has been able to maintain the stability of tariffs covering a very large percentage of world trade and has contributed to the unprecedented expansion of trade since the end of the Second World War. Though the criticism has been made that stability and reduction of tariffs have been applied to the benefit of the industrialized countries by encouraging mainly the exports of manufactured goods, there is no doubt that trade in agricultural primary products has to some extent also benefited from the stabilizing effects of tariffs.

Pakistan is vitally interested in trade in primary commodities and the annual reviews by the G.A.T.T. of the trade and suggestion for improving its value and the terms of trade of these commodities. The prevalence of agricultural protection through restrictive measures in international trade, the building up of large stocks of these products which have no outlets through the normal channels of trade, the sharp fluctuations in the prices of primary products resulting sometimes in serious fall in foreign exchange earnings, are all of considerable importance to Pakistan.

Pakistan has participated in the G.A.T.T. tariff negotiations and secured the withdrawal of a number of tariff concessions previously given, which were no longer consistent with the changing pattern of economic and industrial development in the country. Fresh tariff concessions were also obtained from the European Economic Community (E.E.C.) and other contracting parties on goods and simpler manufactures exported by Pakistan.

During 1962, Pakistan participated in the 20th Session of the Contracting Parties to the G.A.T.T. which was held in Geneva from October 23 to November 16, 1962. Among the problems discussed by the Contracting Parties, the one of most direct interest to Pakistan was the examination of the trade and payments aspects of the Second Five-Year Plan by Committee III which deals with the problems of maintenance and expansion of foreign exchange earnings of the less-developed countries. The Pakistan representative gave clarifications of the various aspects of the Plan before the Committee. This examination of the Plan has been of considerable help as it brought to light the magnitude of the tasks confronting Pakistan in the various fields of development. In the Committee's view, the targets set in the Plan were modest in relation to the magnitude of the task and realistic in relation to the resources available to Pakistan. The examination has, accordingly, indicated the vital need for greater foreign assistance and the form in which it should be made available. These findings are

of considerable interest to aid-giving countries and lending agencies. The Committee noted with satisfaction that action was already in hand by Pakistan to develop new export products and new markets for them.

Constitutions with Pakistan on import restrictions imposed by Pakistan for balance of payments reasons were also held by the G.A.T.T. Committee on Balance of Payments Restrictions. These consultations also helped the Committee to understand the problems faced by Pakistan. The Committee appreciated the progress made by Pakistan in relaxing import restrictions within the availability of the foreign exchange resources and congratulated Pakistan on the remarkable progress made in expanding industrial production and diversifying exports in the face of heavy odds.

Another important event during 1962 was the acceptance by Pakistan of the Long-Term Arrangement regarding trade in cotton textiles drawn up by the Cotton Textiles Committee of the G.A.T.T. This arrangement came into force in October 1962, for a period of five years, and aims at regulating international trade in cotton textiles (i) to provide greater opportunities to the less-developed countries possessing the necessary resources for the manufacture of cotton textiles and to expand trade in these goods and (ii) to establish procedures according to which the industrially advanced countries, which fear disruption of their markets, may adopt restrictive measures to safeguard their indigenous industries.

An important decision taken by the Contracting Parties during this Session was the agreement to hold a meeting of Trade Ministries of the contracting parties in early 1963 to consider a programme for effective liberalization and expansion of trade in both primary and secondary products and the special trade problems of the less-developed countries. The projected Ministerial Meeting which is being held in Geneva from May 16-21, 1963, is of considerable interest to Pakistan; as a complete reappraisal of the role of the G.A.T.T. in the promotion of international trade in general, and the trade of the less-developed countries in particular, will be undertaken. This is being preceded by a meeting of the Commonwealth Senior Officials and Commonwealth Trade Ministers' Conference in London.

#### PAKISTAN AND THE U.K.'S ENTRY INTO THE E.C.M.

The United Kingdom applied for accession to the European Economic Community in August 1961. The problems that would have arisen for the Asian and African members of the Commonwealth, in particular for Pakistan, have been under constant consideration of the Government. It may be pointed out that the developing countries have been engaged in evolving an economic order, where their people can satisfy at least the basic requirements of life. They need rapid expansion of their resources to sustain their development programmes which is possible only when the price of their primary products are stabilized at a reasonable level and have an assured and liberal access to the markets of the advanced countries. But, while 'the economies of industrialized countries, as a result of recent increase in the levels of international trade, have continued to enlarge export earnings, the developing countries as a group, have not shown any marked improvement owing to the restrictive policies of the industrialized countries and the continuing deterioration

in their terms of trade'. In the case of Pakistan, for instance, the terms of trade which stood at 111.3 in 1949-50 dropped to 52.2 in 1959-60. They, however, improved to 67.5 in 1961-62. Being situated as they are, any disturbance in the pattern of the export trade of the developing countries is bound to affect adversely their export earnings, and, consequently, their development efforts.

Pakistan, being in the middle of its Second Five-Year Plan, is importing vast quantities of capital goods and industrial raw materials to attain the Plan targets. This has resulted in soaring of its import bill to Rs. 311 crores in 1961-62 against Rs. 246 crores in 1959-60, or an increase of about 20 per cent. Nearly two-thirds of these imports in 1961-62, were required for meeting the needs of its development programme. Exports, on the other hand, increased only marginally during the same period.

The trend of trade with the E.E.C. and the U.K. is even more alarming as is revealed by the following table.

#### TRENDS OF TRADE WITH THE U.K. AND THE E.E.C.

(In crore rupees)

	1953-54			1960-61			1961-62		
	Export	Import	Balance	Export	Import	Balance	Export	Import	Balance
E.E.C.	33.9	16.5	+17.4	31.4	61.9	-30.5	36.5	61.9	-25.4
U.K.	22.5	23.4	-0.9	28.1	59.5	-31.4	29.4	63.4	-34.0

The above table shows that, during the last decade or so, while the exports both to the E.E.C. and the U.K. have increased only slightly, the imports have shot up by 275 per cent and 171 per cent respectively. Also, a large favourable trade balance of Rs. 17.4 crores with the E.E.C. was converted into a sizable adverse balance of Rs. 25.4 crores; while a small deficit of Rs. 1 crore with the U.K. mounted to Rs. 34 crores.

In spite of the slow growth of Pakistan's exports to the U.K. and the Community, 16 per cent of the exports went to the former and 20 per cent to the latter during 1961-62. On the other hand, imports from each of them amounted to nearly 20 per cent of our total imports during the same year. These figures not only show the strength of the commercial ties existing between Pakistan and these countries, but also unmistakably suggest that something should be done to correct the large adverse balance of trade which Pakistan is having with them.

The overall balance of payments position reveals similar adverse trend which becomes wider when the repayment of loans and the cost of servicing are taken into consideration. The uncomfortable payments position, which is likely to continue for some years to come, underscores the need to increase the country's export earnings if the stage of self-sustaining growth is to be attained. Pakistan is also fully conscious

that aid can never be a substitute for trade in the growth of a developing country. These considerations further bring into bold relief the significance of the improvement of trading arrangements with its major trading partners and any wide departure from the existing pattern is bound to aggravate the payments situation.

The breakdown of the Brussels talks on U.K.'s accession to the Common Market in January 1963, has temporarily postponed, but not solved Pakistan's trade problem. The situation subsequent to this breakdown has not yet crystallized and it is difficult to say if U.K. will ultimately join the European Economic Community and, if so, in what form. However, if U.K. does join, or some kind of association is worked out, it may not only mean the end of the concessions and preferences which the Commonwealth countries enjoy with U.K. but the institution of 'reverse preferences' and the imposition of a progressively rising tariff barrier against almost the entire range of Pakistan's manufactured goods destined to the United Kingdom. Here would be a curious paradox in the policies of the industrialized countries that while so much thought is being given in international trade organizations like the GATT to the removal of even the existing restrictions upon the expansion of the trade of less developed countries, some of its most important members would be erecting altogether new barriers in the way of these countries to increase their export earnings.

The sector of Pakistan's export trade which will be affected most by the imposition of Common External Tariff is that of manufactures. At present the value of Pakistan's export of manufactured goods is approximately one-fourth of Pakistan's total foreign exchange earnings. In the case of trade with the United Kingdom, manufactured goods constitute about 20 per cent of the total exports. With the progress of the development plans, the share of manufactures in its exports would increase substantially. Emphasis is being placed on the export of manufactured goods as trade in these products is the surest means of increasing foreign exchange earnings, for trade in manufactures is a natural consequence of the diversification of the economy resulting from the fuller utilization of the country's natural resources. During the Second Plan period, three-fourths of the expected increase in the foreign exchange earnings of the country are estimated to come from the export of manufactured goods. The achievement of this target depends upon the extent to which the industrialized countries are prepared to relax the restrictions on their imports. Unfortunately, the present state of affairs in this regard is highly unsatisfactory. For instance, the cotton textile industry of the country which is fast expanding and would be in a position to expand its exports appreciably, is not only being subjected to quota restrictions but will also have to bear the high Common External Tariff of 18 per cent. Similarly, jute manufactures would also be subject to a high Common External Tariff of 23 per cent. The provisional agreements which were reached at Brussels between the United Kingdom and the Six concerning the export trade of Pakistan, India and Ceylon that the Common External Tariff would be applied in phase, offers little consolation. In the first instance the status of those agreements in the light of the breakdown of January 1963, is not definitely known. In the second, even if they are revised it is easy to see that Pakistan, being a new entrant in the field of trade in manufactured goods, has not yet developed



the resilience which would enable it to overcome successfully the Common External Tariff.

As a matter of historic interest, it may be pointed out that the provisional agreements mentioned above, fell into two broad headings : (1) transitional arrangements and (2) long-term arrangements. The transitional arrangements prescribed the conditions under which the three Asian countries of the Commonwealth would have traded with the United Kingdom immediately after her entry into the Common Market. The long-term arrangement referred to the drawing up of a trade agreement which would have regulated the trade relations between these countries and the enlarged Community after 1966. It had been proposed that a comprehensive trade agreement covering the entire range of trade problems such as tariffs, quotas, voluntary limitations agreement etc., be concluded between these countries and the enlarged Community by 1966. But if no agreement was reached by 1966 the transitional arrangements would have been extended until 1970 when the provisions of the Treaty of Rome would have come into full operation.

The transitional arrangements which were expected to remain in force up to 1966 visualized the complete dismantling of the existing trade relations between the United Kingdom and the three Asian countries of the Commonwealth and the imposition of the Common External Tariff determined for each commodity individually. The Community's tariff was agreed as nil only for raw materials, tea, a few sports goods and handloom products subject to reaching a satisfactory definition. While nil duty on tea would have considerably benefited India and Ceylon, no commodity in which Pakistan is substantially interested was bound to nil Common External Tariff.

Pakistan was not happy with the provisional agreements for the transitional period and opposed them on the ground that the imposition of the Common External Tariff would considerably reduce its foreign exchange earnings. It had also opposed them on the G.A.T.T. principles that where new restrictions are imposed or existing concessions and preferences are withdrawn, adequate compensatory concessions should be given.

In the last Commonwealth Prime Ministers' Conference, the President of Pakistan, speaking on behalf of the developing countries of the Commonwealth, spot-lighted the entire issue when he said :

The Western world, including the European Economic Community, provide a good deal of foreign exchange for financing the expansion of the production capacity of the developing countries. Logically, they should at the same time, open their door for the growing volume of trade which developing countries will produce. The Western world must decide whether it will make a viable place for the developing countries or whether it intends to turn itself into a powerful international cartel, denying access to our manufactures to their markets and forcing us to remain producers to feed their factories, dictating terms of trade and compelling us to pay several times more for their finished goods. If these are to happen, it would amount to re-establishing imperialism of the worst kind, the consequences of which would be nothing short of disastrous.

In regard to the proposed comprehensive trade agreement, the President called upon the members of the Economic Community to define more clearly their long-range economic philosophy so that the developing countries may know where they fit in and are reassured about their future economic prospects.

He also urged that negotiations regarding the proposed comprehensive trade agreement should be initiated as soon as possible after U.K.'s accession to the E.E.C., and that the application of the C.E.T. be suspended till the conclusion of the Comprehensive Trade Agreement.

Moreover, Pakistan also wanted that the objectives of the proposed comprehensive trade agreement should be amplified to include the restriction of the growing imbalance in Pakistan's trade with the enlarged Community. The quota restrictions should be abolished, and the Common External Tariff reduced to a level which would promote a reasonable outlet for the manufactured goods of Pakistan and other developing countries, and nil tariffs should be allowed for a number of industrial items which are important for Pakistan's economy but constitute an infinitesimal part of the production of the enlarged Community. The Community did not accept these suggestions except the one regarding the early conclusion of the Comprehensive Trade Agreement. As already mentioned, the position even regarding the comprehensive trade agreements is not yet clear, though indications have already been given by the Community that they would view such a proposal from Pakistan favourably. A clearer picture is likely to emerge after the Commonwealth Trade Ministers' Conference which is being held in London towards the middle of May 1963.

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## REGIONAL AND INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

VII

*A. God did not bestow all products upon all parts of the earth, but distributed His gifts over different regions to the end that man might cultivate a social relationship because one would have need of the help of another ; and so he called commerce into being that all men might be able to have common enjoyment of the fruits of the earth, no matter where produced.'*

Grotius : War and Peace

THE ABOVE quotation applies equally to regional as to international trade. Both types of trade are equally important to the economy of the country as a whole and to each of the individual provinces. In the following sections, the development of regional and international trade and the balance of payments during 1962 are reviewed.

### SECTION I—REGIONAL TRADE

As a result of several measures adopted by the Government to promote inter-zonal trade, there has been a marked progress in this direction. A new record of inter-zonal trade was set in 1962 at Rs. 128.08 crores compared to the previous year's total of Rs. 127.03 crores. There was an appreciable increase of 8.4 per cent or Rs. 3.26 crores, from Rs. 39.01 crore in 1961 to Rs. 42.27 crores in 1962, in exports from East Pakistan to West Pakistan. In the reverse direction, however, there was a decline of 2.5 per cent from Rs. 88.02 crores to Rs. 85.81 crores. Details of the inter-zonal trade are given in Table 30 of the Statistical Section.

The value of inter-zonal trade has shown a remarkable increase since the year immediately after Independence. The year 1949 was the first year for which broad statistics of inter-zonal trade are available. In the year, the value of inter-zonal trade in both directions did not exceed Rs. 23.84 crores, with exports from East Pakistan to West Pakistan valued at Rs. 4.72 crores, and from West Pakistan to East Pakistan at Rs. 19.1 crores.

Between 1949 and 1962 the movement of goods from East Pakistan to West Pakistan expanded more rapidly than the movement in the opposite direction. East Pakistan's exports to West Pakistan in 1962 valued at Rs. 42.27 crores, were greater than in 1949 by about 800 per cent. West Pakistan's exports to East Pakistan in 1962, Rs. 85.63 crores, were some 350 per cent greater than in 1949. The following table shows the relevant facts.

INDEX OF INTER-ZONAL TRADE  
(Base : 1949=100)

Year	East to West Pakistan	West to East Pakistan
1949	100	100
1950	122	132
1951	121	147
1952	206	119
1953	371	171
1954	388	172
1955	457	168
1956	493	212
1957	585	327
1958	559	335
1959	812	341
1960	835	373
1961	826	457
1962	900	448

Inter-zonal trade showed a further upward trend, during the first three months of 1963. Exports from East Pakistan to West Pakistan during this period were valued at Rs. 13.02 crores, compared to Rs. 8.6 crores during the corresponding period of 1962. In the opposite direction, trade transactions were valued at Rs. 26.79 crores, compared to Rs. 21.3 crores during the same period in 1962.

COMPOSITION OF INTER-ZONAL TRADE

That the coastal trade is proving highly beneficial to the economic growth of both the Provinces is indicated by the nature of the commodities and goods exchanged between them. There are two important indicators :

1. The share of Pakistan merchandise is on the increase while that of foreign goods is on the decline ; and
2. The share of finished goods is increasing sharply.

In 1962, the value of Pakistan merchandise exchanged between the two Provinces was Rs. 124.77 crores, or 97.4 per cent of total inter-zonal trade. In 1961, this percentage was less than 97. The trend, however, was different in the two Provinces. The share of Pakistan merchandise in the exports of East Pakistan increased while it dropped appreciably in trade moving in the opposite direction. Details are given in Table 30 of the Statistical Section.

The analysis of merchandise of Pakistan origin exchanged between the two Provinces reveals the trends in the economic development of the two Provinces. In 1952, the first year in which details of the inter-zonal trade are available, total exports from East Pakistan to West Pakistan were valued at Rs. 9.65 crores, of which Pakistan merchandise amounted to Rs. 6.12 crores. The value of finished Pakistan goods in that year was about Rs. 4.70 crores. The value of primary products was estimated at Rs. 1.28 crore, with exports which were not classified valuing at Rs. 14 lakhs.

On the other hand, the value of West Pakistan's exports to East Pakistan in 1952 amounted to Rs. 22.68 crores, of which Pakistan merchandise accounted for Rs. 17.66 crores. Roughly, Rs. 4.80 crores worth of Pakistan goods were manufactured, Rs. 12.42 crores worth were primary products, and Rs. 44 lakhs not classified.

In 1962, exports of East Pakistan to West Pakistan were valued at Rs. 42.27 crores, of which Rs. 42.14 crores were Pakistan merchandise. The value of finished Pakistan goods was more than Rs. 29 crores, compared to Rs. 4.70 crores in 1952. The value of primary products was about Rs. 5 crores, and goods not classified amounted to Rs. 8.14 crores.

The exports of West Pakistan to East Pakistan in 1962 were valued at Rs. 85.6 crores, of which Pakistan merchandise amounted to Rs. 82.63 crores. The latter included finished goods of the value of Rs. 46.69 crores, compared to Rs. 4.80 crores in 1952. Primary products were Rs. 27.21 crores and goods not classified Rs. 6.70 crores.

Some of the industries in both the Provinces have received a great stimulus from inter-zonal trade. The most important are the match, paper and paste board, tea and jute goods industries of East Pakistan and the cotton manufactures, vegetable oils and drugs and medicines of West Pakistan.

#### INTER-ZONAL TRADE—1962

(In crore rupees)

<i>East to West Pakistan</i>				<i>West to East Pakistan</i>			
Matches	..	..	2.51	Rice	..	..	3.70
Paper, paste board and card board	..	..	6.58	Drugs	..	..	2.15
Betelnuts	..	..	2.29	Oilseeds	..	..	10.13
Tea	..	..	12.47	Raw cotton	..	..	7.92
Jute goods	..	..	7.29	Cotton manufactures	..	..	27.57
Others	..	..	11.13	Others	..	..	34.34
Total				Total			
..				..			
42.27				85.81			

It will be seen that the most important item of export from East to West Pakistan is tea, valued at over Rs. 12 crores, followed by jute goods, over Rs. 7 crores, and paper and paste board etc., valued at Rs. 6.58

crores. In the reverse direction the most important items are : cotton manufactures, valued at Rs. 27.57 crores, followed by oil seeds at Rs. 10 crores and raw cotton valued at about Rs. 8 crores.

## SECTION II.—FOREIGN TRADE

It is now being increasingly realized that the economic development of the primary producing countries is closely related to their export opportunities in the world market and to world trade as a whole. Some economists are advising the industrialized countries to adapt their economies to the changing economic situation resulting from the development of new industries and of their export surpluses in the underdeveloped countries. According to Eugene Staley (*The Future of Underdeveloped Countries*) :

Economic development of underdeveloped areas does, of course, produce new competition for some of the established industries of the more developed countries. At the same time, it produces new opportunities. In this respect it is like technological change. In fact, economic development of underdeveloped countries is a form of technological change. Which effect the new competition or the new opportunities—will pre-dominate in its impact on the economy of an industrially advanced country will depend on many factors in each case, the most important being the economic adaptability of the advanced countries. If its business leaders are alert they will shift production progressively toward those lines for which the new demands and increased purchasing power of developing areas are expanding the market, and progressively out of those lines where the dominant effect is new competition. Then the advanced country will usually find that economic progress abroad means rising benefits from trade, employment at better wages, and general gain in income and living levels. If, however, the advanced economy is inflexible and insists, in effect, on trying to produce and sell the same old products in the same old markets, it will probably find itself in trouble.

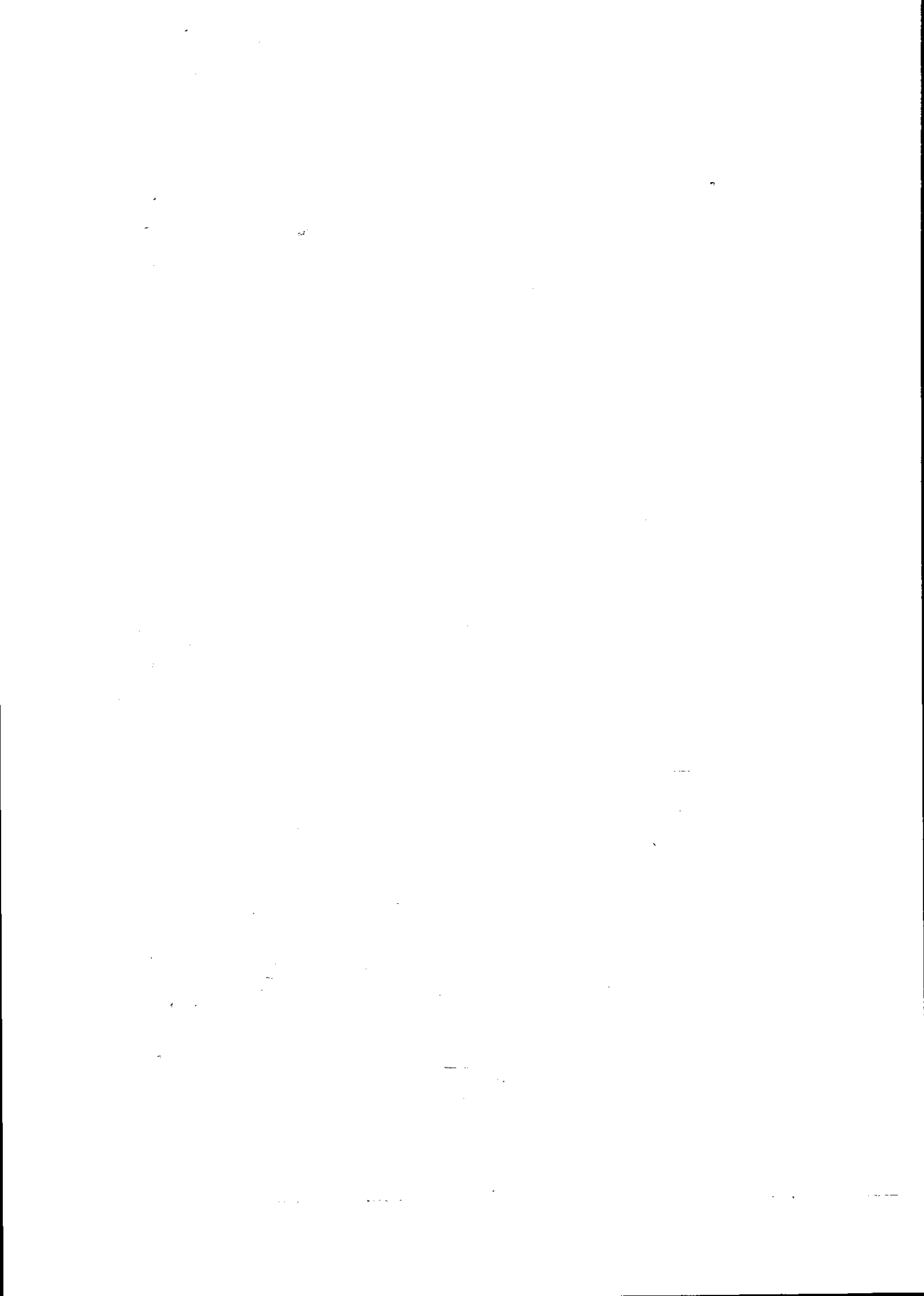
The actual international trade situation, however, is not in harmony with the desires of the underdeveloped countries or the adoptions advocated by these economists. The industrialized nations are increasing their restrictions on imports of finished goods from the underdeveloped countries. For instance, the United Kingdom exercises a strict control on imports of cotton yarn and piece goods, especially from the Commonwealth countries of Pakistan, India and Hong Kong. The yarn quota for exports from Pakistan to the United Kingdom for two years, 1962 and 1963, was fixed as low as 12 million pounds, or 6 million pounds a year. Similarly the quota of cotton piece goods for Pakistan was 42.5 million square yards in 1962 and the annual increase of only 5 per cent for future years is too low in comparison with the rising exportable surplus of Pakistan.

Similar restrictions are being placed by other rich industrial countries such as the U. S. A. and Western Europe, and from their present attitude it appears that no relaxation is likely in the near future. In order to promote the economic development of the underdeveloped countries, it is imperative that their exports should increase to enable them to pay the debts which are being contracted at present for economic development, to the creditor countries. As a result of these restrictions underdeveloped countries like Pakistan are finding it difficult to balance their imports and exports and the gap has been widening.

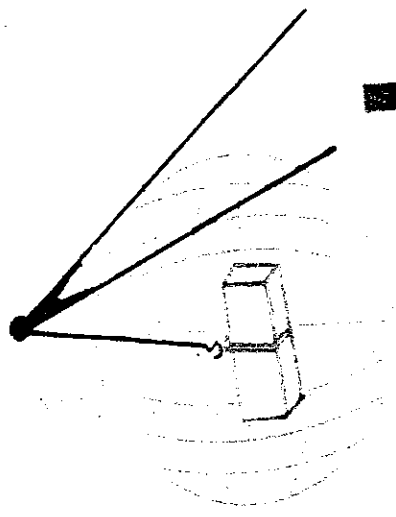
## TRENDS IN FOREIGN TRADE

The year 1962 was not a good year for the foreign trade of Pakistan. Exports declined from Rs. 190.5 crores in 1961 to Rs. 189.2 crores<sup>1</sup> in

<sup>1</sup>The position of exports was, however, considerably better in regard to actual receipts as reflected in the export figures in the Balance of Payments Section (Section III, p. 93). The difference in two figures is due to the time lag in actual receipts from exports. While the trade figures are based on exports, the balance of payment figures are based on actual receipts when credited.



# FOREIGN TRADE



RS. IN CRORES

400  
300  
200  
100  
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100  
200

IMPORTS  
EXPORTS  
BALANCE

MAR. 63

1962

1961

1960

1959

1958

1957

1956

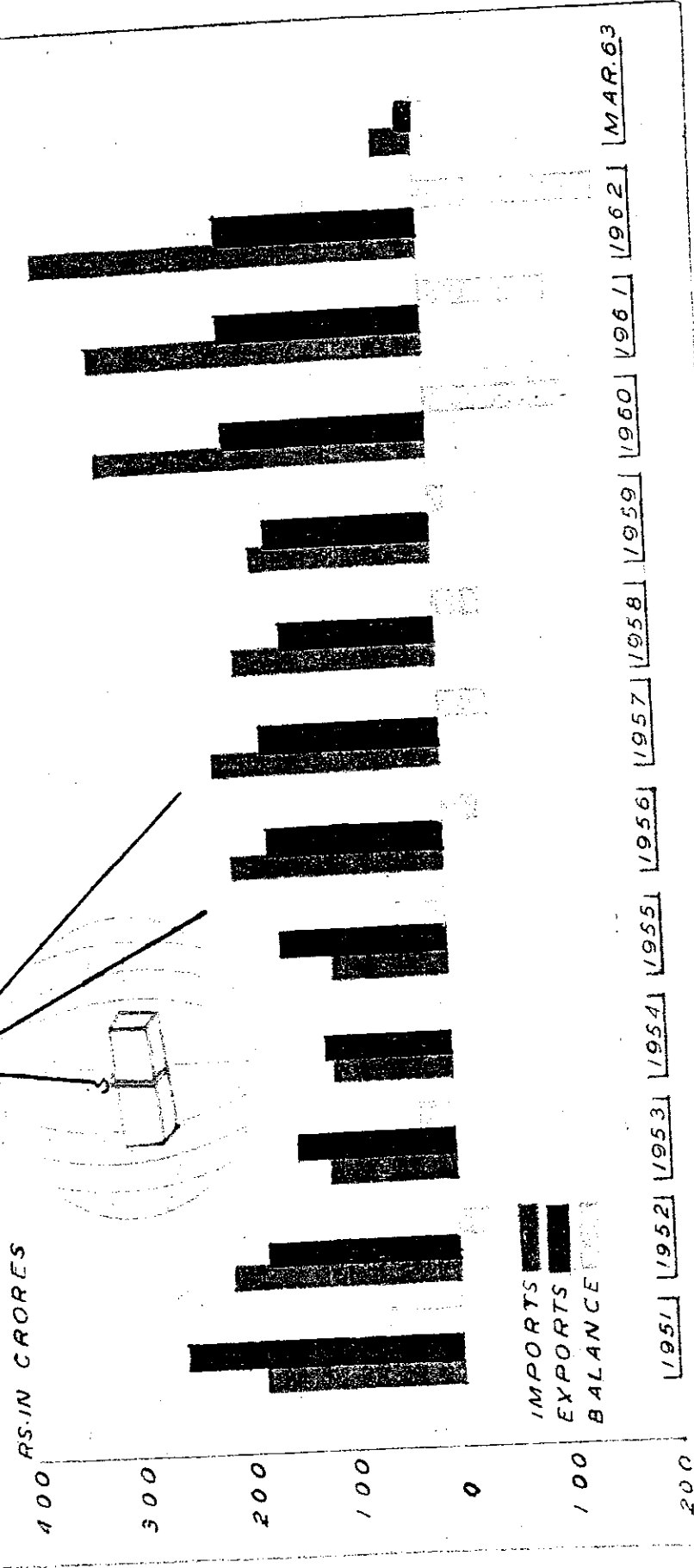
1955

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1951





1962. The decline was small, but it was unsatisfactory that there should be no increase at a time when imports were rising rapidly. Imports in fact increased from Rs. 305.6 crores in 1961 to Rs. 351.5 crores in 1962, i.e. by 15 per cent. The import-export gap thus widened from Rs. 115.1 crores in 1961 to Rs. 162.3 crores in 1962, a new record since Independence, and the ratio of the value of exports to the value of imports which had been 60 per cent in 1960 and 62 per cent in 1961, declined to 53 per cent in 1962.

Provisional foreign trade data for the first three months of 1963 show a somewhat encouraging trend in exports. During this period, the value of exports was Rs. 51.89 crores, compared to Rs. 48.23 crores during the same period in 1962. Imports, also increased from Rs. 81.97 crores to Rs. 84.13 crores during the comparable period. The import-export gap thus decreased from Rs. 33.74 crores during the first three months of 1962 to Rs. 32.24 crores during the corresponding period of 1963.

### Exports

Major export items during 1962 were : fish (Rs. 9.7 crores), rice (Rs. 11.6 crores), tea (Rs. 1.6 crore), hides and skins (Rs. 5.8 crores), raw cotton (Rs. 18.7 crores), raw jute (Rs. 77.4 crores), raw wool (Rs. 7.5 crores), cotton piece goods (Rs. 4.1 crores), jute manufactures (Rs. 31.3 crores), leather (Rs. 1.8 crore) and sports goods (Rs. 1.5 crore). There was an appreciable increase in 1962 over 1961 in exports of fish, rice, raw cotton, sports goods and oilcakes, while exports of hides and skins, raw jute, raw wool, cotton twist and yarn, jute manufactures, newsprint and woollen carpets declined considerably. The table below shows the relevant facts.

#### EXPORTS OF MAJOR COMMODITIES IN 1961 AND 1962

(In thousand rupees)

Commodity	1961	1962	Percentage change
Fish .. .. .	5,68,72	9,73,64	+ 71.2
Rice .. .. .	9,52,21	11,59,39	+ 21.8
Tea .. .. .	1,11,31	1,64,14	+ 47.5
Hides and skins .. .. .	6,16,94	5,78,96	- 6.2
Raw cotton .. .. .	10,36,95	18,72,33	+ 19.1
Cotton waste .. .. .	2,16,33	2,48,15	+ 14.7
Raw jute .. .. .	89,52,45	77,44,96	- 13.5
Raw wool .. .. .	7,94,69	7,47,33	- 6.0
Cotton twist and yarn .. .. .	2,79,66	1,04,33	- 62.7
Cotton piece goods .. .. .	4,00,03	4,09,87	+ 2.5
Jute manufactures .. .. .	34,75,54	31,30,06	- 9.9
Sports goods .. .. .	1,33,43	1,45,13	+ 8.8
Leather .. .. .	1,41,88	1,77,33	+ 24.9
Newsprint .. .. .	1,13,66	583,34	- 26.7
Woollen carpet .. .. .	83,97	1,21,73	- 74.1
Oil cakes .. .. .	80,69	1,26,18	+ 56.4
Others .. .. .	10,91,53	12,33,59	+ 13.0
Total .. .. .	190,49,99	189,20,44	-0.7

### Imports

As the economic development of the country moves ahead the demand for capital goods increases. Imports of capital goods in 1962 were valued at Rs. 111.32 crores compared to Rs. 63.10 crores in 1961, an increase of more than 76 per cent. In 1961 capital goods were 20.65 per cent of total imports ; in 1962 this percentage increased to 31.67.

Imports of raw materials also increased from Rs. 121.76 crores to Rs. 124.8 crores during the same period. There was a more pronounced fall in the percentage of consumer goods, which declined from 39.52 to 32.82. Total imports of consumer goods also decreased from Rs. 120.77 crores to Rs. 115.35 crores.

Efforts were made to reduce the imports of commodities the output of which could be increased within the country, and some important achievements were made in 1962 in this direction. Imports of fruits and vegetables declined in 1962 by 39.5 per cent; of foodgrains, pulses and flour by 55.7 per cent; of coal by 7 per cent; of mineral oils by 9.1 per cent; of non-ferrous metals and manufactures thereof by 17.8 per cent and of textiles by 15.6 per cent.

Both the demand for and imports of capital goods, machinery and raw materials are increasing at a rapid pace. Imports of some important consumer goods such as drugs and medicines also went up. Outstanding increases were 6 per cent in wood and timber; 7.1 per cent for chemicals, drugs and medicines; 110.9 per cent for hardware, 88.8 per cent for machinery, 41.9 per cent for paper and boards, and 57 per cent for transport equipment. Relevant facts are given in the table below.

#### IMPORTS OF MAJOR COMMODITIES

(In thousand rupees)

Commodity	1962	1961	Percentage change
Fruits and vegetables .. .. .	1,35,85	2,24,47	- 39.5
Grain, pulses and flour .. .. .	21,07,57	47,53,96	- 55.7
Coal .. .. .	4,30,00	4,62,32	- 7.0
Mineral oils .. .. .	24,49,16	26,95,29	- 9.1
Wood and timber .. .. .	3,60,91	3,40,59	+ 6.0
Chemicals, drugs and medicines .. .. .	13,25,95	12,38,53	+ 7.1
Cutlery, hardware and instruments .. .. .	19,56,55	9,27,73	+110.9
Electrical goods .. .. .	8,02,13	8,15,22	- 1.6
Machinery .. .. .	92,19,91	48,82,56	+ 88.8
Iron and steel and manufactures thereof .. .. .	41,68,25	41,50,27	+ 0.04
Non-ferrous metals and manufactures thereof .. .. .	8,24,86	10,02,93	- 17.8
Paper, board and stationery .. .. .	3,39,96	2,39,54	+ 41.9
Rubber manufactures .. .. .	3,94,71	3,77,04	+ 4.7
Transport equipment .. .. .	37,52,49	23,90,68	+ 57.0
Textiles .. .. .	4,44,36	5,26,42	- 15.6
Others .. .. .	64,36,43	55,35,62	+ 21.2
Total .. .. .	351,49,09	305,63,17	+ 15.9

#### Direction of trade

The changing pattern of foreign trade has necessitated a radical change in the pattern of Pakistan's trade partners. Not only have the traditional factors contributed to changes in the direction of its foreign trade but the increasing restrictions on imports, particularly of industrial goods, in the industrialized countries have also made necessary a search for additional markets for its increasing exportable surpluses of manufactured goods.

The increase in exports to the European countries as a whole was nominal—only Rs. 1.8 crore, from Rs. 82.8 crores in 1961 to Rs. 84.6 crores in 1962. Exports to European Common Market countries, and to the Communist countries of Eastern Europe declined, while those to the countries of the European Free Trade Area and other European countries

increased appreciably. There was also some increase in imports from the European countries. Imports from the E.F.T.A. countries and from Communist block countries increased while they declined from the European Common Market and other European countries. The following table shows the trend in Pakistan's trade with various European trade blocks.

#### TRADE WITH EUROPEAN COUNTRIES

(In crore rupees)

Area	1961		1962	
	Imports	Exports	Imports	Exports
European Free Trade Area ..	69.06	31.53	70.73	36.95
European Common Market ..	58.19	37.04	55.44	34.87
Communist countries ..	4.14	9.43	7.05	7.52
Other European countries ..	1.66	4.84	0.79	5.23
Total ..	133.05	82.84	134.01	84.57

Pakistan's trade relations with American countries were strengthened in 1962, both exports and imports increasing sharply. Exports increased from Rs. 18.81 crores in 1961 to Rs. 24.61 crores in 1962, and imports from Rs. 82.65 crores to Rs. 139.49 crores. Most of this increase was accounted for by the U.S.A.; Pakistan's imports from the U.S.A. amounted to Rs. 133.43 crores in 1962 and to Rs. 75.52 crores in 1961.

There were divergent trends with the Asian countries. Exports increased slightly while imports declined appreciably. Exports to all the Asian countries in 1962 stood at Rs. 55.21 crores, compared to Rs. 54.06 crores in 1961. Imports on the other hand declined from Rs. 83.46 crores in 1961 to Rs. 72.23 crores in 1962.

Of the Asian countries, Japan was the most important trade partner of Pakistan, and trade relations with Japan strengthened further in 1962. Exports to Japan in 1962 amounted to Rs. 11.90 crores, compared to Rs. 13.53 crores in 1961. Imports, however, increased sharply from Rs. 24.97 crores in 1961 to Rs. 27.74 crores in 1962. India was the other important Asian trading partner. Exports to India increased from Rs. 11.34 crores in 1961 to Rs. 18.93 crores in 1962. Imports from India, however, declined from Rs. 12.08 crores to Rs. 10.42 crores during the same period. There was a considerable improvement in trade relations with Iran. Exports to Iran increased from Rs. 0.58 crore to Rs. 2.13 crores, and imports from Rs. 12.03 crores to Rs. 12.36 crores.

There was no appreciable change in trade with the African countries. Exports to African countries increased slightly from 19.31 crores to Rs. 19.42 crores, while imports were reduced from Rs. 2.83 crores to Rs. 2.61 crores.

Both imports from and exports to Australia and New Zealand declined.

### Terms of trade

There was a marked deterioration in Pakistan's terms of trade during 1962 compared to 1961. The export values of merchandise fell sharply, the index of unit values of exports, declining by 28 per cent, from 135.4 in 1961 to 98.05 in 1962. There was also some decline in the unit values of imports, the index moving from 161.2 to 159.8, but this was not of the same order as the movements for exports.

As a result of the sharp fall in export prices and no appreciable decline in import prices, the index of terms of trade worsened from 83.8 in 1961 to 61.2 in 1962, a fall of 22.6 points, or almost 25 per cent.

### SECTION III—BALANCE OF PAYMENTS

The balance of payments recorded a current account deficit of Rs. 9.08 crores in 1962 as against a deficit of Rs. 21.96 crores in 1961. Both receipts and payments at Rs. 337.88 crores and Rs. 346.96 crores were lower by Rs. 18.79 crores and Rs. 31.68 crores respectively over the year 1961. The relative improvement of Rs. 12.88 crores was due to larger decrease in payments. The position of the main items on the current account during the year 1962 compared with the previous year is given below.

#### BALANCE OF PAYMENTS (1961 and 1962)

(In lakh rupees)

Item	JANUARY-DECEMBER 1961			JANUARY-DECEMBER 1962		
	Credits	Debits	Net credits	Credits	Debits	Net credits
<b>A. Goods and services</b>						
Merchandise f.o.b. ..	188,08	313,47	(-)125,39	199,19	277,68	(-)78,49
(i) Imports on private account ..	..	134,61	..	..	128,26	..
(ii) Imports on Government account ..	..	57,23	..	..	63,62	..
(iii) Aid financed imports ..	..	121,64	..	..	58,80	..
Non-monetary gold (net) ..	27	..	(+) 27	7	..	(+)7
Foreign travel .. ..	83	3,76	(-) 2,94	96	4,07	(-) 3,11
Transportation and insurance ..	8,52	28,49	(-)19,97	7,86	28,56	(-)20,70
Investment income ..	4,91	7,57	(-) 2,66	4,14	10,08	(-) 5,93
Government expenditure (n.e.i.). ..	9,95	10,30	(-) 36	11,54	14,25	(-) 2,72
Miscellaneous .. ..	15,99	11,57	(+) 4,42	18,52	8,90	(+) 9,61
Total goods and services	228,53	375,18	(-)146,64	242,28	343,54	(-)101,26
<b>B. Donations</b>						
Private remittances and migrants' transfers ..	3,45	3,47	(-) 3	3,08	3,43	(-) 35
Official donations ..	124,69	..	(+)124,69	92,52	..	(+)92,52
Total donations ..	128,14	3,47	(+)124,66	95,60	3,43	(+)92,18
Total current account (A+B)	356,67	378,64	(-)21,96	337,88	346,96	(-)9,08

The deficit of Rs. 3.76 crores in trade account excluding aid financed imports in 1961 was converted into a surplus of Rs. 7.31 crores in 1962 due to a sharp increase in export earnings. Exports (f.o.b.) increased from Rs. 188.08 crores in 1961 to Rs. 199.19 crores in 1962. The 6 per cent rise in export receipts during the year was mainly on account of raw cotton and tea as shown in the table below.

## RECORDED RECEIPTS FROM EXPORTS

(1961 and 1962)

(In lakh rupees)

Item	1961	1962	Per-centage variation
Cotton .. .. .	13,35	23,28	(+)74
Cotton manufactures .. .. .	6,48	6,21	(-)-4
Jute .. .. .	87,32	83,22	(-)-5
Jute manufactures .. .. .	37,68	30,82	(-)-18
Hides and skins .. .. .	7,95	8,04	(+)1
Tea .. .. .	92	2,12	(+)130
Wool .. .. .	8,06	8,98	(+)11
Other exports .. .. .	29,73	42,16	(+)42
Total .. .. .	191,49	204,83	(+)7

Exports of raw cotton, hides and skins, tea and wool at Rs. 23.28 crores, Rs. 8.04 crores, Rs. 2.12 crores and Rs. 8.98 crores during the year 1962 were higher by Rs. 9.93 crores, Rs. 0.09 crore, Rs. 1.20 crore and Rs. 0.92 crore respectively over 1961. On the contrary, export earnings from cotton manufactures, raw jute, jute manufactures at Rs. 6.48 crores, Rs. 87.32 crores and Rs. 37.68 crores were lower by Rs. 0.27 crore, Rs. 4.10 crores and Rs. 6.86 crores respectively. Other exports rose from Rs. 29.73 crores to Rs. 42.16 crores.

Compared to the year 1961, aid financed imports in 1962 at Rs. 85.80 crores were lower by Rs. 26.84 crores. Imports (f.o.b.) excluding aid financed imports, showed a nominal increase of Rs. 0.04 crore as a result of a rise of Rs. 6.39 crores in imports on government account offset by a fall of Rs. 6.35 crores in imports on private account. The following table gives the break-up of the recorded payments for imports on private account.

RECORDED PAYMENTS FOR IMPORTS ON PRIVATE ACCOUNT  
(1961 and 1962)

(In lakh rupees)

Commodity	1961	1962	Per-centage variation
Food .. .. .	2,81	6,01	(+)114
Beverages and tobacco .. .. .	54	51	(-)6
Crude materials, inedible except fuels .. .. .	7,68	7,23	(-)6
Mineral fuels, lubricants and related materials .. .. .	16,07	20,05	(+)25
Animal and vegetable oils and fats .. .. .	2,92	2,55	(-)13
Chemicals .. .. .	18,33	18,22	..
Manufactured goods.. .. .	39,65	26,78	(-)33
Machinery and transport equipment .. .. .	50,52	51,49	(+)2
Miscellaneous manufactured articles .. .. .	7,08	6,38	(-)10
Others .. .. .	77	26	(-)66
Total .. .. .	146,37	139,47	(-)5

The invisible account (excluding aid financed transactions) was in deficit to the extent of Rs. 16.39 crores in 1962 as against Rs. 18.21 crores in the previous year. The relative improvement was attributable to larger increase in invisible receipts. The invisible receipts under foreign travel, Government invisibles and miscellaneous (n.e.i.), at Rs. 0.96 crore, Rs. 11.54 crores and Rs. 18.52 crores in 1962 marked improvements of Rs. 0.13 crore, Rs. 1.59 crore and Rs. 2.53 crores respectively over 1961. On the other hand, the receipts for transportation and insurance, investment income, and private remittances at Rs. 7.86 crores, Rs. 4.14 crores, and Rs. 3.08 crores declined by Rs. 0.66 crore, Rs. 0.77 crore and Rs. 0.37 crore respectively.

The invisible payments (excluding aid financed) increased from Rs. 62.11 crores in 1961 to Rs. 62.56 crores in 1962. The payments for foreign travel, transportation and insurance, investment income, and Government expenditure (excluding aid financed) at Rs. 4.07 crores, Rs. 28.56 crores, Rs. 10.08 crores and Rs. 7.53 crores in 1962 increased by Rs. 0.31 crore, Rs. 0.07 crore, Rs. 2.51 crores and Rs. 0.28 crore respectively over 1961. Private remittances and miscellaneous expenditure, however, declined by Rs. 0.04 crore and Rs. 2.67 crores to Rs. 3.43 crores and Rs. 8.90 crores respectively.

Direct investment in Pakistan in the form of cash totalled Rs. 1.01 crore during 1962. Loans and Long-term Obligation amounted to Rs. 23.75 crores as against Rs. 14.23 crores in the preceding year. Contractual Repayments at Rs. 8.51 crores were higher by Rs. 2.75 crores as compared to the previous year.

The gold, dollar and sterling reserves held and controlled by the State Bank of Pakistan stood at Rs. 118.41 crores at the end of 1962 showing an increase of Rs. 5.11 crores over 1961. At the end of March 1963, these figures stood at Rs. 131.55 crores compared to Rs. 114.84 crores in March 1962.

## PRICES AND PRICE TRENDS

## VIII

AS MENTIONED in the *Economic Survey*, 1961-62, the problem of prices has received the close and continuous attention of the Government. It has sought to stabilize the price level through the following means :

1. Keeping money supply in check ;
2. Utilization of foreign exchange reserves ;
3. Import of essential raw materials, spare parts and consumer goods ;
4. Allowing maximum possible freedom to economic forces to find their own equilibrium ; and
5. Increasing agricultural production.

As a result we find that since 1960 there has been a considerable stability in the general price level. The country, as a whole, has gained much from the policy of decontrols. Since decontrol, the supply position of goods which were previously scarce has improved, and free market prices were, in most cases, considerably lower than what consumers had to pay previously in black market.

The price trends for various important commodities and articles are discussed below.

## WHEAT

The lifting of price and distribution control from wheat in West Pakistan worked satisfactorily in 1961-62. The average wholesale price of wheat at Lyallpur, opening at Rs. 18.60 a maund in January 1961, dropped to Rs. 15.25 in May with the coming of the new crop into the market. Although the crop during 1960-61 was lean, prices were kept within limit due to the heavy imports under P.L. 480 from the United States. The average wholesale price during 1961-62 season at Lyallpur ranged between Rs. 14.87 and Rs. 16.15 per maund.

The wheat harvest during 1961-62 season was satisfactory. In order to give relief to the common man, the Government fixed the retail price of imported wheat in April 1962 at Rs. 14 a maund in West Pakistan and at Rs. 12.50 in East Pakistan. This decision of the Government together with a good wheat harvest tended to depress prices, especially in the early part of the new crop season. The price of wheat, which was ruling between Rs. 14.50 and Rs. 17 per maund in February 1962, dropped sharply, and ranged between Rs. 11.50 and Rs. 14 per maund by June 1962. The lower price, however, was for *dara* wheat. Under its price stabilization programme, the Government entered the market and purchased 28,984 tons of wheat during 1962-63 at Rs. 13.50 a maund from different *mandis* in the Province. In order to enable cultivators

to realize better prices, the ban on the movement of wheat to Karachi was lifted. These measures resulted in some improvement in price and by November 1962, in some selected markets it ranged between Rs. 13.75 and Rs. 15.25 per maund. Thereafter, there was further improvement, and by March 1963 at the tail end of the crop season, the price ranged between Rs. 14.50 and Rs. 16.50 a maund. The wholesale price index for wheat (April 1948 to March 1949=100), which stood at 136.9 in January 1962, dropped to 114.7 by August 1962 and stood at 131.1 in March 1963.

### RICE

East Pakistan had very satisfactory rice crops during 1959-60 and 1960-61. The rice crop during 1961-62 was, however, slightly less than in 1960-61. Imports of foodgrains in the Province during 1961-62 were also lower than in the previous year. The lower level of production and imports, coupled with high rate of population growth and huge development expenditure, exerted considerable influence on prices. The average wholesale free market price of medium quality rice at Dacca, which stood at Rs. 26.62 a maund in January 1961, rose to Rs. 34 by October 1961. However, with the inflow of new *aman* crop in December 1961-January 1962, the price fell appreciably to Rs. 27.25 in February 1962, but this was much higher than the figure of Rs. 25.94 recorded in the corresponding period in 1961. To check the rising trend the Provincial Government introduced modified rationing from March 1962 and large stocks of rice were released at controlled prices of about Rs. 22 per maund.

The rice crop in East Pakistan suffered further set back during 1962-63 as a result of serious floods and drought in certain districts. The grave situation thus created was tackled by larger imports of wheat from the United States under P. L. 480 and their distribution in the Province under modified rationing. Besides, in flood affected districts a large quantity of wheat was distributed free of cost to sufferers from flood havoc. The average wholesale price of medium quality rice in Dacca, which had risen to Rs. 33.56 a maund in November from Rs. 27.25 in February 1962, fell appreciably to Rs. 28.94 in January 1963, with the coming of the new *aman* crop into the market. The wholesale price index for rice (April 1948 to March 1949=100) rose from 103.2 in 1961 to 105.9 in 1962 and stood at 109.7 in March 1963.

### SUGAR

The sugar situation during 1962 and the first quarter of 1963 remained easy. The Government policy of importing sugar under bonus vouchers and allowing mills to sell the excess of over four years' average production in the free market was continued. These sales gave the desired impetus to increase home production. From 1,23,000 tons in 1961, production rose, by 53 per cent, to 1,85,000 tons in 1962, and increased home production, coupled with imports under bonus vouchers, made the supply position easier. The price in the free market fluctuated within narrow limits. The wholesale price of refined sugar fluctuated between Rs. 55 and Rs. 58 per maund in Karachi during March 1962 to February 1963. However, in the second fortnight of March 1963 it had risen to Rs. 67 per maund, chiefly because of a spurt in bonus vouchers prices and the tight world market situation which followed a sharp drop in Cuban production and partial failure of beet sugar crops in Western Europe.



There has been an almost three-fold rise in the price of London sugar within a year. The ruling rate in early April 1963 was around £ 60 per ton c.i.f. against £ 22 last year. At this level, the price is slightly below the peak reached during the Suez crisis and during the Korean war boom of 1951. Taking into account the sharp upward movement in world market price, the price fluctuations in the home market in Pakistan have been negligible.

The prices of *gur* and desi sugar also remained easy in sympathy with white sugar. The average wholesale price of average quality *gur* at Lahore, which had risen to Rs. 54.40 a maund in September 1961, dropped to Rs. 20.40 by September 1962, and ranged within narrow limits thereafter. In like manner, the average wholesale price of desi sugar, which was ruling at Rs. 95 a maund in November 1961 came down to Rs. 47.62 in January 1963. The prices of *gur* and desi sugar during the first quarter of 1963 were considerably lower than in 1961.

### TEA

In anticipation of a large crop of 59 million lbs. during 1962-63 and a carry-over of 17 million lbs. from the previous season, price control was lifted from tea from April 25, 1962. However, the removal of price control was followed by widespread reports of shortages and prices in the internal markets rose very high. The lower picking reports from the gardens in earlier months, led to a substantial rise in the price offered at internal auctions. The monthly average price at these auctions, which opened at Rs. 2.37 per pound in July 1962, compared to Rs. 2.09 in the same period last year, rose sharply to Rs. 4.08 by September 1962. In view of these rising prices, tea blenders announced two price increases of 50 to 75 paise and 60 paise per pound respectively in September and October 1962. A third price increase of 25 paise per pound was also announced in December, which was, however, soon withdrawn at the initiative of the Government.

In view of the unsatisfactory situation thus created, the Government had to take a number of measures. In July 1962, the export auction fixed for the end of that month was postponed and warning was issued to dealers against hoarding of stocks. In September, instructions were given to producers to place larger quantities of tea at the auctions, which they did. Prices, however, continued high. In October 1962 instructions were issued to postpone the export auction fixed for the end of that month, to stop further registration of bidders and to disallow producers from withdrawing more than 10 per cent of the tea offered at the auctions. Later that month, it was decided to reduce the export quota from 10 to 5 millions lbs. The price did not come down even then. Finally, therefore, in December 1962, it was decided to stop further exports, except of tea sold in the previous export auctions, and to import one million lbs. of tea on a barter basis.

The cumulative effect of all these measures was that the monthly average price at internal auctions gradually came down from a peak of Rs. 4.08 per lb. in September 1962, to Rs. 3.46 by February 1963. The availability of tea in the internal market also became somewhat easy though some shortage of quality tea was still being reported.

## COTTON CLOTH

During the period April 1962 to March 1963, there was generally, with a few exceptions, a downward trend in cloth prices. The fall was not uniform for all varieties. The superior qualities, the prices of which had risen very high because of limited supplies, exhibited a sharper fall than the inferior ones, as production began to increase in response to various facilities provided by the Government for balancing of units etc. The following table shows the relevant facts.

WHOLESALE PRICES OF COTTON CLOTH (KARACHI)  
(In rupees)

Variety	Unit	31-3-62	29-12-62	31-3-63	Percentage change in 5 over 3
1	2	3	4	5	6
<i>Long cloth</i>					
96,000 (Dawood) ..	40 yds.	89.00	88.00	88.00	(—) 1.1
Cock ..	"	59.00	59.00	59.00	..
15,000 Colony ..	"	67.00	60.25	63.00	(—) 6.00
<i>Drill</i>					
Sateen white					
D.C.L. Dawood.	Yard	2.15	2.12	2.12	(—) 2.4
White Tussore Valika	"	2.75	2.37	2.34	(—) 14.9
<i>Mulls</i>					
8585 Kohinoor ..	20 yds.	23.00	—	20.50	(—) 10.9
<i>Poplin</i>					
H 401 Hussein ..	Yard	1.56	1.48	1.48	(—) 5.1
<i>Grey cloth</i>					
Azad Kohinoor 54-in. ..	Yard	1.48	1.37	1.35	(—) 8.8
<i>Malitia</i>					
3-M National ..	Yard	1.17	1.03	0.94	(—) 21

## COTTON YARN

For cotton yarn, the tendency of prices was also somewhat downward, though there was some rise in August 1962 following the Government decision to allow an export bonus of 10 per cent to exporters of cotton yarn. This supported the demand for cotton yarn to some extent. The rises, however, were not considerable, and the market remained steady throughout the year. At the end of the period (March 1963) prices of several varieties were lower than at the beginning, as shown below.

WHOLESALE PRICES OF COTTON YARN (KARACHI)

(In rupees per bundle of 10 lbs.)

Variety	5-4-62	31-12-62	31-3-63	Percentage change in (4) over (2)
1	2	3	4	5
20/1				
Bawani (Violin) .. ..	20.00	20.25	20.25	(+) 1.25
Habib (Star) .. ..	20.62	20.75	20.50	(—) 0.60
32/1				
Dost Mohammad (Polo)	29.50	27.62	26.75	(—) 9.3
40/1				
Haroon (Rupee) .. ..	33.00	30.00	30.50	(—) 7.6

## OILS

## Vegetable ghee

As a result of heavy imports of soyabean and cotton seed oils under P.L. 480, and establishment of new mills in the country, the prices of various vegetable oils and *vanaspati ghee* declined considerably during the period under review. The price of cotton seed oil declined by 24 per cent from Rs. 73.50 a maund in January 1962 to Rs. 55 in January 1963. This was reflected in the prices of mustard oil, which fell by 26 per cent in Rawalpindi from Rs. 87.50 to Rs. 65 per maund. The decline, however, was small both in Karachi and Dacca. As a result of the availability of a large quantity of oil at cheaper prices, there was a substantial fall in the prices of hydrogenated vegetable products (*vanaspati ghee*). This was specially noticed in the newer brands, while the older well established brands, resisted (until recently) any, lowering of price of the smaller tins which were in demand. As a matter of fact, until recently, no reduction was made in the retail prices of some well known brands, while there was a decrease of more than 20 per cent in the wholesale prices of other brands, specially for *vanaspati ghee* packed in large containers. The price of 35 lb. tins declined from Rs. 50 to Rs.

The Defence Ministry called tenders for vegetable *ghee* in November 1962 for supply in December from about half a dozen well recognized factories. The lowest quotation accepted was Rs. 2,348 per ton. This works out at Rs. 83 per maund f.o.r. Against this, the maximum price fixed by the Vegetable Ghee Controller is Rs. 3,070 per ton. This means that the quotation to the Defence Ministry was less by Rs. 722 per ton or Rs. 25.50 per maund.

In March 1961 the wholesale price quoted by the Agricultural Market ing Adviser was Rs. 53 per tin of 35 lbs., which declined to Rs. 39.50 in March 1963.

Though there has been a fairly marked decrease in these wholesal prices, as is illustrated by the example of vegetable *ghee* some details c which is given below, consumers have continued to complain about hig prices.

## MONTHLY AVERAGE WHOLESALE PRICES OF VEGETABLE GHEE (KARACHI)

(In rupees per tin of 35 lbs.)

Month	1960	1961	1962	1963
January	—	53.00	50.00	40.00
February	—	53.00	50.00	39.50
March	53.00	53.00	50.00	—
April	53.00	53.00	50.00	—
May	53.00	53.00	50.00	—
June	53.00	53.00	46.00	—
July	53.00	53.00	46.00	—
August	53.00	50.00	47.00	—
September	53.00	50.00	41.50	—
October	53.00	50.00	41.50	—
November	53.00	50.00	41.50	—
December	53.00	50.00	41.50	—

### Kerosene oil

The price of kerosene remained unchanged at Rs. 1.08 per gallon at Karachi and Rs. 1.37 per gallon at Lahore during the last year.

### FIREWOOD

The retail price of fire wood (Babul) in Karachi declined from Rs. 3.75 per maund in January 1961 to Rs. 3.57 in January 1963.

### MEAT AND EGGS

The supply of commonly used consumer goods such as meat and eggs, has tended to increase. The increased income of the working classes has been exercising considerable pressure on their prices. The prices of meat increased in Karachi from Rs. 2.50 per seer in January 1962 to Rs. 2.66 in January 1963 and price of eggs from Rs. 2.30 to Rs. 2.46 per dozen. Larger increase was reported in quality meats.

### IMPORTED CONSUMER GOODS

The prices of imported consumer goods have shown divergent trends. Prices of medicines and drugs, generally have fallen, but after a considerable fall in the early part of the year, there has been no marked change in the prices of other items.

On the other hand, the price of some of the industrial raw materials used by ordinary consumers have gone up. It is somewhat difficult to explain the rising trend in the prices of chemicals, for example. No shortage of any of the imported goods which are commonly used has been reported.

### COST OF LIVING

In the course of any rapid development programme there is a normal tendency for prices to rise somewhat, in response to the rise in purchasing power ahead of the increase in output. This has been happening in Pakistan, but since 1960, the Government have been successful in keeping the increase down to a very modest level.

In particular, it has sought to assure that the prices of the most essential goods of popular consumption—foodstuffs, common textiles, household fuels, etc.—are kept from rising unduly.

As one measure to offset the general rise in the cost of living, steps were taken to reduce the price of wheat, the principal item in the food group. A decision was taken on February 21, 1962, to reduce the price of imported American wheat from Rs. 16 per maund to Rs. 14 in West Pakistan and to Rs. 12.50 per maund in East Pakistan. (Details of this has been discussed in Chapter III in the Section relating to wheat). As a consequence, the price of wheat, and also the cost of living, in West Pakistan began to decline. The cost of living index (Karachi) which rose from 130 in January 1962 to 132 in February came down to 127 by the end of December 1962. The fall in the index in Lahore was sharper; it declined from 130 in February to 120 in December 1962. In March 1963, the indices, however, stood at 129 at Karachi and 123 at Lahore.

In contrast, the cost of living index rose continuously in East Pakistan (Narayanganj) throughout the first half of 1962—from 126 in January to 133 in June. This was largely due to increases in the food, miscellaneous and clothing groups. But in the second half of the year, not only was the upward trend arrested, but there was some decline; the index fell to 130 in December which, however, was four points higher than in January 1962. The price of rice, which was sharply affected by a bad harvest and later by flood damage to crops, was kept in check by the supply of large quantities from Government stocks and by a large increase in the importation of American wheat. The effect of these imports in relieving the distress of workers is not fully reflected in the official cost of living indices, since wheat, which has been consumed only in very small quantities in East Pakistan, is not a component in the cost of living index. The reduction in the price of wheat from Rs. 16 per maund to Rs. 12.50 in East Pakistan (from a previously prevailing market price of about Rs. 18), together with the free distribution of 1,50,000 tons in flood affected areas, have led to a steady increase in its consumption. Imports of wheat into East Pakistan during 1962-63 are projected at 7,25,000 tons, as against 2,07,808 tons in 1961-62. The trend is apparently still rising.

Other factors in the decline in living costs during 1962 are clothing and miscellaneous, the indices of which fell from 136 and 218 respectively in June 1962, to 127 and 197 in December. The declines in these three groups were partially neutralized by an increase in the fuel and lighting group from 142 to 159. In March 1963, the index stood at 129.

The following table shows changes in the cost of living indices for industrial workers at two centres from March 1961 to March 1963.

#### COST OF LIVING INDICES FOR INDUSTRIAL WORKERS

(Base : April 1948-March 1949=100)

Centre	March 1961	June 1961	Sept. 1961	Dec. 1961	March 1962	June 1962	Sept. 1962	Dec. 1962	March 1963
Karachi	128	129	133	129	131	129	127	127	128
Narayanganj	121	131	128	124	128	133	133	130	129

#### Consumer's price index

In contrast to the industrial workers' index, the consumers' price index for Government and commercial employees at Karachi showed only minor fluctuations during 1962; it stood at 115 in December as compared to 116 in January. In March 1963, however, it rose to the level of March 1962, i.e., 117. The trend of this index over two years is given below.

CONSUMERS' PRICE INDEX FOR GOVERNMENT AND COMMERCIAL EMPLOYEES  
AT KARACHI

(Base : 1956 = 100)

<i>Year/Month</i>	<i>General</i>	<i>Food</i>	<i>Clothing and footwear</i>	<i>Housing and house- hold operation</i>	<i>Miscella- neous</i>
<b>1961</b>					
March .. ..	115	128	126	102	96
June .. ..	117	133	123	102	96
September .. ..	118	136	119	101	97
December .. ..	117	133	122	102	95
<b>1962</b>					
March .. ..	117	133	123	102	97
June .. ..	117	133	121	102	97
September .. ..	116	130	122	102	97
December .. ..	115	128	121	102	97
<b>1963</b>					
March .. ..	117	132	121	102	99

The above data show a remarkable stability in the price trends for consumer goods

## TRANSPORT AND COMMUNICATIONS

## IX

PAKISTAN is a country of great distances both within and between its two geographically separated provinces. It has a wide variety of climates and topography; and very wide range of population densities. For these and other reasons, the transport network has to be extensive in its coverage and varied in its type.

## PLAN ALLOCATIONS FOR TRANSPORT

The Government have recognized that the development of a modern transport system is essential to the growth of the economy. Accordingly, the First Five-Year Plan allocated Rs. 142 crores to transport. In the Second Plan the allocation was increased to Rs. 363.8 crores, or 16 per cent of the Rs. 2,300 crores total for the Plan. The transport sector's share (23 per cent) of the expected foreign exchange component of the Plan was even larger.

The following table shows the total allocations to the various transport sectors during the Plan period and the development expenditure incurred during the first two years. It will be seen that the proportion of the allocation spent during the first two years is quite variable as between the sub-sectors.

## PLAN ALLOCATION AND UTILIZATION IN THE TRANSPORT SECTOR

(In crore rupees)

<i>Sector</i>	<i>Revised Plan allocation 1960-65</i>	<i>Financial provision 1960-62</i>	<i>Amount utilized 1960-62</i>
<i>A. Public sector</i>			
Roads and bridges .. .. .	56.9	22.0	20.4
Railways .. .. .	140.0	55.4	49.0
Ports .. .. .	2.9	.5	.2
Shipping .. .. .	.2	.2	.2
Civil aviation .. .. .	20.0	8.9	5.8
<i>Sub-total</i>	220.0	87.0	75.6

Sector	Revised Plan allocation 1960-65	Financial provision 1960-62	Amount utilized 1960-62
<b>B. Semi-public sector</b>			
Road transport .. .. .	10.8	4.6	4.3
I.W.T. .. .. .	9.0	2.9	2.0
Ports .. .. .	13.9	7.0	5.6
Airways .. .. .	19.6	3.1	6.0
<i>Sub-total</i> ..	53.3	17.6	17.9
<b>C. Private sector</b>			
Road transport .. .. .	52.0	n.a.	n.a.
I.W.T. .. .. .	9.5	n.a.	n.a.
Shipping .. .. .	10.3	n.a.	n.a.
<i>Sub-total</i> <i>(Original)</i> ..	(71.8)		
<i>Revised Plan</i> ..	90.5		
<b>GRAND TOTAL</b> ..	363.8	..	..

### RAILWAYS

Pakistan has two Government owned railway networks. The Pakistan Western Railway (P.W.R.), consists of 5,329 route miles with a total track mileage of 7,529, broad gauge (5'-6"), by far the most important of the three track gauges in use, measures, 4,629 route miles. The other 700 miles is almost equally divided between metre and narrow gauge (2'-6") lines. In general, the track is well maintained.

The Pakistan Eastern Railway (P.E.R.) network consists of 1,712 route miles and 2,597 track miles. The whole of the network east of the River Ganges and a small part to its west is of metre gauge, in all 1,147 miles. Broad gauge is found only west of the river. The network is built to relatively low standards in respect of weight of rails, the spacing and ballasting. Track maintenance, although not mechanized and below modern standards, is adequate. Recent foreign loans and aid will raise the standards of track construction and maintenance.

In October 1962, the rolling stock operated over the networks were as follows

	P.W.R.	P.E.R.
Steam locomotives .. .. .	711	409
Diesel units .. .. .	229	72
Goods wagons .. .. .	30,172	16,132
Coaching vehicles .. .. .	3,062	1,596
Employees .. .. .	1,20,543	56,765



While substantial modernization has taken place, some of the steam locomotives and goods wagons are still of old age. The majority of these are expected to remain in service to meet the anticipated traffic demands of the current Five-Year Plan.

The latest year's traffic performance of the two Railways as compared with that achieved during the First Plan and that forecast for the final year of the Second Plan are shown in the following table. If the past rate of progress were to continue, the traffic forecasts would be reached, especially for passenger traffic.

PASSENGER MILES AND FREIGHT TON-MILES ON PAKISTAN'S RAILWAYS  
(Actuals and forecast)

(In crores)

<i>Passenger/Freight ton-miles</i>	1ST FIVE-YEAR PLAN		2ND FIVE-YEAR PLAN	
	1955-56	1959-60	1961-62	1964-65
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Forecast</i>
<i>Passenger miles</i>				
P.W.R. .. .. .	440.9	559.0	551.4	620.8
P.E.R. .. .. .	147.9	181.6	191.6	208.9
Total ..	588.8	740.6	743.0	829.7
<i>Freight ton-miles</i>				
P.W.R. .. .. .	287.4	381.4	388.4	496.8
P.E.R. .. .. .	57.4	87.2	97.4	109.8
Total ..	344.8	468.6	485.8	606.6

Passenger traffic demand is mainly for short-distance movements. On the P.W.R. for example, in 1961-62, the average distance travelled per passenger was 46 miles, while on the P.E.R. it was 26 miles. The figures reflect a large volume of essentially suburban traffic, particularly in the West. The large part of inter-city movements is for distances of less than 100 miles. The potential market for bus transport, which offers more convenience and shorter total journey time, therefore, is very large.

Freight movements, which constitute 53 per cent of the P.W.R.'s total earnings and 50 per cent of the P.E.R.'s, by contrast are for much longer hauls. The average length of freight haul on the P.W.R. was 315 miles and on the P.E.R. 155 miles. These figures are for revenue earning traffic. There is convincing evidence, however, that there would have been more traffic, particularly in bulky low value products, if the railways had sufficient handling capacity. This potential traffic either did not move at all or was carried by trucks or water.

### Financial and physical progress

The 1960-65 rehabilitation, modernization and expansion programme of the Railways and the financial progress during 1960-62 can be summarized as follows:

(In crore rupees)

Railway	Revised Plan allocation 1960-65	Financial provision for 1960-62	Amount utilized 1960-62	Utilized as percentage of provision	Percentage of Plan complete
P.W.R.	97.2	39.9	36.8	92	38
P.E.R.	42.8	15.5	12.2	79	29
Total	140.0	55.4	49.0	85	33

The P.W.R.'s financial progress can be regarded as satisfactory. The main reasons for the short-fall of expenditures by the P.E.R. and its lower utilization rate of available funds were delays in the finalization of the Bholaganj Ropeway tender and the non-arrival of bridge and other materials ordered from overseas. The broad division of actual capital expenditures during 1960-62 was as follows:

### CAPITAL EXPENDITURE ON RAILWAYS

(In crore rupees)

Object	ADDITIONS AND IMPROVEMENTS		REPLACEMENTS		TOTAL	
	P.W.R.	P.E.R.	P.W.R.	P.E.R.	P.W.R.	P.E.R.
Rolling stock	7.7	1.2	11.9	44.1	19.6	5.6
New construction	1.6	0.1	8.7	33.1	1.6	0.1
Other	6.9	3.2			15.6	6.5
TOTAL	16.2	4.5	20.6	77.2	36.8	12.2

The physical progress made in track and rolling stock during the first two years of the Plan is as follows:

### PHYSICAL PROGRESS OF THE RAILWAYS

Particulars	Unit	Second Plan target	Progress 1960-62	Percentage of Second Plan target
<i>Pakistan Western Railway</i>				
Diesel locomotives (B.G.)	No.	154	53	38
Coaches (B.G.)	"	414	70	17
Wagons (Freight cars) (B.G.)	"	8,514	1,504	18
Wagons (Freight cars) (M.G.)	"	100	100	100
M.G. 35-ton crane	"	1	1	100
Rail renewal	Miles	1,054	300	29
Sleeper renewal	"	1,779	350	20
<i>Pakistan Eastern Railway</i>				
Diesel locomotives (M.G.)	No.	60	21	36
Wagons (Freight cars) (B.G.)	"	1,044	300	35
Wagons (Freight cars) (M.G.)	"	4,793	900	19
35-ton crane	"	1	1	100
Rail renewal	Miles	207	50	24
Sleeper renewal	"	779	180	23

Other important physical developments which have taken place on the P.W.R., are the provision, extension, strengthening and replacement of bridges. The most noteworthy example is the opening of the Rs. 2 crore Ayub Bridge, the third longest steel arch railway bridge in the world.

The introduction of Centralized Traffic Control (C.T.C.), on the Karachi-Landhi section was a significant development in the history of the P.W.R. This technique of power signalling and control which by increasing line capacity offers great economies in operation and improved efficiency. In view of the large signalling works programme to be carried out during the Second and subsequent Plans, an agreement has been signed with a foreign firm for the manufacture of the latest types of signalling equipment in Pakistan. Orders have been placed for the all relay interlocking, the provision of tokenless block working and the track circuiting of various important sections of the railway.

A number of works designed to increase the line capacity of existing sections and to afford better operational and terminal facilities have been undertaken. Remodelling of the Karachi City, Karachi Cantonment and Samasata yards was completed. New crossing stations were opened and work continues on the modernization of old and the improvement of new stations. Substantial efforts are being made to improve passenger amenities which should encourage traffic.

For the Indus Basin Replacement Works, twenty-three diesel electric locomotives were received in 1960-62 and placed on line. Wagons have begun to arrive, the total supply of 2,240 wagons will, it is hoped, be completed in 1962-63.

## ROADS

Good roads are one of the basic necessities for economic development. They are like the arteries of a body through which circulates the life-blood of the country from ports and producing centres to the remotest corners of the villages. In fact, the type and the extent of the road net-work is indicative of the degree of economic development of a country. Aerial and water transport can reduce the pressure, but cannot replace the road transport which acts as feeder for both railways and air transport.

Before Independence, roads were under the management of four authorities: (1) Central Government, (2) Provincial Government, (3) District Boards and (4) Union Boards and municipalities or Corporations. This allocation of responsibilities, which was continued after independence was found unsatisfactory. The Martial Law Regime in October 1961, appointed Road Policy Committee and the Technical Sub-Committee thereof—recommended, after careful consideration, the division of the entire road system under the following management.

- (a) National Highways—Construction, improvement and maintenance of all National Highways to be financed wholly by the Centre;
- (b) Provincial Highways—The construction, improvement and maintenance of Provincial highways and major district roads to be financed by the Provincial Government;

- (c) District roads—The responsibility for financial as well as construction and maintenance of minor district roads should be that of the district authorities ;
- (d) Village roads—All village roads should be financed, constructed and maintained by the local council.

Pakistan inherited 16,425 miles of roads managed by the Provincial Governments, and a considerable mileage under District Council and Municipal Committees. Out of 16,425, only 5,706 miles were high type all-weather motorable roads. In 1962 road mileage rose to 22,797. At present there are sixteen miles of high-type all-weather roads to every 1,00,000 persons.

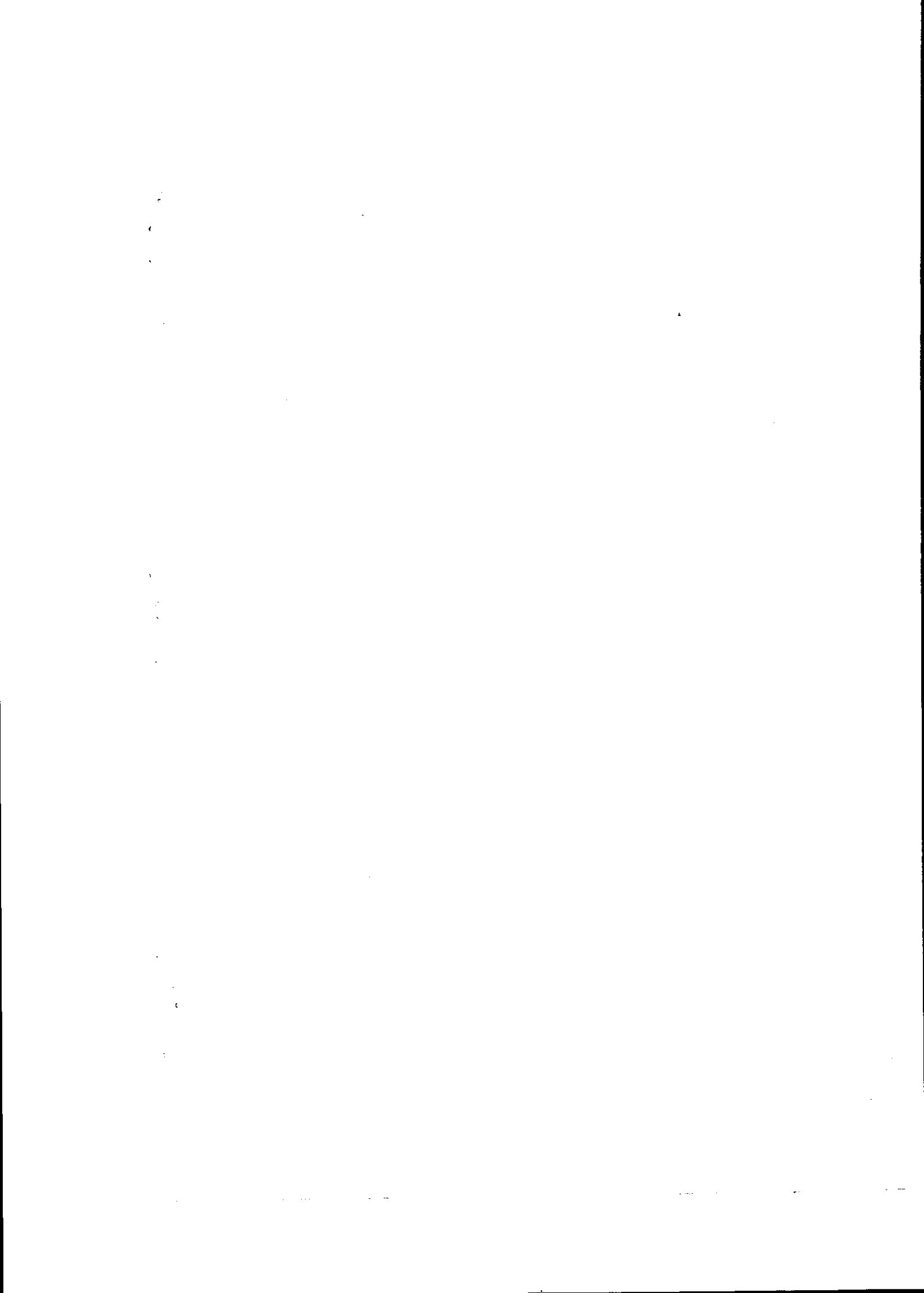
In the First Plan, Rs. 36 crores was allotted for road programme. But this amount was not sufficient to meet the growing demand. Money allotted for the maintenance of roads in the last few years has been well below the required amount as is indicated by the following table.

EXPENDITURE ON MAINTENANCE OF ROADS IN EAST AND WEST PAKISTAN

Year	EAST PAKISTAN		WEST PAKISTAN	
	Maintenance expenditure (000 Rs.)	Average per mile (Rs.)	Maintenance expenditure (000 Rs.)	Average per mile (Rs.)
1951-52	16,98	3,665	2,09,83	1,285
1953-54	26,39	1,012	2,25,69	1,235
1955-56	26,14	3,004	1,29,99	676
1957-58	25,60	2,255	2,70,42	1,472
1959-60	32,41	2,349	2,44,42	1,291
1960-61	44,33	2,898	N.A.	N.A.

The above figures indicate that the maintenance expenditure per mile of road is much higher in East Pakistan than in West Pakistan. The Technical Sub-Committee suggested that maintenance expenditure should not be more than Rs. 3,200 for metalled road of ten feet width, Rs. 1,100 for shingle and Rs. 700 for *kutchra*.

The cost of road construction varies widely in the two Provinces which is revealed by the recent report of the Technical Sub-Committee.



# ROAD MILEAGE IN PAKISTAN UNDER PROVINCIAL GOVERNMENTS

MILEAGE  
24000

EAST PAKISTAN

WEST PAKISTAN

20000

16000

12000

8000

4000

0

1951 53 55 57 59 61 62



## COST OF ROAD CONSTRUCTION

<i>Region</i>	<i>Rupees required per mile</i>	<i>Description of road</i>	<i>Description of ground</i>
West Pakistan .. ..	2,10,700	Metalled	.. Water logged area
	1,52,100	Metalled	.. Plain ground
East Pakistan .. ..	5,00,000	Cement concrete	.. Plain ground
	3,89,000	Black top	.. Plain ground
	2,42,000	Kutchha	.. Plain ground

High maintenance and construction costs are the permanent bottlenecks which check any rapid expansion of roads mileage in East Pakistan. Natural calamities such as floods and excessive rains have a devastating effect on the roads and drain away huge amounts of money spent on repairs and reconstruction. Taking all these drawbacks into consideration, the road programme of the Second Five-Year Plan envisaged an increase of high-type roads by 35 per cent in Pakistan at the end of the Second Plan period.

Total road mileage, mostly unmetalled, under the management of the District Councils in East Pakistan and in 32 out of 45 District Councils in West Pakistan stood at 45,696 miles in 1951-52. It increased by 2,828 miles in the next nine years and stood at 48,524 miles in 1960-61. Of this, 27,495 miles of road were in East Pakistan and the rest in West Pakistan.

The table below shows yearly increase of road mileage under the management of District Councils in both the Provinces.

## ROAD MILEAGE UNDER DISTRICT COUNCILS

<i>Year</i>	<i>Total mileage</i>	<i>East Pakistan</i>	<i>West Pakistan</i>
1951-52 .. .. .	45,696	25,628	20,068
1957-58 .. .. .	45,910	25,602	20,308
1958-59 .. .. .	46,140	25,817	20,323
1959-60 .. .. .	46,571	26,166	20,405
1960-61 .. .. .	48,524	27,495	21,029
1961-62 .. .. .	N.A.	N.A.	N.A.

NOTE. Decrease of road mileage means transfer to other agencies.

## Road transport

Of all the communications systems, road transport is particularly suited to the conditions of Pakistan—specially for West Pakistan—a predominantly agricultural country with small production units scattered over wide areas. The motor vehicle is more adaptable than the railways to varying degrees of traffic intensity, and permits greater speed and efficiency over short distances, particularly for perishable goods.

Pakistan inherited a negligible amount of commercial vehicles. Since Independence pressure on road transport has been rising but the shortage of petroleum, inadequate number of vehicles and lack of planned organization in road transport stood in the way of rapid development of road transport. Road transport is almost entirely financed by private enterprise, except for about a third of the passenger bus services which operate in East and West Pakistan under Government sponsored agencies. Government have always had the intention of drawing the attention of private investors to this sub-sector. As a matter of policy, the public sector allocation to road transport in the First Five-Year Plan was restricted to Rs. 4.7 crores in the hope that substantial funds would be invested by private enterprise in both passenger and goods transport services. While a modest programme in the public sector—the improvement of West Pakistan Road Transport Corporation services and establishment of Karachi Road Transport Corporation—has been accomplished, private enterprise has been unable to make as much headway as was expected. As a result, it is emphasized in the Second Plan that Government sponsored passenger bus services should operate as a model and in competition with private operators, and that such services should not be extended to new routes on a monopoly basis, though in the wider interest they may operate in less developed areas and on new routes not likely to attract private enterprise. Private participation in these undertakings will be encouraged through sales of shares.

It is interesting to note that, while public enterprise in road transport has been flourishing as a commercial concern and the projects recently initiated are likely to be completed before the scheduled time private enterprise in this field does not show any marked change.

The present position of public and semi-public enterprises is discussed below.

*West Pakistan Road Transport Board.* For the West Pakistan Road Transport Board, an allocation of Rs. 7.5 crores was made in the Second Plan to cover expenditures on improvement and modest expansion of its services, replacement of about 900 old vehicles and a net addition of 500 buses to the existing fleet. Two foreign loans, DM. 10 million from West Germany in February 1962 and £ 7.5 million from the U.K. in January 1962, were provided to enable it to meet the foreign exchange components of the approved schemes which include the purchase of bus chassis together with spare parts, etc. This will result in the partial replacement of old buses and an extension of their services mostly on city roads. The Board has since been entrusted with the job of providing bus services in Islamabad by the Central Government.

*Karachi Road Transport Corporation.* The Karachi Road Transport Corporation, which started its services on October 27, 1959, with a fleet of 30 buses, have now a fleet of 456 single decker and 24 double



decker buses. During the Second Plan period Rs. 3.2 crores have been earmarked for the Corporation. The total capital expenditure incurred by it up to the end of March 1962 was Rs. 2.99 crores as against the total capital investment of Rs. 1.7 crore and two Central loans of Rs. 67 lakhs. The back-log in capital expenditure is being met by the Corporation from their Depreciation Reserve Fund and revenue earnings. Efforts to provide another loan of Rs. 63 lakhs to enable the Corporation to meet its liabilities in respect of its approved schemes and to recoup the Depreciation Reserve Fund have not been successful, and it has been agreed to sanction a loan of Rs. 10 lakhs. The Government have also decided to transfer the management of the Corporation to the private sector. A Committee has been constituted to go into the affairs of the Corporation and to submit a report which is awaited.

*East Pakistan Road Transport Corporation.* The East Pakistan Road Transport Corporation was formed with a view to providing efficient bus services in the cities of Dacca and Chittagong and their suburbs. Of the total amount of Rs. 1.3 crore allocated for the scheme of Road Transport Corporation in Dacca, more than Rs. 86 lakhs have already been spent. Of the total 200 buses covered by the scheme the present operational strength of the Corporation is 148 and another 86 buses were indented in November 1962. Apart from the procurement of buses two depots were constructed for garage and repair facilities. A motor vehicles workshop which is proposed to be transferred and integrated into the Corporation is being expanded and modernized at an estimated cost of Rs. 8.71 lakhs. Equipment and tools costing Rs. 5 lakhs were purchased for installation in the workshop and depots. Spare parts valuing Rs. 8.70 lakhs were purchased for maintenance of buses. Passengers' shelters will soon be constructed.

Arrangements are being made to construct a depot-cum-workshop at Chittagong as a pre-requisite to starting of services there. The E.P.R.T.C. earned during 1961-62 a profit of Rs. 3,66,847 which is subject to audit.

## AIR TRANSPORT

### **Pakistan International Airlines**

*Expansion.* The results of the operational activity of P.I.A. during April-December 1962 show an appreciable progress over the corresponding period of last year. During this period the delivery of two Boeing 720B aircrafts increased the fleet to three Boeings. This has enabled the airline to provide Jet services between the two Wings of Pakistan and add new routes to both its domestic and its international network. The leased boeing 707 aircraft has been returned to Pan American World Airways and P.I.A. have now started operation with its own Boeing 720Bs. The London-New York service which was inaugurated in June 1961 with one service a week, was increased to two at the start of the 1962 season, and again in May 1962 it was increased to three frequencies per week. The results achieved on this highly competitive route have been satisfactory and encouraging.

P.I.A. has also taken over the operation of charter flights to Northern areas from the Ministry of Home and Kashmir Affairs and since July 1962 scheduled services are being operated to Gilgit and Skardu. In addition to this F-27 service on Peshawar-Chitral-Peshawar route was introduced on May 4, 1962. For the first time the service of

Quetta route has been continued during the winter season, thus providing a service throughout the year.

The expansion is further marked by the fact that there has been an overall increase in operational activities during the period April-December 1962 as compared to the corresponding period of last year. The following comparative data reflect the progress made during this period.

#### EXPANSION OF OPERATIONAL ACTIVITIES

Particulars	Apr.-Dec. 1961	Apr.-Dec. 1962	Per cent increase
Capacity ton miles flown .. .. . (000)	5,40,45	6,97,49	29
Revenue ton miles .. .. . "	3,33,71	4,34,03	30
Revenue Pax carried .. .. . "	322	422	31
Revenue Pax miles .. .. . "	2,57,939	3,21,028	24
Available seat miles .. .. . "	40,11,54	5,35,248	33
Revenue miles flown .. .. . "	6,567	8,264	26
Revenue hours flown .. .. . "	29,166	35,574	22
Average number of employees .. .. .	5,962	7,167	20
Capacity ton miles per employee .. .. .	9,070	9,744	7

*Standard of operation.* While expanding at the rate shown above P.I.A. has set very high standards. Its record of safety and reliability is noteworthy. The 'on time' performance as given below is a tribute to its reliability.

Karachi ..	90.3 per cent	Lahore ..	85.1 per cent.
Dacca ..	88.9 "	Chittagong ..	93.2 "
Rawalpindi ..	87.8 "	Ishurdi ..	95.1 "
Jessore ..	91.5 "		

*Financial results.* The financial results of P.I.A.'s operations have also been satisfactory. The total operating revenues for the period April-December 1962 amounts to Rs. 13.14 crores as compared to Rs. 10.53 crores for the corresponding period of the last year, an increase of 24.8 per cent. The annual accounts of 1961-62 showed an operating profit of Rs. 92.34 lakhs resulting in a net profit of Rs. 59.3 lakhs. All previous losses were thus wiped out and for the first time a surplus of Rs. 49.91 lakhs was shown in the balance sheet.

One of the most important steps taken by P.I.A. is the plan to provide helicopter services in East Pakistan which will start before the end of 1963. For this purpose three twin engined turbine helicopters have been ordered.

## INLAND WATER TRANSPORT

### **Its scope and magnitude**

Inland Water Transport is the most important means of communication in East Pakistan, and in certain large areas in the South it is the only means. According to one estimate, it accounts for over 70 per cent of the total transportation in East Pakistan. At the present moment, the inland waterways comprise about 3,000 perennial route miles which rise to about 4,500 during the monsoons as against 1,712 route miles of the Pakistan Eastern Railway.

The mechanized sector of the I.W.T. is being served by 172 steamers, 887 motor vessels including 552 passenger launches, 713 dumb crafts, and 6 oil tankers. The total passenger capacity of the present fleet amounts to 99,976 and the total cargo capacity to 159,760 tons. The annual traffic handled includes 2 crores passengers and some 119.8 crores passenger miles; 30 lakh tons of cargo and 90.7 crores cargo ton-miles. Two-third of the latter is composed of Indian transit traffic. About 85 per cent of the passenger traffic is handled by launches. The fleet of vessels is owned by some 300 operators of whom the largest has a gross annual revenue of over Rs. 3 crores. It has been estimated that the replacement cost of the present fleet would come to about Rs. 40 crores.

The largest portion of the East Pakistan I.W.T. is still being served by the country boats, the traditional 'bullock carts of the river'. It is estimated that over 3 lakh country boats ply over the waterways of East Pakistan with a carrying capacity of 14 lakh passengers and 12 lakh tons of cargo which is about 7 times greater than that of the mechanized fleet.

### **Inland Water Transport Authority**

The E.P.I.W.T.A. was established in November 1958 as statutory autonomous body for the purpose of developing, maintaining, and controlling the inland water transport. It is also responsible for dredging, and conservancy of navigable channels, provisions of aids to navigation and pilotage services, development and operations of inland river ports, terminals, and ghats, control of routes, rates, and time tables.

Provision for a total expenditure of Rs. 23 crores has been made in the Second Plan for the development of the I.W.T. of which Rs. 9 crores were allocated to the semi-public sector and Rs. 14 crores to the private sector. As can be seen from the following table, and judged by the present performance, it is likely that the I.W.T.A. will be able to accomplish by 1965 not only the sum allocated to the semi-public sector, but almost a total of Rs. 15 crores if funds were made available to it by sectorial readjustments. The I.W.T.A. has been able so far to complete about 43 per cent of the schemes originally approved under the Second Plan. Further more, it has been able to initiate and implement 15 per cent of additional schemes involving an expenditure of more than Rs. 4 crores.

Considerable progress has also been made in the private sector in 1962. During the last four years 230 powered vessels and 32 dumb crafts have been added to 1959-60 fleet. Actually the number of motor vessels increased by 55 per cent, dumb crafts by 5 per cent, passenger capacity 39 per cent, cargo capacity 8 per cent, annual passenger miles by 43 per cent, and cargo ton-miles by 19 per cent. Details are given in a table below.

### I.W.T.A. SCHEMES AND THEIR PROGRESS AS OF MARCH 31, 1963

(In crore rupees)

<i>Scheme</i>	<i>Total estimated cost</i>	<i>Total expenditure</i>	<i>Financial Progress in per cent</i>
<b>1. Development of inland river ports :</b>			
(a) Surveys for long term development	0.43	0.21	49
(b) Development of Dacca, Narayanganj, Chandpur, Khulna and Barisal ports .. .. .	1.94	0.36	18.6
2. Aids to navigation .. .. .	1.18	0.98	83
3. Provision for ferries .. .. .	1.55	0.61	39
4. Improvement of Waterways Narayanganj—Chalna .. .. .	1.16	0.75	64
5. Surveys for long-term improvement of waterways and navigable channels ..	0.80	0.13	16
6. Workshop at Barisal .. .. .	0.06	0.06	100
7. I.W.T.A. workshop at Barisal and jetty construction .. .. .	0.24	0.18	75
8. Provision for salvage craft .. .. .	0.24	0.001	0.4
Total ..	7.60	3.281	42.9
<i>Additional on-going schemes</i>			
9. Provision for launch landing stages ..	0.60	0.02	3.3
10. Provision for port facilities in coastal Islands .. .. .	1.58	0.06	3.8
11. Provision for 'Dacca Chain' .. .. .	0.39	0.0005	0.12
12. Acquisition of launches for survey work	0.18	0.18	100
13. Dredging of navigable channels .. .. .	0.55	0.29	53.0
14. Services of foreign executives .. .. .	0.43	0.11	25.5
15. Provision for consultants .. .. .	0.60	0.02	3.3
Total ..	4.33	0.68	15.00

The perennial route mileage increased by 35 per cent and the seasonal route mileage by 17 per cent. These include 69 new routes and 1,500 new

route miles. Likewise, the construction of private steel and wooden dockyards (excluding the P.I.D.C., dockyards) increased by 60 and 350 per cent respectively. There was 150 per cent augmentation in the construction of slipways. About 100 new I.W.T. companies were formed during this period which means 55 per cent increase in the total number of companies over 1959-60.

Some of the important I.W.T.A. schemes are briefly described below.

### 1. Development of Inland River Ports and Launch Landing Stations

These schemes, costing Rs. 2.97 crores, envisage the construction of modern jetties with cargo handling equipment, landing stages, passenger terminal halls and appurtenance for which and I.D.A. credit was extended. Traffic and hydrographic surveys and soil explorations at five major river ports have been completed. Construction of terminal stations, cargo sheds, and jetties at Narayanganj and Dacca is in progress.

### 2. Improvement of Waterways

This scheme involves a total cost of Rs. 2.56 crores and includes hydrographic surveys, construction of a 100-miles route between Narayanganj and Chalna, and dredging of navigable rivers. The scheme relates to systematic hydrographic survey of rivers charting, channel marking and hydraulic investigation for the short and long-term improvement and classification of navigable channels for determining their cross sectional dimension to cater to the needs of different types of I.W.T. traffic. Modern electronic surveying methods for position fixing and depths recording, with 'Decca Chain' project and 'Echo Souders' on the survey craft, will be employed.

### 3. Aids to Navigation

This scheme involves a total investment of Rs. 1.18 crore and aims to determine and make safe navigable channels by charting, marking, buoying and lighting for the safety of shipping, including life and cargo abroad, and to find the shortest routes between the inland river ports and the major sea ports. Eighty per cent of the lighting equipment has been received and installed. The installation will be completed during 1962-63.

*Barisal Workshop and Jetties.* This project is for servicing the I.W.T. craft and aids to navigation equipment. It involves a total cost of Rs. 0.30 crore. Work on roads, jetty superstructures, workshop and other buildings is in progress. A slipway and water tanks are under construction. Some seventy five per cent of the equipment for servicing of river conservancy vessels has been received and is in operation.

### 4. Provision for Ferries

This scheme, costing Rs. 1.55 crore, is intended to procure and provide ferries to connect important roadheads on national highways net and where it is not technically possible to construct bridges. A contract

with a German firm has already been signed for five large and seven small ferries. Loans and project agreements for a German D.M. credit have been finalised. The first 120-foot ferry has already been launched. All the other ferries, it is expected, will be in operation in 1963.

### 5. Acquisition of Vessels for Inter-island Communications

This is an important scheme for creating all-the-year-round communication facilities between the mainland of East Pakistan and the off-shore coastal Islands with a total population of over 14 lakhs growing at a fast rate of about 2.5 per cent per annum. The only means of communication at the present moment are the country boats which, because of weather conditions, is seasonal and extremely hazardous.

The project involves a total cost of Rs. 1.12 crore for the procurement of 4 ships and 0.89 crore for 4 L.C.T. type ferries, and 10 motor boats. German capital aid of D.M. 18 million has been committed. These vessels will be in operation in East Pakistan in 1964.

#### The I.W.T. private sector

The Second Plan envisaged a total investment of Rs. 14 crores by the private sector for modernisation, replacement and augmentation of the existing I.W.T. fleet together with ancillary investments in shipyards, slipways, and repair facilities.

The foreign exchange requirement of the private sector were to be met through foreign loans and aid. The U.K. credit obtained for this purpose amounts to Rs. 1.10 crore. This has been utilized for acquisition of 3 oil tankers, 3 cargo-cum-passenger sea-going units, dieselization of some steamers and balancing of dockyard unit.

The I.W.T.A. has made available, through Government allocation of foreign exchange, a sum of Rs. 1.10 crore to the private operators for the import of 81 diesel marine engines and spare parts (which accounts for a total licenced import of Rs. 0.83 crore) for the purpose of building and maintaining passenger and cargo vessels. Out of 400 gray marine engines imported at nominal cost from U.S., 318 marine engines were allotted to the private operators. The launch owners spent over Rs. 1 crore out of their own resources for the utilization of these marine engines. Loans amounting to Rs. 3.60 crores in foreign exchange sanctioned to 9 parties by the P.I.C.I.C. are awaiting the formal clearance of the World Bank.

A rupee loan of Rs. 1.24 crore has already been obtained by the private operators from the I.D.B.P. while additional loans of Rs. 3.55 crores are under the consideration of the I.D.B.P.

The achievement of the private sector is partly reflected in the increase of different types of vessels and traffic capacity of the I.W.T. fleet. Noteworthy, however, is the growth of about 280 small operators in this industry.

## PORTS AND SHIPPING

## Ports

Pakistan has three main ports—Karachi, in the West and Chittagong and Chalna in the East. Recent traffic trends of cargo handled through the ports are given below.

## CARGO HANDLED AT PORTS

(In million tons)

<i>Port and traffic</i>	1959-60	1961-62
<i>Karachi</i>		
Inwards .. .. .	3.40	3.49
Outwards .. .. .	1.08	1.12
<i>Chittagong</i>		
Inwards .. .. .	2.15	2.46
Outwards .. .. .	0.50	0.44
<i>Chalna</i>		
Inwards .. .. .	0.26	0.32
Outwards .. .. .	0.63	0.67

The Second Plan envisaged a total expenditure of Rs. 16.8 crores for the development of these three ports as shown in the following table, which also shows the amounts allocated and utilized during the first two years.

## PLAN ALLOCATION AND UTILIZATION FOR PORT DEVELOPMENT

(In crore rupees)

<i>Port</i>	<i>Plan</i> 1960-65	<i>Allocated</i> 1960-62	<i>Amount</i> <i>Utilized</i> 1960-62	<i>Percentage</i> <i>of</i> <i>utilization</i>	<i>Percentage</i> <i>of</i> <i>Plan</i> <i>completed</i>
Chalna .. .. .	2.9	0.55	0.18	33	6.2
Karachi .. .. .	12.4	6.03	5.37	85	43.3
Chittagong .. .. .	1.5	0.9	0.2	25	16.9
Total .. .. .	16.8	7.5	5.8	77	34.0

From the above table it can be seen that progress of financial expenditures at Karachi is satisfactory, but at Chalna and Chittagong there have been serious shortfalls both in spending the amounts allocated during the first two years of the Plan and in the achievement of the planned targets. With the signing of the D.L.F., Loan Agreement in March 1962, the expenditure will increase considerably.

*Karachi Port.* To improve efficiency and handling capacity of Karachi port, an outlay of Rs. 12.4 crores involving a foreign exchange component equivalent to U.S. \$ 1.8 crore, was planned for 1960-65. The local currency requirements of the programme were to be met by the port Trust's (the statutory managerial authority) own resources, while foreign exchange was to be made available through foreign loans and aid. Earlier, in 1955, the I.B.R.D. made a loan of \$ 1.5 crore to cover part of the costs of reconstructing thirteen berths of the East Wharves and other improvements.

Most of the work in the Second Plan is a continuation of that started in the earlier Plan. Of the total expenditures of Rs. 5.37 crores made during 1960-62 all but Rs. 0.16 crore, which was for work on the completion of a sea wall and the reclamation of land for the Pakistan Refineries Ltd., was for the continuation of the main scheme. Reconstruction of the thirteen berths has now been completed. Five transit sheds have been constructed. Work is complete on transit plinths, roads, a new railway yard and the paving of the quayside. Electrical machinery, motor vehicles and other equipment have arrived and will soon be in operation. After initial teething troubles, physical progress has been satisfactory. A continuing weakness is that accounting methods and procedures need further overhauling and modernization.

The Port Trust, has prepared a development programme which, provides *inter alia*, for the following items: the extension of the existing bulk oil pier; the construction of three additional berths at the West Wharf; the rehabilitation of the Manora Breakwater; the widening and deepening of the navigable channel; the reconstruction of berths Nos. 1-4 on the East Wharf; and the preparation of a Master Plan for the port. Discussions between the Port Trust and the I.B.R.D. are taking place on this basis in view of a possible Bank financed project.

*Chittagong Port.* For the development and improvement of facilities and services of this port, the Plan provides for an investment of Rs. 1.5 crore, of which the estimated foreign exchange component is Rs. 1.09 crores. Progress in implementing the planned development has been slow. During 1960-62, total development expenditures were only Rs. 0.25 crores, or 17 per cent of the total programme. Part of the delay is attributable to the aftermath of the October 1960 cyclone which overturned and badly damaged nine electric jetty cranes, and sunk half the lighterage of the port as well as causing other damage to property and equipment. Despite these difficulties tonnages handled increased in each of the first two years of the Plan. This has brought a satisfactory revenue and reserve position to the Port Trust.

Physical progress has been made in the acquisition of relatively minor items and the completion of staff quarters. Orders have been placed for a mooring and buoy vessel and for the necessary equipment



for inward lighting to complement the outward navigation lights already installed. This part of the programme is expected to be completed in 1963.

*Chalna Port.* This anchorage port, which was developed originally as a temporary measure to relieve Chittagong, has now been declared a permanent port. Its facilities are extremely limited; nevertheless, the tonnage handled has increased from 8 lakh tons in 1950-51 to more than 10 lakh tons in 1962-63. It is planned to develop the anchorage further by providing additional craft and equipment, additional shore installations, roads, storage facilities and office and residential accommodation so as to equip the port to handle increased traffic, particularly PL. 480 imports and raw jute exports.

Preliminary investigation for the reconstruction of the Roosevelt jetty and ancillary buildings and equipment has started. The T.C.I. Report agrees with the existing detailed plans. With minor cost amendments, it recommends their early implementation as being fully justified economically.

### Shipping

The country's merchant marine is run entirely by private enterprise. The Plan originally envisaged expenditures totalling Rs. 10.3 crores during 1960-65 to modernize the fleet and extend its operations. Ten of the thirteen vessels for which financial provision was made in the plan have been acquired, together with one small vessel not in the Plan for use on the Makran coast to the west of Karachi. The Government have decided on a new shipping policy, some of the details of which can be seen from the following table.

#### SHIPPING INDUSTRY PROGRAMME

<i>Programme</i>	<i>(Number)</i>	
	<i>Present</i>	<i>Proposed</i>
1. Dry Cargo Vessels :		
(i) Inter-Wing Route .. .. .	23	18
(ii) Burma-Chittagong-Calcutta .. .. .	4	4
(iii) U.K.-Continent Route .. .. .	5	14
(iv) East Pakistan-East Africa .. .. .	2	4
(v) Karachi-U.S.A. .. .. .	2	8
(vi) Pakistan-Japan .. .. .	—	2
Sub-Total ..	36	50
2. Tankers .. .. .	2	6
3. Passenger Vessels .. .. .	3	3
4. Pilgrim Traffic Vessels .. .. .	2	3
Grand Total ..	43	62
Deficit ..	—19	

In addition to the above 19 net additions, 16 existing vessels will require replacement by 1965, and by 1970 a further 8 will have to be retired and replaced.

## COMMUNICATIONS

At the time of Independence the postal, telecommunications and broadcasting services in Pakistan emerged as disjointed segments of the communication system of the sub-continent. Major adjustments in the collection and distribution of traffic and rapid organization of new facilities at Centre and Provincial capitals were some of the tasks that needed immediate attention. An amount of Rs. 36.3 crores has been allotted for this sector in the second Plan against 25.4 crores in the First Plan.

**Postal service**

Pakistan inherited 6,474 post offices at the time of Independence of which 614 were in Urban and 5,860 in rural areas. With the march of time and increase of demand, the total number has been increasing steadily. A table is given below showing the gradual increase in the number of post offices and the target at the end of the Second Plan period.

INCREASE IN THE NUMBER OF POST OFFICES

Particulars	1955	1960	1965	Percentage	Percentage
				increase 1955-60	increase 1960-1965
Total ..	8,886	10,261	11,561	15	13
East Pakistan .. ..	3,797	4,466	5,090	18	14
West Pakistan .. ..	5,089	5,795	6,471	14	12

During the First Plan period, 1,375 new post offices were opened of which 669 were in East Pakistan and 706 in West Pakistan. During the first two years (1960-61 and 1961-62) of the Second Plan period, the number was increased by 513 bringing the total to 10,774.

The mechanization of postal services is a necessity if they are to be run efficiently and a programme for this purpose is being implemented in stages. Two new stamp cancelling machines have been installed at Karachi City P.O. and one each at Karachi Saddar P.O., Lahore G.P.O., Sialkot City P.O. and Dacca G.P.O. One bundling and tying machine has also been installed in the R.M.S. Karachi during the past one year. These machines have speeded up the handling of mails and are saving time and manual labour.

In order to accelerate the delivery of mails in East Pakistan, ten scooters have been supplied to places such as Dacca, Chittagong, Sylhet, Jessore, Rajshahi, Khulna, Mymensingh and Rangpur. In East Pakistan efforts are being made to replace the system of conveying mails by runners by mail motor launch services and orders have already been issued for the introduction of such services on eight lines.

The postal parcels traffic between the two wings of the country used to pass through India, the amount payable to India on this account being roughly Rs. 12 lakhs per year. This parcel traffic was, with effect from February 1, 1962, diverted entirely through the Karachi-Chittagong sea route. For urgently needed goods, the postage rate on air parcels within the country was reduced from Rs. 2 to Rs. 1.25 per lb.

Insurance facilities on air parcel service from Pakistan which did not exist before, were provided with 45 foreign countries with effect from February 1, 1962.

### Telecommunications

Telecommunications cover telegraph and telephone services by wire, cable and wireless. Starting with severe handicaps, these have developed rapidly since Independence. The increase in telephone service is indicated by the facts that the number of exchanges increased from 242 in 1947-48 to 439 in 1954-55 and the number of telephones installed from 12,449 to 37,000 during the same period.

A table below indicates the progress and the targets of the Second Plan.

PROGRESS AND TARGETS DURING SECOND PLAN

Particulars	1955	1960	1965	Percentage increase 1955-60	Percentage increase 1960-65
<i>Number of Telephones</i> ..	37,000	75,000	120,700	102	60
East Pakistan ..	5,800	12,500	26,200	116	110
West Pakistan ..	31,200	62,500	94,500	100	51
<i>Number of telegraph offices</i>	940	1,040	1,340	10	29
East Pakistan ..	360	400	520	11	30
West Pakistan ..	580	640	820	10	28

In physical terms, during the first two years (1960-61 and 1961-62) of the Second Plan period, 15,600 new telephones were installed against the Plan target of 45,700. To meet the growing demand for telecommunications equipment the expansion of Haripur Telephone Factory at an estimated cost of Rs. 1.04 crore was undertaken.

*Expansion of internal teleprinter service.* During the period July 1961 to June 1962 nine teleprinter circuits between the various places in both Wings of the country were provided to subscribers, such as P.I.A., P.W.R. Radio Pakistan, Press Information Department, Pakistan Press Association, etc. Teleprinter Offices were also opened at Dera Ismail Khan, Bahawalpur and Jhelum.

Radio Telephone services were extended during the last one year as follows.

- (i) Pakistan to West Indies, viz., British Guiana, Jamaica, Trinidad, Leeward Islands and Windward Islands (via London) ;
- (ii) Karachi to Tanganyika and Uganda (via London).
- (iii) Karachi to Balari and Canary Island (via London).

- (iv) Karachi Osaka service extended to south Korea, Taiwan and Ryukyu ;
- (v) Karachi-London and Karachi-Berne service extended to Cyprus and Portugal, respectively.

*Radio telegraph service.* Teleprinter Exchange (TELEX) service has been made available to the following countries.

- (i) Taiwan *via* Japan ;
- (ii) Dominican Republic *via* Amsterdam ;
- (iii) Iran *via* London ;
- (iv) Panama *via* Rome (Mackay Radio New York) ;
- (v) Philippines *via* Japan ;
- (vi) U.S.A. *via* Japan ;
- (vii) West Germany *via* London.

Besides, two additional routes, namely, Western Union and Radio Corporation of America between Pakistan and U.S.A. *via* London were made available. The existing Pakistan-Japan service was extended to Malaya and the Karachi-Osaka service to South Korea, Taiwan, Thailand and Ryukyu.

*Radio teleprinter service.* Radio Teleprinter service facility was made available between Karachi and Bangkok to provide teleprinter circuits to Air Companies, etc. and the capital cities of Pakistan are linked with all the major cities and towns of the World. Recently, Rawalpindi has been directly connected with Dacca by telegraph lines.

### **Broadcasting**

At Independence, Radio Pakistan started with medium wave stations at Lahore, Peshawar and Dacca, with an output of 20 kilowatts broadcasting only 27 programme-hours daily. Karachi station was added in 1948, Rawalpindi in 1950. These five regional stations, aided by eight ancillary transmitters, had a total power of 170 kilowatts and were putting out 105 programme-hours daily using 17 different languages. This development involved a capital outlay of about one crore rupees by 1955.

For future development of the broadcasting centres, Rs. 2.5 crores was allotted in the First Plan. During the last two years of the Second Plan period Rs. 2.39 crores had already been spent of the target expenditure of Rs. 4 crores. The completed projects during the last two years included a 10 K.W. short-wave transmitter at Dacca, one 10 K.W. medium wave transmitter each at Quetta and Chittagong, one receiving centre each at Quetta, Peshawar and Karachi and one satellite station at Sylhet. Important works initiated during the period, 1960-62, included installation of one 10 K.W. short wave transmitter at Quetta, a 100 K.W. short wave transmitter at Lahore, two 100 K.W. and one 10 K.W. short wave transmitter at Islamabad, one 100 K.W. medium wave transmitter at Dacca and one 10 K.W. medium wave transmitter each at Rajshahi and Rangpur, and receiving centres at Lahore, Islamabad and Dacca.

## MONETARY AND CREDIT SITUATION

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*'While it is true that a return to stability after a protracted period of inflation will be followed by a certain slackening in economic activity until the business community adapts itself to the cessation of increase in general prices, experience shows that these transitional difficulties give way before long to a period of enterprise and sustained growth, especially when fostered by suitable measures towards that purpose'.*

Annual Report of the International  
Monetary Fund, 1961.

*'Those countries who have maintained relatively stable monetary conditions have derived distinct advantage'.*

Per Jacobsson.

SINCE OCTOBER 1958, it has been the considered policy of the Government, in close co-operation with the State Bank of Pakistan, to create conditions of monetary stability in order to provide a healthy environment for economic growth.

During 1960-61, when there was only a nominal increase in money supply, loud complaints were heard from some of the vested interests that were affected proclaiming that there was slack in the economy. In reply to these complaints it was pointed out on more than one occasion that it was the deliberate aim of Government policy to mop up the excess demand in the economy which had come into existence in the past. This object was to be achieved by higher production and larger imports which would increase the supply of goods available and at the same time by keeping down the rate of monetary expansion. That this policy has had a salutary and stabilizing effect on the economy, making possible the relaxation of price controls and a striking movement towards a freer economy in the framework of overall price stability, cannot be denied. Similarly, it is fairly clear that the external situation would have been considerably worse if the rate of monetary expansion had not slowed down so distinctly.

For details the attention of readers is invited to *An Appraisal of the Credit and Monetary Situation in Pakistan*, a monograph prepared by Dr. S. A. Meenai, Economic Adviser, State Bank of Pakistan, and to the report of the Credit Committee which has discussed the situation at some length; its six members came to the unanimous conclusion that both money supply and credit had kept pace with the genuine requirements of the economy. Here it may only be mentioned that, as soon as excess purchasing power was mopped up and conditions of stability emerged,

the money supply was allowed to keep pace with the growing requirements of the economy. There was a nominal increase of only Rs. 2.57 crores in money supply during 1960-61 (July-June), when the Government were trying to mop up the excess money supply which had plagued the economy during earlier years. When this object was achieved money supply began to expand more rapidly, and during 1961-62 (July-June), the increase was Rs. 22.35 crores. The expansion was still more rapid during the subsequent months. The increase in money supply during April 1962 to March 1963, is discussed below.

#### MONEY SUPPLY IN 1962-63

During the period April 1962-March 1963, money supply<sup>1</sup> expanded at an accelerated rate, from Rs. 624.96 crores to Rs. 676.34 crores. This increase of Rs. 51.38 crores contrasts with the increase of Rs. 9.51 crores during the previous twelve-month period.

The table below shows movements in the money supply since December 1956.

#### MONEY SUPPLY—1956 TO 1963

(In crore rupees)

Month/Year Last Friday			Currency in circulation	Demand deposits (general)	Other deposits with S.B.P. <sup>2</sup>	Money supply
December 1956	..	..	346.41	142.97	2.69	492.07
December 1957	..	..	358.31	156.21	8.85	523.37
December 1958	..	..	374.21	170.86	5.14	550.21
December 1959	..	..	384.44	187.13	4.62	576.19
December 1960	..	..	417.93	193.28	4.70	615.91
<b>1961</b>						
March	..	..	406.21	203.45	5.79	615.45
June	..	..	384.57	199.07	4.51	588.15
September	..	..	371.19	201.88	4.85	577.92
December	..	..	405.42	210.00	5.12	620.54
<b>1962</b>						
March	..	..	404.92	215.93	4.11	624.96
June	..	..	386.54	219.01	4.95	610.50
September	..	..	378.16	224.08	4.59	606.83
December	..	..	410.33	235.86	5.02	651.21
<b>1963</b>						
March	..	..	424.62	246.58	5.14	676.34*

Source : State Bank of Pakistan.

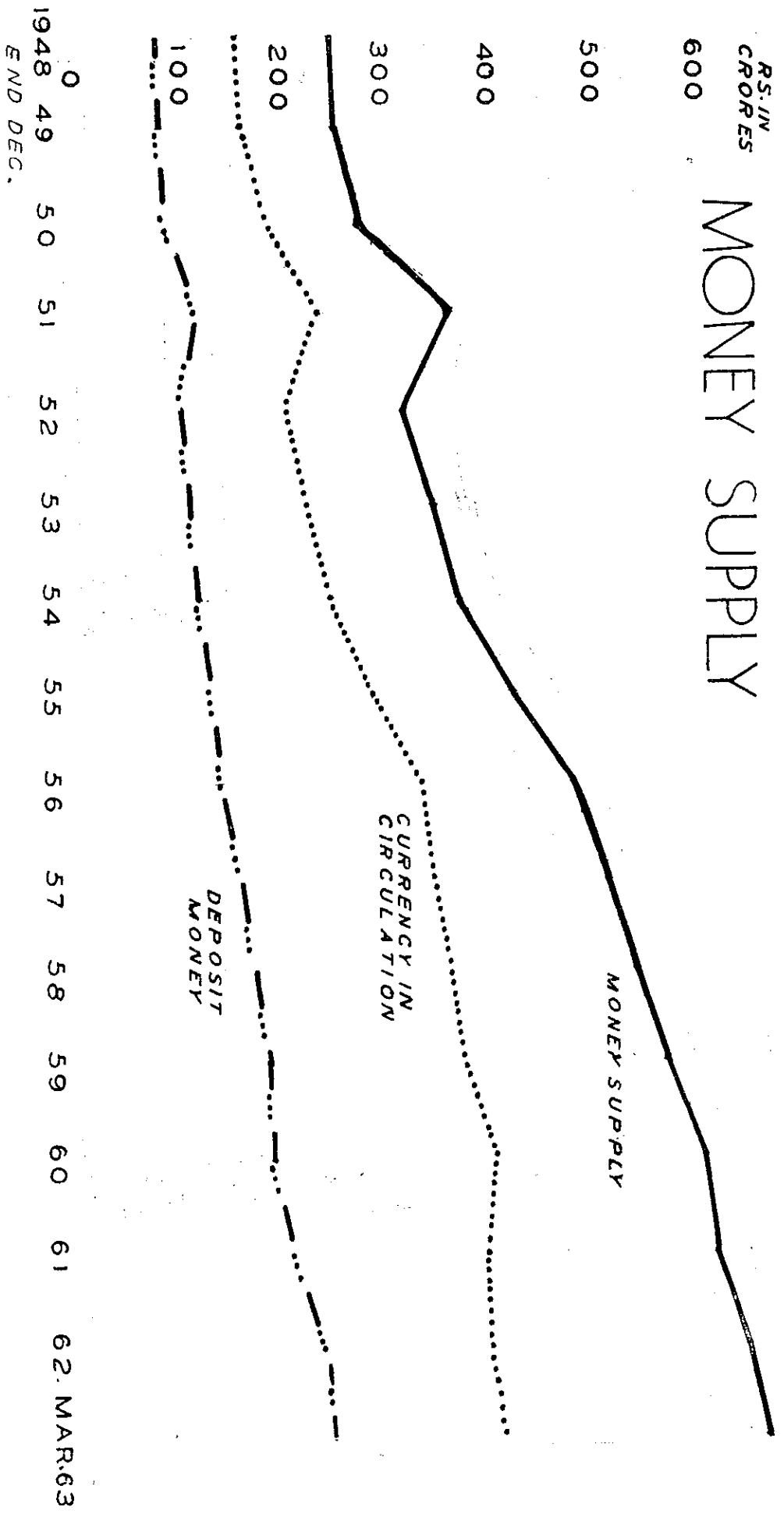
<sup>1</sup> Money supply consists of currency in circulation, demand deposits (general) with the scheduled banks and 'other deposits' with the State Bank (excluding I.M.F. Account No. 1, U.S. Counterpart Funds, I.B.R.D. Indus Account and U.S. Development Loan Fund) which are repayable on demand.

<sup>2</sup> Excluding I.M.F. Account No. 1, U.S. Counterpart Funds, I.B.R.D. Indus Account and U.S. Development Loan Fund.

\* Provisional.

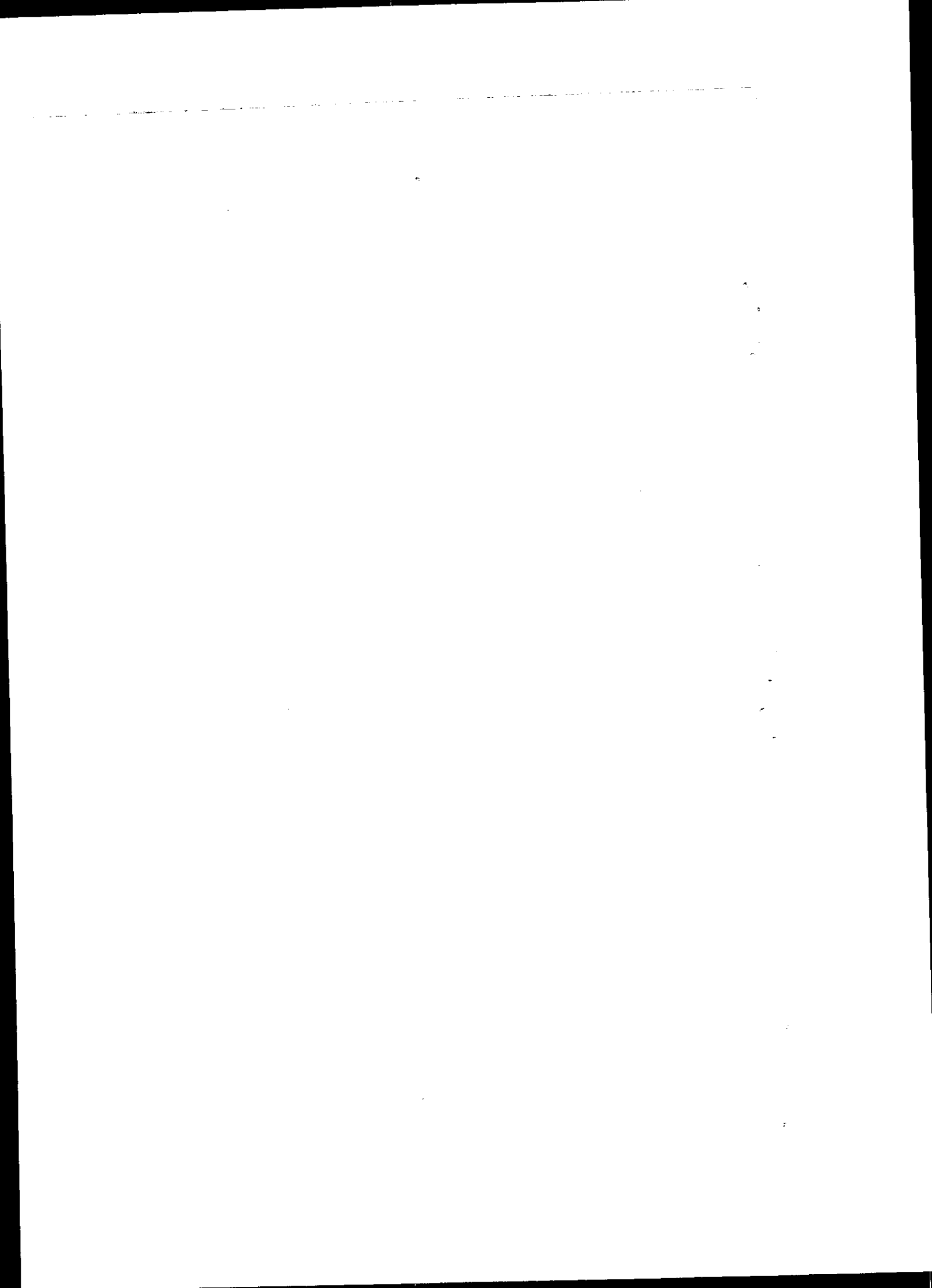
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# MONEY SUPPLY



END DEC.

62. MAR. 63





Of the total increase of Rs. 51.38 crores during April 1962 to March 1963, Rs. 19.70 crores was in currency in circulation, Rs. 30.65 crores in demand deposits and Rs. 1.03 crore in other deposits.

Increased availability of credit to the private sector and substantial releases of U.S. counterpart funds were the influences mainly responsible for the rise in money supply during April 1962 to March 1963. The large increase was a consequence of increased economic activity, the causative factors of which are discussed below. It may be pointed out that the sharp increase in money supply did not exert any pressure on prices. At Karachi the working class cost of living index in March 1963, was 3 points lower than in March 1962 and at Lahore 6 points lower. The cost of living at Narayanganj was slightly higher than in March 1962 mainly because of an increase in the price of rice which was due to adverse climatic factors.

#### CAUSATIVE FACTORS

Among the causative factors which contributed to the increase in money supply during April 1962 to March 1963, the domestic private sector was responsible for the largest movement, an increase of Rs. 31.14 crores. It may be pointed out that as the Second Five-Year Plan develops, this expansion is bound to continue, and even to become more marked. But for a substantial shift to time deposits amounting to Rs. 49.85 crores, the expansion in 1962-63 would have been much more pronounced. As mentioned above the expansion was directly due to the increased availability of credit to the private sector by the scheduled banks, necessitated by expanding economic activity.

The Government sector, including the I. B. R. D. Indus Account, exerted a net expansionary effect of Rs. 11.49 crores, due mainly to increased investment in Government securities, holdings of Government securities and other domestic assets by the State Bank, and substantial releases from counterpart funds and the I. B. R. D. Indus Account.

The foreign sector was also expansionary to the extent of Rs. 19.27 crores, on account of increased foreign exchange reserves. The table below summarizes the effects of these causative factors on the money supply.

#### CAUSATIVE FACTORS OF MONEY SUPPLY

(In crore rupees)

<i>Causative factors</i>	<i>April 1961— March 1962</i>	<i>April 1962— March 1963</i>
Changes in money supply: Expansion (+) Contraction (—) ..	+ 9.51	+ 51.38
1. Domestic private sector .. .. .	+55.72	+ 80.99
Adjustment for shift to time deposits .. .. .	—20.79	—49.85
	+ 34.93	+ 31.14
2. Government sector .. .. .	—4.36	—13.96
Adjustment for accumulation of Counterpart Funds	+27.47	+ 16.98
	+ 23.11	+ 3.02
3. Foreign sector .. .. .	—30.18	+ 19.27
4. I.B.R.D. Indus Account .. .. .	— 9.01	+ 8.47
5. Other factors .. .. .	— 9.34	—10.52
<b>Total causative factors .. .. .</b>	<b>+ 9.51</b>	<b>+ 51.38</b>

## SEASONAL ANALYSIS

Money supply generally expands or contracts in accordance with the seasonal movement in economic activity. As is generally known, Pakistan has two distinct seasons *viz.*, the busy season, extending generally from November to March, and the slack season, from April to October.

The seasonal analysis of money supply shows an increase of Rs. 41.26 crores during the busy season of 1961-62 (November 1961 to March 1962), compared to an expansion of Rs. 33.78 crores in the 1960-61 busy season. Currency in circulation rose by Rs. 29.03 crores and deposit money by Rs. 12.23 crores.

In the slack season of 1962, following the busy season of 1961-62, money supply fell by Rs. 9.19 crores, compared to a decline of Rs. 31.75 crores during the slack season of 1961 and of Rs. 6.96 crores in 1960. Currency in circulation indeed decreased by Rs. 21.02 crores, but deposit money rose by Rs. 11.83 crores.

During the buy season of 1962-63, money supply increased sharply by Rs. 60.57 crores, Rs. 40.72 crores in currency and Rs. 19.85 crores in deposit money. The table below shows the seasonal variations in money supply during the last three years.

## SEASONAL ANALYSIS OF MONEY SUPPLY

(In crore rupees)

Month	SLACK SEASON			Month	BUSY SEASON		
	1960	1961	1962		1960-61	1961-62	1962-63
April	580.13	602.72	614.53	November	591.37	594.92	626.32
May	584.38	595.75	615.07	December	615.91	620.54	651.21
June	585.58	588.15	610.50	January	619.72	623.53	661.02
July	567.87	583.68	609.54	February	616.23	622.80	683.19
August	565.16	579.93	602.15	March	615.45	624.96	676.34*
September	574.10	577.92	606.83				
October	581.67	583.70	615.77				

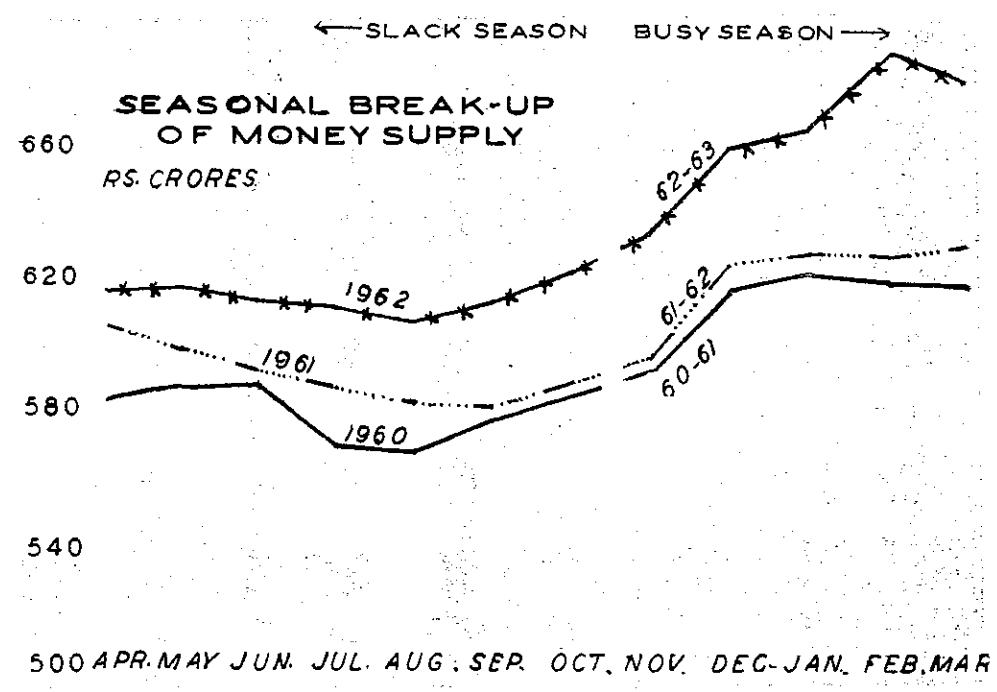
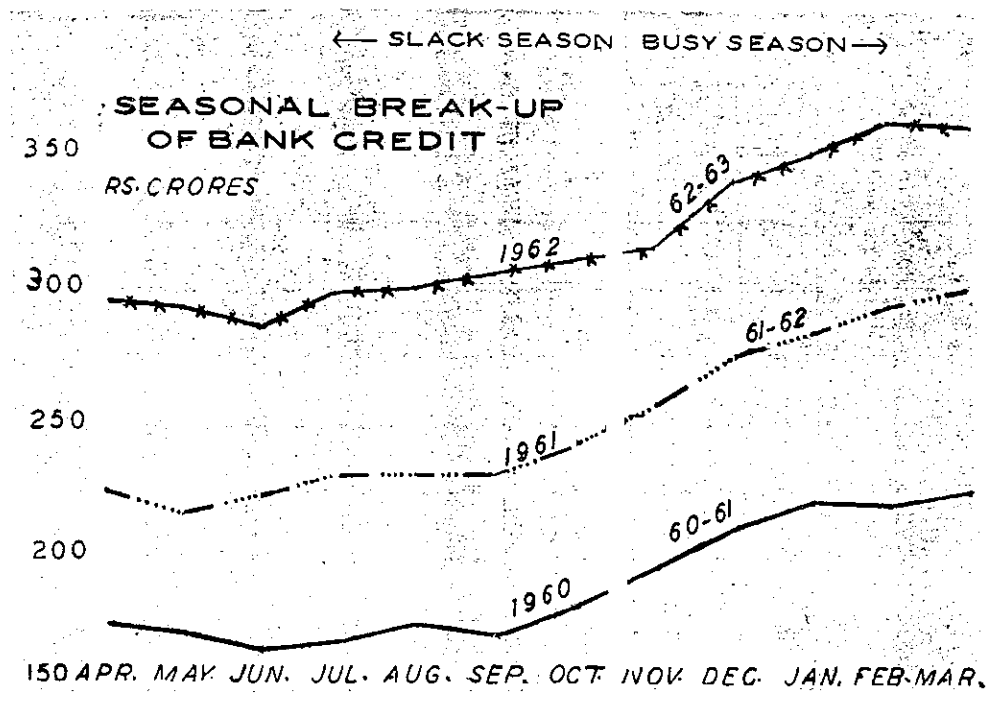
\* Provisional.

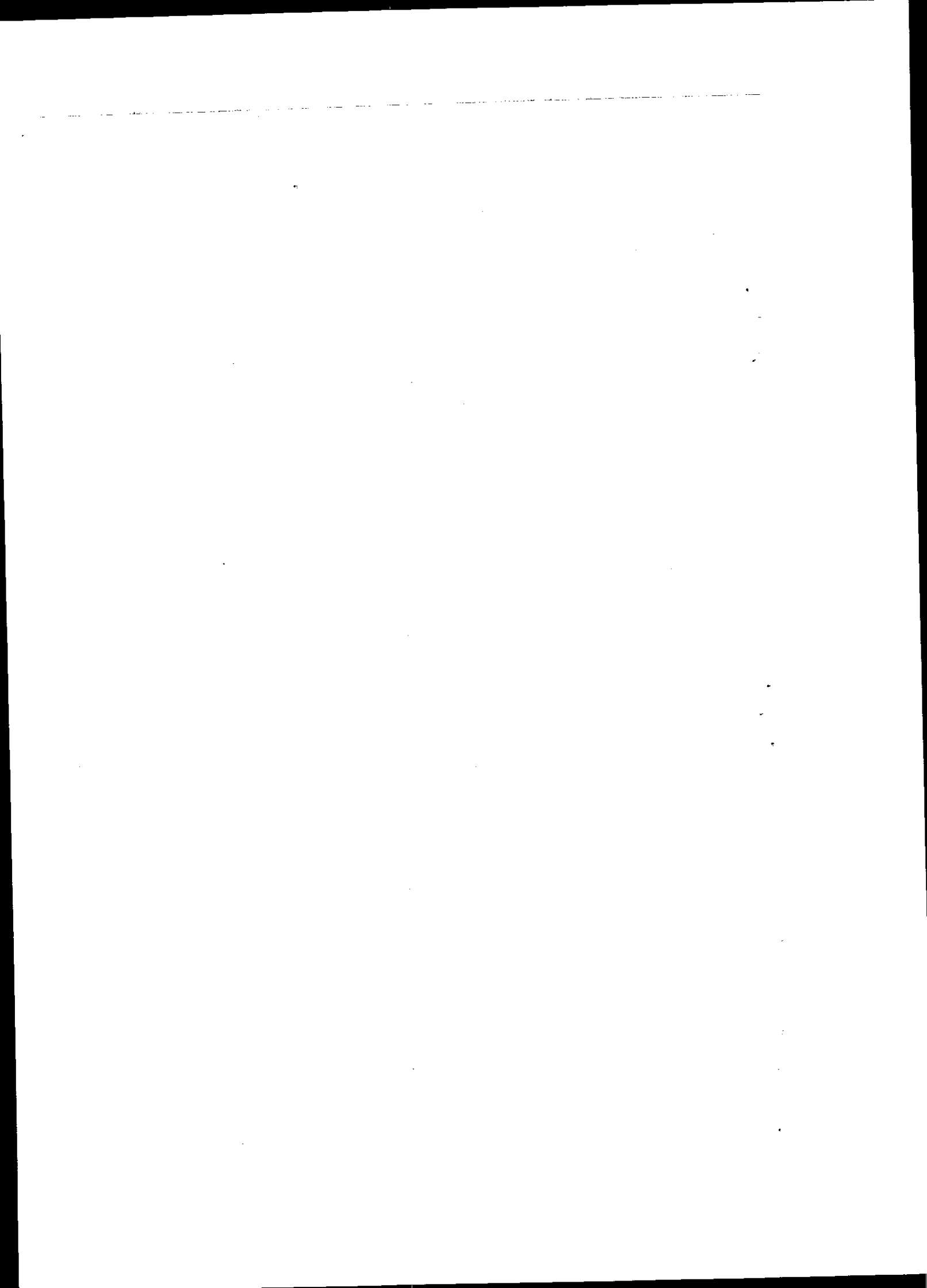
## BANK CREDIT

## Credit Committee

In the *Economic Survey*, 1961-62, a marked expansion was reported for 1961 in the amount of bank credit provided by the scheduled banks to various sectors of the economy. Total bank credit increased during the year by Rs. 63.98 crores to a new peak of Rs. 272.96 crores. The demand for credit continued to increase in 1962 and in spite of the slack season, by the end of September 1962, total bank credit was up to Rs. 301.97 crores.

In spite of this unprecedented expansion there were increasingly loud complaints of an alleged credit stringency.





In order to study the situation at an expert level the Government on May 10, 1962 appointed a Credit Committee to 'review the credit situation in the country and examine the requirements of credit to meet the needs of the economy'. The Committee were also to recommend with a view to ensuring 'that bank credit is regulated in the best interest of the country's economy'. The Committee in order to solicit the opinions of trade and commerce etc., issued a comprehensive questionnaire, visited important places in both Wings of the country, and examined a large number of witnesses. The Committee, which consisted of six expert members, submitted their unanimous report to the Government on November 7, 1962.

### Findings of the Credit Committee

The Committee found that the pace of increase of bank credit has been remarkably accelerated since the middle of 1959. Total credit outstanding more than doubled, from Rs. 130.20 crores to Rs. 286.15 crores, in the three years ended June 1962. The average annual increase during these years, Rs. 51.98 crores, contrasts with the average annual rate of Rs. 12.88 crores in the preceding three years, and the rate of Rs. 40 crores projected in the revised Second Five-Year Plan. The aggregate increase of Rs. 155.95 crores during the last three years exceeded substantially even the total expansion of the order of Rs. 88.84 crores recorded during the preceding entire decade.

The expansion of credit during the last three years was concentrated most noticeably in the private sector, advances to which rose sharply by Rs. 143.39 crores to Rs. 253.49 crores, as against the modest rise of Rs. 26.29 crores in the preceding three years. Bank credit to the Government sector provided by the commercial banks increased by almost the same amount during the three years ended June 1962—Rs. 12.56 crores—as in the preceding three years, when the increase was Rs. 12.35 crores. The table below shows how the increase was shared between private and Government sectors and how the expansion of bank credit was financed.

### BANK CREDIT AND ITS FINANCING

(In crore rupees)

Particulars	YEAR ENDED JUNE 30		
	1962	1961	1960
Private sector .. .. .	253.49	187.22	145.83
Government sector .. .. .	32.66	33.06	15.91
Total .. .. .	286.15	220.28	161.74
Rise over the previous year .. .. .	+ 65.87	+ 58.54	+ 31.54
Financed by :			
Total deposits .. .. .	+ 47.90	+ 27.51	+ 32.01
Borrowings from State Bank .. .. .	+ 6.56	+ 32.64	+ 0.13
Excess reserves with State Bank .. .. .	- 0.24	+ 0.27	+ 8.41
Investments .. .. .	- 0.78	- 8.09	- 10.63
Cash balances .. .. .	- 1.22	- 1.91	+ 0.54
Call loans .. .. .	+ 10.31	+ 4.18	+ 3.08
Other sectors .. .. .	+ 3.34	+ 2.03	+ 1.08

<sup>1</sup> Include balances with other banks and inter-bank deposits.

The Committee found no evidence of any general stringency of credit in the country, though small borrowers and the less developed regions continued to have difficulties. The available supply of credit, according to the Committee, had fully met the requirements of the larger borrowers except in a few special cases. Nevertheless, the Committee urged that special attention be given to the credit requirements of importers of P.L. 480 and other aid commodities, which are imported under bulk purchase procedures and where there seems to be a time lag between the arrival of the goods and their offtake by consumers. The Committee recommended that this matter should be handled in consultation with the State Bank, so that procedures could be adopted to facilitate the import of these commodities. The annual average rate of credit expansion during the Second Plan period (1960-65), is expected to be between Rs. 50 and Rs. 60 crores. An important point emphasized by the Committee was the failure of the increase in bank deposits to keep pace with the rise in credit, with the result that the credit-deposit ratio rose to 77.4 per cent in June 1962. In order to finance future credit expansion without undermining the soundness of the banking structure, the Committee considered it necessary to relieve the pressure of demand for credit and to intensify efforts to mobilize bank deposits. The specific measures which the Committee recommended in fulfilment of these objectives are as follow :

(a) *Relieving pressure of demand for bank credit.*

1. A limited scheme for a system of quotas with graduated interest rates for State Bank lending to commercial banks. A general rise in the bank rate is not favoured, since Pakistan is an underdeveloped country, and a deliberate increase in the cost of development is of doubtful benefit, particularly in relation to the Government's policy of encouraging the middle class entrepreneur.

2. Selective credit controls to curb excessive stock accumulation.

3. Imposition of a ceiling on the amount which a bank can advance to any one borrower.

4. Organization of a Credit Information Bureau by the State Bank.

(b) *Mobilizing deposits.*

1. A general increase in deposit rates is unlikely to be effective at this stage unless it was so steep as to be impracticable.

2. Every effort should be made to foster banking habits through publicity and the promotion of special schemes.

3. The banks should be urged, and even compelled to spread into less developed areas. A percentage might be fixed up to which the banks would be obliged to open branches at places indicated by the State Bank.

4. A deposit insurance scheme should be introduced in order to inspire confidence in the banking system.

5. Government should give consideration to fiscal incentives for the mobilization of deposits and the promotion of banking habits.

It came to the notice of the Credit Committee that the rather sharp increase in time deposits in recent years was largely attributable to the transfer of large amounts of U.S. owned counterpart funds from the

State Bank to certain foreign commercial banks in Pakistan; in June 1962 these deposits aggregated Rs. 28 crores. Such transfers, it was felt, interfere with the regulation of credit by the State Bank, and may have a highly destabilizing influence on the credit situation. The Committee, accordingly, urged that the U.S. A.I.D. authorities should be persuaded to keep these funds with the State Bank.

Since a disproportionately large share of bank credit is concentrated in the hands of a small number of big borrowers, small borrowers may be unable to get their full requirements. On March 31, 1962 about 57 per cent of total bank credit had been advanced to 333 accounts, ranging between Rs. 10 lakhs and Rs. 50 lakhs and 8.4 per cent of total advances had been distributed among 71,802 borrowers for loans up to Rs. 25,000. The Committee acknowledged that the situation had improved since the reporting of the Credit Enquiry Commission in 1959, but felt that there was considerable room for further improvement.

The Committee drew attention to the credit stringency which affected small borrowers and the less developed areas. To a certain extent, such a situation is inevitable in a developing economy based on the free enterprise system. A deliberate effort is, therefore, necessary, if credit is to be directed in increasing measure into channels affected by credit shortages, but which, from the point of view of the overall social and economic objectives of the country, are highly important. The Committee recommended the following measures to encourage the flow of credit to small borrowers :

(i) Government policies to sustain small and middle class entrepreneurs should be consistently pursued.

(ii) The banking system should aim at making not less than 15-20 per cent of its total advances to parties requiring up to Rs. 25,000. This should be set as a target, but, instead of making it a compulsory requirement, the State Bank should use its influence to ensure its achievement and exert pressure on individual banks which are lagging behind.

(iii) The development of the commercial banking system to assist small borrowers is likely to be more effective than the establishment of a special credit loans departments.

(iv) Banks should adopt a less orthodox outlook in regard to security, and be willing to take a somewhat greater risk in dealing with small loans, as over 50 per cent of deposits are provided by small parties on which the banks make profit. The banks should formulate specific schemes for encouraging small borrowers, and Government and/or the State Bank should be prepared to underwrite a part of the losses under these schemes.

(v) Procedures relating to the hypothecation and pledge of property, particularly land and real estate, and the laws governing the realization of bank dues against such property should be made simple and less expensive.

(vi) Lower margins should be prescribed for small loans.

(vii) An intermediary agency operating like a discount house and guarantee broker should be created to help small borrowers as recommended by the Credit Enquiry Commission in 1959.

The total number of Pakistani scheduled banks when the Committee reported was 15. The Credit Committee emphasized the need for concentrating mainly on the consolidation and expansion of these banks rather than on the establishment of new banks. Even so, it observed:

It can not be stated that we have reached the saturation point, particularly when we consider that about 30 per cent of our banking business is still done by foreign banks.

In view of the fact that credit is a part of money supply and the problem of credit expansion is directly related to the overall rate of monetary expansion, the Committee also examined the question of monetary expansion. The rate of monetary expansion slowed down perceptibly in 1960-61 (July-June) (+ Rs. 2.57 crores, against + Rs. 29.60 crores in 1959-60), increased substantially during 1961-62 (+ Rs. 22.35 crores) and the trend in 1962-63 is towards further acceleration. While the Committee observed that there was no evidence of any slack in the economy or any appearance of deflationary tendencies, it also stressed the necessity for a close balance between monetary expansion and real availabilities (of goods and services) to prevent such a prospect from materializing in the future. The permissible rate of monetary expansion for the current fiscal year, according to the Committee, is Rs. 30-35 crores, though some members privately held the view that it may go up to Rs. 40 crores.

The Committee called for a careful analysis of the relationship of counterpart funds with the overall monetary situation. In particular, it emphasized that, at the time of formulating the budget, the level of releases to match current accruals should be determined. In case the releases lag behind, the Government should take suitable compensatory action. It was also of the view that the private sector is trying to make unduly high profits by maintaining prices at a high level, despite increasing domestic availabilities and aided imports. This is given as one of the reasons for the accumulation of stocks of which some businessmen complain. While the Committee did not favour any general price depressions, it believed that there was room for an appropriate adjustment in the prices of specific goods in specific sectors. Finally, the Committee wanted the rate of monetary expansion to be kept continuously under review. It suggested that the permissible limits of expansion must be carefully worked out in advance each year the budget was prepared.

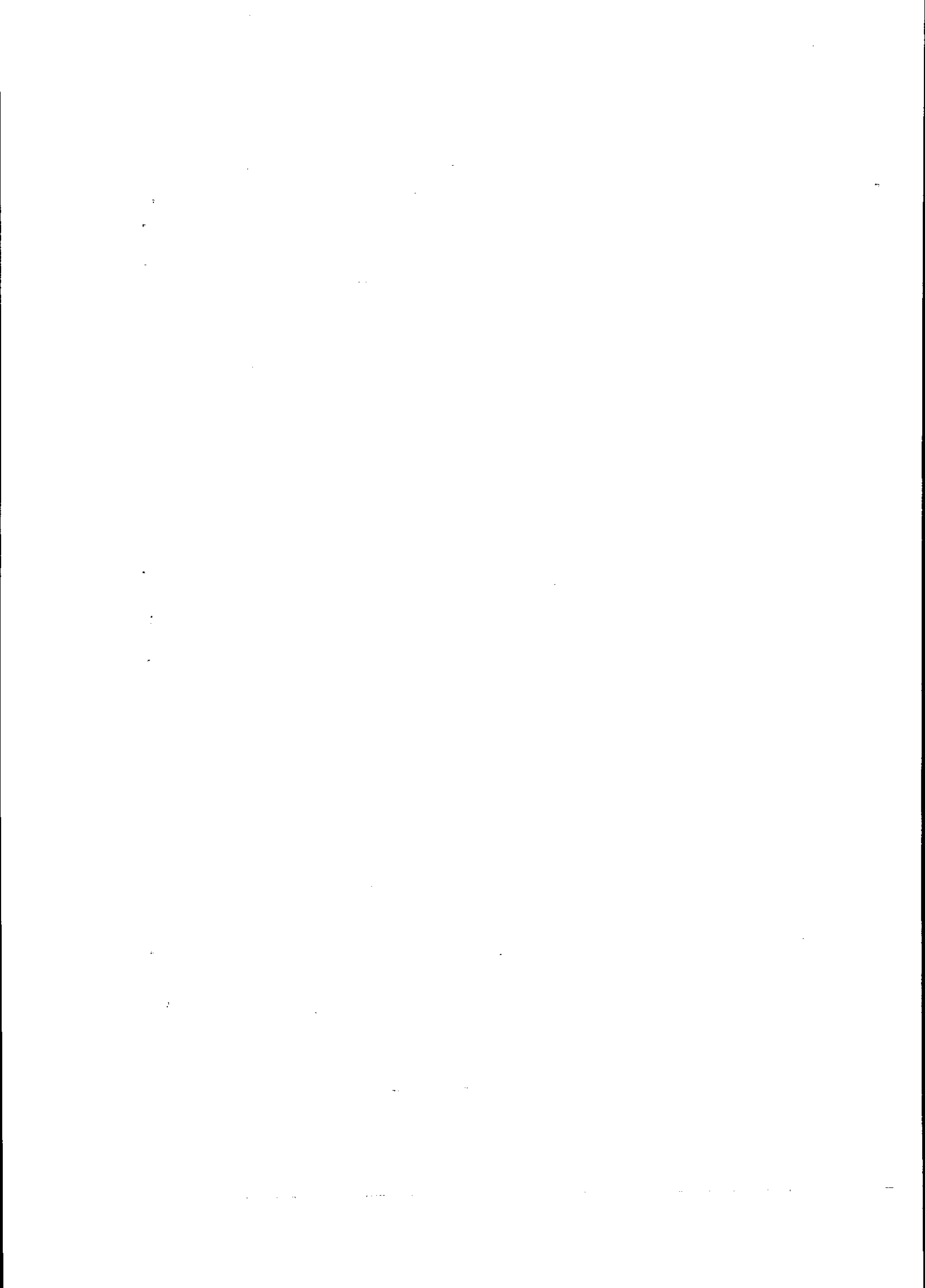
### **Bank credit in 1962-63**

Bank credit provided by the scheduled banks rose from April 1962 to March 1963, with a net expansion of Rs. 59.37 crores compared to an increase of Rs. 76.07 crores during the previous twelve months. At the end of March 1963 total credit stood at Rs. 356.15 crores, compared to Rs. 296.78 crores in March 1962, and Rs. 220.71 crores in March 1961.

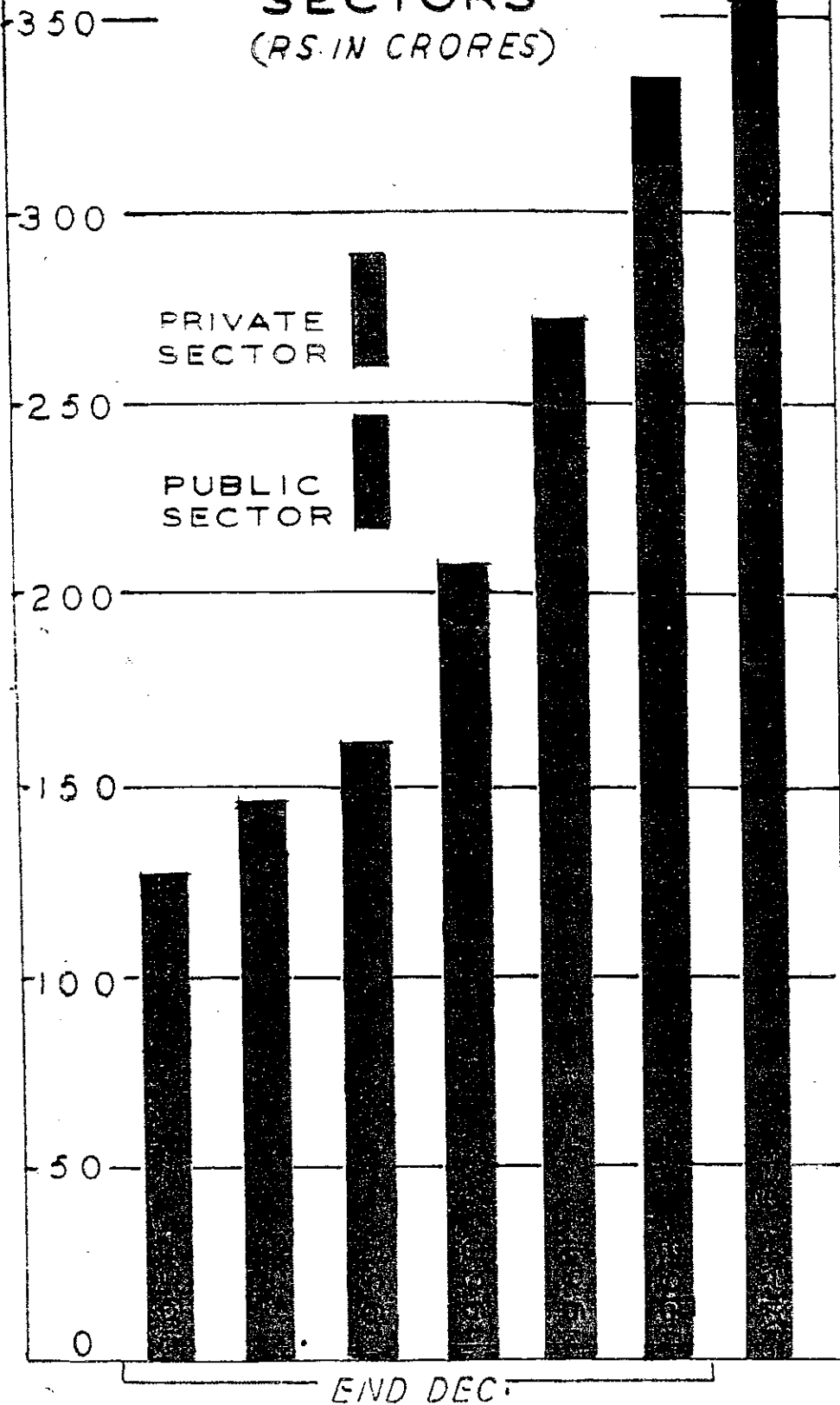
The rise in bank credit during the period under review was primarily due to an increase in advances by Rs. 58.68 crores to Rs. 328.73 crores. There was also a small increase of Rs. 0.69 crore in bills purchased and discounted.

*Private and public sectors.* The expansion of bank credit during the period under review was solely in the private sector, where it rose sharply by Rs. 75.83 crores to Rs. 328.13 crores. There was a net contraction of Rs. 16.46 crores in the Government sector. The credit expansion in the private sector was mainly due to seasonal requirements to





**BANK CREDIT  
PUBLIC AND PRIVATE  
SECTORS  
(RS. IN CRORES)**



finance the cotton trade. Other factors were the liberal economic policies of the Government, viz., liberal import policy and removal of domestic price controls, and increased private investment in the industrial sector. The table below shows the credit supplied to the private and public sectors.

## BANK CREDIT TO PUBLIC AND PRIVATE SECTORS

(In crore rupees)

Month/Year Last Friday						Public sector	Private sector	Total
June	1957	..	..	..	..	5.44	107.83	113.27
December	1957	..	..	..	..	6.34	120.52	126.86
June	1958	..	..	..	..	11.82	110.73	122.55
December	1958	..	..	..	..	13.84	131.98	145.82
June	1959	..	..	..	..	20.10	110.10	130.20
December	1959	..	..	..	..	14.22	147.76	161.98
June	1960	..	..	..	..	15.91	145.83	161.74
December	1960	..	..	..	..	15.83	192.65	208.48
June	1961	..	..	..	..	33.06	187.22	220.28
December	1961	..	..	..	..	33.94	238.52	272.46
<b>1962</b>								
March	..	..	..	..	..	44.48	252.30	296.78
June	..	..	..	..	..	32.66	253.49	286.15
September	..	..	..	..	..	25.93	276.04	301.97
December	..	..	..	..	..	23.93	313.12	337.05
March 1963	..	..	..	..	..	28.02	328.13	356.15

*Seasonal analysis.* Like money supply, bank credit also shows seasonal variations in accordance with variations in economic activity. The table below shows the seasonal movements of bank credit during the last three years.

## SEASONAL MOVEMENTS OF BANK CREDIT

(In crore rupees)

Month	SLACK SEASON			Month	BUSY SEASON		
	1960	1961	1962		1960-61	1961-62	1962-63
April	.. 174.78	221.91	290.46	November	.. 194.22	250.85	314.52
May	.. 167.85	213.49	288.55	December	.. 208.48	272.46	337.05
June	.. 161.74	220.28	286.15	January	.. 216.80	282.15	349.02
July	.. 165.40	226.37	295.45	February	.. 214.82	289.60	359.93
August	.. 171.28	226.99	297.06	March	.. 220.71	296.78	356.15
September	.. 166.20	227.55	301.97				
October	.. 179.00	239.82	307.92				

During the busy season of 1961-62 (November 1961 to March 1962) bank credit increased by Rs. 56.96 crores, compared to increases of Rs. 41.71 crores and Rs. 44.96 crores during the busy seasons of 1960-61 and 1959-60. Bank credit continued to rise throughout the busy season of 1961-62, to Rs. 296.78 crores at the end of the season in March 1962.

During the slack season of 1962 (April-October 1962) following the busy season of 1961-62, bank credit showed a net expansion of Rs. 11.14 crores, compared to increases of Rs. 19.11 crores and Rs. 0.41 crore in the slack seasons of 1961 and 1960 respectively. The increase in bank credit during the slack seasons indicates a strong demand for credit for non-seasonal requirements in the private sector.

During the busy season of 1962-63, bank credit expanded slowly, the net increase amounting to Rs. 48.23 crores, compared to Rs. 56.96 crores in the previous busy season. It expanded steadily to a peak of Rs. 359.93 crores in February 1963 but declined to Rs. 356.15 crores at the end of March 1963.

*Analysis by economic groups.* The distribution of bank credit among various economic groups reveal that the largest amount was provided to the commercial sector, followed by manufacturing, agricultural and services groups. The table below shows the classification of bank credit by major economic groups.

#### CLASSIFICATION OF BANK CREDIT BY MAJOR ECONOMIC GROUPS

(In crore rupees)

<i>Economic group</i>	31-12-60	31-12-61	31-12-62
1. Agriculture, forestry, hunting and fishing ..	13.22	21.28	24.43
2. Mining and quarrying .. ..	1.46	1.54	1.63
3. Manufacturing .. ..	61.58	78.05	105.63
4. Construction .. ..	1.48	0.84	10.46
5. Electricity, gas, water and sanitary services ..	1.39	3.63	3.41
6. Commerce .. ..	98.03	114.29	146.41
7. Transport, storage and communications ..	3.50	4.93	6.21
8. Services .. ..	15.83	20.14	20.58
9. Financial institutions .. ..	0.03	0.07	0.01
10. Employees and activities not adequately described	7.28	18.82	6.70
11. Others .. ..	0.58	0.67	1.10
Total ..	204.38	264.26	326.58

#### Credit controls

Selective controls have provided the most important instruments of credit control by the State Bank. The State Bank's vigilance over the credit situation continued during the period under review, with special care taken to avert that the expansion in bank credit should not entail undue pressure on either prices or the external payments position. Selective credit control measures were constantly reviewed, and modified or replaced according to circumstances. The restrictions on certain categories of advances remained in force with slight modifications. These restrictions include:

1. The margin requirements of 50 per cent on advances against shares of newly floated companies (effective February 10, 1960) was extended on April 30, 1962 to include advances against shares which are offered to the public by way of 'offer for sale'.

2. Restrictions to the maximum period of six months for which advances can be made against stocks of wheat and rice (effective February 16, 1960) was relaxed up to one year in October 1962.

3. Forty per cent margin requirement on advances against imported manufactured goods (other than industrial machinery, iron and steel) and cotton yarn (except for export), and a ceiling of Rs. 50,000 per party for unsecured advances and advances secured by guarantee (effective March 24, 1960) remained in force. Advances against imported manufactured goods and cotton yarn up to Rs. 25,000 to any one party are exempted from the requirement.

These restrictions were partially relaxed for East Pakistan with effect from April 27, 1961 as follows: (i) the margin requirement on advances against imported manufactured goods and cotton yarn was reduced from 40 per cent to 20 per cent; (ii) the exemption limit in respect of margin requirement on advances against imported manufactured goods was raised from Rs. 25,000 to Rs. 50,000. Credit restrictions on import usance bills which were enforced in November 1960, were also withdrawn in October 1961. On January 10, 1962 banks were informed that a 40 per cent margin restriction on advances against imported goods will henceforth also be applicable to iron and steel (except those imported under industrial licences) and for stocks already held, the 40 per cent margin restrictions will be effective one month after the date of the order. The State Bank also directed authorized dealers not to open letters of credit for imports of certain categories unless a margin of 25-30 per cent was deposited. This was done to ensure that these goods did not remain pledged with the banks and thus interrupt the flow of goods to the market.

On May 5, 1962, banks were directed not to make, without special or general sanction of the State Bank and until further orders, advances against cotton textiles (both indigenous and imported) beyond 60 per cent of their value. They were further directed that advances already granted by banks against cotton textiles should be brought to the level specified above within a period of three months from the date of issue of the directive.

In February 1961, the State Bank urged the scheduled banks to make vigorous efforts to mobilize resources and to reduce undue dependence for loans upon the State Bank. The banks were informed that, in extending further assistance to them and in determining its scale, the State Bank would, as a matter of policy, keep in view the efforts they make and the success they achieve in attracting fresh deposits. The banks were advised to offer more attractive deposit rates, particularly for long-term deposits, and at the same time to discourage loans which are not directly or indirectly related to productive activity in the country or to export performance. The banks were also asked to exercise their discretion and judgement with a view to avoiding hardships for small borrowers.

## BANK DEPOSITS

The deposit resources of the scheduled banks increased considerably during April 1962 to March 1963. At the end of March 1963, total bank deposits (general) stood at Rs. 432.53 crores compared to Rs. 352.03 crores at the end of March 1962, showing a rise of Rs. 80.50 crores. During the corresponding period of 1961-62, bank deposits rose by Rs. 33.27 crores.

The larger expansion of bank deposits during the period under review was the result of intensive savings drive, increase in banking facilities reflected by the sharp increase in the number of scheduled banks from 33 in March 1962 to 36 in March 1963 and in bank offices from 674 to 861, increase in scheduled banks' deposit rates from 2 per cent to 2½ per cent, drive to popularize banking habit under the auspices of Banking Publicity Board set up by the State Bank in collaboration with the scheduled banks.

The increase in deposits during the period under review was accounted for by the rise in both demand and time deposits. The demand deposits increased by Rs. 30.65 crores to Rs. 246.58 crores while the time deposits rose by Rs. 49.85 crores to Rs. 185.95 crores. The faster growth of time deposits was largely due to transfer of some U.S. owned Counterpart Funds from the State Bank to commercial banks.

It may be pointed out that with the increased deposit resources it was possible to finance a substantial part of the bank credit provided by the scheduled banks. In fact, the growth of bank deposits was faster than the growth of bank credit. During the period under review while bank credit rose by twenty per cent, bank deposits increased by twenty-three per cent.

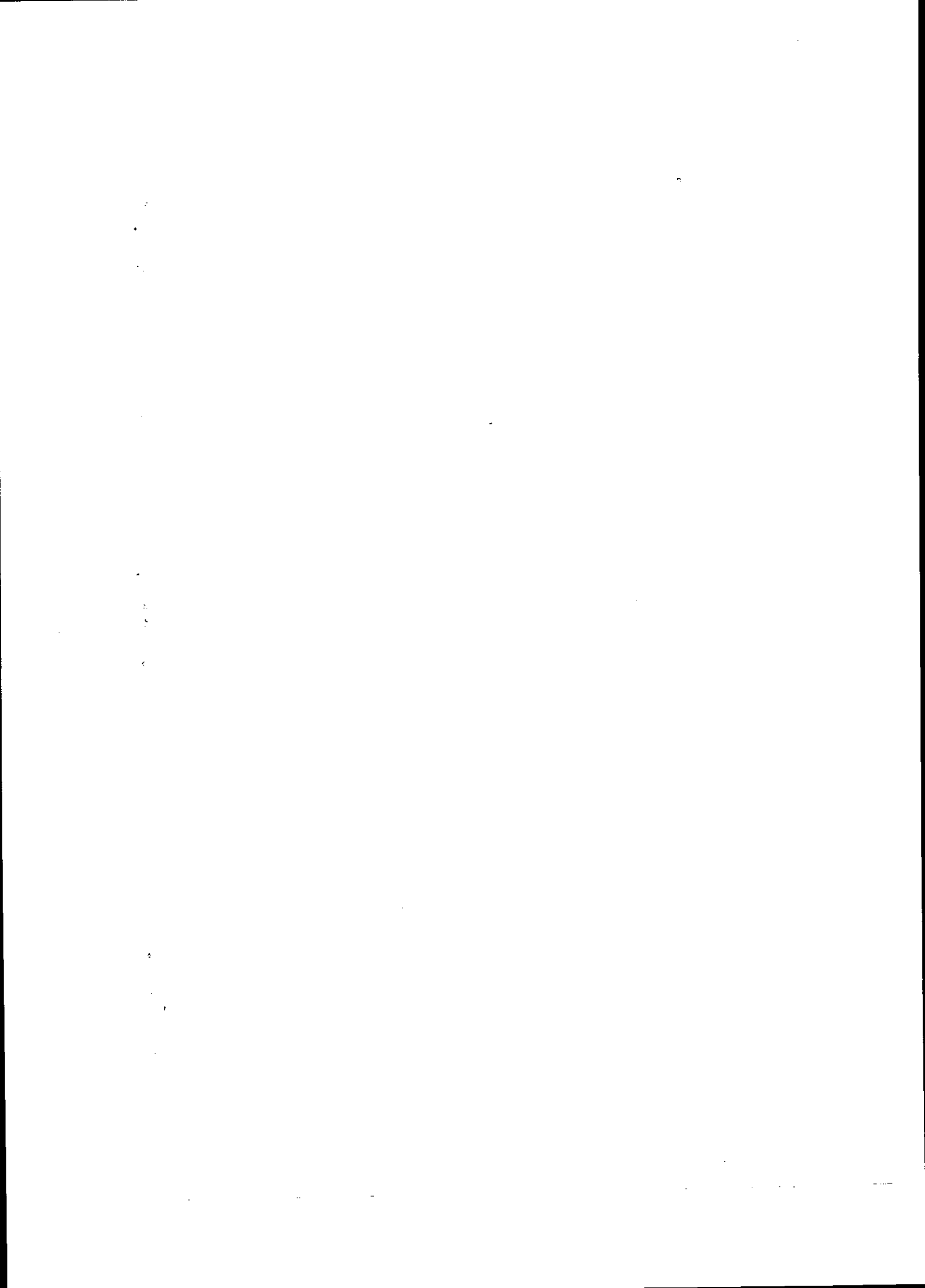
## BORROWINGS AND BALANCES

As a result of rapid increase in bank deposits, the dependence of the scheduled banks on the State Bank was substantially reduced during the period under review. At the end of March 1963, total borrowings of the scheduled banks from the State Bank amounted to Rs. 50.99 crores compared to Rs. 72.39 crores in March 1962, showing a decline of Rs. 21.40 crores.

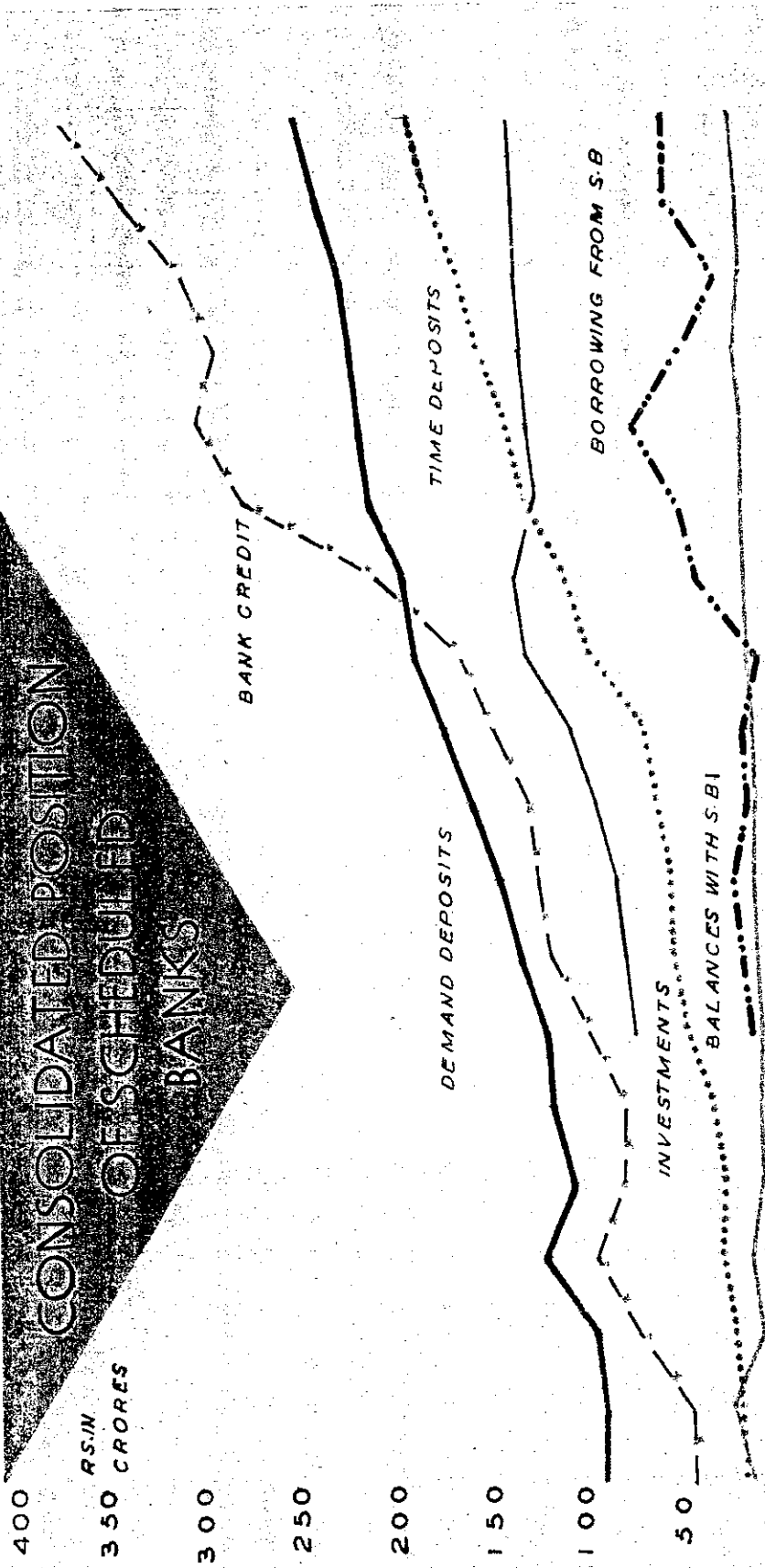
The balances of the scheduled banks with the State Bank, on the other hand, improved considerably during the period under review. At the end of March 1963, total balances stood at Rs. 22.73 crores compared to Rs. 19.41 crores at the end of March 1962 and Rs. 15.09 crores in March 1961.

## INVESTMENTS

The investments of the scheduled banks in Central and Provincial Government securities and other types of securities increased during the period under review. At the end of March 1963 total investments stood at Rs. 135.36 crores compared to Rs. 128.32 crores at the end of March 1962, showing a rise of Rs. 7.04 crores. The increase in scheduled banks' investments was due primarily to increased investments in Provincial Government securities by Rs. 4.91 crores to Rs. 23.16 crores and other types of securities by Rs. 5.16 crores to Rs. 8.43 crores partially offset by a decline in Central Government securities by Rs. 3.03 crores to Rs. 103.77 crores. The table below shows the position of scheduled banks for the last three years.



# CONSOLIDATED POSITION OF SCHEDULED BANKS



1948 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. MAR. JUN. SEP. DEC. MAR. 63.  
END DEC. 1962



SCHEDULED BANKS' DEPOSITS, BORROWINGS AND BALANCES WITH STATE  
BANK AND INVESTMENTS

(In crore rupees)

<i>Item</i>	<i>March 1961</i>	<i>March 1962</i>	<i>March 1963</i>
Bank deposits (general) .. .. .	318.76	352.03	432.53
<i>Demand</i> .. .. .	203.45	215.93	246.58
<i>Time</i> .. .. .	115.31	136.10	185.95
Borrowings from State Bank .. .. .	35.41	72.39	50.99
Balances with State Bank .. .. .	15.09	19.41	22.73
Investments .. .. .	134.18	128.32	135.36
<i>Central Government securities</i> .. .. .	111.58	106.80	103.77
<i>Provincial Government securities</i> .. .. .	19.34	18.25	23.16
<i>Others</i> .. .. .	3.26	3.27	8.43

MONEY MARKET

During April 1962 to March 1963, the short-term money market remained comparatively easy as is reflected by inter-bank call money rates. The rates varied between  $2\frac{1}{4}$  per cent and 4 per cent and showed only seasonal variations. The following table gives the inter-bank call money rates at Karachi since 1961.

INTER-BANK CALL MONEY RATE (KARACHI)

(Percentage)

<i>Last Friday</i>	1961	1962	1963
January .. .. .	$4\frac{1}{4}$	4	$3\frac{1}{4}$ — $3\frac{1}{2}$
February .. .. .	$4\frac{1}{4}$ — $4\frac{1}{2}$	$3\frac{3}{4}$ — 4	$3\frac{1}{4}$ — $3\frac{1}{2}$
March .. .. .	$3\frac{3}{4}$ — 4	$3\frac{3}{4}$ — 4	$3\frac{1}{4}$ — $3\frac{1}{2}$
April .. .. .	$3\frac{3}{4}$	$3\frac{3}{4}$ — 4	
May .. .. .	$3\frac{1}{2}$ — $3\frac{3}{4}$	$3\frac{3}{4}$ — $3\frac{1}{2}$	
June .. .. .	$3\frac{1}{2}$ — $3\frac{3}{4}$	$2\frac{3}{4}$ — 3	
July .. .. .	$3\frac{3}{4}$	$2\frac{1}{2}$ — $2\frac{3}{4}$	
August .. .. .	$3\frac{3}{4}$	$2\frac{1}{4}$ — $2\frac{1}{2}$	
September .. .. .	$3\frac{1}{2}$ — $3\frac{3}{4}$	$2\frac{1}{4}$ — $2\frac{1}{2}$	
October .. .. .	$3\frac{3}{4}$	3 — $3\frac{1}{4}$	
November .. .. .	$3\frac{3}{4}$	$3\frac{1}{4}$	
December .. .. .	4	$3\frac{1}{4}$ — $3\frac{1}{2}$	

The period under review opened with inter-bank call money rate at  $3\frac{3}{4}$ -4 per cent in April 1962 compared to  $3\frac{3}{4}$  per cent in April 1961. The tightness in the market was due to busy season influences. With the onset of slack season, the call money rates became easy and started falling until these came down between  $2\frac{1}{4}$  and  $2\frac{1}{2}$  per cent in September 1962 compared to  $3\frac{1}{2}$ - $3\frac{3}{4}$  per cent in September 1961. From November—the opening of busy season—the call money rates again rose to  $3\frac{1}{2}$  per cent and remained more or less at that level until March 1963 when the interest rates stood between  $3\frac{1}{4}$  and  $3\frac{1}{2}$  per cent compared to  $3\frac{3}{4}$ -4 per cent in March 1962.

## DEVELOPMENTS IN BANKING

## XI

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IN THE *Economic Survey*, 1961-62 the history of banking since Independence was briefly traced and important developments in the field of banking were discussed at length. During the period from April 1962—March 1963, there was further progress in various spheres of banking. The number of reporting scheduled banks rose from 33 at the end of March 1962 to 36 at the end of March 1963. The new banks added were :

- (1) Union Bank Ltd.
- (2) Standard Co-operative Bank Ltd.
- (3) Standard Bank Ltd.

The number of scheduled banks' branches also increased sharply, from 674 at the end of March 1962 to 831 at the end of December 1962, and further to 861 in March 1963. Of 861 offices at the end of March 1963, 262 were in East Pakistan and 599 in West Pakistan. The continued strength of the scheduled banks is reflected in the increase in their capital and reserves. The paid-up share capital of the scheduled banks which stood at Rs. 17.75 crores on December 31, 1961 rose to Rs. 20.80 crores on September 30, 1962. Reserves also improved during the same period. The deposit resources of the scheduled banks and credit provided by them to both private and public sectors reached a new peak during the period under review. This has been discussed at considerable length in Chapter X.

The role of non-scheduled banks is less significant because of the limited scope of their operations. The number of non-scheduled banks was 48 at the end of March 1963, compared to 49 at the end of March 1962. The demand and time liabilities of non-scheduled banks stood at Rs. 115.06 lakhs and Rs. 37.20 lakhs at the end of December 1962, compared to Rs. 206.76 lakhs and Rs. 65.39 lakhs respectively at the end of December 1961. Credit provided by non-scheduled banks stood at Rs. 1.52 crore at the end of December 1962, compared to Rs. 2.28 crores a year ago.

## ROLE OF CREDIT INSTITUTIONS

There are a number of credit institutions sponsored by the Government to provide institutional credit to the various sectors of the economy. Besides there are the co-operatives providing credit to the agricultural

sector. As these are in the Provincial sphere and their number and the scope of their activities are very wide, they have not been dealt with in this Survey. The credit institutions include: (1) Pakistan Industrial Credit and Investment Corporation (P. I. C. I. C.), (2) Industrial Development Bank of Pakistan (I. D. B. P.), (3) Agricultural Development Bank (A. D. B.) and (4) House Building Finance Corporation (H. B. F. C.). These institutions provide credit to agriculture, industry and housing sectors where the need for credit is paramount. A brief review of the activities of these institutions is given in the following paragraphs.

### **Pakistan Industrial Credit and Investment Corporation**

Pakistan Industrial Credit and Investment Corporation (P.I.C.I.C.) was set up in October 1957 to further the development of industries by providing financial assistance to the new and existing industries in the private sector. The Corporation has an authorized share capital of Rs. 15 crores, of which Rs. 2 crores was initially paid-up. The paid-up capital was later raised to Rs. 3 crores in 1961. Sixty per cent of the capital has been subscribed by private Pakistan investors, while the remaining forty per cent is held by private interests in the U.S.A., the U.K., Japan and West Germany. Their interests are represented by four directors belonging one each to their respective national groups.

The Corporation is authorized to provide long-and medium-term loans (generally of seven to twelve years maturity) in foreign and local currencies in addition to direct equity participations. In the case of large projects, it shares financing with other institutions abroad wherever possible. It does not normally take direct part in the management of industries financed by it, but it may in special circumstances seek to appoint a director to represent its interests. From 1960, the Corporation has also started underwriting shares as part of its programme to assist in the development of the capital market.

P. I. C. I. C. has received two long-term loans totalling Rs. 6 crores from the Central Government. These loans are sub-ordinated to all its liabilities and the share capital, and hence count as equity for all practical purposes. It has also received several lines of credit in foreign currencies from the World Bank (I.B.R.D.), U.S. Agency for International Development (A.I.D.), and some friendly countries. As at March 31, 1963, the P.I.C.I.C. had received lines of credit in various foreign currencies totalling the equivalent of U.S. \$ 110.40 million as shown below.

	In million \$
I. B. R. D.	49.20
A. I. D.	21.70
West Germany	22.50
Japan	9.00
France	3.00
U. K.	2.50
Canada	2.50
Total	110.40

P.I.C.I.C.'s total resources, however, amounted to Rs. 62.1 crores as under :

Paid-up capital and reserves	..	Rs. 3.5 crores
Long-term Government loans	..	Rs. 6.0 crores
Lines of credit in foreign currencies	..	Rs. 52.6 crores
Total	..	<u>Rs. 62.1 crores</u>

Since the inception of the Corporation to March 31, 1963 it had sanctioned loans for a total of Rs. 43.54 crores, of which Rs. 39.82 crores were in foreign currencies and Rs. 3.72 crores in local currency. The distribution of these loans by region was as under :

REGIONAL DISTRIBUTION OF LOANS SANCTIONED BY P.I.C.I.C.  
(In crore rupees)

Region	No.	Local currency	Foreign currency	Total
Karachi .. .. .	98	0.61	9.68	10.29
West Pakistan .. .. .	138	0.90	18.93	19.83
East Pakistan .. .. .	87	2.21	11.21	13.42
Total ..	323	3.72	39.82	43.54

P.I.C.I.C. has assisted ten projects through direct participation in their equity amounting to Rs. 0.55 crore. It has also underwritten four public issues for Rs. 1.51 crore. In addition it has directly arranged finance from abroad for three of its larger projects, totalling Rs. 3.75 crores. Up to March 31, 1963, therefore, total assistance through P.I.C.I.C. amounted to the equivalent of Rs. 47.97 crores as under :

Loans in foreign currencies	..	Rs. 39.82 crores
Loans in local currency	..	Rs. 3.72 crores
Direct participations in equity	..	Rs. 0.55 crore
Underwriting of public issues for Rs. 1.51 crore of which P.I.C.I.C. had to take up	..	Rs. 0.13 crore
Direct loans from abroad for P.I.C.I.C. projects	..	Rs. 3.75 crores
Total	..	<u>Rs. 47.97 crores</u>

Some of the important features of P.I.C.I.C. financing were :

1. Of the projects financed, ten were joint ventures resulting in inflow of foreign capital of Rs. 1.23 crore besides valuable technical know-how and co-operation.

2. As many as 162 were new projects and in 67 of these the entrepreneurs were entering the industrial field for the first time.
3. Of 323 projects (with a total investment of nearly Rs. 91.12 crores) financed by P.I.C.I.C., 125 had been completed up to March 31, 1963 and were in production.
4. P.I.C.I.C. endeavours to broaden the base of industrial ownership by requiring as a condition of finance that larger enterprises should be public limited companies with a general issue of shares to the public. As a result, thirty-two enterprises have been converted into joint stock companies, of which the shares of nineteen companies are listed on the Stock Exchange.

One of the most significant activities of the Corporation during 1962 was sanctioning loans of about Rs. 4 crores in foreign exchange to eleven Inland Water Transport (I.W.T.) operators in East Pakistan. This is the first time that the Corporation has entered the I.W.T. field. These loans are for implementation of a long-term programme drawn up by the Government for the expansion and modernization of the I.W.T. industry in East Pakistan. The Inland Water Transport constitutes the lifeline of East Pakistan, and its expansion and modernization will have a far-reaching impact on the economy. The present loans will be utilized for the dieselization of 6 vessels and tugs, replacement of 24 large dumb crafts and 6 tugs and purchase of 72 new tugs, barges, passenger vessels and oil tankers. Finance has also been sanctioned for the modernization and expansion of dockyards, repair and maintenance facilities. As a result, the annual cargo and passenger carrying capacity in East Pakistan is expected to increase by 7,00,000 tons and 12,00,000 passengers a year by 1964-65.

P.I.C.I.C. also investigates the possibilities of investments in new and untapped fields for the convenience of prospective investors. A notable example is its survey of the paper and cement industries as a result of which four projects, one in paper and three in cement, have been developed and are now going forward.

The Corporation has now completed five years of successful operation in the course of which it has grown from a small institution to an outstanding development bank. Throughout it has operated profitably and paid a modest dividend to its stockholders. As at March 31, 1963 its stock was quoted on the stock exchange at a premium of around 20 per cent.

#### INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN

The Pakistan Industrial Finance Corporation was converted into the Industrial Development Bank of Pakistan in August 1961, under the Industrial Development Bank Ordinance which came into force on August 1, 1961.

The decision to convert P.I.F.C.O. into I.D.B.P. was taken on the recommendations of the Credit Enquiry Commission which submitted its report to the Government on September 8, 1959.

On being convinced that 'the promotion of small and medium-scale enterprise in any sector is an urgent national objective' and that 'the lack of special arrangements for medium-scale industries constitutes a lacuna in the institutional structure for industrial finance in Pakistan which must be corrected', the Commission recommended the re-organization of P.I.F.C.O. as the Industrial Development Bank with the primary object of catering to the credit requirements of medium-scale industries, both existing and new.

I.D.B.P. has a much wider scope of operations than P.I.F.C.O. Whereas P.I.F.C.O. could finance existing industries only, the Bank can finance the establishment of new industries besides modernization and balancing of existing units.

P.I.F.C.O. could not grant any individual loan or extend guarantees in excess of Rs. 15 lakhs for limited Companies and Rs. 5 lakhs for other concerns, except with the approval of the Government. The limit in respect of limited companies was reduced to Rs. 10 lakhs, primarily to enable the Bank to concentrate on medium and small industries. The restriction does not, however, apply to jute, cotton, inland transport, mining and such other industries as may be specified by the Government from time to time.

In view, however, of the increase in the cost of machinery and other factors of production, I.D.B.P.'s lending limits are being raised from Rs. 10 lakhs to Rs. 25 lakhs including foreign exchange component not exceeding Rs. 15 lakhs.

The authorized, issued and paid-up capital of the Bank is Rs. 3 crores, which consists of 3 lakh shares of Rs. 100 each. Fifty-one per cent of the total shares are held by the Central Government, and the rest have been subscribed for by the public, including Banking and non-Banking Corporations. The Bank obtains and replenishes its capital from the following sources.

- (a) Borrowings from the Central Government.
- (b) Borrowings from the State Bank of Pakistan secured by the guarantee of the Central Government.
- (c) Re-discounting of Bills with the State Bank of Pakistan.
- (d) Issue and sale of bonds and debentures.

Industries eligible for assistance from the Industrial Development Bank include agricultural processing, chemicals, electricals, engineering and heavy engineering, food products, leather and products, liquid fuels, milling, mining, natural gas and motive power, non-metallic mineral products, paper and stationery, rubber products, textiles and clothing, transport, wood products and other industries, including production and exhibition of films, hotels, industrial trading estates and organizations engaged in testing and research.

The provisions with regard to security requirements have also been revised to enable the Bank to conduct its business more freely than P.I.F.C.O. The Bank can accept pledge, mortgage, hypothecation of assignment of any property, movable or immovable, so long as the funds so raised are utilized for industries. In certain circumstances the Bank can also advance against a legal undertaking to mortgage, hypothecate or assign prospective assets.

During the period between August 1, 1961 and March 31, 1963 the total loans sanctioned by the Industrial Development Bank amounted to Rs. 26.45 crores. The total number of cases financed was 488.

The Bank extended credits in both domestic currency and foreign exchange. Of the total loans sanctioned during the period under review, Rs. 9.93 crores were in domestic currency, while Rs. 17.06 crores (or about 64 per cent of the total) were in foreign exchange.

I.D.B.P.'s policy has been directed towards meeting the long-term credit requirements of small and medium industries. Smaller loans, i.e., loans up to Rs. 5 lakhs have accounted for the largest part of the total loans sanctioned by I.D.B.P. On an average, about 76 per cent of the total recipients fall into this category. About 80 per cent of the recipients in West Pakistan received this category of loans both in domestic currency and foreign exchange while in East Pakistan about 68 per cent of total recipients received the same category of loans. The table below shows the size of loans sanctioned and the number of recipients.

SIZE OF LOANS SANCTIONED AND NUMBER OF RECIPIENTS  
(August 1961 to March 1963)

Size of loan	WEST PAKISTAN		EAST PAKISTAN	
	In domestic currency	In foreign exchange	In domestic currency	In foreign exchange
Up to Rs. 5 lakhs .. .. .	94	138	101	36
Rs. 5 lakhs to Rs. 10 lakhs .. .. .	15	18	22	9
Above Rs. 10 lakhs .. .. .	8	16	9	22
Total .. .. .	117	172	132	67

In sanctioning loans, the Bank has tried to make a reasonably balanced distribution between new and existing units. About 40 per cent of the total loans approved has gone to new units. In East Pakistan out of 199 loans sanctioned 55 per cent have been for setting up of new industries and 45 per cent for balancing and modernization. The higher proportion of loans for new units in East Pakistan is justified by the deficiency of capital formation in that Province and the consequent dearth of industries.

In West Pakistan 70 per cent of the loans sanctioned was for balancing, modernization and expansion of existing units. It is well-known that the dearth of foreign exchange at the disposal of private industrialists in West Pakistan has hampered modernization, caused idle capacity and retarded the expansion of existing capacities in many industries during the past years. Thus the allocation of such a high proportion of loans in foreign exchange for this purpose in West Pakistan seems to have been justified both by the need for efficient development planning in the industrial sector and by the principle of efficient investment banking.

The table below shows the nature of financing in terms of the number of loans.

NATURE OF FINANCING IN TERMS OF NUMBER OF CASES

(August 1961 to March 1963)

<i>Nature of financing</i>	<i>Total</i>	<i>West Pakistan</i>	<i>East Pakistan</i>
New units .. .. .	192	85	107
Balancing, modernization and expansion .. .. .	296	204	92
Total ..	488	289	199

In advancing loans, the Bank has also been guided by the policy of distributing its loans and investments fairly widely among different types of industries as well as among different regions. Such a policy not only minimizes the risk involved in long-term investment, but also fosters balanced development of industries and regions which is so important from the standpoint of long-term economic growth in a developing country like Pakistan.

During the period from April 1962 to March 1963, the Bank sanctioned Rs. 13.20 crores for balancing, modernization and setting up of new units, Rs. 5.91 crores in local currency, and Rs. 7.29 crores in foreign currencies. Of the total, Rs. 5.38 crores were lent in East Pakistan and Rs. 7.82 crores in West Pakistan. Apart from the loans that the Bank has sanctioned on its own, it was also called upon to administer foreign currency loans to different projects on behalf of the Government. Loans to six large projects have been administered on behalf of the Government involving foreign currency worth Rs. 20.65 crores.

During the period under review, foreign credits aggregating \$165.9 million were allocated to I.D.B.P. out of which \$154.3 million have been committed.

#### **Agricultural Development Bank of Pakistan**

The Agricultural Development Bank of Pakistan, was established on February 18, 1961, by merging the former Agricultural Development Finance Corporation (established in 1952) and the Agricultural Bank of Pakistan (established in 1957) with enlarged functions.

The Bank has an authorized share capital of Rs. 20 crores, of which Rs. 10 crores has been issued and fully subscribed by the Central and Provincial Governments as follows :

	Rs.
Central Government ..	9.0 crores
East Pakistan Government ..	0.5 crores
West Pakistan Government ..	0.5 crores
..	10.0 crores



In addition to share capital, the Bank is authorized to raise working capital by borrowing money against the security of its assets or otherwise and also to accept money on deposits. The Bank provides fixed deposit and savings bank facilities in rural areas on attractive terms.

The Bank has at present 96 offices of which 54 are in West Pakistan and 42 in East Pakistan. Arrangements are under way for the opening of 4 more offices, 2 in each Province, and by the end of 1962-63 the Bank will have 100 offices all over the country. During April 1962 to March 1963 the Bank continued to provide financial assistance to the agricultural sector. In addition to short-term loans for seasonal requirements such as seeds, fertilizers, plant protection measures and hired labour charges for certain crops and which are repayable within eighteen months, and medium-term loans for such items as small agricultural implements, levelling of land, digging of surface wells and purchase of draught animals, and whose duration is over eighteen months to five years, the Bank also gives long-term loans for over five years for development of land, installation of tube-wells; purchase of tractors and raising of orchards, etc., with a view to encouraging agriculturists to effect major improvements in their land and to adopt modern methods of mechanized farming. The Bank charges interest at 6 per cent on such loans, compared to 7 per cent on short-and medium-term loans. The Bank also provides financial assistance for horticulture, forestry, fisheries, animal husbandry, poultry farming, dairying, bee-keeping, sericulture and for the purposes of cottage industries in rural areas. Loans can be given either in cash or in kind but the Bank prefers to give them in kind as far as practicable. Besides individuals, public and private limited companies engaged in agriculture or the development of agriculture are also eligible for loans from the Bank.

The progress made by the Bank in its loan operations is reflected in the figures given below.

#### PROGRESSIVE FIGURES OF LOANS ADVANCED

(In thousand rupees)

<i>Year</i>	<i>East Pakistan</i>	<i>West Pakistan</i>	<i>Total</i>
1952-53	..	80	80
1953-54	1,91	6,96	8,87
1954-55	6,06	17,82	23,88
1955-56	12,90	27,70	40,60
1956-57	29,42	45,19	74,61
1957-58	66,60	81,46	1,48,06
1958-59	1,52,69	1,38,02	2,90,71
1959-60	3,43,47	3,85,74	7,29,21
1960-61	7,19,22	7,00,88	14,20,10
1961-62	11,30,73	11,63,85	22,94,58
1962-63	13,37,52	13,97,14	27,34,66
(Till 31-3-63)	14,07,66	14,75,96	28,83,62

During the nine months from July to March 1963, the Bank advanced Rs. 5.89 crores to 94,815 agriculturists, the total amount advanced since its inception being Rs. 28.84 crores to 4,31,747 agriculturists. In East Pakistan, where holdings are small and the demand is generally for short-term loans for seasonal requirements for raising crops, most of the loans have gone to small agriculturists, the average amount being Rs. 355. In West Pakistan where the holdings are comparatively large and there is substantial demand for medium-and long-term loans, only 43 per cent of the loans were given to small land holders, the average amount being Rs. 1,863.

During the calendar year 1962, the Bank advanced loans amounting to Rs. 9.63 crores, compared to Rs. 6.85 crores in 1961, Rs. 6.02 crores in 1960 and Rs. 2.19 crores in 1959.

There was also a marked increase in specialized loans given exclusively for development of certain food and cash crops against the hypothecation of the crops to be grown by the growers. This type of loan is popular among agriculturists as the procedure for granting of loans is simple, and borrowers are not required either to mortgage their land or to produce sureties. From the Bank's point of view, it is easier to supervise and recover these loans, as they are given mainly in kind and recoveries are made through the marketing agencies, brokers (for tea) or ginning factories (for cotton) or sugar mills (for sugarcane) or the Department of Food, Government of East Pakistan (for paddy). Loans against hypothecation of crops are also helpful to agriculturists who have no property to offer as security. The tables below show the amounts of loans advanced against hypothecation of crops.

#### LOANS ADVANCED AGAINST HYPOTHECATION OF VARIOUS CROPS

##### A. Loans to Tea Estates<sup>1</sup>

(For East Pakistan only)

(In rupees)

Period	Against mortgage	Against hypothecation
Since inception upto 31-3-63	13,49,832	63,56,356
From July 1962 to March 1963	5,62,294	19,06,880

##### B. Loans against Hypothecation of Paddy Crop

(For East Pakistan only)

	Rs.
Since inception to December 1962	48,81,694
From July 1962 to December 31, 1962	17,43,724

<sup>1</sup>A special arrangement has been made with the East Pakistan Tea Development Committee under which the Committee placed Rs. 50 lakhs at the disposal of the Bank during financial year 1961-62 for medium-and long-term loans to existing tea gardens for the expansion of cultivation of tea and for improvement of the factories by purchase of machinery, construction of office buildings, new labour quarters, etc. Loans against mortgage of tea estates have been granted out of these funds.

C. *Loans against Hypothecation of Sugarcane Crop*

(In rupees)

<i>Period</i>	<i>East Pakistan</i>	<i>West Pakistan</i>	<i>Total</i>
Since inception to 31-3-1963 .. ..	61,42,485	50,47,118	1,11,89,603
From July 1, 1962 to March 31, 1963 .. ..	14,36,469	3,55,180	17,91,649

D. *Loans against Hypothecation of Cotton Crop*  
(West Pakistan only)

		Rs.
Since inception to December 1962 ..		26,75,830
From July 1962 to December 1962 ..		2,73,352

E. *Tobacco Marketing Loans*  
(in Mardan District only)

		Rs.
From July 1962 to December 1962 ..		19,650

F. *Jute Marketing Loans*

(through five centres at Narayanganj, Narsingdi, Sarisabari, Sirajganj and Daulatpur in East Pakistan).

		Rs.
From July 1962 to December 1962 ..		2,80,490

The Bank advanced loans amounting to Rs. 3.30 crores up to March 1963 in the areas covered by the Model Scheme known as the Crash Programme. Of this, Rs. 2.44 crores was paid in the Crash Programme areas of East Pakistan and Rs. 0.86 crores in West Pakistan. During the period from July 1, 1962 to March 31, 1963 the loans granted in the Model Scheme Crash Programme areas amounted to Rs. 46.37 lakhs in East Pakistan and Rs. 16.51 lakhs in West Pakistan. The Bank has also advanced Rs. 36.53 lakhs for the development of marine fisheries in East and West Pakistan.

The dues of the Bank are recovered in suitable instalments fixed according to the convenience of the borrowers, keeping in view the timing of the harvest.

The overall position of recoveries since inception till the end of March 1963, is 77 per cent—75 per cent in East Pakistan and 79 per cent in West Pakistan.

**House Building Finance Corporation**

The House Building Finance Corporation was set up in 1952 to relieve the shortage of housing accommodation by providing financial assistance in the form of long-term loans to persons intending to construct houses in urban areas.

The authorized share capital of the Corporation is Rs. 5 crores which has fully been subscribed by the Government. The Corporation pays 2 per cent interest on this to the Government. The Corporation may increase its working capital by issue of bonds and debentures which are guaranteed by the Central Government in regard to both principal and interest.

The maximum loan that can be given by the Corporation to any individual is Rs. 40,000. In the beginning the minimum amount was kept at Rs. 4,000 but later the Act was amended and the limit reduced to Rs. 2,000 to enable persons in the small income groups to secure a loan. The maximum amount of loan that may be granted to a co-operative society is Rs. 15 lakhs. The maximum period of repayment prescribed in the Act is twenty years but as a working arrangement the period of repayment has been fixed at fifteen years. Loans are advanced against the mortgage of movable or immovable properties of the borrowers or their sureties, and also against the security of plots of land and houses to be constructed thereon. The rate of interest chargeable has been changing from time to time and at present is 6½ per cent. This rate compares favourably with the rates charged on house building loans in many other countries.

The loan is repayable in monthly instalments sufficient to cover the principal as well as the interest.

The repayment of loan and interest in monthly instalments commences from the first day of the third following month after the receipt of the last instalment by the borrower.

The borrower must have his building insured against fire and flood, or earthquake risks before the last instalment is drawn.

In West and East Pakistan, all mortgages on loans up to Rs. 20,000 are exempt from stamp duty and registration fee.

Since its inception to the end of March 1963, the Corporation sanctioned loans amounting to Rs. 17.04 crores for the construction of 9,155 houses. During the period from April 1, 1962 to March 31, 1963, loans amounting to Rs. 4.44 crores were sanctioned for the construction of 2,180 houses. The regional distribution of applications received and loans sanctioned, excluding cancellations, is given below.

#### ZONAL DISTRIBUTION OF H.B.F.C. LOANS

Region	Applications received from 1-4-62 to 31-3-63		Loans sanctioned, excluding cancellations, from 1-4-62 to 31-3-63	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Karachi .. .. .	1,120	3,14,73,500	1,034	2,09,82,000
West Pakistan .. .. .	1,189	2,37,31,500	787	1,46,77,000
East Pakistan .. .. .	475	1,29,64,500	359	87,85,000
Total .. .. .	2,784	6,81,69,500	2,180	4,44,44,000

The net profit of the Corporation amounted to Rs. 19,47,201 subject to taxation, during 1961-62. The Corporation has built up a Reserve Fund of Rs. 28,58,619 and a Reserve for Bad and Doubtful Debts of Rs. 2,50,000 up to the end of June 1962. After the Government's decision to shift the Head Office of the Corporation to Dacca, two zonal offices were established one at Karachi to control all the Regional and Sub-Regional Offices of the Corporation in West Pakistan, and the other at Dacca for controlling the branches in East Pakistan. In order to avoid delays the General Managers in charge of the Zonal Offices have been given powers to sanction loans up to Rs. 30,000 and to issue cheques relating to their regions. Regional and Sub-Regional Offices of the Corporation are authorized to sanction loans up to Rs. 10,000 and Rs. 5,000 respectively.

### CO-OPERATIVE CREDIT

Besides these institutions, credit is also provided by the co-operatives. In order to strengthen the co-operative credit structure of the country, the State Bank of Pakistan Act, 1956, was amended in February 1961 authorizing the Bank to provide medium-and long-term advances to co-operative banks and medium-and long-term loans and advances to other rural credit agencies. The Bank was also empowered to establish a rural credit fund for this purpose and to make appropriations to the fund from time to time from its surplus profits, in consultation with the Central Government. A sum of Rs. 1 crore was transferred to the Reserve Fund in 1960, pending creation of a Rural Credit Fund. This was later transferred to the Rural Credit Fund. The size of the Fund was increased by another Rs. 1 crore by appropriation from the 1960-61 profits of the State Bank, bringing the total to Rs. 2 crores.

The State Bank also continued to grant loans to co-operatives and specialized agencies for financing seasonal agricultural operations and marketing of crops. The Bank made available Rs. 1 crore through the Provincial Co-operative Banks and statutory agricultural credit agencies in both Wings of Pakistan. In East Pakistan a beginning was also made in financing Fishermen's Co-operatives.

### DRIVE TO POPULARIZE BANKING

The Banking Publicity Board, which was set up by the State Bank of Pakistan in collaboration with commercial banks launched a number of programmes to popularize banking habit and savings amongst people. The Board arranged a series of symposia at six important centres on 'Development of Banking Habit and Savings'. A number of 'Account Opening Drives' were launched through all scheduled banks. A School Banking Scheme was also introduced with the object of inculcating systematic saving habits amongst school children during their formative years. During a short period of five months the scheme was introduced in 319 schools with 48,939 accounts with a total deposit of Rs. 4,72,455 as on December 30, 1962. The Board has also sponsored a Workers' Savings Scheme to encourage and to facilitate the savings and banking of money by workers. The scheme has been introduced in a number of factories in both Wings of the country. The Board has also published a series of brochures, pamphlets, booklets, posters and other publicity literature which have been widely distributed throughout the country.

## STOCK MARKET

## XII

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THE GENERAL performance of the stock exchange in recent years reflects an overall improvement in the investment climate of the country. The shares index compiled by the Habib Bank rose from 165.17 in January 1959 to 255.59 in December 1962 and at the end of March 1963 stood at 276.35. The worst period for the stock market was from June 1960 to July 1961, when the index dipped from 200.19 to 188.50.

Among the Habib Bank's averages comprising Banks, Insurance, Textiles, Jutes and Miscellaneous, Textiles has been regarded as the leading group in the market. The index for textile shares rose from 162.25 in the first week of January 1959 to 232.98 in June, and further to 298.58 in December 1959. Thereafter, it dropped to 251.34 in June 1960 and 244.84 in December, the lowest point of that year. It slightly improved to 249.29 in June 1961, and reached 294.66 in the last week of December 1961.

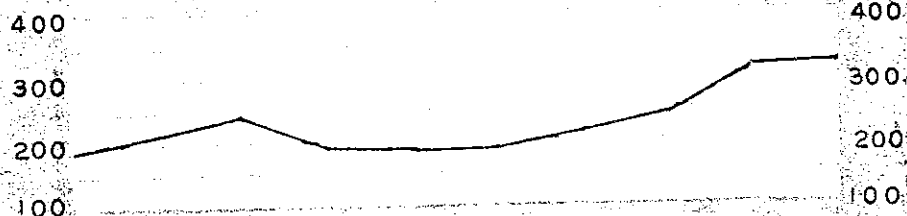
The index of bank shares progressed from 180.47 in early January 1959 to 209.41 in June, and touched its peak for the year at 244.57 in December. Following the general declining trend, the index fell to 192.41 in June 1960 and to 189.34 in June 1961. Thereafter, it rose to 219 in December 1961.

Starting from 199 in January 1959, the index of Insurance shares, stood at 216.50 in June, and rose further to 221.87 in December 1959. It declined to 212.19 in June 1960, but rose slightly to 214.69 in December, only to fall again to 208.50 in June 1961. It again went up to 238.75 in December 1961. Jute and Miscellaneous shares similarly showed a remarkable increase from 91.25 and 147.17 respectively in January 1959, to 124.16 and 164.87 in June. The index for jute, which rose as high as 145.21 in December 1959, declined to 139.17 in December 1961. The index of the miscellaneous group rose to 208, the highest point in its history, in December 1959, but then continuously declined to 162.93 in December 1961.

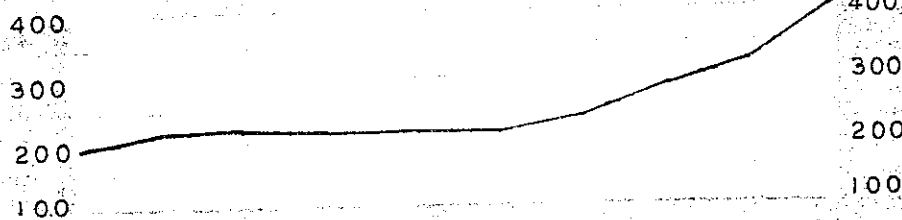
Since the promulgation of Martial Law, the working machinery of the economy has been greased with new impetus and industrial sector nourished with special care. As a consequence, share values in different industries, banks, insurance, jute, etc., were rising constantly throughout 1959. During this period, the all shares index gained by 74.50 points to 232.58 at the end of December 1959, and this rising trend was maintained up to March 1960. Since then the stock market remained under bearish influence covering the period up to August 1961, when

# INDICES OF SHARE VALUES (HALF YEARLY)

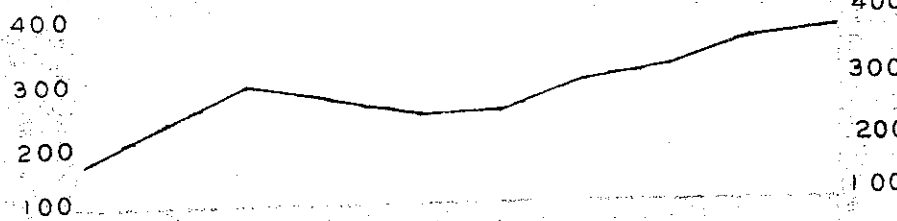
## BANKS



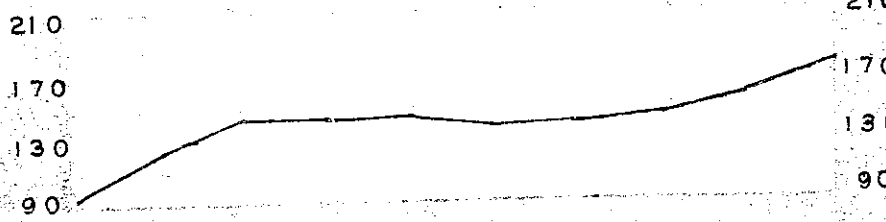
## INSURANCES



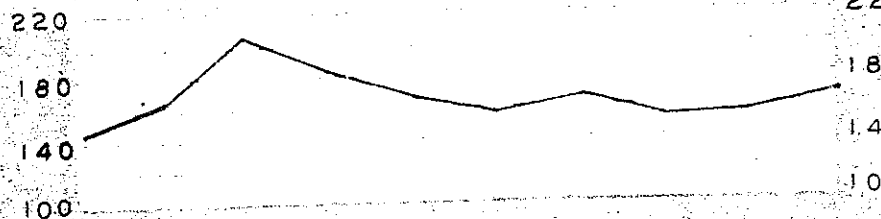
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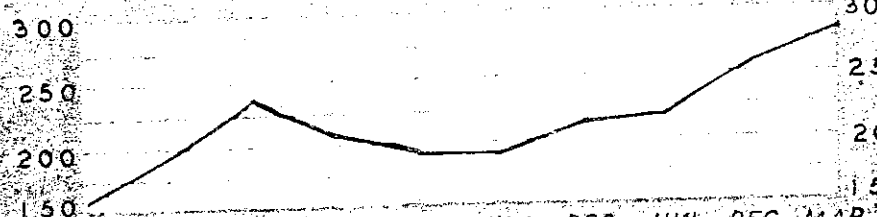
## JUTES



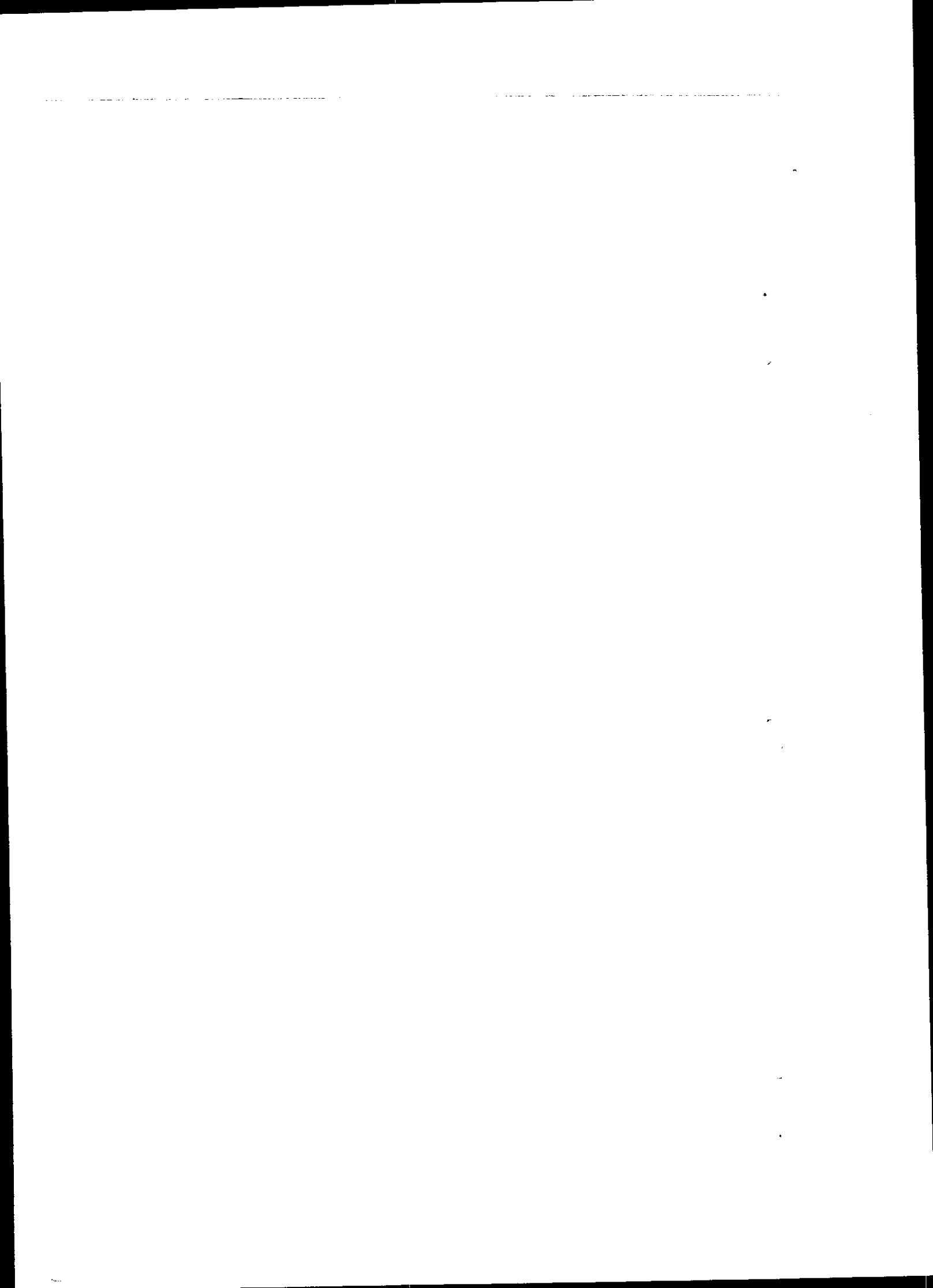
## MISC.



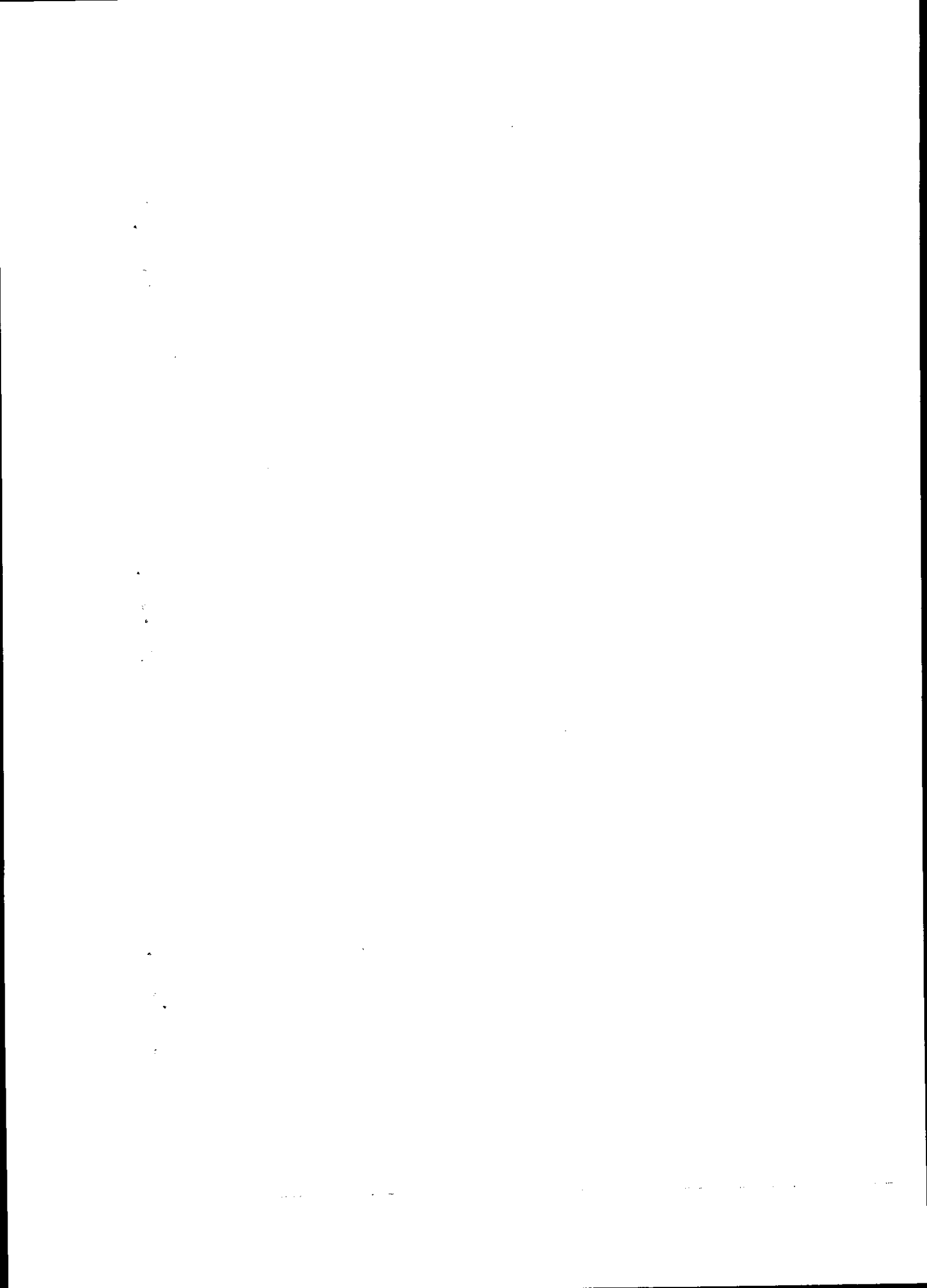
## ALLSHARES



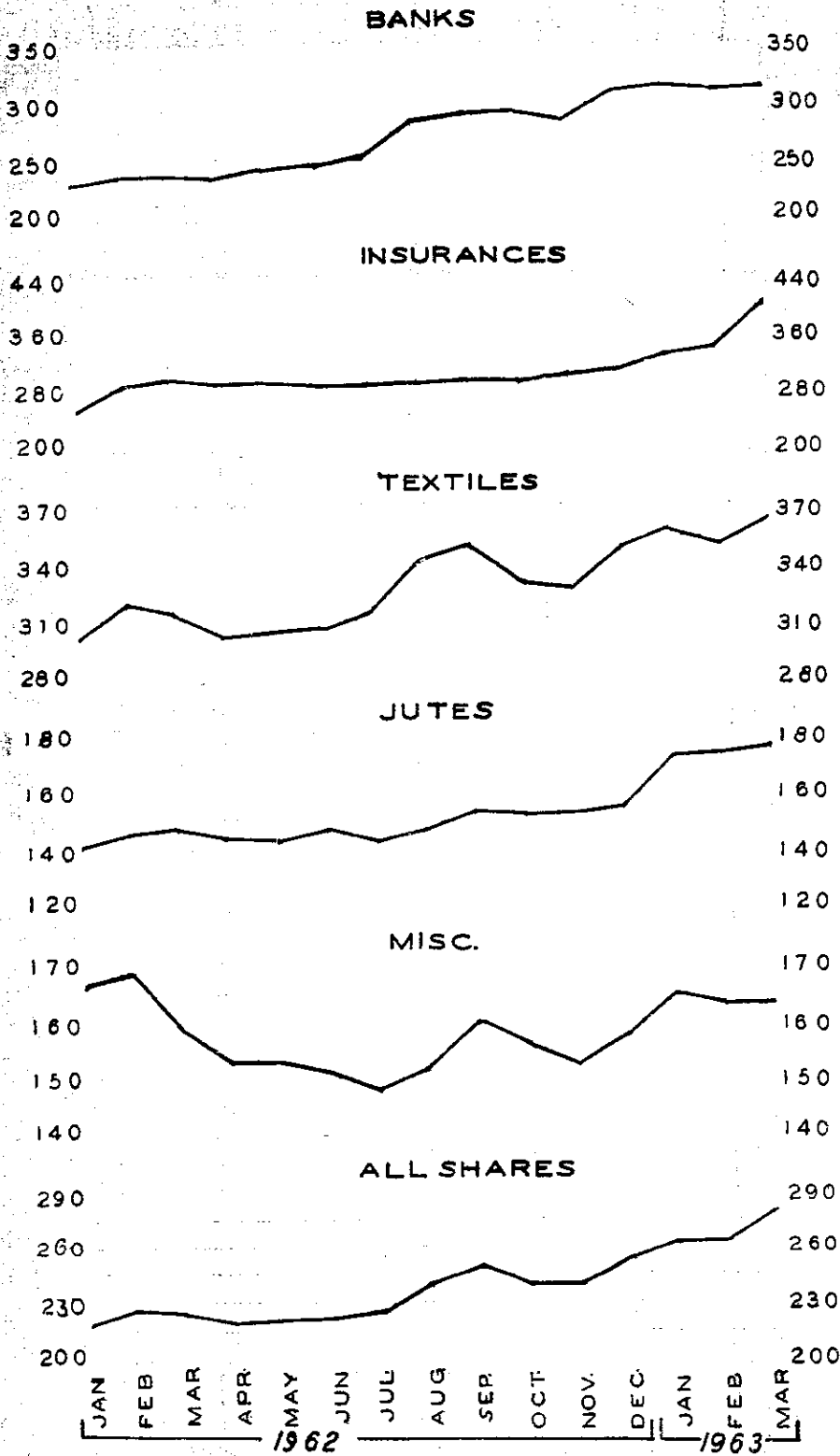
JAN. 1959 JUN. 1959 DEC. 1959 JUN. 1960 DEC. 1960 JUN. 1961 DEC. 1961 JUN. 1962 DEC. 1962 MAR. 1963







# INDICES OF SHARE VALUES (MONTHLY)



the all shares index dipped to 188.77, mainly because of the new policy of monetary stringency and import liberalization, which diverted a considerable amount of money from stock market to import-export business.

The year 1962 saw a reverse trend. The index of all shares advanced from 213.56 in early January to 229.34 in February, and after a decline to 218.60 in April, rose continuously to 222.62 in June, 249.34 in September and 255.59 in December 1962. The Bank group showed the largest advance, from 226.79 in January 1962 to 312.66 in December 1962. Insurance shares rose from 250 to 319.50 during the same period. Textile shares behaved erratically, but rose from 301.60 to 350.58. Jute shares showed a lesser increase from 140.30 to 155.99. The miscellaneous group went up from 167.27 in January to 169.44 in February, but in contrast to the others, it fell sharply to 157.85 in December 1962.

The index of shares from January 1959 to March 1963 is given below.

#### INDEX OF SHARES AT KARACHI

Group	1959 Jan.	1959 June	1959 Dec.	1960 June	1960 Dec.	1961 June	1961 Dec.	1962 June	1962 Dec.	1963 March
Banks ..	180.47	209.41	244.57	192.41	189.25	189.34	219.00	249.33	312.66	321.43
Insurance ..	199.00	216.50	221.87	212.19	214.69	208.50	238.75	285.60	319.50	406.80
Textiles ..	162.25	232.98	298.58	251.34	244.84	249.29	294.66	306.74	350.58	366.60
Jutes ..	91.25	124.16	145.21	142.71	145.42	138.33	139.17	148.57	155.99	178.40
Miscellaneous ..	147.17	164.87	208.00	180.34	164.15	159.58	162.93	150.79	157.85	162.61
All shares ..	165.17	192.04	232.58	200.19	192.70	190.77	212.12	222.62	255.59	276.35

The first quarter of 1963 has shown a remarkable increase in the share values of all groups. The all shares index which stood at 260.35 in the first week of January rose to 265.10 at the end of the month. After declining by 1.25 point in the last week of February, it rose to 276.35 at the end of March. Insurance shares alone gained 81.74 points during the period and stood at 406.80 at the end of March 1963. Jute shares increased by 16.43 points to 178.40, textiles by 14.09 points to 366.60, banks by 6.22 points to 321.43 and only miscellaneous dropped by 2.69 points to 162.61.

From September 1961 to March 1963, the stock market recorded a history of persistent rise in share values due to the following reasons.

- (1) The sound financial condition of the Government as reflected in success in the fight against inflation.
- (2) General improvement in the economy inspiring greater confidence in the stock market.
- (3) Declaration of favourable working results by leading companies.

- (4) Amendments in Insurance Act in August and October 1961 raising the limit of investment of life funds by insurance companies in approved equities.
- (5) Withdrawal by the State Bank of margin restriction on bank advances against shares of existing companies.
- (6) Concessions offered to the industrial sector in the budgets for 1961-62 and 1962-63.
- (7) Establishment of an Investment Trust in the country.

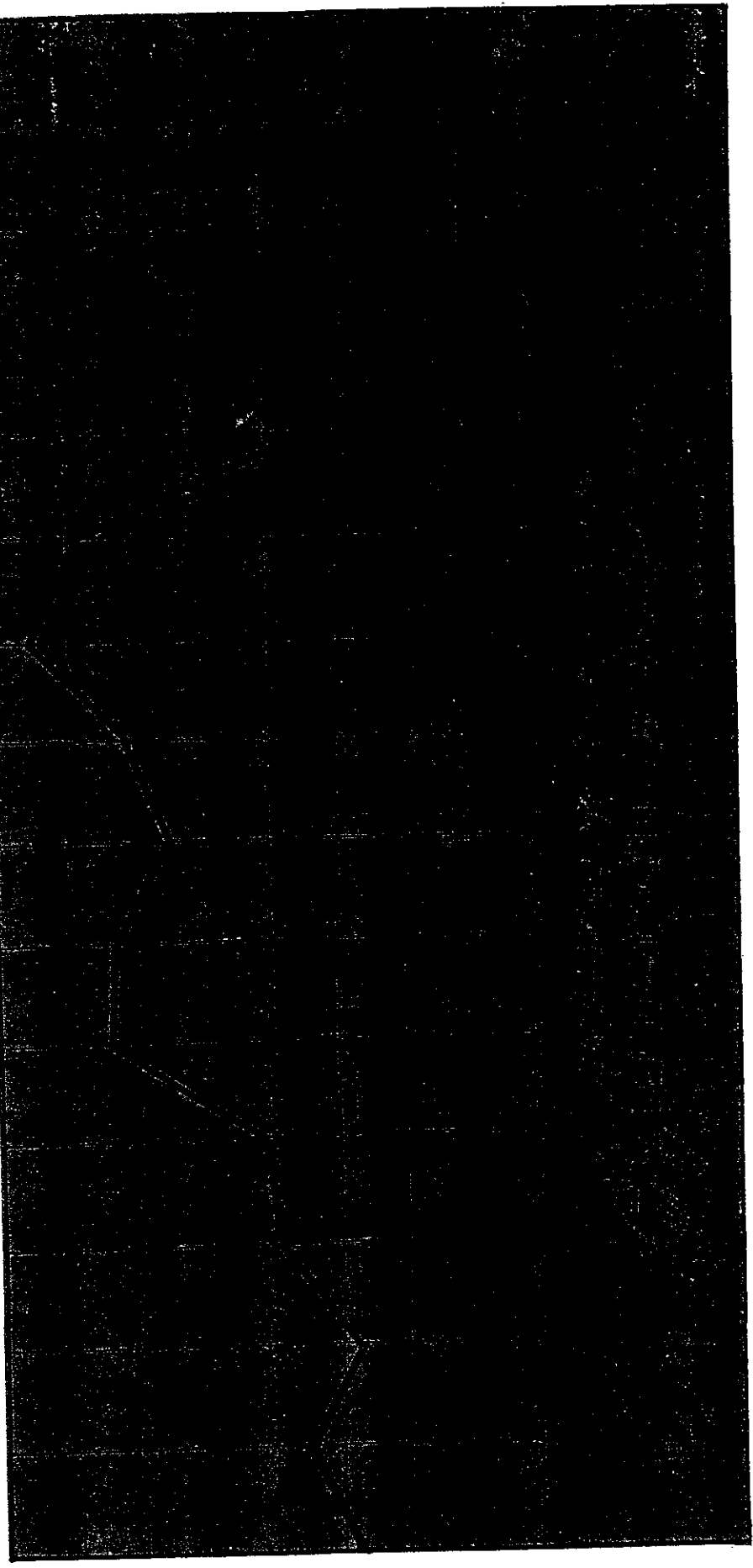
### STOCK MARKET IN THE U.S.A.

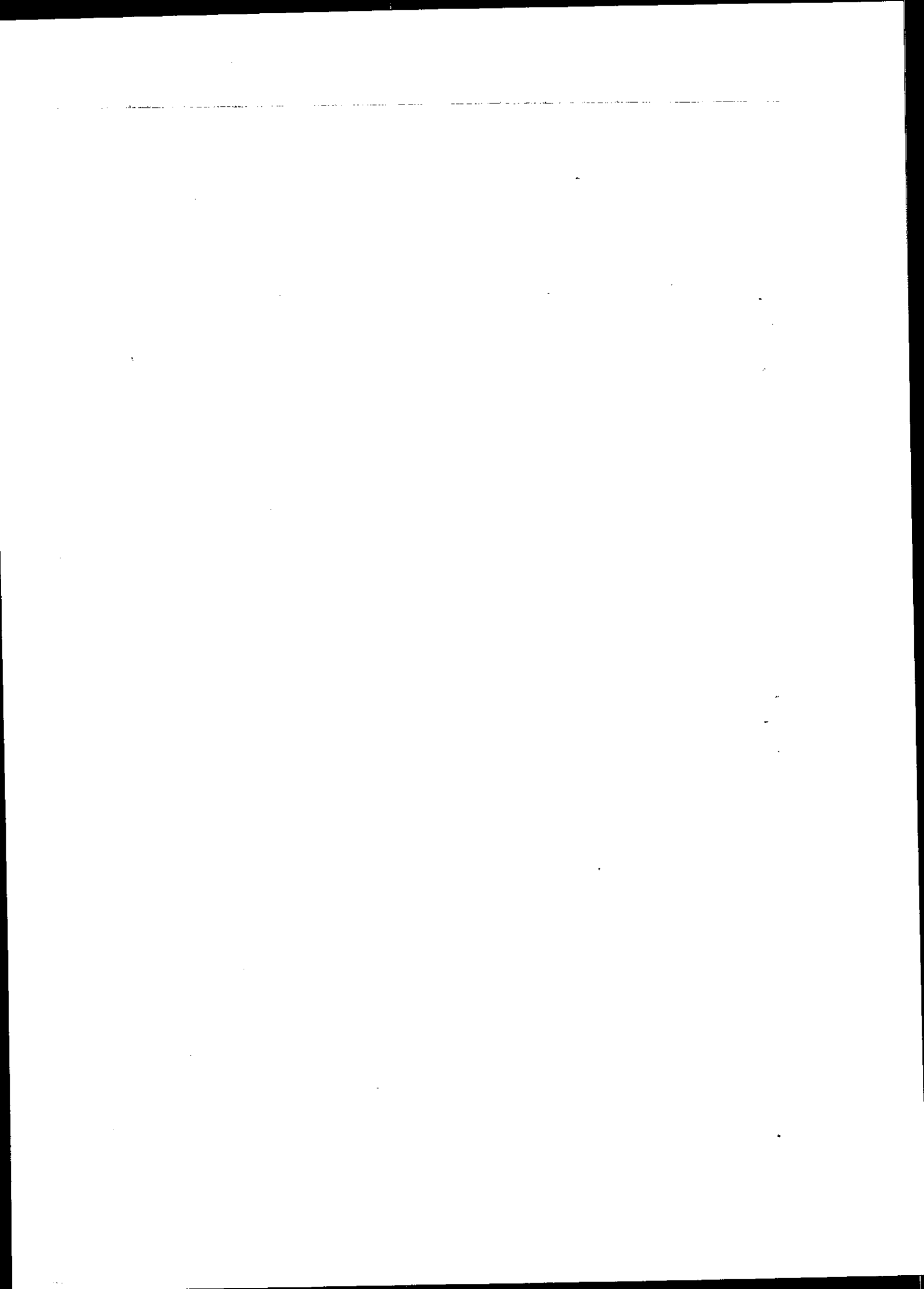
The buoyancy of the stock market in Pakistan is in contrast with the depressed conditions in other leading world stock exchanges. In the foregoing paragraphs it has been stated that the stock market in Pakistan became cheerful from September 1961, and remained so till the end of March 1963. As against this, Wall Street which is the index of the U.S. economy suffered considerable set back for a long time. Until recently there has been a considerable down trend in stock prices in Wall Street since the beginning of 1962. The index fell from 731.14 at the end of December 1961 to 576.93 on May 28, 1962. In one single day the Dow Jones index lost 34.95 points from 611.88 on May 27 to 576.93 on May 28, 1962. This down-swing is comparable in magnitude with that of the 1929 crash, when on October 29, 1929 there was a decline of 39.33 points. This sagging trend resulted from a general belief that share prices in the United States are over-valued while yields are low. As the taxation system in the United States gives preferential treatment to capital gains, the shareholders had generally been interested in getting capital gains rather than a regular dividend income. The market thus became highly speculative. Booking profits at high levels brought about a cumulative downward movement. There are many investors in shares in the U.S.A. who are likely to get panicky easily particularly with bitter memories of the 1929 crash.

After the crash of May 28, 1962, Wall Street witnessed many ups and downs. Prices dipped to the lowest of 1962 on June 26. On July 28 the index rose by over 20 points. Recovery was, however, short-lived, as on July 6, the index dropped to 576.17, which was still slightly lower than the May 28 figure of 576.93. Meanwhile efforts continued to boost the stock market. The Federal Reserve Board announced on July 9 the easing of Regulations for the buying of shares on credit. The margin requirements were reduced from 70 per cent to 50 per cent. Buyers of stocks were thus required to provide only half the purchase price immediately instead of the 70 per cent which had been the rule for two years. The immediate impact was that on July 10, the index of industrial shares jumped to 586.01 which by the end of July 1962 increased to 597.93 and on August 23 to 616. The recovery was, however, regarded as a technical adjustment and lacked conviction.

After remaining precariously around the 600 mark for seven weeks the Dow Jones industrial average dropped by 9.87 points on September 21, and closed the week at 591.78. On October 12 it stood at 586.47. After holding from fairly steady to firm, Wall Street turned lower during the week ended October 19 when the index finished at 573.29,

D J F M A M J J A S O N D J F M  
1961 1962 1963





The Cuban crisis of October 22, 1962 brought about a fresh collapse on Wall Street, when additional millions of dollar were erased from the value of shares.

The Dow Jones index fell to 568.60 on October 22 and to 558.06 the following day. The market, however, reacted sharply in response to the withdrawal of the U.S. naval blockade of Cuba. On October 24, there was a pronounced recovery of 18.62 points to 576.68. On November 15, the index moved to a new peak at 629.14, and by December 16, it reached the 650 mark.

The year 1963 opened with signs of optimism, as on January 3, 1963, the index moved to 657.42 and continued to rise to 675.74 on January 14. After a moderate slump since January 16, the index again continued to rise. On February 4, it stood at 682.01 and reached a new peak of 688.96 on February 18. Following President Kennedy's warning that the U.S. would be struck by its fifth post-war recession in the not too distant future if the Congress refused to cut taxes, the Dow Jones index fell to 674.61 on February 25; the decline continued in March, when the index stood at 659.72.

Some cross currents in the news about the threat of a rail strike and uncertainty about the Securities and Exchange Commission report to Congress depressed the market for some time. Later, it recovered and on March 27, the index was 684.73

#### BONUS VOUCHERS

Pakistan has had a persistent lack of foreign exchange over the past decade. The terms of trade were not favourable to Pakistan during these years because of the falling and comparatively low prices of her exportable agricultural commodities and the steep rise in the prices of imports. Another development tending to limit exports is the higher consumption of cash crops like raw jute and raw cotton by domestic industries and the consequent decline in their exportable surplus. The result of these developments was a steady fall in the foreign exchange earnings of Pakistan's exports between 1951-52 and 1958-59.

To reverse this trend, the Government instituted the Export Bonus Scheme in January 1959. The scheme covers all exports other than Pakistan's traditional agricultural exports like raw jute, raw cotton, hides and skins, raw wool and tea.

Earnings from the exports covered by the scheme increased from Rs. 24.8 crores in 1958 (the last full year immediately preceding the introduction of Bonus Scheme) to Rs. 45.6 crores in 1959. Exports of the items covered by the scheme continued to rise in the following two years. Receipts increased to Rs. 67.8 crores in 1960, to Rs. 72.47 crores in 1961 and further to Rs. 77.69 crores in 1962.

In the last *Economic Survey* the price trend of bonus vouchers was reviewed for the period up to March 1962. In this Survey, a brief review of the price trend is included for the period January 1962 to March 1963.<sup>1</sup>

<sup>1</sup>For details see Table 65 of the Statistical Section.

The year 1962 started with the highest quotation of bonus vouchers at Rs. 171 in January, touched the lowest at Rs. 158, and stood at Rs. 167.25 at the end of the month. The fluctuations were even wider in February, when the highest quotation was Rs. 193, the lowest Rs. 168 and the month-end quotation Rs. 180.50. March witnessed a remarkable steadiness, with practically no difference between highest, lowest and month-end quotations. All the three were at Rs. 181. There was a marked downward trend in April, from Rs. 173 to Rs. 148, with a recovery to Rs. 149.50 at the end of the month. In May the price rose again; both the highest and month-end quotations were Rs. 165 and the lowest was Rs. 150. June saw a steep decline from Rs. 162, the highest, to Rs. 133 at the end of the month. July remained comparatively steady ranging between Rs. 135 and Rs. 125.50, and August was also comparatively uneventful when bonus vouchers fluctuated between Rs. 146 and Rs. 133.25. September again saw the beginning of a rise which reached Rs. 180.50 in October, but the price declined to Rs. 148.25 at the end of the month. November remained practically steady, but December, starting from Rs. 147, declined to Rs. 146.50 on 8th, but again rose to Rs. 158 at the end of the month.

Generally wide fluctuation in the price of bonus vouchers are mainly due to over speculation. The price touched bottom during July 1962 because of the absence of large-scale buying by sugar and art-silk importers, and the availability of large stocks of ready vouchers. There was also a rumour that yarn exports would be given the benefit of bonus earnings, and the price of vouchers accordingly declined to Rs. 125.50, the lowest during the year.

Quotations were comparatively steady during the first quarter of 1963. The price of vouchers rose to Rs. 158.50 in January, touched a low point at Rs. 150.50 but then improved at Rs. 154.75 at the end of the month. February quotations were maximum Rs. 164.50, minimum, Rs. 155.75 and month-end, Rs. 160.50. In March, prices were steadily increasing, from Rs. 163.25 to Rs. 172 at the end of the month, against Rs. 181.25 in March 1962, and Rs. 118 in March of 1961.

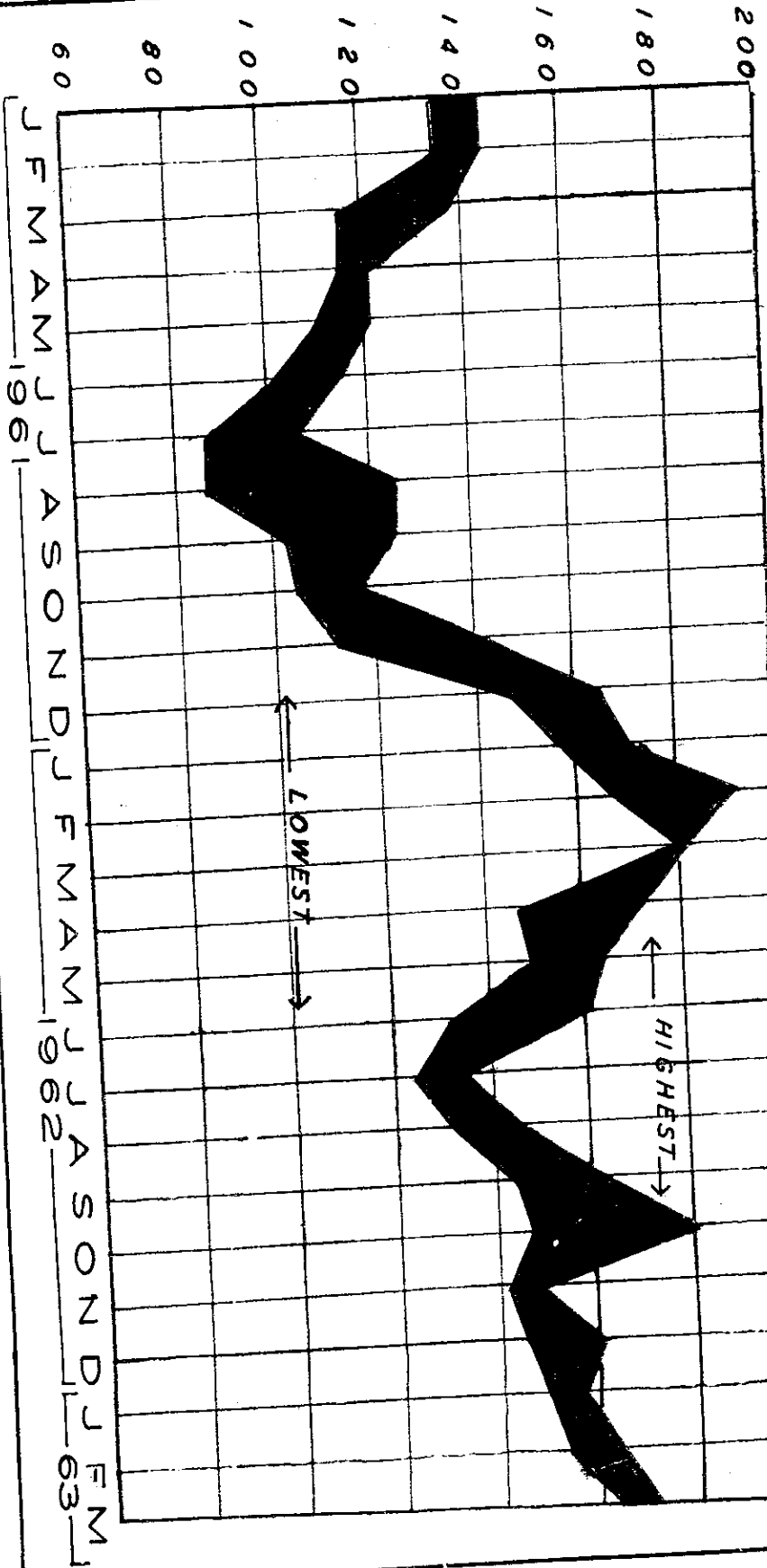
Relatively steady prices at a fairly high level were maintained during the first quarter of 1963 by the new import policy which eliminated imports of miscellaneous goods through regular import licensing and as a result, there was buying pressure on the bonus market. Purchases of vouchers were further stimulated by the Government decision to import a limited quantity of betelnuts under bonus vouchers.

The price of bonus vouchers fluctuated violently in 1962 within the range of maximum Rs. 193 in February and minimum Rs. 125.50 in July. But the extent of fluctuation was much wider in 1961 when the highest and the lowest quotations were Rs. 165.25 and Rs. 87 in December and August respectively. It may also be noted that the lowest price in 1962 was considerably higher than the lowest quotation of 1961. The highest figure quoted in 1962 was Rs. 193 against Rs. 165.25 in 1961.



# PRICES OF BONUS VOUCHERS

IN RUPEES



← LOWEST →

← HIGHEST →

1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is crucial for the company's financial health and for providing a clear picture of its operations to stakeholders.

2. The second part of the document outlines the various methods used to collect and analyze data. It includes a detailed description of the data collection process, from identifying the sources of data to the actual collection and storage of the data.

3. The third part of the document describes the analysis of the data. It explains how the data is processed and analyzed to identify trends and patterns. This part also includes a discussion of the various statistical methods used in the analysis.

4. The fourth part of the document discusses the results of the analysis. It provides a detailed overview of the findings and discusses their implications for the company. It also includes a discussion of the limitations of the analysis and the need for further research.

5. The fifth part of the document provides a conclusion and a summary of the key findings. It also includes a list of references and a list of figures and tables.

## PUBLIC FINANCE

## XIII

## BUDGET OF THE CENTRAL GOVERNMENT

THE CENTRAL budget is divided into two main accounts—Revenue and Capital. Revenue accounts cover current receipts and expenditures. Capital accounts include mainly non-recurrent receipts and expenditures, classified broadly in two groups internal and external resources. Internal resources include receipts from domestic borrowings, public investment of small savings, recoveries of Central loans from the Provinces and semi-autonomous bodies and sale of capital assets. External resources consist of foreign loans and grants. Capital expenditures are financed mainly from internal borrowings and from foreign aid and credits. During recent years foreign aid and loans have come to play a major role in financing the growing development programmes. Foreign loans and grants are estimated to contribute Rs. 233 crores during 1962-63 towards development expenditure, as against Rs. 69 crores in 1959-60. Some important facts and figures from the Central Government Budget for 1960-61 to 1962-63 are given in a table below.

## CENTRAL GOVERNMENT BUDGETS, 1960-63

(In lakh rupees)

<i>Particulars</i>	<i>1960-61 Accounts</i>	<i>1961-62 Revised</i>	<i>1962-63 Budget</i>
Revenue expenditure .. .. .	1,77,57	1,89,90	1,95,88
Capital outlay on development .. .. .	1,66,13	2,14,71	2,83,77
Non-development capital outlay .. .. .	16,75	12,12	27,82
	3,60,45	4,16,73	5,07,47
Likely shortfall in capital outlay on development .. .. .	..	..	(—)18,00
Total expenditure .. .. .	3,60,45	4,16,73	4,89,47

<i>Particulars</i>	1960-61 <i>Accounts</i>	1961-62 <i>Revised</i>	1962-63 <i>Budget</i>
Financed by :			
Revenue receipts .. .. .	2,09,47	2,22,90	2,12,75
Permanent debt (external) .. .. .	43,10	64,76	1,76,17
Foreign aid fund .. .. .	56,91	56,82	56,86
Unfunded debt (net) .. .. .	8,04	8,86	9,55
Floating debt .. .. .	9,64	5,69	(—)8,31
Accretion to Reserve Funds .. .. .	20,11	32,74	11,60
Loans and Advances Account .. .. .	70	4,99	9,67
Deposits and remittances .. .. .	(—)1,768	3,50	6,50
Miscellaneous capital receipts .. .. .	5,24	7,78	5,67
Internal permanent debt .. .. .	17,47	6,30	10,50
<i>Ad hoc</i> Treasury bills .. .. .	..	..	..
Drawings on cash balances .. .. .	7,45	2,39	(—)1,50
Total Finance items .. .. .	3,60,45	4,16,73	4,89,47

### Ordinary budget

The growth of ordinary revenue and expenditure is shown in the following table.

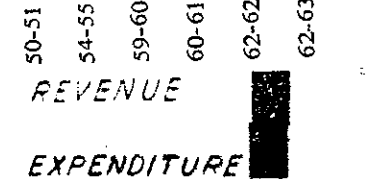
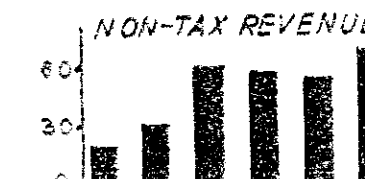
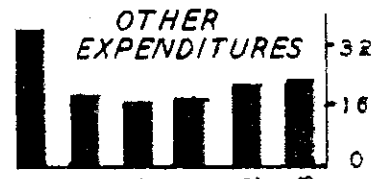
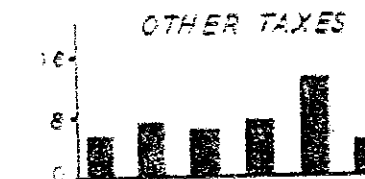
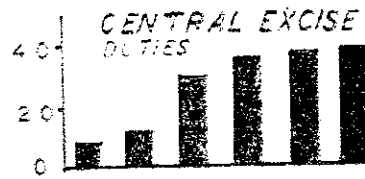
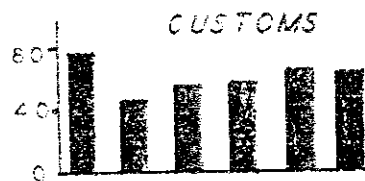
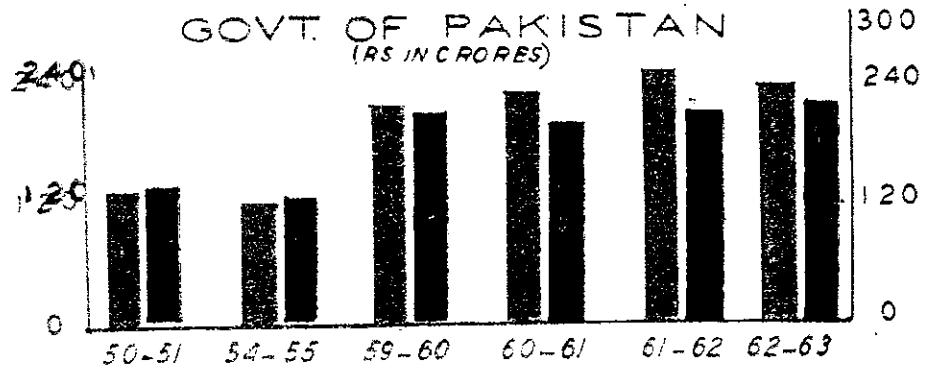
#### ORDINARY REVENUE AND EXPENDITURE OF THE CENTRAL GOVERNMENT

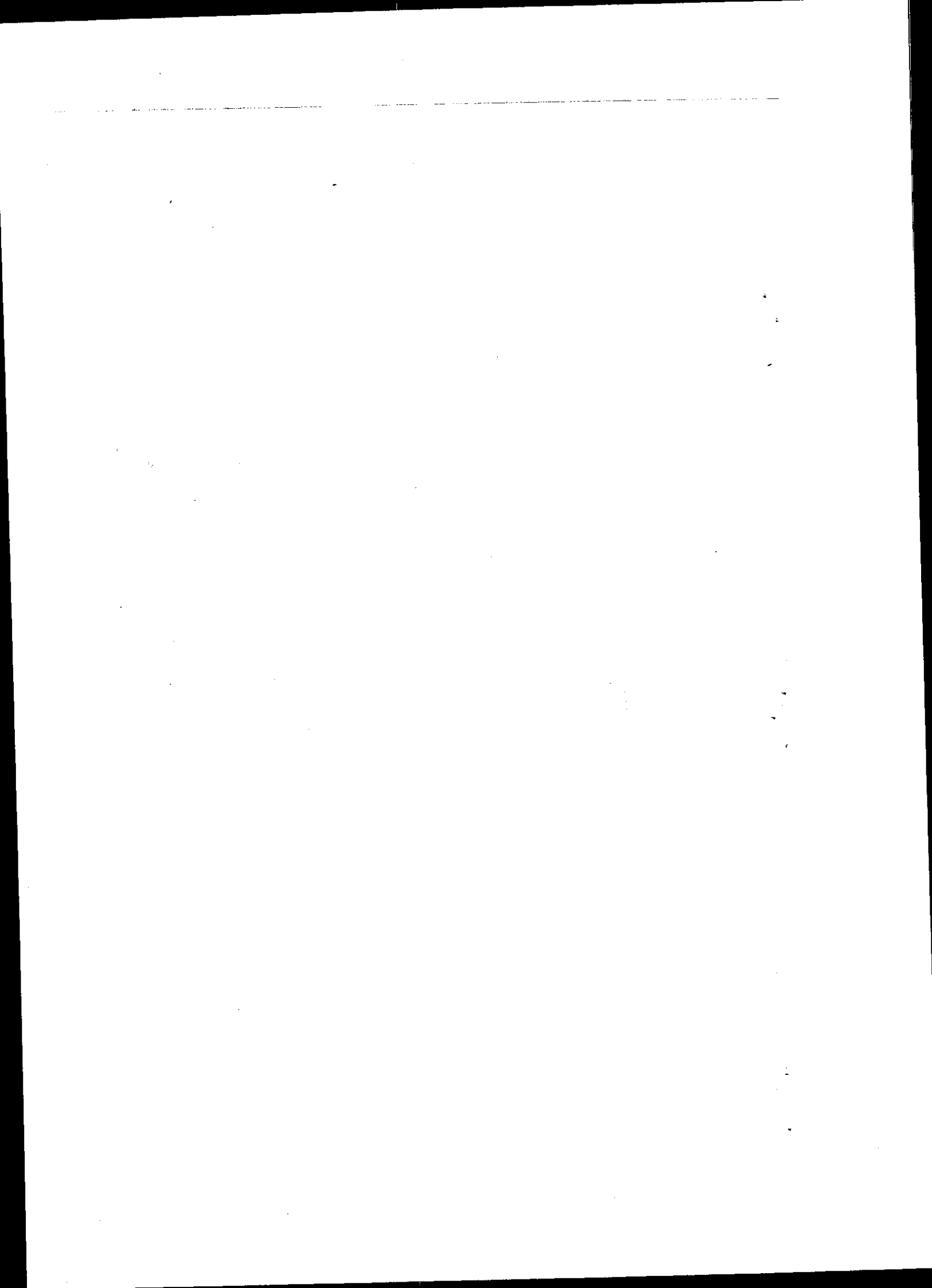
(In lakh rupees)

<i>Revenue/Expenditure</i>	<i>Actuals</i>				<i>Revised</i> 1961-62	<i>Budget</i> 1962-63
	1950-51	1955-56	1959-60	1960-61		
Revenue .. .. .	1,27,32	1,43,58	1,88,77	2,09,47	2,22,90	2,12,75
Expenditure .. .. .	1,26,62	1,43,34	1,73,38	1,77,57	1,89,90	1,95,88
Surplus .. .. .	70	24	15,39	31,90	33,00	16,87

Table 66 of the Statistical Section shows details of revenue and expenditure. The largest single revenue source is custom duties, followed by central excise, income tax, and sales tax. These four taxes accounted for 71.44 per cent of Central Government revenue in 1960-61, the latest year for which actual accounts are available. Of ordinary expenditure in that year the defence services took 56.62 per cent. Civil administration and debt services accounted for another 29.63 per cent, leaving only 13.75 per cent for all other items of expenditure. Table 67 of the Statistical Section gives a percentage classification of revenue and expenditure by major categories.

# BUDGET OF THE CENTRAL GOVT. OF PAKISTAN (RS IN CRORES)





**Revised estimates (1961-62)**

The revised estimates of revenue receipts of 1961-62 stand at Rs. 222.90 crores, Rs. 8.49 crores more than the original estimates. At Rs. 189.90 crores, the revised estimates of revenue expenditure are Rs. 2 crores less than the original projects. The revenue surplus was expected to be of the order of Rs. 33 crores, Rs. 10.49 crores more than the original estimate of Rs. 22.51 crores.

The principal factor responsible for this improvement in revenue receipts was larger collections under the tax heads of customs, central excise duties, income tax and corporation tax and sales tax. The major increases were in income and corporation taxes (Rs. 5.79 crores), central excise duties (Rs. 1.87 crore) and customs (Rs. 1.74 crore). These are mainly due to greater industrial and commercial activity in the country, coupled with continued liberalization of imports. But for the exclusion of the receipts relating to Karachi Administration which featured in the original budget, the improvement would have been more pronounced.

The fall in revenue expenditure is mainly attributable to the transfer of expenditure relating to Karachi Administration to the Provincial Government. This was originally provided for in the Central budget, and stood at Rs. 4.58 crores. Excluding this element, expenditure in fact rose by Rs. 2.71 crores. This was the total of individual increases under a number of heads partly offset by decreases under others. A noteworthy increase of Rs. 62 lakhs was recorded under Debt Services for the payment of a larger amount of interest on both internal and external loans.

On the capital side, the revised estimates of 1961-62 place expenditure at Rs. 226.83 crores, Rs. 3.11 crores less than the original estimates. As the original budget had already contemplated a shortfall in expenditure of Rs. 15 crores, the total fall may be put at Rs. 18.11 crores. It was almost entirely due to a decrease in the direct development expenditure of the Central Government, mainly on railways, Indus Basin development works, civil aviation and investment in P.I.D.C. projects. This fall was partly neutralized by the grant of larger loans to semi-autonomous bodies to the extent of Rs. 2.03 crores.

The revised estimate of capital receipts at Rs. 224.45 crores also indicates a fall of Rs. 7.06 crores. This was due to a sharp drop of Rs. 25.39 crores in external resources, partly counterbalanced by an increase of Rs. 18.33 crores in internal resources.

The gap of Rs. 2.39 crores between the capital expenditure and receipts emerging from the revised estimates was met by drawing down the cash balances to the same extent.

**Budget estimates (1962-63)**

The revenue expenditure of 1962-63 is estimated at Rs. 195.88 crores—an increase of Rs. 5.98 crores over the revised estimates of 1961-62. Apart from a lump sum provision of Rs. 5 crores for the implementation of the Pay and Services Commission's recommendations, the largest single item responsible for this increase is the payment of more interest to the extent of Rs. 2.50 crores. This is a growing liability arising from the increased borrowing necessitated by expanding development outlays. Another contributory factor was development expenditure on revenue account which was to rise by Rs. 91 lakhs. Departments such as medical

and public health, agriculture, veterinary, co-operation, industries and broadcasting etc. were also estimated to require an additional provision of Rs. 94 lakhs. The provision for Defence Services too was pitched higher by Rs. 1.75 crore, partly to meet the requirements of the Wah Ordnance Factory. The increases were partly offset by a smaller provision of Rs. 3.40 crores for transfer of the proceeds of the development surcharge on petroleum products to the capital account, against Rs. 9.22 crores, inclusive of accumulated arrears, in 1961-62.

The projected revenue receipts of 1962-63 at Rs. 212.75 crores are less by Rs. 10.15 crores than the revised estimates of 1961-62. This fall is a direct result, of the transfer of a much larger proportion of central receipts to the provinces under the new formula of sharing the proceeds of central taxes between the centre and the provinces. If this additional amount, estimated at Rs. 25.36 crores, was added to the projected receipts the drop of Rs. 10.15 crores would be converted into a rise of Rs. 15.21 crores. In fact, this year's estimated total gross tax collections exceed those of the previous year's original budget by Rs. 17.93 crores and of the revised budget by Rs. 6.15 crores. The improvement of Rs. 6.15 crores in the gross tax collection compared with the current year's revised estimates is the net effect of an improvement of Rs. 12.4 crores in the yield of customs, income tax and corporation tax, central excise duties and sales tax—and a fall of Rs. 6.28 crores in the proceeds from the development surcharge on petroleum products and some other sources. A decline in the receipts from the surcharge is expected because, unlike the previous year's revised estimate, this year's budget does not provide for any realization of accumulated arrears. Among receipts from non-tax sources the chief increase of Rs. 8.88 crores is under Debt Services. This is in the main due to the resumption of the recovery from the provinces of interest on central loans. Defence Services receipts are also estimated to go up by Rs. 99 lakhs.

The gross collections under the principal heads during 1962-63 were estimated at Rs. 218.01 crores, compared with Rs. 195.05 crores originally projected for 1961-62 and Rs. 206.12 crores in the revised estimates. The provinces were to receive Rs. 70.01 crores as their share during 1962-63 compared with Rs. 39.44 crores in the 1961-62 original budget and Rs. 43.76 crores in the revised estimates.

### **Capital Budget (1962-63)**

The estimated capital expenditure stood at Rs. 293.59 crores compared with revised estimates of Rs. 226.83 crores for 1961-62. The increase of Rs. 66.76 crores was due basically to larger development expenditure to the extent of Rs. 51.06 crores. This was the net result of an increase of Rs. 110.35 crores under assistance to provinces, partly counteracted by a fall of Rs. 34.36 crores under direct development expenditure by the Central Government, due to the transfer of certain subjects to the provinces, and of Rs. 6.93 crores under loans to semi-autonomous bodies. The allocation of assistance to provinces is to increase firstly by an amount of Rs. 90 crores provided to each Province for its development programme and secondly, by additional assistance to finance development expenditure on account of transferred subjects such as Railways, P.I.D.C., etc. In all, the provinces will get Rs. 230.90 crores, against Rs. 120.61 crores in the 1961-62 allocation. The two tables on the next two pages show the receipts and expenditure of the revenue and capital budgets.



## BUDGET AT A GLANCE

(In lakh rupees)

<i>Item</i>	1961-62 <i>Budget</i>	1961-62 <i>Revised</i>	1962-63 <i>Budget</i>
<b>Revenue Budget</b>			
<i>Receipts</i>			
Customs .. .. .	59,07	60,81	64,03
Central excise duties .. .. .	34,35	36,22	38,62
Income tax and corporation tax .. .. .	30,61	36,40	23,70
Sales tax .. .. .	24,73	25,48	21,01
Rehabilitation taxes .. .. .	2,90	2,76	..
Interest receipts .. .. .	12,94	12,91	21,79
Currency and mint .. .. .	4,69	5,57	4,96
Posts and telegraphs net receipts .. .. .	3,65	3,83	4,51
Defence services .. .. .	7,50	7,95	8,94
Other revenue .. .. .	33,97	30,97	25,19
Total Receipts ..	2,14,41	2,22,90	2,12,75
<i>Expenditure</i>			
Revenue collecting departments .. .. .	4,27	4,04	4,53
Civil administration .. .. .	44,55	41,87	37,99
Defence services .. .. .	98,59	99,34	1,01,09
Civil works and Central Road Fund .. .. .	3,06	3,13	2,52
Special Fund for Rehabilitation .. .. .	2,90	2,76	2,21
Servicing of debt .. .. .	21,95	22,57	25,06
Grants to Provincial Governments .. .. .	2,40	2,50	2,27
Development expenditure .. .. .	8,81	8,20	9,10
Other expenditure .. .. .	5,37	5,49	11,11
Total Expenditure ..	1,91,90	1,89,90	1,95,88
Surplus ..	22,51	33,00	16,87

<i>Item</i>	1961-62 <i>Budget</i>	1961-62 <i>Revised</i>	1962-63 <i>Budget</i>
<b>Capital Budget</b>			
<i>Development expenditure</i>			
Direct outlay by the Central Government :			
Railways (as per Railway budget) .. .. .	34,60	31,76	..
Posts and telegraphs .. .. .	6,68	6,78	9,30
Irrigation .. .. .	8,37	2,05	3,37
Agricultural improvement and research ..	2,75	2,38	..
Industrial development .. .. .	18,04	16,15	2,96
Civil aviation .. .. .	4,41	2,05	3,08
Broadcasting .. .. .	1,20	95	1,19
Ports .. .. .	35	21	1,30
Civil works .. .. .	7,06	6,92	8,97
Food storage and other works .. .. .	4,98	3,41	4,49
Miscellaneous investment .. .. .	3,62	4,03	5,65
Other expenditure .. .. .	11,02	6,95	8,98
Loans to semi-independent bodies etc. ..	8,43	10,46	3,53
Loans and grants to Provincial Governments ..	1,21,25	1,20,61	2,30,95
Less likely shortfall in expenditure .. ..	—15,00	..	—18,00
Total Development expenditure .. .. .	2,17,76	2,14,71	2,65,77
Add Non-development expenditure .. .. .	12,18	12,12	12,83
Add Contingency item .. .. .	..	..	15,00
Total—Distribution .. .. .	2,29,94	2,26,83	2,93,60
<i>Financed by :</i>			
Revenue surplus .. .. .	22,51	33,00	16,87
Permanent debt internal (net) .. .. .	—7,00	6,30	10,50
Floating debt (net) .. .. .	7,31	5,68	—8,30
Unfunded debt (net) .. .. .	9,50	8,86	9,55
Recoveries of loans and advances .. .. .	4,24	4,99	9,67
Other capital receipts .. .. .	5,06	7,78	5,67
Accretions to Reserve Funds .. .. .	34,52	32,74	11,60
Deposits & remittances (net) .. .. .	9,00	3,50	6,50
Foreign loans .. .. .	70,50	64,77	1,76,17
Foreign grants .. .. .	76,48	56,82	56,86
Cash balance utilization .. .. .	—1,56	2,39	—1,50
Total Resources .. .. .	2,29,94	2,26,83	2,93,60

In the 1962-63 budget total provision for development expenditure, both on revenue and capital accounts stood at Rs. 274.87 crores compared to Rs. 222.91 crores in the preceding year.

The estimate of capital receipts in 1962-63 is at Rs. 295.09 crores, an increase of Rs. 70.65 crores over 1961-62's revised estimate. This is the net effect of an increase of Rs. 111.44 crores under external resources and a decline of Rs. 39.24 crores under internal resources. The estimated fall in internal resources essentially arise from certain items of receipts, which up to 1961-62 had appeared in the Central budget, but from 1962-63 are to be incorporated in the Provincial budgets. Another factor is the reduced size of the revenue surplus to the extent of Rs. 16.13 crores as a result of the transfer of a large share of central revenues to the provinces, mentioned earlier, and tax concessions to the extent of Rs. 1.55 crore. Some of the items which increased include unfunded debt, recovery of loans and advances and other deposits and remittances.

The improvements under external resources was due to expectations of large foreign loans both for projects and for commodities. These were projected at Rs. 176.17 crores against Rs. 64.77 crores in the revised estimates of 1961-62.

### Taxation

During the last few years, the country's financial condition considerably improved. The Government, therefore, considered the possibility of passing some of the benefits of improved financial conditions by making tax concessions to investors, consumers, industrialists and people with fixed income. The following are the tax measures in the Central budget for 1962-63 which were estimated to reduce Central Government revenue by Rs. 155 lakhs.

The reliefs included a development allowance to industries at the rate of 20 per cent of the original cost of plant and machinery installed after June 30, 1962 instead of the initial, normal, additional and extra-shift depreciation allowances to which new undertakings had been entitled. This step was taken as it was felt that the existing concession did not necessarily ensure building up of adequate reserves by the industry for meeting the increasing costs of replacement.

Other concessions included exemption from tax of owner-occupants of houses whose net annual letting value did not exceed Rs. 4,800. The minimum taxation limit in this respect was thereby doubled as compared with last year. For persons of small means, a National Investment Trust has been set up and its income is tax free. Further, the purchase of Unit Trust Certificates will qualify the purchaser for investment allowance.

The existing tax exemption limit for dividend income was raised from Rs. 1,000 to Rs. 1,000 *plus* an additional 20 per cent of income in excess of Rs. 1,000. Mining concerns which were not eligible for special tax exemption and tax holiday were allowed a depletion allowance of 15 per cent, subject to a maximum of 50 per cent of the capital employed in the relevant year. Moreover, businessmen were allowed to claim deductions in respect of bad debts in their tax assessment for the year in which the debt becomes bad.

*Direct tax relief.* Among the direct tax reliefs was complete exemption for income from writings. Earned income relief, hitherto allowed at the rate of 20 per cent of such income subject to maximum of Rs. 4,000 was raised for the salaried classes to a maximum of Rs. 6,000, the limit for other earned income remaining unaltered. The percentage of income tax deduction permitted for amounts paid to life insurance policy holders was also increased from 50 to 75 per cent.

As a measure of relief to the common man, sales tax on several items was abolished. This concession meant a loss of revenue of Rs. 10 lakhs. The main reliefs provided on customs duties were exemption from duty of imported poultry, *ghee* and dried eggs, reduction of import duty on nearly 120 items and reduction of the export duty of tea from 25 paise to 15 paise per pound.

Central excise duties were withdrawn on betelnut, *khandsari* sugar and *sitta* salt. On the other hand, the surcharge leviable on cigarettes was merged with the excise duty and the rates were raised in most *slabs* by about 10 per cent. For cigarettes of medium brand the increase in price was to be about one paise per packet of ten. Similarly, the partial exemption of biri tobacco was withdrawn. The excise duty on artsilk cloth was reduced from 62 paise to 31 paise per yard, but on artsilk yarn the import duty was raised from 150 per cent to 200 per cent.

The refugee taxes levied during the last eleven years were totally abolished, except in the case of import or excise levies on items like cigarettes and alcoholic beverages. This step is a symbol of the completion of the task of rehabilitation.

Donations to institutions or funds established for charitable purposes (*i.e.*, education, relief of the poor, medical relief and the advancement of any other object of general public utility) were exempted from income tax, up to a maximum of 10 per cent of the total income of the tax payer. The institutions and funds to which such donations were made must, however, be approved by the Central Board of Revenue for purposes of the tax exemption.

## EXPENDITURES OF THE CENTRAL GOVERNMENT

### Expenditure on Revenue Account

*Defence.* The Government is sometimes criticized for spending too much on defence and an impression prevails that roughly more than half of the total revenue expenditure of the Central Government is being spent for this purpose. Since defence is a Central subject, the whole burden of defence expenditure is borne by the Centre. This expenditure, however, is undertaken for the sake of the whole nation, and it should therefore be considered in relation to the overall expenditures of both the Centre and the Provinces. The total revenue expenditure of Centre and Provinces in 1957-58 was Rs. 241.28 crores. In 1962-63, it was Rs. 379.24 crores, an increase of 57 per cent. During the same period, however, defence expenditure rose only by 19 per cent. In 1962-63 defence expenditure, at Rs. 101.09 crores, accounted for 51 per cent of Central Government expenditure. Of central and provincial expenditure together, however, the percentage was much smaller, *i.e.*, 27 per cent.

*Education.* Similar criticism has been levelled against expenditure on education. It is sometimes alleged that the Government is spending less on education in recent years than before. It should, however, be borne in mind that education is mainly a Provincial subject. Though the Central Government's expenditure on education has declined from Rs. 2.61 crores in 1957-58 to Rs. 1.01 crore in 1962-63, the total expenditure on education by Central and Provincial Governments has doubled over these years, rising to Rs. 37.89 crores in 1962-63 from Rs. 19.33 crores in 1957-58. Per capita expenditure on education has risen from Rs. 2.2 to Rs. 4 during this period.

*Health.* The Central Government has increased its expenditure on health from Rs. 1.33 crore in 1957-58 to Rs. 1.61 crore in 1962-63. Taking provincial expenditure into consideration, total expenditure on health was Rs. 7.06 crores in 1957-58, and Rs. 13.74 crores in 1962-63, an increase of 94.6 per cent. Here too, per capita expenditure has risen from 81 paisa to Rs. 1.44.

*General administration.* It has also been alleged that the Government is spending too much on general administration. This is not borne out by facts. The revenue expenditures of centre and provinces on general administration claimed less than 5 per cent of total expenditure in both 1957-58 and 1962-63, Rs. 12.72 crores in 1957-58 and Rs. 16.74 crores in 1962-63. While total revenue receipts and expenditures have risen by 71 and 57 per cent respectively in 1957-58 and 1962-63, expenditure on general administration has gone up by only 31.6 per cent.

*Development expenditure.* The diversion of maximum resources towards development has been the aim of fiscal policy pursued in Pakistan. This is borne out by the statistical evidence. The total provision for development expenditure, on both revenue and capital accounts, stood at Rs. 274.87 crores in 1962-63 budget, compared to Rs. 222.91 crores in the budget for 1961-62. The table below shows the development expenditure of the Central and Provincial Governments for six years ended 1962-63.

#### DEVELOPMENT EXPENDITURE OF CENTRAL AND PROVINCIAL GOVERNMENTS

<i>Year</i>	Total development expenditure (Crore Rs.)	Percentage increase over 1957-58
1957-58 .. .. .	142	(+)
1958-59 .. .. .	187	(+)
1959-60 .. .. .	188	(+)
1960-61 .. .. .	207	(+)
1961-62 (Revised)	291	(+)
1962-63 (Budget) ..	349	(+)

The table above shows that development expenditure is progressively increasing. Total development expenditure, including that of the Provinces, rose from Rs. 142 crores in 1957-58 to Rs. 349 crores (Budget) in 1962-63, an increase of 145.8 per cent.

## IMPACT OF GOVERNMENT EXPENDITURE ON THE ECONOMY

**Trends in public debts**

In an underdeveloped economy it is natural for the government to borrow more when it wants to spend more, since the scope for increasing revenue is limited. Pakistan is no exception to this. As it has been expanding its development activities, the amount of debt has risen. The outstanding internal public debt of the Central Government on March 31, 1962 amounted to Rs. 244.43 crores and the external public debt to Rs. 166.60 crores. Details about these debts are given in the table below.

## PUBLIC DEBT

(In crore rupees)

<i>Debt</i>	<i>December 31, 1957</i>	<i>May 31, 1959</i>	<i>April 30, 1960</i>	<i>April 30, 1961</i>	<i>March 31, 1962</i>
Internal .. ..	200.57	210.49	230.64	241.62	244.43
External .. ..	33.71	88.95	101.88	137.21	166.60

Pakistan's total debt, though apparently very high, compares favourably with that of other developing countries. For instance, the total outstanding public debt of the Government of India at the end of March 1963 was Rs. 5,951 crores, which was nearly four times the revised revenue estimates for 1962-63. In Pakistan the outstanding public debt at the end of March 1962 was less than double the revised revenue estimates for 1961-62.

**Repayment of loans and interest**

The increase in resources which has followed the increasing government expenditure on development has made it possible to repay an increasing amount of internal permanent debt and of foreign debt as well as to meet the interest liability in respect of these debts. The repayment of foreign debt and interest totalled Rs. 5.89 crores in 1959-60 and Rs. 11.93 crores in 1961-62.

Revised estimates for 1961-62 show that repayment of internal permanent debt amounted to Rs. 19.55 crores as against Rs. 7.04 crores in the revised estimates for 1957-58. The peak was touched at Rs. 46.76 crores in 1959-60 (revised). The budget estimates for 1962-63 place such payment at Rs. 37.08 crores.

Payment of interest on internal permanent debt and floating debt amounted to Rs. 6.45 crores in 1957-58 (revised) and Rs. 9.58 crores in 1961-62 (revised). The budget estimates for 1962-63 envisage such interest payment at Rs. 10.16 crores.

## HIGHLIGHTS

The main highlights of the budget may be summarized as follows :

1. The taxation structure was rationalized in order to stimulate investment, increase production, expand exports and stabilize prices.
2. No increase in direct taxes, while concessions were given in income tax, sales tax, excise duty and customs duties.
3. The following income concessions were announced :
  - (i) 20 per cent development allowance on costs of plant and machinery installed after June 30, 1962 to industries not covered by tax holidays ;
  - (ii) Depletion allowance of 15 per cent to mining industry not eligible for tax holidays ;
  - (iii) no tax on income of proposed National Investment Trust while Trust certificates will get investment allowance ;
  - (iv) exemption limit on annual letting value of houses increased from Rs. 2,400 to Rs. 4,800 ;
  - (v) procedure for determining taxable profits under bad debts modified ;
  - (vi) maximum limit of relief on earned income for salaried people raised from Rs. 4,000 to Rs. 6,000 ;
  - (vii) percentage of deduction in respect of amounts paid, reserved or expended by insurance companies on behalf of policy holders raised from 50 to 70 per cent.
4. Sales tax on items of interest to common man abolished. These included rubber shoe, slippers, *chappals*, iron or zinc sheets trunks, dried milk and *ghee* etc.

## BUDGET OF THE PROVINCES

The Provincial Governments have separate budgets. These, like the Budget of the Centre, have also two parts : (1) Revenue and (2) Capital. Since July 1, 1962, as a result of certain constitutional reforms each Province has a separate railway budget which is dealt with later in this chapter.

The revenue budget of the provinces comprise revenues received from taxation, fees and grants-in-aid received from the Central Government, and the normal expenditure. The capital budget in which the development programme figures largely, is primarily financed by loans from the Central Government. In allocating capital expenditure from the Central pool to the Provinces due consideration has been given to the interests and needs of each Province.

**East Pakistan**

East Pakistan's budget for 1962-63 envisages a revenue surplus of Rs. 13.93 crores. Revenue receipts are estimated at Rs. 88.61 crores for 1962-63 as against Rs. 64.50 crores in the revised estimates for 1961-62. The increase of Rs. 24.11 crores is due mainly to the receipt of increased share of central taxes. The proceeds from these taxes this year will be Rs. 35.06 crores as against Rs. 19.07 crores in 1961-62.

### Budgetary position of East Pakistan

The growth of revenue receipts and expenditures in the Province is shown in the table below.

#### GROWTH OF REVENUE AND EXPENDITURE OF THE GOVERNMENT OF EAST PAKISTAN

(In lakh rupees)

Revenue Expenditure	ACTUALS				Revised 1961-62	Budget 1962-63
	1950-51	1955-56	1959-60	1960-61		
Revenue .. ..	18,20	28,83	39,79	44,77	64,50	88,61
Expenditure .. ..	19,03	28,51	37,89	47,07	56,54	74,68
Deficit (—) Surplus (+) ..	—83	+32	+1,90	—2,32	+7,96	+13,93

#### New sources of revenue

An increase in the rate of super tax on agricultural income tax payable by Companies (mostly tea gardens), associations and firms will yield Rs. 15 lakhs to the provincial exchequer. It was proposed to increase the rate from 12 paise to 20 paise per rupee with effect from July 1, 1962.

There was no other proposal in the budget to either increase or lower taxation. Existing taxes will continue at their present level during 1962-63.

The transfer to the Provincial Government of the Refugee Rehabilitation Tax previously levied by the Central Government, will bring Rs. 17 lakhs to the provincial exchequer. This tax is levied on the fares and freights of traffic carried by rail, and with the transfer of railways to the provinces its proceeds are also to be transferred to them.

#### Revenue expenditure

The budget provides for a total expenditure of Rs. 74.68 crores, which exceeds the revised estimate of expenditure for 1961-62 by Rs. 18.14 crores. This increase is due mainly to :

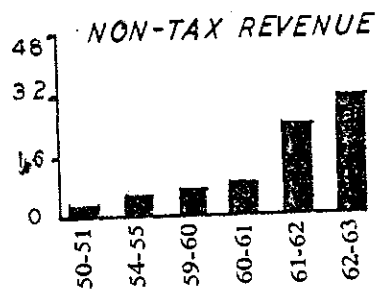
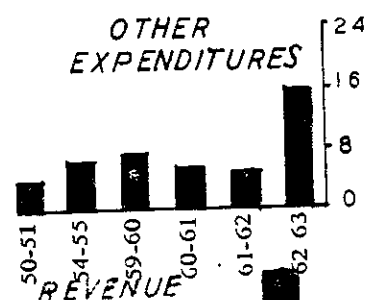
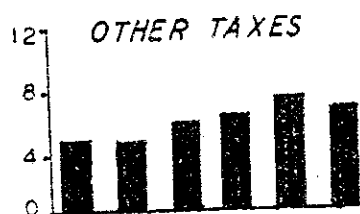
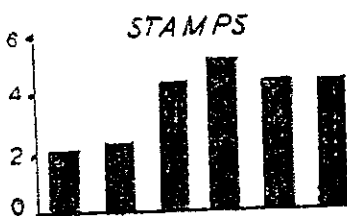
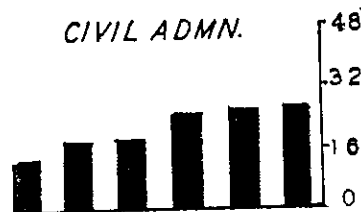
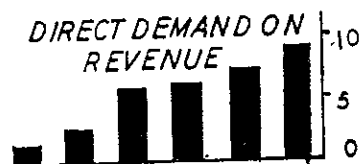
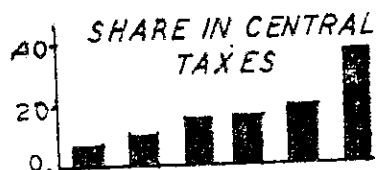
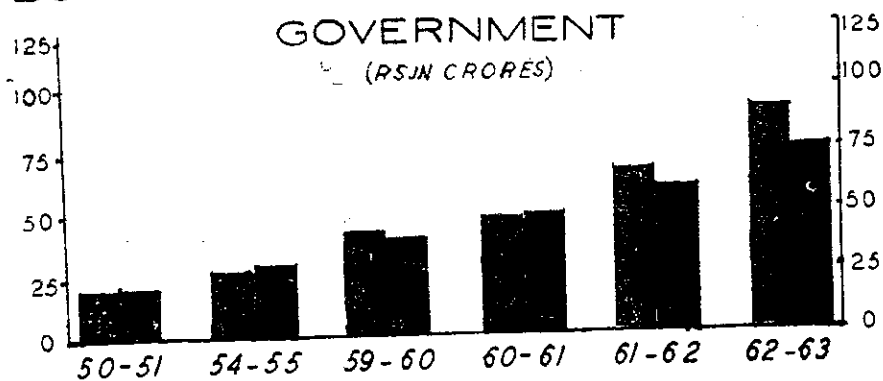
(1) An increase in final compensation payments to *ex-ent* receivers from Rs. 1.50 crores in 1961-62 to an estimated Rs. 3.50 crores in 1962-63.

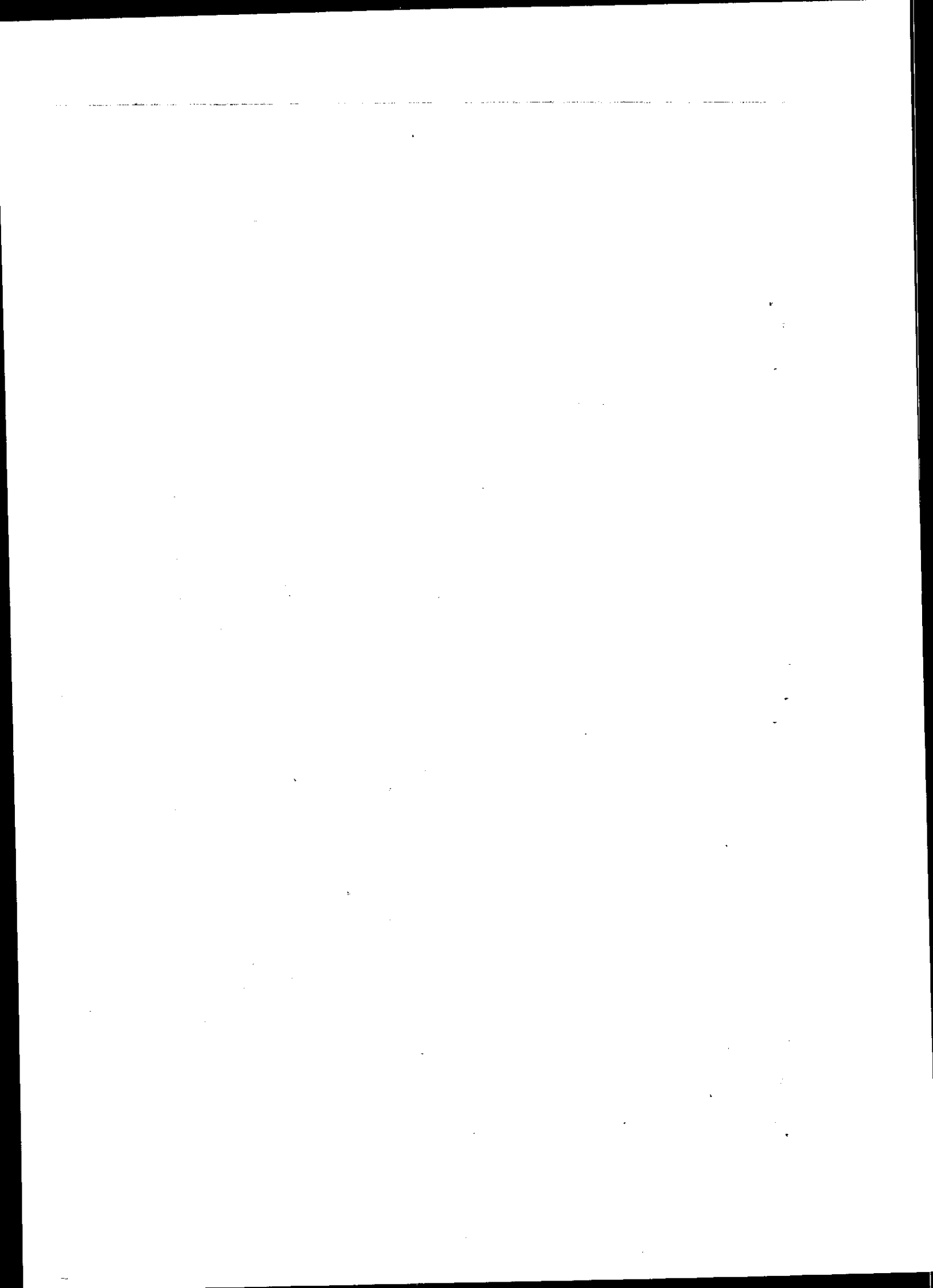
(2) A new provision of Rs. 7.50 crores for repayment of principal on development loans from the Central Government and also to cover the adverse ways and means position. No provision was required on that account during the previous 4 years in view of the debt moratorium sanctioned by the Central Government.



# BUDGET OF THE EAST PAKISTAN GOVERNMENT

(RS IN CRORES)





## Financial position during 1961-62

The revised budget for 1961-62, which had already been authenticated by the Governor under Article 235 of the Constitution and which was 'being presented for the information of the House', showed a surplus of Rs. 7.96 crores as against the estimated Rs. 6.76 crores. The revised estimated revenue receipts for 1961-62 were Rs. 64.50 crores, including Central grants. The revenue expenditure for the same period stood at Rs. 56.54 crores, including development expenditure.

### Development expenditure

The development programme for East Pakistan during 1962-63 envisages an expenditure of Rs. 110.30 crores as against the revised estimates of Rs. 72 crores (net) during 1961-62.

To the proposed estimates for 1962-63 are added an amount of Rs. 12.51 crores on account of the development activities of P.I.D.C. and Rs. 12.79 crores on account of the Pakistan Eastern Railway.

The total development outlay in the Province during the year is thus estimated at Rs. 135.60 crores.

### Financing development expenditure

It is proposed to finance the programme of Rs. 110.30 crores by a grant of over Rs. 21 crores from the Central Government and aid-giving agencies, with loans of about Rs. 69 crores from the Central Government and all foreign aid-giving agencies.

The development programme was also to use the revenue surplus of the Provincial Government estimated at Rs. 12 crores, a market loan of Rs. 3 crores to be floated by the Provincial Government and an anticipated shortfall in other expenditure of about Rs. 5 crores.

A major share of total development expenditure—Rs. 30 crores—is to be spent in the agricultural sector, as against Rs. 18 crores in 1961-62. The construction of 4,000 more seed stores is to be undertaken at a total cost of about Rs. 1.71 crore.

The development programme for 1962-63 envisages an expenditure of Rs. 1 crore in the forest sector and an allocation of Rs. 3.05 crores for the co-operative sector.

Water and power together, receive the largest share, about 34 per cent in the allocation of development expenditure. Rs. 3 crores has been provided for the Ganges-Kobadak project, and Rs. 6 crores allocated to the Coastal Embankment project.

The total allocation in the water sector is over Rs. 27 crores. This includes Karnafuli compensation and minor irrigation schemes.

The total allocation in the power sector is over Rs. 10 crores. Of this only about Rs. 1 crore has been earmarked for new projects. The rest is required for on-going schemes.

The gross allocation for housing and settlement is over Rs. 17 crores. New expenditure in this sector envisaged allocations for the construction of new district headquarters at Tangail and Patuakhali and the construction of new Sub-divisional headquarters at Gopalpur.

More than Rs. 13.20 crores has been earmarked for the education sector. The programme envisaged a development grant of Rs. 91.12 lakhs for Dacca University and of Rs. 56 lakhs for Rajshahi University.

In the education sector there is provision for the establishment of 55 primary training centres for teachers' education. The complete project requires expenditure of over Rs. 9 lakhs, but the proposed allocation for 1962-63 is about Rs. 4 lakhs.

The total provision for industries is over Rs. 5.5 crores for 1962-63, of which Rs. 1.71 crore is for new schemes.

The amount proposed to be spent on roads and communications is Rs. 9.7 crores.

It has been argued in some circles that, in view of the disparity of income and development between the two Wings, the share of development expenditure allocated to East Pakistan should be increased substantially. The problem is, however, not as simple as it may appear to be. The heavy density of population in East Pakistan places a heavy pressure on its soil and many individual incomes are accordingly small. The size of the average agricultural holding is too small to permit the use of modern agricultural appliances. Absence of adequate mineral and power resources and of a good communications system, coupled with a reluctance to take risks in the investment of capital, has retarded the overall economic development of the Province.

East Pakistan has not in the past received all the attention and the funds for economic development that are desired. But since the regime of President Ayub began in October 1958, earnest efforts have been made to accelerate the pace of development there and development expenditure has been increased considerably, while still keeping in mind the absorptive capacity of the Province. Loans and grants have been increased considerably.

The Central budget for 1962-63 envisaged financial assistance to East Pakistan of Rs. 112.24 crores, as against Rs. 62 crores in the past year, an increase of 81 per cent. From July 1, 1962 the entire export duty on jute has been allocated to the East Pakistan Government, as well as 50 per cent of income tax, 60 per cent of sales tax and 60 per cent of excise duties on betel nuts and tobacco.

More and more resources are thus being made available to East Pakistan to enable the Province to meet increased development expenditure. But it must be remembered that industrial development of a country or region is a long and continuous process. A sudden switchover from an agricultural to an industrial economy is not possible. The change requires time and other pre-requisites.

Here it will not be out of place to mention that the mere provision of more funds is not enough. What is required most is the firm resolve and concerted efforts by the Government and the people of the Province to increase production and accelerate economic development.

### HIGHLIGHTS

The main highlights of the budget are summarized below.

1. As a result of revision of the Raisman Award<sup>1</sup>, East Pakistan will receive during the financial year 1962-63 nearly twice before as its share of Central taxes. The amount estimated for the year is Rs. 35.06 crores, as against Rs. 19.07 crores in 1961-62.

2. Receipts from land revenues are estimated to rise by Rs. 1.24 crore during 1962-63, as against Rs. 11.26 crores estimated in the revised budget for 1961-62. This improvement is expected to follow a wider application of the Revenue Recovery Ordinance promulgated recently.

3. The Government propose to pay Rs. 3.5 crores as compensation to *ex-rent* receivers during the financial year 1962-63.

4. The Central Government have proposed to withdraw the moratorium on payment of interest and repayment of principal of the Central Government loans granted to the Province. This moratorium was granted beginning with the financial year 1958-59. As a result, the Provincial Government will have to pay Rs. 7½ crores to Centre to meet accumulated interest charges and Rs. 80 lakhs as part of the principal which has fallen due.

5. Grants to the Dacca and Rajshahi Universities have been more than doubled during 1962-63.

6. Provision has been made for the construction of one 500-bed hospital, each for the Chittagong and Rajshahi Medical College, and for the installation of deep X-Ray units and Isotope centres at these places.

The budget has provisions for a Botanical Garden at Dacca, a National Park at Madhupur and a Games Sanctuary in the Sunderbans.

### West Pakistan

The West Pakistan Revenue Budget for 1962-63 has estimated a budget surplus of Rs. 7.24 crores during the financial year. Revenue receipts are estimated at Rs. 115.93 crores and revenue expenditures at Rs. 108.69 crores, as compared with the revised estimates for 1961-62 of Rs. 93.33 crores and Rs. 80.96 crores respectively.

The fourth successive budget surplus in the Province is to be attained without any fresh taxation or additional burdens on the tax payer. The surplus, however, includes increased receipts of Rs. 1.45 crore which are the result of rationalization of certain taxes, including the reassessment of land revenue in certain districts, and the rationalization of excise duties.

<sup>1</sup> For details see Economic Survey, 1961-62.

### Budgetary position of West Pakistan

The growth of revenue receipts and expenditure in West Pakistan is shown in the table below.

#### GROWTH OF REVENUE AND EXPENDITURE OF THE GOVERNMENT OF WEST PAKISTAN

(In lakh rupees)

Revenue Expenditure	ACTUALS				Revised 1961-62	Budget 1962-63
	1950-51	1955-56	1959-60	1960-61		
Revenue .. ..	35,98	51,06	77,39	82,32	93,33	115,93
Expenditure .. ..	32,97	47,73	69,44	68,66	80,96	108,69
Surplus (+) .. ..	+3,01	+3,33	+7,95	+13,66	+12,37	+7,24

#### Revised estimates (1961-62)

For the financial year 1961-62, revenue receipts had been originally estimated at about Rs. 85.38 crores and revenue expenditure at Rs. 72.77 crores, leaving a surplus of Rs. 12.61 crores. On account of the merger of Karachi, both expenditure and receipts exceeded the estimates. The revised estimate of receipts is Rs. 93.33 crores and of expenditure Rs. 80.96 crores, which leaves a surplus of Rs. 12.37 crores.

The capital account indicates, by and large a satisfactory progress of development projects. The W.A.P.D.A. projects required somewhat greater expenditure than had been originally budgeted. The annual development programme of the Province for 1961-62 provided for a total outlay of Rs. 81 crores. According to the revised estimates, the outlay was Rs. 87 crores.

#### Budget estimates (1962-63)

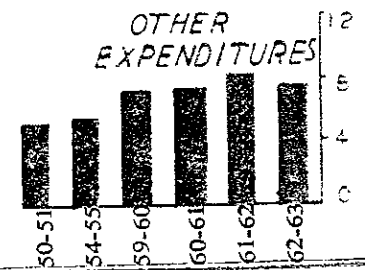
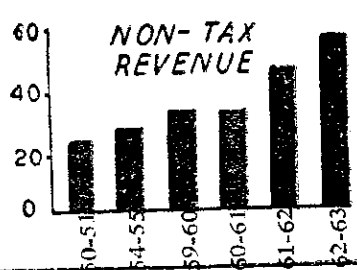
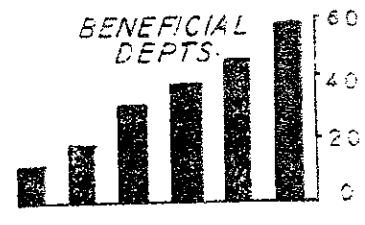
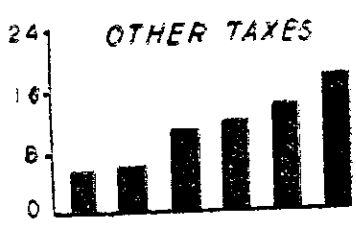
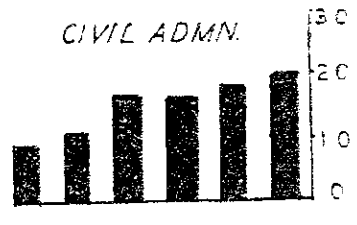
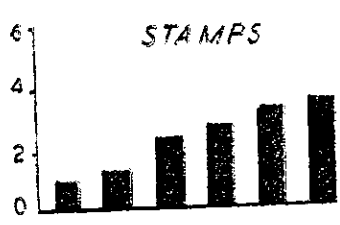
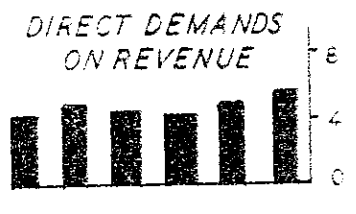
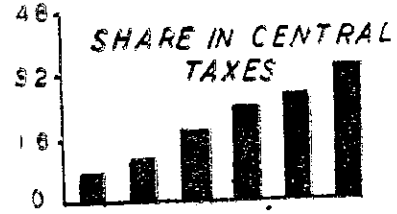
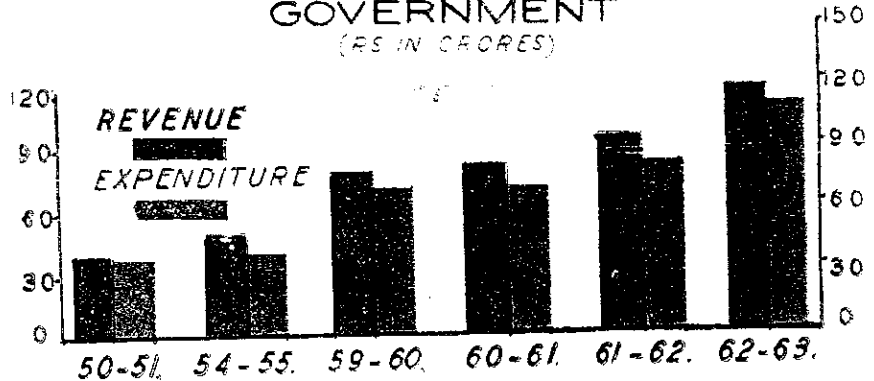
Revenue receipts for 1962-63 have been estimated at Rs. 115.93 crores, and revenue expenditure at Rs. 108.69 crores, leaving a surplus of Rs. 7.24 crores.

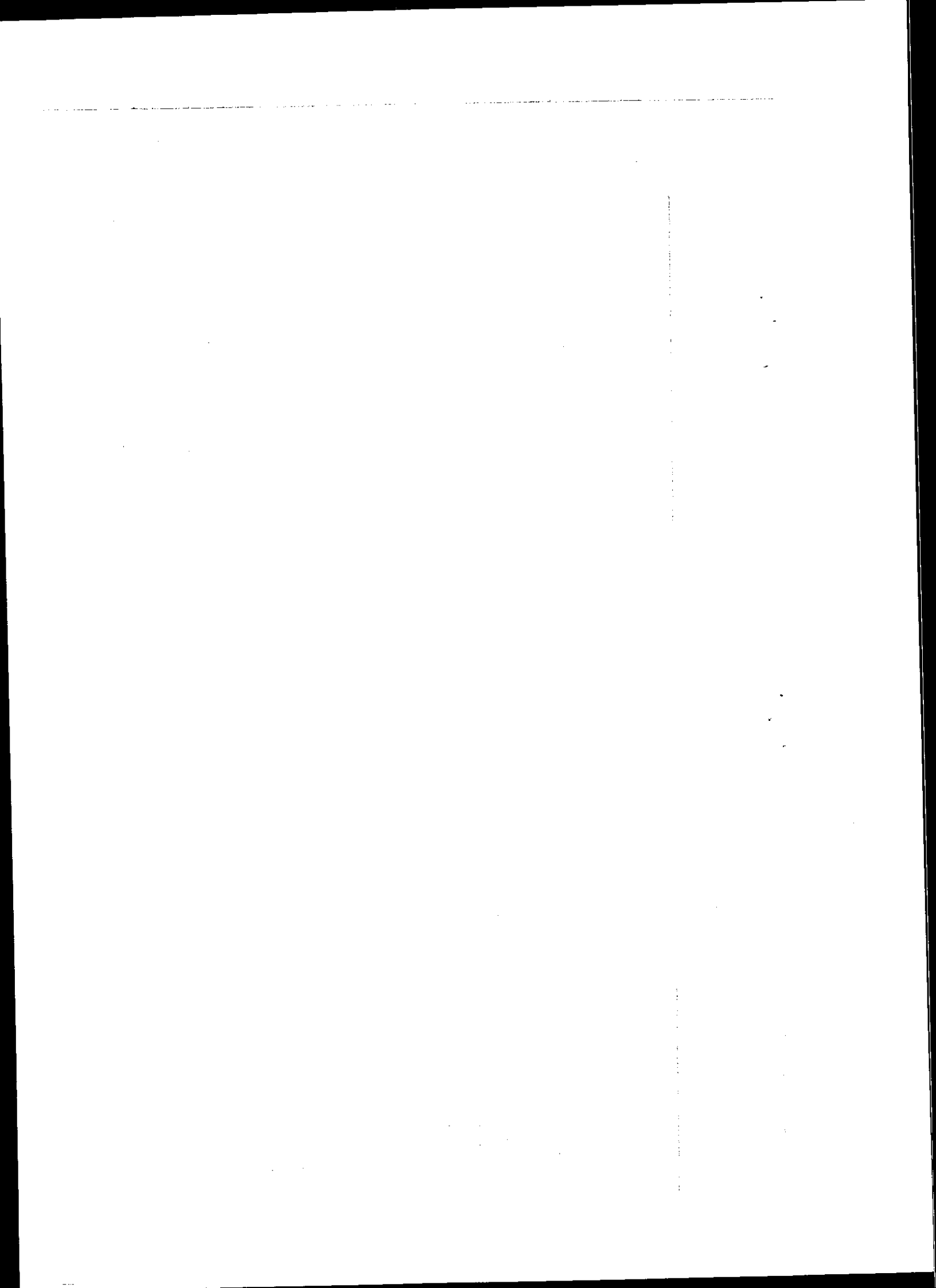
The capital account provides for direct capital investment of Rs. 72 crores by Government departments, and loans and advances by the Provincial Government to the W.A.P.D.A., K.D.A., P.I.D.C. and other bodies aggregating about Rs. 62 crores. The total developmental outlay on capital account is thus Rs. 134 crores. The revenue account also includes development expenditure of Rs. 20.5 crores. In addition, the W.A.P.D.A. will finance expenditure of nearly Rs. 3 crores from debentures to be guaranteed by the Provincial Government. The total developmental outlay budgeted for the year, inclusive of that to be financed from W.A.P.D.A. debentures, is accordingly about Rs. 157 crores.

Since the formation of the province of West Pakistan, the financial activities of the Government have expanded considerably. At the time of integration, the total expenditure, capital and revenue, budgeted for the

# BUDGET OF THE WEST PAKISTAN GOVERNMENT

(RS IN CRORES)







Province was of the order of Rs. 100 crores. It has nearly trebled over a brief period of six years. This expansion is due to the rising tempo of developmental schemes, the transfer of a large number of central activities to provincial control and the merger of Karachi in West Pakistan.

The Finance Minister said that, of the total development outlay of about Rs. 157 crores, Rs. 72 crores would be direct capital investment by Government departments and Rs. 20.50 crores was development expenditure on revenue accounts of the remaining amount, Rs. 62 crores was to be spent by the semi-autonomous bodies constituted by the Government. The major portion of Rs. 62 crores (Rs. 47 crores) would be spent by the W.A.P.D.A.

The Agricultural Development Corporation is allocated Rs. 10 crores and the Karachi Development Authority Rs. 5 crores. Of the direct investment made by the Government, the outstanding items are Rs. 27.5 crores for Railways, Rs. 16 crores for irrigation, Rs. 8.5 crores for the Industrial Development Corporation, and Rs. 6.5 crores for construction of roads and bridges. The largest single allocation, Rs. 68 crores, has been made for water and power.

Dealing with the social sector, the Finance Minister said that the Government had embarked on an ambitious programme of educational development in line with the recommendations of the Education Commission. It budgeted Rs. 32 crores for education, of which Rs. 4.4 crores would be spent on capital account and the balance on revenue account. The Minister added that during the first year after integration (1955-56), revenue expenditure on education was only about Rs. 10 crores, expenditure on education had thus trebled during the last six or seven years.

### **Taxation**

With the increasing recurring cost of education and health programmes, a widening of revenue resources becomes essential. Nevertheless, there was no substantial increase in taxation for 1962-63. However, the total effect of the tax changes is an increase in receipts by Rs. 1.45 crore.

This amount includes Rs. 43 lakhs which was previously collected by the Central Government and is now, as a result of the constitutional changes, transferred to the Provincial Government. A reassessment of land revenue in certain districts where settlement was overdue is expected to realize Rs. 71 lakhs. In those districts land revenue assessment was fixed when agricultural prices were less than one-third of the present prices and there was, therefore, a justification for a summary reassessment. The rationalization of excise duties throughout the Province is expected to increase revenue by Rs. 35 lakhs. The main source of additional excise revenue is an increase in the excise duty on foreign liquor in Karachi from Rs. 30 to Rs. 60 per proof gallon, which is the rate charged in other parts of the Province.

The duty on electricity in the Southern zone was, however, abolished as the rates in those regions were already higher than elsewhere in the Province.

## HIGHLIGHTS

The main highlights of the budget are as follows :

- (1) Estimated surplus of Rs. 7.24 crores.
- (2) Fresh taxation avoided, except minor changes.
- (3) The duty on electricity in the southern zone abolished.
- (4) Allocation of Rs. 68 crores for water and power.
- (5) Total estimated cost of the road programme is about Rs. 6.5 crores.
- (6) Provision of Rs. 40 lakhs for starting work on the industrial estates at Sukkur, Multan, Jhelum, Rahimyarkhan, Nowshera and Sargodha.
- (7) A provision of Rs. 23 lakhs for the improvement of medical facilities in frontier regions and about Rs. 1.64 crore for the development of tribal areas.

## RAILWAY BUDGETS

**Pakistan Western Railway**

The budget prepared for the first time by the Provincial Government as a result of the provincialization of the Railways, shows an all-round increase in income and expenditure as compared to the last year's budget estimates. For 1962-63, total revenue receipts are estimated at Rs. 47.26 crores and the total revenue expenditures at Rs. 36.71 crores.

*Revised estimates (1961-62).* The budget estimates for 1961-62 provided for total revenue receipts of Rs. 51.72 crores; the revised estimate of receipts was Rs. 46.95 crores, which was Rs. 1.67 crore less than actual receipts (Rs. 48.62 crores) realized during 1960-61.

One of the reasons for the fall in Railway revenue is the diversion of high rated traffic to the roads. Since operating expenses, which constitute most of the total expenditure, are proportionate to the quantum of service provided, there was very little scope for reduction in working expenses to counterbalance the fall in revenues.

In the budget estimates for the year, total revenue expenditure was placed at Rs. 42.32 crores. The revised estimates are Rs. 35.60 crores, a decrease of Rs. 6.72 crores. This is almost entirely due to a deliberate reduction in the appropriation originally proposed for the depreciation reserve fund. On the whole, the revised estimates showed a surplus of Rs. 11.35 crores, as against Rs. 9.40 crores envisaged in the original estimates.

*Budget estimates (1962-63).* The total revenue receipts for the year 1962-63 have been estimated at Rs. 47.26 crores, a nominal increase of about Rs. 31 lakhs over the 1961-62 revised estimates. The total revenue expenditure is estimated at Rs. 36.71 crores, and the total surplus is Rs. 10.55 crore. Thus there was an estimated surplus of Rs. 10.55 crore.

The estimate of revenue expenditure includes an appropriation of Rs. 4.43 crores for the depreciation reserve fund (which is nearly 1/30th of the capital charge of the Railway) and interest charges on foreign loans amounting to Rs. 1.62 crore.

Of the estimated surplus of Rs. 10.55 crores for the year 1962-63, Rs. 4.72 crores will be paid to the Central Government as a return on their investment in the Railways in accordance with the terms and conditions prescribed by the President, under Article 233 of the Constitution. Rs. 75 lakhs will be credited to the improvement fund. This is to be in addition to an estimated Rs. 1.02 crore realized, as a development surcharge on passenger revenues. The balance of the surplus, Rs. 5.08 crores, is to be added to the depreciation reserve fund.

*Progress during 1961-62.* Despite delays in obtaining foreign exchange, the progress of procurement of rolling stock during the year has been quite satisfactory. Twenty-three broad-gauge diesel-electric locomotives, 157 broad gauge heavy duty flat cars and one 35-ton broad-gauge crane, have been delivered, while another 15 flat cars are expected to be received. Orders have been placed for 20 complete broad-gauge passenger carriages for the Karachi Circular Railway, a broad-gauge dismantled passenger carriage and 10 metre-gauge complete passenger carriages.

Centralized traffic control working between Karachi and Landhi introduced on March 30 with the installation of all relay interlocking and colour-light signalling at all stations from Karachi City to Landhi is an important step towards the modernization of the railway signalling, which is an important objective of the Railway's Second Five-Year Plan.

With the aid of this advanced signalling technique, the capacity of the heavily worked section between Karachi and Landhi, which is 43 trains per day at present, will be stepped up considerably, making it possible to handle 61 trains each way—the traffic anticipated at the end of the Second Plan period.

*Programme for 1962-63.* The rolling stock programme for 1962-63 provides for 26 broad-gauge locomotives, 1,410 broad-gauge wagons, 50 broad-gauge ballast and hopper trucks for broad-gauge cranes and for broad-gauge dummy truck bogies as additions and for broad-gauge diesel-electric and five metre-gauge steam locomotives, 10 railcars and 32 trailers, 138 broad-gauge passenger carriages and 23 broad-gauge other coaching vehicles as 'replacements'.

Provision is being made during 1962-63 for increased line capacity, improved signalling, construction of the second phase of the Karachi Circular Railway between Khadda and Karachi City and payment of the Railways' share of the cost of the Taunsa Barrage in connexion with the construction of Kot Adu-Dera Ghazi Khan Railway.

Provision has also been made to complete the renewal and strengthening of 150 miles of track. Among works chargeable to improvement Fund, provision has been made for platforms, sheds, waiting rooms, halls or shelters at a number of stations. A number of quarters for Class III and Class IV staff have been provided for.

*Railways' development programme.* The Railway is currently engaged in the implementation of a massive development programme embodied in the Second Five-Year Plan. The actual figures of developmental outlay during the first year (1960-61) of the Plan are now available.

Against a revised estimate of Rs. 15.17 crores, actual expenditure in 1960-61 was Rs. 14.07 crores. The shortfall was mainly due to non-availability of imported materials. Budget estimates for the year 1961-62 provided for an expenditure of Rs. 24.65 crores. Owing to the delay in obtaining foreign exchange the progress of work was somewhat retarded. The revised estimates for the 1961-62 capital programme were, therefore, reduced to Rs. 22.75 crores keeping in view the throw-forward from some works which had been in the previous year's programme and also requirements for other works to be taken in hand during 1962-63. A programme involving a net outlay of Rs. 27.46 crores has been prepared for 1962-63. Thus, for three years together, Plan expenditure is estimated at Rs. 64 crores.

Of the total development outlay of Rs. 27.46 crores proposed for 1962-63, Rs. 14.70 crores will be chargeable to capital, Rs. 11.05 crores to the Depreciation Reserve Fund and Rs. 1.71 crore to Improvement Fund.

The programme provides Rs. 11.72 crores for rolling stock ; Rs. 5.41 crores for track renewals ; Rs. 85 lakhs for plant and machinery, Rs. 75 lakhs for bridge works, and Rs. 82 lakhs for staff welfare and passenger amenities.

Past experience has shown that delay in procuring foreign exchange has been an important factor in retarding the progress of the development programme.

However, recently the situation has shown improvement. Foreign exchange required to implement the Railway's Second Five-Year Plan is estimated at Rs. 66.2 crores. During the first two years it has been possible to ensure credits amounting to Rs. 47.4 crores. This should cover requirements to the end of 1962-63, and it will not be necessary to negotiate fresh loans or credits during 1962-63.

In order to conserve foreign exchange, the Railway continued to explore all possible avenues of local supply and manufacture. Efforts were made to ensure maximum utilization of the capacity available in Railway's own workshops, which can now manufacture carriages and wagons, locomotives and carriage and wagon duplicates, steel sections and steel castings, cast iron and reinforced concrete sleepers, track fittings, bolts and nuts, points and crossings, and many other items of stores.

Spare capacity available in other manufacturing units, such as the Pakistan Ordnance Factory, Karachi Shipyard, Telephone Industries of Pakistan, etc., was also utilized to the maximum advantage. Moreover, every encouragement was given to the indigenous industries for the manufacture of goods required by the Railway.

By extending dieselization and adopting fuel economy measures, it was possible to economize fuel consumption. These measures, it is estimated, have brought about savings in foreign exchange of approximately Rs. 3.08 crores per annum.

## HIGHLIGHTS

The highlights of the railway budget are given below :

- (1) The budget shows a surplus of Rs. 10.55 crores.
- (2) The rolling stock programme provides for 26 broad-gauge locomotives, 1,410 broad-gauge wagons, 4 broad-gauge cranes as additions and 10 railcars and 32 trailers, 138 broad-gauge passenger carriages and 23 broad-gauge other coaching vehicles as 'replacements'.
- (3) Provision has been made for increased line capacity, improved signalling and construction of second phase of Karachi Circular Railway between Khadda and Karachi.
- (4) Provision has been made to complete renewal and strengthening of 150 miles of track.
- (5) A number of quarters for Class III and Class IV staff have also been provided for.

### Pakistan Eastern Railway

The first railway budget for East Pakistan for 1962-63 presented by the provincial Finance Minister before the East Pakistan Assembly on June 12, 1962 envisages total revenue receipts of Rs. 20.88 crores and total expenditures of Rs. 16.91 crores, thus showing a surplus of Rs. 3.97 crores.

*Revenue estimate for 1961-62.* The budget estimates for 1961-62 provided for total revenue receipts of Rs. 18.89 crores for the Pakistan Eastern Railway. The revised estimates placed receipts at Rs. 19.80 crores, an increase of Rs. 91 lakhs over the budget estimates and Rs. 1.28 crore more than the actual receipts of Rs. 18.52 crores realized during 1960-61.

The estimates for total revenue expenditure for 1961-62 were Rs. 18.80 crores. The revised estimates were Rs. 17.15 crores, a decrease of Rs. 1.65 crore. This is entirely due to the decision not to make any *ad hoc* contribution over and above the normal contribution to the Depreciation Reserve Fund.

*Budget estimates for 1962-63.* Total revenue receipts for 1962-63 are estimated at Rs. 20.88 crores, an increase of about Rs. 1.81 crore over the revised estimates for 1961-62. Total revenue expenditure is estimated at Rs. 16.91 crores, a decrease of about Rs. 24 lakhs from the revised estimates. This is mainly due to a reduction of the appropriation to the Depreciation Reserve Fund.

The surplus of the Railway is estimated at Rs. 3.97 crores for the year 1962-63. Out of this Rs. 2.37 crores will be paid to the Central Government as a return on its investment in the Railway up to June 30, 1962. Of the balance of Rs. 1.60 crore, Rs. 35 lakhs will be credited to the Improvement Fund. This is in addition to an estimated Rs. 41 lakhs to be realized as Development Surcharge on passenger traffic. The balance of the profit, Rs. 1.25 crore is to be placed in the Railway Reserve Fund.

*Development programme for 1962-63.* The capital outlay for 1962-63 is estimated at Rs. 12.79 crores. The main items in the distribution of this sum are : rolling stock—Rs. 7.97 crores ; plant and machinery—Rs. 38 lakhs ; engineering works—Rs. 1.04 crore, bridges—Rs. 16 lakhs, tracks—Rs. 1.45 crore, contribution to Improvement Fund—Rs. 1.25 crore (amenities to passengers—Rs. 26 lakhs, staff welfare works—Rs. 45 lakhs, unremunerative works—Rs. 53 lakhs.) An amount of Rs. 11 lakhs is kept unallocated.

*Rolling stock programme.* The rolling stock programme for 1962-63 provides for 369 broad-gauge and 1,608 metre-gauge wagons and 13 broad-gauge and 132 passenger carriage as 'additions' and 8 broad-gauge diesel electric locomotives as 'replacements'.

Provision made for new works for 1962-63 includes 50 miles of rail renewals, 90.75 miles of sleeper renewals and other measures to improve the track. It is proposed to improve tele-communication facilities by the installation of Very High Frequency sets and improved signalling instruments. A number of works to improve line and yard capacity and terminal facilities has also been included.

Among works chargeable to Improvement Fund, provision has been made for platforms and shelters at 10 stations, high level platforms at 42 stations, waiting rooms and halls at 6 stations and electrification of 6 stations. Provision has also been made for the construction of 330 quarters for Class III staff and 380 quarters for Class IV staff, Girls High Schools at Chittagong and Paksey, 75 additional beds for the hospital at Chittagong and a number of other welfare works.

The question of a phased programme for the provision of a double line between Chittagong and Akhaura is also receiving attention.

*Second Plan.* A total investment of Rs. 42.77 crores was proposed for the Pakistan Eastern Railway during the Second Five-Year Plan period and schemes costing Rs. 42.13 crores have already been approved by the competent authority.

The foreign exchange required to implement the Railway's Second Five-Year Plan is estimated at Rs. 27.85 crores. The Minister has said that foreign exchange assured during the first two years of the Plan would be sufficient to cover requirements to the end of 1962-63.

As a measure for conserving foreign exchange, the manufacturing capacity of the Railway's own workshop is being increased. It is proposed to fabricate 200 to 400 metre-gauge wagons and 24 other coaching vehicles per year, in addition to the assembly of 1,500 metre-gauge wagons from components imported from abroad.

#### HIGHLIGHTS

The highlights of the budget are given below :

1. Provision for 369 broad-gauge and 1,608 metre-gauge wagons has been made in the rolling stock programme of the budget for 1962-63.

2. Provision for the purchase of 13 broad-gauge and 132 passenger carriages as 'additions' and eight broad-gauge diesel electric locomotives as 'replacements' has also been made.
3. The question of a phased programme for the provision of a double line between Chittagong and Akhaura is receiving attention.
4. Goods earnings for the year have been placed at Rs. 10.58 crores, against Rs. 9.97 crores in the revised estimates, an improvement of Rs. 61 lakhs.
5. Rs. 23 lakhs has been provided for amenities to lower class passengers and staff welfare works.
6. The estimate for coaching earnings for the year 1962-63 is Rs. 9.69 crores, an increase of Rs. 46 lakhs over the revised estimates for the previous year.
7. A total appropriation of Rs. 1.59 crore has been proposed, of which Rs. 54 lakhs is required for repayment of principal of foreign loans on replacement. The balance of Rs. 1.05 crore will be used for meeting the rupee expenditure of the programme.

#### PAY AND SERVICES COMMISSION

Commissions, from time to time, were appointed in the undivided India to enquire into the pay and service structure of Government departments. The upward trend of prices that began about 1939-40 did not come to an end with the end of the War. After Independence, there came an immediate upswing of prices and Pakistan Pay Commission had to be set up in 1948. The Pakistan Pay Commission drew up their pay scheme at a time when the whole background against which Pakistan was set was shifting rapidly and it was impossible to clearly foresee the state of things to come. For instance, one of their assumptions was that the general price level of consumer goods would in a short period fall down considerably. That assumption has been belied by more or less steadily rising prices and the Pakistan Government in 1958 had to set up a Pay Enquiry Commission to enquire into the need for increasing the emoluments etc. of Class III and Class IV staff. That Commission's scope of enquiry was very limited whereas the rising level of prices all round justified enquiry into the entire pay structure of the country. The Government accordingly in August 1959, set up the Pay and Services Commission to review the structure and organization of and sources and methods of recruitment relating to civilian services and establishments of all grades under the control of Central and Provincial Governments, to suggest measures to secure the maximum efficiency and economy in administration, to enquire into the emoluments and other terms and conditions of service of the above personnel and keeping in view the economic conditions and financial resources of the country, to report on the extent to which existing emoluments and other conditions of service required modifications, etc.

The Pay and Services Commission submitted their Report in June 1962. The President, thereupon, appointed a Committee, consisting of the Cabinet Secretary, the Establishment Secretary, the Finance Secretary and the two Provincial Chief Secretaries, to examine the report. An Implementation Unit was also set up in the Ministry of Finance with

the Officer-on-Special Duty (of the status of Central Secretary) as its head, to assist the Committee. Another Committee was set up, to consider revision of pay scales of Defence Personnel in the light of the decisions on the recommendations of the Pay and Services Commission. Later, yet another Committee with the Establishment Secretary as Chairman and the Finance Secretary, the Chief Engineering Adviser to the Central Government and the Provincial Chief Secretaries as members, was set up to examine the structure of services.

The recommendations of the Commission being far-reaching in character needed examination in some detail. On the other hand, the lower paid Government employees, it was felt, required some financial relief immediately. The Central Government accordingly decided to give an interim relief to its lower paid employees without waiting for the outcome of the examination of the Commission's recommendations. Having regard to the Commission's own estimate of the immediate benefit envisaged by their recommendations, the Central Government sanctioned an interim relief with effect from July 1, 1962 to their civilian employees (including employees of the Post Office and Telegraph and Telephone Departments and civilians paid from Defence estimates) drawing pay up to Rs. 600 p.m., equal to 10 per cent. of their basic pay subject to a minimum of Rs. 5 p.m. and a maximum of Rs. 25 p.m. with marginal adjustments for those drawing pay between Rs. 600 and Rs. 624, with the stipulation that this relief would be merged in the increase that might accrue on the final implementation of the Commission's recommendations.

Later, on the recommendations of the Secretaries' Committee, the Central Government decided with effect from December 1, 1962, to merge the dearness allowance, the dearness pay, and *ad-hoc* increases in dearness allowance and interim reliefs other than the latest, in the basic 'prescribed' scales of pay of their non-gazetted civilian employees and to enhance the scales thus consolidated so as to give an immediate increase (including the last interim relief) of 10 to 12½ per cent. and an average increase not exceeding 20 per cent.—this compared favourably with the Commission's own estimates that '.... there would be, on the average, 20 per cent. increase in emoluments of staff when the full effect of our recommendations is felt while in the immediate future there would only be an increase of 10 per cent.' Orders were issued accordingly on February 1, 1963. New enhanced pay scale of the standard categories of non-gazetted posts in the Central Secretariat and its attached departments were issued on February 2, 1963. Enhanced scales of non-standard categories belonging to some of the Ministries, attached departments and subordinate offices have also since been issued and those belonging to the remaining Ministries, etc., are expected to be issued shortly.

It has also been decided that whatever decision in respect of defence personnel are taken by the Government on the basis of the recommendations of the Defence Services Pay Committee, would also be effective from December 1, 1962.

The question of increase in the emoluments of Class I and Class II (Gazetted) employees of the Central Government and the recommendations of the Commission relating to other benefits are under active consideration.



## PLANNING IN PAKISTAN

### A REVIEW OF THE SECOND FIVE-YEAR PLAN

#### XIV

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THE TIDE OF rapid technological change and economic expansion, that started rising in England some two centuries ago, has now spread from Europe and North America, and penetrated, in uneven fashion, in most of the less developed areas of the world. Economic development has become the main aspiration of the countries in these areas, and indeed has become the prime condition of their survival. The urge and necessity for development is particularly acute in Asia where (outside the U.S.S.R.), 55 per cent of the world's population lives on only 20 per cent of its land, and is increasing at an explosive rate.

In striving toward this objective, we can draw upon many decades of technological research and experience in Europe and America. But it is not possible, even if it were desirable, simply to repeat the development pattern of these more advanced countries, whose circumstances were quite different from our today. They had no history of economic dependency to overcome, and they started with a much more favourable ratio of natural resources to population. The prevailing economic and cultural climate was conducive to private capital accumulation, and their governments intervened very little in the development process. The opening up of America and Oceania, and the extension of the European empires in Asia and Africa during the nineteenth century, assured them an expanding market for their products and a continuous supply of raw materials.

The emerging countries of Asia, Africa and Latin America must contend with greater internal pressures and more complex international economic relationships. They have much less room for manoeuvre and relatively scantier resources. So, they must plan and organize their development more deliberately, to make optimum use of these meagre resources and to profit from the experience of other countries that have passed or are passing through the same transition.

#### BACKGROUND OF PLANNING

In Pakistan, the inherent difficulties of economic development were aggravated by the disruptive consequences of Partition. The inflow of displaced persons from India and the emigration of non-Muslims; the need to create a national framework of economic institutions, to reorient transport and communication lines and to establish a new

set of commercial contacts abroad; the paucity of capital and know-how; the lack of major mineral resources, and the over-dependence of the economy on a few agricultural commodities; and, above all, the separation of East and West Pakistan by more than a thousand miles of alien territory all posed grave obstacles to economic progress. Other complicating factors were the Korean war boom and the subsequent collapse of raw material prices and the instability of national politics. Thus the First Five-Year Plan, although its targets were modest enough, had little chance of success.

The Second Plan started in July 1960 with a sounder base for development and a considerably more stable political climate. The success achieved by the earliest entrepreneurs provided a fillip to enterprise and some accumulation of capital; technical skills had begun to develop; improvements in communications had strengthened the base for further growth; dependence on India had decreased; commerce and revenue structures were strengthened by diversification; the foreign exchange position had improved; and land reforms had brought about a healthy outlook in agriculture as well as prospects of a better socio-political structure in our rural population.

In certain other respects, to be sure, the strains and stresses in our economy are even more evident. The population seems to be increasing faster than was earlier assumed. The terms of trade during the past decade have moved to our disadvantage, so much so that the unit price of our exports is roughly half, in terms of imports, what it was ten years ago. The imbalance in the level and pace of development in the two Wings of Pakistan has been highlighted. On balance, however, the Government were able to lay out, in the Second Plan, a more consistent, rational and practical programme for national economic development, and to enlist a wider public understanding and participation in its execution.

The essential objective of the development programme must be to raise the standard of living of the people. In part, this entails a more equitable distribution of the national wealth. More basically, it requires a rise in the productivity and output of the great mass of Pakistani workers. But such an increase in productivity itself depends in large part on releasing the energies of the most vigorous and efficient citizens of the nation, enabling them to obtain the requisite training, and affording them every opportunity and incentive to improve their status.

### THE FIRST PLAN

The First Five-Year Plan (1955-56 to 1959-60), was the first comprehensive blueprint for the country's economic and social development. It aimed at increasing national income by 15 per cent which, given the then anticipated increase in population, would have resulted in a 7 per cent rise in income per capita. Our stated objectives were to strengthen the balance of payments, increase job opportunities, employ productively the additions to the labour force during the Plan period, extend such social services as housing, health and education, and step up the rate growth in the economically retarded areas of the country. Its investment targets were modest—Rs. 750 crores in the public sector and Rs. 330 crores in the private sector.

The record of implementation of the First Plan is strangely mixed. Financially the Plan was fulfilled to the extent of about 90 per cent but the increase in national income was only about 11 per cent as against the Plan target of 15 per cent. Because population increased by about 10 per cent during the Plan period, the rise in per capita income was negligible.

The First Plan did, however, establish a base for future economic growth. Transportation and port facilities were renovated and improved, power generation expanded; several multipurpose projects undertaken and significant strides made in industrialization. While progress was a good deal less than was hoped, the necessary pre-conditions for economic growth were established. In particular, the last eighteen months of the Plan period witnessed the restoration of economic stability and a rationalization of Government policy in the economic sphere.

### THE SECOND PLAN

The Second Five-Year Plan (1960-61 to 1964-65), announced in June 1960 was designed to build on the base established in the First Plan, but to accelerate the pace of economic growth. The fundamental problem posed in the Plan document was 'how, under severely limiting conditions, to find some way towards the liberation of the people from the crushing burden of poverty. The compelling consideration is that the economy must grow at a rate which must be faster than the increase in population'.

The principal targets of the Second Plan are :

- (1) 24 per cent increase in the national income and 12 per cent in real income per head;
- (2) 21 per cent rise in food production to approach self-sufficiency;
- (3) 60 per cent increase in the output of large-scale industry;
- (4) 3 million more employment opportunities;
- (5) a rise of 10 per cent in the average rate and 25 per cent in the marginal rate of domestic savings;
- (6) acceleration in the economic growth of relatively less-developed areas in the country; and
- (7) an increase of 15 per cent in total foreign exchange earnings.

The Plan projected aggregate development expenditure of Rs. 19 billion. It was revised in November 1961 to Rs. 23 billion, to take account of price increases since the original calculations were made in 1959, under-estimation of the cost of several projects shown by subsequent engineering reports, the higher rate of population growth revealed in the 1961 census, and the need in a few sectors to enlarge the physical dimensions of the Plan. The revised estimates were generally endorsed in January 1962, by the World Bank and the Consortium of countries providing development assistance to Pakistan.

The revised Plan envisages development outlays of Rs. 1,462 crores in the Government-financed sector and of Rs. 838 crores in the privately-financed sector. Domestic savings were expected to finance 52 per cent (Rs. 1,205 crores) of the Plan and external aid and private foreign investments to provide the remaining 48 per cent (Rs. 1,095 crores).

The Second Plan's strategy may be summarized as follows :

First priority was given to schemes already in an advanced stage of preparation, or which had already been the subject of foreign aid or credits. Second, schemes designed to give quick returns, by better use of existing resources, were stressed. Third, the Plan sought to make maximum use of the market mechanism, and to employ fiscal and monetary measures rather than direct controls as far as possible. Fourth, it adopted a pragmatic approach in defining the roles of the public and private sectors, no industries, except a few strategic ones, were barred from private investment (indigenous or foreign), and public investment was intended to supplement rather than displace private enterprise. Fifth, the Plan aimed at developing labour-intensive rather than capital-intensive methods where possible, corresponding to the relative scarcities of these factors of production. Sixth, part of the extra wealth of the community resulting from the economy's progress would be captured for still further investment (one-quarter of the estimated increase in national income). Seventh, the device of annual development programmes would be used to bring about orderly adjustment in the Plan to meet changing circumstances ; the Plan thus had built-in flexibility.

To achieve the aims of the Plan it will be necessary to increase real investment by about 73 per cent above the level of the First Plan period during which it is estimated that real investment increased by over 50 per cent. In fact, during the first two years of the Second Plan development expenditure has shown an annual increase of over 20 per cent. The table below shows the investment by sectors under the Second Plan.

INVESTMENT BY SECTORS UNDER THE SECOND PLAN

Field	Public sector		Semi-public sector		Private sector		Total	
	Creore Rs.	%	Creore Rs.	%	Creore Rs.	%	Creore Rs.	%
1. Agriculture ..	251.5	20	..	..	90.5	13	342.0	15
2. Water and power	414.0	33	19.0	5	6.0	1	439.0	19
3. Industry ..	10.0	1	193.5	51	308.5	45	512.0	22
4. Fuels and minerals	17.9	1	27.1	7	55.0	8	100.0	4
5. Transport and communications	261.2	21	53.3	14	90.5	13	405.0	18
6. Housing and settlements	141.0	11	86.5	23	113.5	17	341.0	15
7. Education and training	95.5	8	..	..	10.0	1	105.5	5
8. Health ..	37.0	3	..	..	5.0	1	42.0	2
9. Social services ..	8.5	1	..	..	1.5	(a)	10.0	(a)
10. Manpower and employment	3.5	(a)	..	..	..	..	3.5	(a)
Total ..	1,240.1	100	379.4	100	680.5	100	2,300.0	100

(a) Less than 0.5 per cent.

Of the planned total development expenditure of Rs. 2,300 crores, 54 per cent is in the public sector, 16 per cent in the semi-public sector and 30 per cent in the private sector. In the semi-public and private sectors, emphasis is placed on industrial development and to a lesser extent on housing and transport. In the public sector, the largest investment target is that for water and power, followed by transport, agriculture and housing in that order.

Additional investments outside the framework of the Plan of Rs. 330 crores for the Indus Basin Replacement Works and of Rs. 160 crores for a local Works Programme were also projected during the Second Plan period, raising the total of planned development expenditure to Rs. 2,790 crores.

### THE MID-PLAN REVIEW

The Plan is now approaching the end of its third year. On November 2, 1962 the Planning Commission released a review of progress achieved during the first two years, which indicates that all-round progress has been quite satisfactory. The World Bank mission which visited the country in October-November 1962 was also satisfied with the progress so far achieved. The Planning Commission's review showed that not only were the targets fixed for the first two years (ended June 1962) fully achieved, but in certain sectors much more was accomplished than had been expected. The growth of national output has been much faster than during the First Plan. If this tempo is not retarded by circumstances now unforeseen, there is reasonable hope that the country will be approaching the stage of self-sustaining growth within a few years.

Agriculture, the mainstay of the economy, whose poor performance largely accounted for the disappointing overall record of the First Plan, has achieved satisfactory result since 1960.

On the industrial front the progress is even more pronounced; production increased by about 23 per cent during the two years. At this rate, it can reasonably be expected that the target of a 60 per cent increase during the Plan period will be achieved.

The domestic savings campaign has had considerable success, enabling the country to contain inflationary pressures and to provide greater amounts for development purposes. The rate of domestic savings has climbed from 6.6 per cent in 1959-60 to 8.1 per cent in 1961-62. A brief review of the two-year achievements in various sectors is given below.

#### Investments and savings

Analysis of national expenditure shows that gross investment at constant prices increased by about 15 per cent in 1960-61 and by nearly 19 per cent in 1961-62. The rate of gross capital formation rose from 9.3 per cent of Gross National Product in 1959-60 to 10 per cent in 1960-61 and 11.3 per cent in 1961-62. This was due to an increase in the rate of domestic savings from about 6.6 per cent in 1959-60 to approximately 8.1 per cent in the second year of the Plan. It appears that by the end of the Plan, the rate of savings may well exceed the planned 10 per cent, as the

marginal rate of savings was about 12.4 per cent in 1960-61 and 21.8 per cent in 1961-62. External aid and foreign private investment amounted to about 3 per cent of the gross domestic expenditure in 1960-61 and 3.2 per cent in 1961-62.

### Development expenditure

It is estimated that approximately 90 per cent of the sums budgeted for development were utilized. The development expenditure planned for 1961-62 was Rs. 297.5 crores—Rs. 262.7 crores in the Government-financed sector (including about Rs. 5.5 crores as recoveries from fertilizers, seeds, etc.), with an expected shortfall of Rs. 15 crores, and Rs. 340 crores in the semi-public sector. Approximately 76 per cent of the allocation was for continuing projects and 24 per cent for new ones.

East Pakistan's share in implementation of the Plan and utilization of resources has increased considerably, rising from 33 per cent in the First Plan to about 41 per cent during 1960-62. It is expected to reach 50 per cent by the end of the Plan period.

### Private investment

Total private investments in the monetized sector only, during the two years under review amounted to Rs. 241.2 crores. The highest share was claimed by the construction industry (43 per cent), followed by mining and manufacturing (29 per cent), transport and communications (24 per cent). A comparison of the various types of capital goods reveals that 57 per cent of the total capital formation went for the creation or acquisition of machinery and equipment. The remaining 43 per cent was for construction.

About 33 per cent of the total private investment was financed by unspecified private savings, and 20 per cent from depreciation funds of business enterprise. The share of foreign private investment is estimated at 9 per cent of the total.

### Agriculture

In spite of heavy damage caused by floods and cyclones in East Pakistan and by the locust in West Pakistan, output of major agricultural crops in 1961-62 exceeded that of the base period<sup>1</sup>. Output of foodgrains in 1961-62 almost reached the target of 1964-65, i.e., a 21 per cent increase above the base period. The percentage achievements in 1961-62 and the Plan targets for main crops in relation to the base period are shown below.

	<i>Crop</i>	1961-62	1964-65
Foodgrains	.. .. .	20.3	21
Jute	.. .. .	16.2	22
Cotton	.. .. .	10.4	38
Sugarcane	.. .. .	20.2	35
Tobacco	.. .. .	(-)-12.6	14

<sup>1</sup> Average production in 3-5 years preceding 1960-61.

Tobacco was the only crop whose output showed a decline in the first two years of the Plan.

The increase in agricultural output was mainly due to favourable weather, intensive use of fertilizers and improved varieties of seeds, control of plant diseases and pests, and bringing of new areas under the plough.

*Fertilizers.* The upward trend in the use of fertilizers continued during the period under review. About 61,000 tons of nitrogenous fertilizer were distributed in 1961-62, more than twice as much as in 1959-60, and half of the 1964-65 target. The distribution of phosphatic fertilizer increased three fold in 1961-62 over 1959-60, from 1,000 tons to 3,000 tons in terms of P<sub>2</sub>O<sub>5</sub>. A beginning was also made in the distribution of potassic fertilizer.

*Plant protection.* The crop acreage treated against plant pests and diseases in 1961-62 was 3.35 million acres against 1.78 million acres in 1959-60, an increase of about 88 per cent. The Plan target is to cover about 6 million acres by ground and aerial operations by 1964-65. The quantity of seed treated to control crop diseases, however, decreased somewhat both in 1960-61 and 1961-62 in comparison with 1959-60.

*Use of improved seeds.* There was considerable increase in the distribution of improved seeds of major crops. About 58,000 tons of improved seeds were distributed in 1961-62—76 per cent more than in 1959-60.

*Colonisation.* In West Pakistan, colonization and land development continued satisfactorily. During the two years, 3,88,000 acres of State land in the G. M. Barrage area were developed for cultivation, with the aid of machinery; and an additional area of 1,50,000 acres was brought under cultivation. In Thal Project area, over 1,40,000 acres were developed for cultivation and 3,50,000 acres of additional land were sown to crops.

*Storage.* The two-year allocation for the foodgrain storage programme was Rs. 8.66 crores, of which 41 per cent was utilized. The shortfall was due to slow acquisition of land, and delays in securing approval of the projects, getting necessary equipment and carrying out construction. 70,500 tons storage capacity was completed during the two years against the Plan target of 1,68,000 tons; another 79,000 tons capacity stores were under construction.

*Soil conservation.* About 80 per cent of the two-year allocation for soil conservation was utilized. The soil conservation programme included soil and water survey, land capability classification survey, engineering work, agronomic measures, afforestation and land development, sand dune stabilization, and variety fertility trials and laboratory analyses. Two new soil conservation demonstration areas covering 35,000 acres were opened. A land capability classification survey was carried out over an area of 1,94,000 acres, and a soil and water survey of another 1,16,000 acres was commenced. In East Pakistan 1,000 acre soil conservation project was started.

*Fisheries.* In the development of fisheries about 53 per cent of the allocation was utilized. East Pakistan spent 89 per cent of its allocation, but the Centre and West Pakistan only 32 per cent each.

In the Centre's programme, a serious shortfall occurred in fisheries research and education; the marine biological and technological laboratory project was not implemented at all. In West Pakistan, there were delays in securing the water areas for fishery development and in obtaining transport vans for the storage and marketing schemes.

*Rural credit and co-operatives.* In implementing the rural co-operatives programme, a sum of Rs. 1.89 crore was spent. In addition, outside the initial Plan allocation, Rs. 9.65 crores were provided for rural credit from Government account as a capital liability; of this sum Rs. 8.32 crores were utilized. In 1960-61, the Agricultural Development Finance Corporation was merged with the Agricultural Bank of Pakistan under the name of Agricultural Development Bank. During the period under review, the Bank opened eight new branches; eight new pay offices were set up and six pay offices were upgraded to sub-branches. While the Government of East Pakistan utilized the entire amount of the *taccavi*<sup>2</sup> loan of Rs. 3.5 crores, in West Pakistan only Rs. 2.3 crores were drawn out of Rs. 3.5 crores allocated for the purpose.

Under the programme for reorganization of agricultural credit and marketing in East Pakistan, 108 union (primary level) multipurpose co-operative societies and 7 central (secondary level) multipurpose societies were developed or reorganized, 34 (secondary level) banks and 7 land mortgage banks were also reorganized and 5 new land mortgage banks were established. In West Pakistan, 223 large-size co-operative societies at primary level, 7 marketing societies at secondary level, 1,675 small-size co-operative credit societies, and 2,534 service societies were organized, while 350 societies were weeded out during the period under review.

*Land reforms.* The allocation for implementation of land reforms, mainly consolidation of holdings, was Rs. 2.5 crores, of which only 53 per cent was utilized. Against the target of 92 lakh acres, about 42.5 lakh acres were consolidated in 5,211 villages in West Pakistan. In East Pakistan, the entire work on the Pilot Scheme, covering about 90,000 acres, was completed on schedule.

Under the Martial Law Regulation No. 64, promulgated in 1959, an area of 2.2 million acres in West Pakistan was resumed from land owners holding land above the prescribed limit. Steps have also been taken toward (1) rationalizing the land revenue assessment and water rates, and (2) bringing up-to-date the land records which form the basis of title of ownership. In East Pakistan the publication of Compensation and Assessment Rolls, which was to be completed by 1962-63, is likely to be delayed because of an amendment introduced in the East Bengal State Acquisition and Tenancy Act, 1950, which raised the retention limit of *Khas*<sup>3</sup> lands from 110 to 375 *bighas* (3 *bighas* equal one acre).

*Village AID and rural development through Basic Democracies.* The allocation for this sub-sector was Rs. 10.15 crores of which 73 per cent (Rs. 7.43 crores) was utilized. The shortfall was mainly due to Government's decision to wind up the Village AID Organization and transfer its

<sup>2</sup> Rural credit advanced by revenue officials.

<sup>3</sup> Self-cultivated lands.



activities, as much as possible, to the Basic Democracies and the Agricultural Development Corporations in the two Provinces.

However, the programme achieved substantial success in both Provinces. Against a target of 40 development areas in 1960-61, 42 were opened. About 1,400 village workers were trained in 1960-61.

Some of the Village AID Training Institutes were passed on to the Basic Democracies Organization for multipurpose training of its staff. In the two Village Development Academies at Comilla and Peshawar, a large number of Chairmen of Union Councils and officers and technicians of the nation building departments were trained.

The success of the Village AID Programme in fostering the spirit of self-help and co-operation can be judged from the villagers' contribution of about Rs. 1.1 crore in 1960-61. By the end of 1960-61, in the 202 development areas in both Provinces 2,650 village councils were established, 882 co-operative societies were organized or revitalized, 1,011 new school buildings were constructed and 1,014 repaired, 9,200 poultry farms were opened, 4,200 adult education centres were started, 6,500 miles of *kutcha* (unmetalled) roads were constructed and 5,900 miles repaired.

### Industry

Manufacturing industry has moved ahead in a very promising way. The Second Plan envisaged expenditure of Rs. 191 crores for development of mining and manufacturing in the public and semi-public sectors. The allocation for the first two years of the Plan was Rs. 49.42 crores, of which Rs. 44.95 crores (91 per cent) were utilized. Funds in the semi-public sector were fully utilized, but there was some shortfall in the public sector owing to organizational problems in relation to small industries.

The expansion of industrial capacity, both in the semi-public and private sectors, led to substantial increases in output. The index of industrial production went up from 185 in 1959-60 (1954=100) to 230.2 in December 1960.<sup>4</sup> Thus during the first two years of the Plan the production of large-scale industry increased by about 23 per cent (to be compared with the 60 per cent increase expected by the end of the Plan). If the increase in output originally projected by the end of the Plan period is taken as 100, the achievement indices in the second year of the Plan were as follows :

	per cent
Vegetable <i>ghee</i>	114
Ammonium sulphate	121
Cigarettes	71
Paper and board	55
Superphosphate	36
Sugar	21
Jute goods	16
Cement	12
Soda ash	10

<sup>4</sup>There is substantial ground for believing that the index under-states the actual increase in output, since it gives insufficient weight for new industrial categories. The index has since been revised.

## Mining

Between 1960 and 1962, petroleum production increased by 17 per cent, that of coal by 22 per cent, and extraction of natural gas by 34 per cent. Coal output increased from 8,20,000 tons in 1960 to 9,00,000 tons in 1961, and was expected to reach 10 lakh tons in 1962. The extraction of natural gas rose from 29.8 billion c.ft. in 1960 to 34.7 billion c.ft. in 1961 and was expected to reach 40 billion c.ft. in 1962. Production of crude petroleum from the Attock fields in West Pakistan rose from 2.3 million barrels in 1960 to 2.5 million barrels in 1961 and was expected to reach 2.7 million barrels in 1962.

Investments in oil and gas prospecting in the semi-public sector amounted to approximately Rs. 5 crores by private enterprise and Rs. 1.65 crore by the Government. In addition, there was an investment of Rs. 2.89 crores by Government in oil and gas prospecting in the public sector. The investment in the semi-public sector was only a little more than 50 per cent of the target for the first two years of the Plan. The reason for the shortfall was the declining interest on the part of foreign oil companies in sinking new wells in West Pakistan. Increased drilling activity in East Pakistan has uncovered no oil deposits to-date, but has located three new gas fields, two in Sylhet district and one in Comilla district. The estimated reserves at the Rashidpur field in Sylhet district are 700 billion c.ft. and those at Kailashtila in the same district 380 billion c.ft. The gas from those fields is of very high quality. Information is not yet available on the amount or quality of gas at the new Titas field near Brahmanbaria in the Comilla district.

## Water and power

The installed power generating capacity in 1961-62 was 30 per cent more than in 1959-60, while the volume of electricity actually generated was 54 per cent larger, the length of circuit miles 53 per cent greater, and the number of electricity consumers 30 per cent greater. In East Pakistan, 14 lakh acres have been safeguarded against sea water and floods. In West Pakistan, 2,55,000 acres have been brought under the plough. In both Provinces, 4,65,000 additional acres have been provided with assured irrigation.

## Transport and communications

In the transport sector, the Five-Year Plan targets have been achieved so far to the extent of 14-35 per cent as shown by the following percentages.

	per cent
Diesel locomotives	.. 35
Road mileage	.. 34
Road transport vehicles	.. 33
Mileage of rail renewals	.. 30
Mileage of railway sleeper renewals	.. 22
Railway wagons	.. 19
Railway coaching vehicles	.. 14

Progress in the field of communications was 34 per cent of the Plan target for telephones and 40 per cent for post offices.

### Rehabilitation

Of the planned settlement of 3,00,000 families by 1964-65, 14 per cent of the target has so far been achieved. Water supply and sewerage projects are gradually being implemented. Development of the new capital at Islamabad is proceeding satisfactorily.

### Education

The following figures show the main accomplishments in primary education during the period under review as percentages of the five-year target.

	per cent
New primary schools 7,200	.. 48
Development of 2,530 primary schools	.. 29
Additional enrolment of 6,90,000 in primary schools	.. 28

Progress was also made in secondary and higher education and in teacher training and technical education.

### Health

Continued efforts were made to eradicate malaria, to fight tuberculosis and to control other infectious diseases. Public health has been improving. As a result of progress in the medical and health fields mortality has been declining but the birth rate continues high, resulting in a natural rate of population growth officially estimated at about 2.2 per cent a year. An expert demographer has warned that it may in fact be considerably higher. Family planning was, therefore, given increasing attention. More will have to be done in this direction in order to avoid a demographic explosion.

### Social welfare

Progress in social welfare was still slow, due to inadequate organizational framework and shortage of qualified personnel. However, a Social Welfare Directorate was established in East Pakistan, and with the pending formation of similar Directorate in West Pakistan better results should follow. Meanwhile, 40 urban community development projects have been organized and a number of other social welfare schemes were implemented.

### Labour

For similar reasons, progress in the field of manpower and employment services has been slow. Assistance will soon be forthcoming from the International Labour Organization and the U.N. Special Fund to formulate a broad programme for development and utilization of human resources in conformity with the Plan and long-run development needs.

It is estimated that during the period under review about 6,60,000 persons have been added to the labour force employed outside agriculture. A similar number has probably been added to the agricultural labour force. It appears that the increase in employment has been roughly equal to the increase in the size of the male population of working age. A more accurate analysis has to await collection of the relevant data. However, it seems that there has been no increase of unemployment in the country.

### PROSPECTS FOR NEXT THREE YEARS

Assuming that total Government development expenditure during the period of the Plan will remain as envisaged (Rs. 1,462 crores), there will be an acceleration in the rate of investment, and as a result more rapid growth, in all economic sectors. Up to 1961-62, by straight interpolation, about 40 per cent of the total Plan allocation should have been spent. In fact, the expenditure was only approximately 30 per cent, leaving about 10 per cent to be brought forward.

The rate of utilization differed as between sectors. Water and Power, Transport and Communications, Housing and Settlement, and Health and Medical services are the sectors where approximately one-third of the Plan's financial target has been already reached. Thus the level of investment in these sectors will rise less than average over the next three years. However, the investment already made should yield an increasing return in expansion of output.

For education, about 24 per cent of the Plan's total financial provision has been spent. More intensive developmental effort should, therefore, be expected in this area during the remaining period of the Plan.

If the planned expenditure pattern is to be observed, there will have to be a fast acceleration in the rate of Government outlay on manufacturing industry and agriculture. In the industrial sector, only approximately 24 per cent of the total planned Government allocation has been utilized up to now. However, private investment in industry has exceeded the Plan projections. In the agriculture sector, only about one-fifth of the Plan's investment target has so far been achieved. The coming three years, therefore, should see a faster industrial and agricultural advance than during the initial two years of the Plan.

The 1962-63 development programme envisages a total outlay of Rs. 354 crores in the Government-financed sector. Assuming that the rate of utilization will be about 90 per cent, roughly the level of the first two years of the Plan, the actual public development expenditure in 1962-63 can be estimated at Rs. 326 crores. This, together with Rs. 432.6 crores already spent, would bring public development expenditure to about 50 per cent of the Plan's total investment target in the Government financed sector. As a result, in the final two years of the Plan, public development spending will have to be of the order of Rs. 350 crores a year, an estimated Rs. 340 crores in 1963-64 and Rs. 364 crores in 1964-65, i.e., about 80 per cent more than in the first year of the Plan.

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## FOREIGN ECONOMIC ASSISTANCE

XV

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THE FOREIGN ECONOMIC assistance received by Pakistan was discussed at some length in *Foreign Economic Aid*, a publication issued with other budget documents in June 1962. An attempt has been made in this Chapter to review the role of foreign aid and loans in accelerating the pace of economic development in the country. Pakistan embarked on a planned programme of economic development aiming at achieving the vital objective of 'self-sustained economic growth' in the shortest possible time. But owing to limited resources, both internal and external, it has become rather difficult to carry out these schemes without foreign assistance. Foreign assistance has been playing, and will continue to play, a significant role in the economic development of the country.

The developed countries also have now come to appreciate more than ever before the need, and even moral obligation, to help the developing countries to achieve balanced economic growth. They have, therefore, formed various organizations and channels for giving economic assistance in various forms to help the underdeveloped countries to accelerate the pace of their development.

### FOREIGN EXCHANGE ACCRUING FROM FOREIGN AID

Owing to its own limited foreign exchange earnings, Pakistan has to depend on assistance from the advanced industrial countries. The importance of foreign aid in the economic development of the country can be judged from the fact that during the period 1954-55 to 1957-58 it constituted 30 per cent of the total receipts of the Central Government budget; this share increased to 36.8 per cent in 1958-59 and still further in 1962-63. Foreign assistance has helped to build up the infra-structure of the economy by setting up power plants, developing transport and communications facilities, vital industries and also in meeting its requirements of foodgrains, industrial raw materials, machinery and spare parts. It has also assisted in building up the technical potential of the country. Aid received from various sources is classified broadly into: (1) project aid provided in the form of goods and machinery for the implementation of development projects; (2) technical assistance provided in the form of technicians, training facilities abroad for Pakistani nationals and some equipment for training, demonstration and research purposes; (3) commodity aid which is provided as relief assistance and ordinary assistance in the form of foodgrains and other commodities for direct consumption to meet emergency or otherwise to support the economy of the country by supplying

raw materials, chemicals, fertilizers, tool and implements, spares and accessories for existing industries; (4) rupee aid, the counterpart funds generated by the sale of the U.S. and Canadian commodity aid which are used to meet the rupee cost of agreed development projects, relief measures, etc.

Pakistan has received economic assistance from Australia, Canada, France, Germany, Japan, New Zealand, Sweden, the United Kingdom, the United States, the U.S.S.R., Yugoslavia, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, United Nations and its Specialized Agencies and the Ford Foundation. Development credits have also been offered recently by Belgium, Italy, the Netherlands and Switzerland. The total amount of assistance committed to Pakistan since the commencement of the Second Plan in July 1960 to March 31, 1963, amounted to \$ 940 million. Of this, \$ 214 million was in the form of grants and \$ 726 million in loans, most of which are on easy repayment terms at low interest rates. The statement below gives the details of these commitments.

#### FOREIGN ECONOMIC ASSISTANCE

(Commitments during 1960-61 to 1962-63—up to March 31, 1963)

(In million \$)

Country/Agency				Grant	Loan	Total
Australia	..	..	..	2	—	2
Canada	..	..	..	52	6	58
West Germany	..	..	..	—	127	127
Japan	..	..	..	—	78	78
Sweden	..	..	..	1	—	1
United Kingdom	..	..	..	2	70	72
United States :						
D.L.F./A.I.D.	..	..	..	145	280	425
Exim Bank	..	..	..	—	35	35
U.S.S.R.	..	..	..	—	30	30
Yugoslavia	..	..	..	—	10	10
I.B.R.D.	..	..	..	—	58	58
I.D.A.	..	..	..	—	28	28
I.F.C.	..	..	..	—	4	4
U.N. Technical Assistance	..	..	..	3	—	3
Ford Foundation	..	..	..	9	—	9
			Total	214	726	940

The above statement does not take into account foreign contributions committed so far for the Indus Basin Replacement Works. The foreign commitments for this programme at present amount to \$ 640 million, exclusive of rupee contribution equivalent to \$ 235 million committed by the United States. Of this amount, \$ 480 million is on a grant basis and \$ 160 million is in the form of loans. The I.B.R.D. provided a loan of \$ 90 million on normal commercial terms payable in foreign currency and \$ 70 million is from the United States repayable in Pakistan currency. The details of these commitments are given below.

CONTRIBUTIONS FOR INDUS BASIN DEVELOPMENT FUND

(In million \$)

<i>Country/Agency</i>				<i>Grant</i>	<i>Loan</i>	<i>Total</i>
Australia	..	..	..	15	—	15
Canada	..	..	..	21	—	21
Germany	..	..	..	32	—	32
India	..	..	..	174	—	174
New Zealand	..	..	..	3	—	3
United Kingdom	..	..	..	58	—	58
United States	..	..	..	177	70*	247
I.B.R.D.	..	..	..	—	90†	90
Total				480	160	640

\*Repayable in rupees.

† Inclusive of \$ 10 million not credited to the Indus Basin Development Fund but available to Pakistan to meet interest and other charges on the loan during the first eight years of construction of the works.

In addition to this, the United States has also provided assistance through sales of U.S. surplus agricultural commodities against payment in Pakistan currency under the U.S. Public Law 480. During the Second Plan period, this commitment has amounted to \$ 707 million of which \$ 85 million were allocated in 1960-61 and \$ 622 million in October 1961 on a long-term arrangement to run for the balance of the Plan period. This is discussed in detail later.

Economic aid to Pakistan has expanded from year to year since 1951. The major sources of aid are the U.S.A., Germany, Japan, the Colombo Plan countries and the World Bank. Assistance received from these sources may broadly be classified into three categories—projects, commodities and technical. The concept of foreign assistance has of late changed. At the initial stage, economic assistance was mostly provided in the form of grants but now most of it is in loans. In negotiating foreign loans, Pakistan lays emphasis generally on long-term loans, low rates of interest, and loans which are united. More recently, arrangements have been made under the auspices of the World Bank to channel economic assistance through a Consortium<sup>1</sup> which is discussed at length later in this Chapter.

<sup>1</sup> Group of countries providing economic assistance discussed at the end of the Chapter.

## PRIORITIES AND TYPE OF ASSISTANCE

**Project assistance**

As regards the determination of priorities in the procurement of aid the procedure has changed according to the experience gained. In the past the Economic Affairs Division received projects from the Central Ministries and it then negotiated aid with foreign aid agencies. All aid negotiations are now related to the framework of the Five-Year Plan and the Annual Development Programmes. As regards the procedure followed for loans from the Development Loan Fund, the Economic Affairs Division, after consultation with the Planning Commission and other authorities and the representatives of the Development Loan Fund (now A.I.D.) in Pakistan presents its application for projects. As soon as the project is approved by the A.I.D. (in the case of U.S. aid) a draft agreement is forwarded by the Fund to the Government of Pakistan. After it has been scrutinized and agreed to the loan agreement is signed by the borrowing authority and the A.I.D.

As regards the Colombo Plan countries, a list of projects approved as part of the development plan of Pakistan is referred to by the Government of Pakistan to the various aid giving agencies in Canada, Australia, New Zealand etc. to select and offer aid for various projects which they can help.

Due to the very considerable time (extending occasionally to more than a year) taken by some of the aid-giving countries and agencies in the appraisal of projects, there is some uncertainty in regard to foreign assistance for projects approved in the Plan. Projects which have a top priority in the national Plan may not have the same priority from the point of view of foreign aid agencies.

**Technical assistance**

Appropriations to the Technical Co-operation Programme are processed with the U.S. every year. The U.S. Government appropriate to I.C.A., Washington (now A.I.D.) certain amounts under the Technical Co-operation Programme for the assistance of co-operating countries. Pakistan's requirements under the programme are assessed by the Economic Affairs Division in consultation with the authorities concerned and requirements are finally assessed after consultation with the A.I.D., Karachi and the representatives of the various administrative Ministries. The proposals mutually agreed upon at the joint meetings are forwarded by A.I.D., Karachi, to A.I.D., Washington. As regards technical assistance under the Colombo Plan, country-wise allocations for technical assistance are announced by the Colombo Plan countries. Technical assistance is given freely for economic development activities in various fields. The Government of Pakistan prepares an annual programme after discussions in a Screening Committee consisting of the representatives of the various Ministries. The conclusions of the Screening Committee are shown to the representatives of the aid-giving countries with a view to making any adjustment to suit them. These consultations are without any commitment on either side. After the list of requirements is finalized, individual applications are received from the Ministries, Provincial agencies and the aid-giving countries draw up a detailed programme for trainees which, if acceptable to the department concerned is put into operation.



## UTILIZATION OF FOREIGN ASSISTANCE

The rate of utilization differs with different categories. The processing of documents in accordance with the governing regulations is a rather lengthy procedure. For the programming of project aid it takes about a year. The utilization of project aid is, therefore, necessarily slower for various unavoidable reasons than that of other type of aid.

Some of the reasons for this deficiency are lack of familiarity with the rules and procedures of the various aid-giving countries and agencies, some of which are often quite complicated, paucity of experienced technicians and the difficulties experienced in implementing large and complicated projects. The process involved in the allocation of aid to individual projects, signing of documents, writing of specifications, inviting bids, placing orders and arranging shipments, are all time consuming. Substantial aid remains in the pipeline and actual deliveries are effected much after the date of allocation of funds.

In spite of these difficulties continuous efforts to improve the utilization of aid are being made and with considerable success. The following measures have been taken to overcome delays.—

1. The allocation of funds is sought in good time, the preparation of specifications etc., proceeding almost simultaneously.
2. Project progress reports are prepared at regular intervals and circulated to all concerned to remove impediments in the utilization of aid.
3. Periodical project reviews are carried out.
4. Special staff to watch procurement and clearance of equipment has been provided.
5. The Economic Affairs Division has posted a Liaison Officer in East Pakistan where the implementation of development schemes was somewhat slow.

## ASSISTANCE BY COUNTRIES

### United States

By far the largest amount of aid has been received from the United States and the bulk of it has been either in the form of grants or on the basis of easy repayment terms. Since the commencement of the Second Plan, the U.S.A. has pledged economic assistance to the extent of \$872 million, excluding P.L. 480 assistance and contributions for Indus Basin Replacement Works. Of this, \$160 million (\$120 million on a grant basis, \$30 million as loans repayable in rupees and \$10 million Export-Import Bank loans at market rates) has been committed outside the Consortium. Contributions amounting to \$500 million were pledged as part of Consortium assistance for the second and third years of the Plan. This comprised of \$25 million on grant basis, \$425 million as long-term loans with a service charge of three-quarter of one per cent per annum and \$50 million Export-Import Bank loans at market rates. In the last Consortium meeting held in Washington on May 2-3, 1963, the U.S. further pledged \$212.5 million which represents 50 per cent of the total Consortium assistance pledged for the fourth year of the Second Five-Year

Plan. Against the allocations of \$ 660 million for the first three years of the Plan, actual commitments up to March 31, 1963 amount to \$ 460 million.

*P. L. 480 Programme.* Agricultural potential of the U.S.A. was recognized long ago with production exceeding home demand and the scope for export being limited, surpluses piled up. These surplus were utilized during the last War in meeting the needs of the fighting people and later to revive the War ravaged economies of the affected nations.

While surpluses accumulated in the U.S.A., there were shortages, and in some cases famine, in some of the friendly countries. Occasional calamities, floods and drought added to the problems. These nations did not have the wherewithal in terms of foreign exchange to buy these stocks.

In order to utilize agricultural surplus commodities to meet the needs of millions for whom those commodities were in short supply, the U.S.A. agreed to make : (i) free grants of foodstuffs to needy nations to meet accidental shortages resulting from drought, floods, epidemics or any other calamity, and (ii) sales of larger stocks to countries facing food shortage against payments in local currencies at world prices.

Surplus commodities were made available under P. L. 480 I and II and P.L. 77 programmes. Pakistan made substantial use of the U.S. surplus commodities on trade account under P.L.-480 I programme. These transactions were arranged on the basis of specific bilateral agreements negotiated from time to time between the representatives of the U.S.A. and Pakistan. The first agreement was signed in January 1955 and since then till June 1961 surplus commodities, mainly wheat and wheat products, rice, raw cotton, dairy products, cotton seed oil, tobacco, etc., amounting to \$ 444.37 million were allocated.

It has recently been recognized that long-term agreements under P. L. 480 programme would be very helpful by ensuring a more stable supply position for these commodities. A long-term agreement was, therefore, concluded in October 1961 worth \$ 621.6 million covering the last four years of the Second Plan period for the supply of the following commodities.

ALLOCATION UNDER P. L. 480 I PROGRAMME (1961-62 TO 1964-65)

<i>Commodity</i>	<i>Export market value (In million \$)</i>
Wheat and wheat products .. .. .	341.1
Feedgrains .. .. .	23.6
Cotton (extra-long staple) .. .. .	9.6
Cotton (upland) .. .. .	6.3
Tobacco .. .. .	8.0
Cotton seed and/or soyabean oil .. .. .	127.7
Non-fat dry skim milk .. .. .	1.8
Dried eggs .. .. .	0.6
Poultry (frozen) .. .. .	0.4
Tallow inedible .. .. .	16.0
Ocean transportation .. .. .	86.5
Total ..	621.6

*Export-Import Bank of U.S.A.* The Export-Import Bank of the U.S.A. has advanced a number of loans in the public as well as semi-public sectors. Total loans made available from July 1, 1960 to March 31, 1963 amounted to \$ 34 million.

### **World Bank, I.F.C. and I.D.A.**

Since 1952, the World Bank has been providing loans for various development projects. Its affiliate, the International Finance Corporation, was set up in 1956 to further economic development by encouraging the growth of productive private enterprise in its member countries, particularly in the less developed areas. Another affiliate of the World Bank, the International Development Association was created in 1960 to provide economic development, increase productivity and thus raise standards of living in the less developed areas. One of its characteristics is that it provides capital on more liberal terms of repayment and is ready to help finance a wider range of projects than the World Bank. The World Bank, including its affiliates provided \$ 90 million up to March 31, 1963. At the Consortium meetings, the World Bank and the I.D.A. committed \$ 209.4 million for the second and third years of the current Plan and \$ 80 million for the fourth year of the Plan.

### **Canada**

Canadian economic assistance is mainly in the form of grants provided under the Colombo Plan. Since the commencement of the Second Plan, Canada has committed \$ 58 million mostly in the form of grant (\$ 52 million and a loan of \$ 6 million). Of this, \$ 25 million is for projects and \$ 33 million for commodities. In addition, an amount of \$ 1 million pledged for 1962-63 is awaiting commitments. For the next financial year, Canada has pledged \$ 19 million for projects and commodities and \$ 7 million for wheat.

### **United Kingdom**

The U.K. assistance has also been in the form of grants and loan. The grants are made available for technical assistance under the Colombo Plan. Since the commencement of the Second Plan total amount provided by the U.K. is \$ 72 million of which \$ 2 million is technical assistance grants, and \$ 70 million loans. At the Consortium meeting held in May 1963, the U. K. pledged an additional \$ 22.4 million for the fourth year.

### **West Germany**

Economic collaboration between the Federal Republic of Germany and Pakistan began in 1955. Since then Germany has pledged economic assistance totalling \$ 211 million of which \$ 205 million is in the form of loans, \$ 3 million as grants and \$ 3 million as commodity aid for sale of sugar against rupee payment. The pledges for the first three years of the Plan amounted to \$ 183.5 million against which commitments of \$ 17 million had been obtained up to March 30, 1963. The pledge for 1964 amounts to \$ 27.5 million.

### Suppliers credit

Suppliers credit is made available by various friendly countries and is meant for the private and semi-public sectors on deferred payment basis. The schedule of repayment is arrived at between foreign suppliers and the Pakistani agencies. The credits are generally offered for a shorter period of time and the Government is the guarantor for repayment purposes. Up to December 1962, a sum of \$100 million was made available.

### Japan

Initially, assistance from Japan came in the form of technical assistance under the Colombo Plan as grants. Lately, Japan has been providing substantial amount as loans. Total Japanese assistance up to March 31, 1963 amounted to \$78.26 million of which \$78 million was loans and \$0.26 million grants. The entire amount of \$78 million is for projects. At the Consortium meetings Japan promised assistance amounting to \$45 million for the second and third years of the Second Plan. In addition, Japan has also provided credit for textile machinery for \$33 million. All this has been fully committed. Japan has promised \$30 million for the fourth year of the Plan.

### U.S.S.R.

The first offer of credit from the U.S.S.R. came when the Soviet Government expressed willingness to help Pakistan in the exploration for oil. A delegation headed by the Minister for Fuel, Power and Natural Resources visited the Soviet Union in early 1961. An agreement was concluded on March 4, 1961 between the two Governments for a credit of 27 million Roubles (\$30 million) which will be utilized to pay for equipment and materials to be supplied from the U.S.S.R. and to meet the expenses of Soviet technicians and experts. The Soviet Union will supply during 1961-65 drilling, geophysical and auxiliary equipment, and means of transportation as well as materials which cannot be procured in Pakistan.

The credit is repayable in Pakistani currency which will be utilized by the Government of the U.S.S.R. for purchases of goods under the Pak-Soviet Trade Agreement in force, as well as for other payments by Soviet organizations in Pakistan.

### U.N. and its Specialized Agencies

The United Nations and its Specialized Agencies provides assistance under the Expanded Programme of Technical Assistance. Assistance is also provided from the Special Fund created in 1959. The U.N. assistance is on a grant basis. Up to December 1962, \$21 million was made available. Of this, \$3 million has been provided since the commencement of the Second Plan.

### Australia

Australian economic assistance was provided under the Colombo Plan in the form of project aid, commodity aid and technical assistance. Total aid provided under these categories amounted to \$23 million in the form of grants, of which \$2 million has been provided since the commencement of the Second Plan.

### **Ford Foundation**

The Ford Foundation is a private philanthropic Trust established in 1936 in the U.S.A. by the Fords, with the objective of advancing human welfare through the use of private funds and help solving the problems which affect the well being of humanity. It provides financial assistance to selected institutions and projects which fall in line with these objectives.

Aid offered by the Ford Foundation is on a grant basis. It generally covers the foreign exchange cost of the projects and other approved programmes. In certain cases, however, the Foundation partly meets the internal costs.

Since it started its activities in Pakistan in 1951, the Ford Foundation has up to December 1962 provided \$ 28 million.

### **Yugoslavia**

In February 1960, the Yugoslav Government offered a credit \$10 million for the purchase of goods and machinery in Yugoslavia. Contracts against this loan are under negotiation.

### **New Zealand**

New Zealand also provided assistance under the Colombo Plan which amounted to \$ 5 million as grants for projects only.

### **Sweden**

The Swedish assistance amounted to \$ 0.63 million mainly in the form of technical assistance. Recently, Sweden has made available 3,000 tons of paper on a grant basis for printing of text books for the development of education in Pakistan.

### **France**

At the Consortium meetings, France has committed \$ 32 million to finance the import of capital equipment from that country.

## **FOREIGN ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMMES**

From the above analysis it is evident that foreign economic assistance has been playing a significant role in the economic development of the country. The first and the Second Five-Year Plans relied heavily on external assistance. In the First Plan about 36 per cent of total resources was estimated to come from foreign sources, while in the Second Plan, foreign assistance was estimated to be 48 per cent of the total expenditure of Rs. 2,300 crores. In the light of the experience of the first three years, the development expenditure envisaged under the Second Plan has been rephased with less dependence on external resources than was originally contemplated. The foreign exchange component, originally estimated at Rs. 1,095 crores, has now been scaled down to Rs. 937 crores. In fact, Pakistan would be increasing its own contribution by Rs. 128 crores by reducing its total aid requirement. A classification of the forms which foreign assistance is estimated to take during the Plan period is shown in the table on the next page.

REVISED FINANCING OF THE SECOND PLAN FOREIGN EXCHANGE  
EXPENDITURE

(In crore rupees)

Type of assistance	Revised estimates	1960-61 (actual)	1961-62 (actual)	1962-63 (estimated actual)	1963-64 (projected)	1964-65 (projected)
Project assistance ..	500	33	49	107	139	172
Technical assistance ..	34	6	7	7	7	7
Commodity assistance..	350	47	48	82	89	84
Foreign private investment .. ..	53	11	12	10	10	10
Total ..	937	97	116	206	245	273

### Aid to Pakistan Consortium

A consortium of countries willing to finance Pakistan's development costs under the Second Five-Year Plan was organized under the auspices of the World Bank in 1961. The second meeting of the Consortium in which the U.S.A., the U.N., Canada, West Germany and Japan participated was held in June 1961. A number of other countries, viz., Denmark, Norway, Sweden and the I.M.F. also sent observers. Pakistan indicated in that meeting that it needed a commitment of \$ 945 million from the Consortium members to meet development and maintenance requirements for the two years, 1961-62 and 1962-63.

The Consortium members, however, agreed to provide \$ 320 million only in addition to \$ 229.3 million of existing commitments. The position is summarized below.

### COMMITMENTS MADE AT THE SECOND CONSORTIUM MEETING

(In million \$)

Country/Agency	Recommended additional commitments	Already committed	Total
Canada .. ..	18.0	19.8	37.8
France .. ..	10.0	—	10.0
Germany .. ..	25.0	37.5	62.5
Japan .. ..	20.0	20.0	40.0
United Kingdom .. ..	19.6	22.4	42.0
World Bank and I.D.A. .. ..	77.4	—	77.4
United States .. ..	150.0	129.6	279.6
Total ..	320.0	229.3	549.3

Since these commitments fell far short of Pakistan's requirements for the two-year period, another meeting was held in Washington in January 1962 to consider Pakistan's further request for the balance of \$ 625 million for the second and third years of the Second Plan. Besides the World Bank, the United States, West Germany, United Kingdom, Japan, Canada and France participated in this meeting. The Government of Belgium and the I.M.F. sent observers. The Consortium members agreed to provide the whole of the balance of \$ 625 million to Pakistan. Individual additional commitments, agreed to by the members are given in the table below.

#### COMMITMENTS MADE AT THE SECOND CONSORTIUM MEETING

United States	..	..	..	..	..	..	\$	350 million
World Bank and I.D.A.	..	..	..	..	..	..	\$	132 ..
West Germany	..	..	..	..	..	..	\$	55 ..
United Kingdom	..	..	..	..	..	..	\$	28 ..
Japan	..	..	..	..	..	..	\$	25 ..
Canada	..	..	..	..	..	..	\$	20 ..
France	..	..	..	..	..	..	\$	15 ..
								<hr/>
Total	..	..	..	..	..	..	\$	625 million
								<hr/>

A small part of this aid was to be in grant form and the remainder in the form of loans on easy payment terms. A substantial portion of the aid was not to be tied to individual investment projects.

Out of the total commitment of \$ 945 million at the two Consortium meetings, loan agreements had been signed for \$ 537 million up to May 15, 1963. Loans for \$ 62 million had been approved though formal agreements had yet to be signed. The balance of \$ 346 million was in various stages of negotiation.

#### AID COMMITMENTS FOR 1963-64

The Consortium of governments and institutions interested in development assistance to Pakistan met in Washington on May 2-3 under the auspices of the World Bank to discuss aid for Pakistan during 1963-64, the fourth year of the Second Five-Year Plan. The meeting was attended by representatives of the Governments of Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, the United Kingdom and the United States and by representatives of the World Bank and the International Development Association (I.D.A.). Belgium, Italy and the Netherlands attended as full members for the first time. The International Monetary Fund sent observers. Earlier the Consortium had held preliminary discussions in Paris on the same subject on March 28-29, 1963.

The Consortium noted that Pakistan's economy has moved forward in a satisfactory manner in recent years and that prospects are good that the economic objectives of the Second Plan will be achieved. The Government of Pakistan have made good progress in mobilizing its own resources for development.

Aid has already been pledged for the first three years of the Second Plan by members of the Consortium amounting to about \$1,175 million. The members undertook to make funds available for commitment during the fourth year of the Plan, which begins on July 1, 1963, amounting to \$425 million, subject to appropriate legislative action or other necessary authorization, as shown below.

	(\$ million)					
Belgium .. .. .	..	..	..	..	..	10.0
Canada .. .. .	..	..	..	..	..	19.0
France .. .. .	..	..	..	..	..	7.0
West Germany .. .. .	..	..	..	..	..	27.5
Italy .. .. .	..	..	..	..	..	10.0
Japan .. .. .	..	..	..	..	..	30.0
Netherlands .. .. .	..	..	..	..	..	6.6
United Kingdom .. .. .	..	..	..	..	..	22.4
United States .. .. .	..	..	..	..	..	212.5
World Bank and I.D.A. .. .. .	..	..	..	..	..	80.0
Total .. .. .	..	..	..	..	..	425.0

In addition, Pakistan will have available in 1963-64 any funds pledged at previous meetings of the Consortium and not utilized prior to July 1, 1963.

In respect of the terms of the new aid to be extended to Pakistan, members of the Consortium recognized that as much as possible should be furnished on terms calculated to minimize Pakistan's repayment obligation in foreign exchange. More than half of the new aid will be in the form of grants or long-term loans at nominal rates of interest. All but about \$30 million of the remainder of the aid will be in the form of loans with substantial grace periods and repayments extending over fifteen years or longer. Also, in view of the need of Pakistan for flexibility in the form in which financial assistance is provided, it was felt to be highly desirable that a substantial amount should be in the form of non-project aid.



## CONSTITUTIONAL DEVELOPMENTS

## XVI

THE LAST *Economic Survey* (1961-62) gave a broad outline of the new Constitution which was promulgated in June 1962. In the current year's Survey, a sketch review is given of the changes in the responsibilities and organization of the Central and Provincial Governments which have resulted from the Constitution.

On the morning of June 8, 1962, the President inaugurated the new National Assembly consisting of 156 members. The President proclaimed the lifting of Martial Law and the restoration of constitutional democracy in the country, 'based on the Islamic principles of justice, equality and tolerance; the consolidation of national unity and a firm and stable system of government'. In promulgating the Constitution the President gave a broad outline of the basic democratic principles on which it is based. He observed:

Our aim is to have representative institutions based on the will of the people. They shall be the final arbiters of who shall govern them and how. In other words, people shall have the right to hire and fire their rulers. This is basic.

## GENERAL ELECTION

In pursuance of this aim, a general election, of members of the National and Provincial Assemblies, was held in April 1962. It was keenly contested, with 595 candidates for 150 seats in the National Assembly. Of the total number of candidates, 284 sought seats in East Pakistan and 311 in West Pakistan. Besides the seventy-five seats allotted to each zone, six seats in the National Assembly are reserved for women, three for each Province.

Each of the two Provincial Assemblies has 155 members, including five seats reserved for women. In all 1,893 persons contested Provincial Assembly elections. Out of the total number, 1,003 persons contested seats in East Pakistan and 890 in West Pakistan. The average number of contestants per seat, 4 for the National Assembly and 6.2 for the Provincial Assemblies, shows the wide interest engendered by the new Constitution.

All the members of the Assemblies, National and Provincial, were elected by the electoral college of Basic Democrats, 80,000 in number. They, in their turn, were chosen by the general population on the basis of adult franchise.

## REMOVAL OF DIFFICULTIES ORDER

According to Article 104 of the Constitution, members of the Assemblies became ineligible to remain as members if they were appointed either to the President's or to the Governors' Council of Ministers. As members of the Assembly expressed unwillingness to accept the office of the President's Council of Ministers and the Governors' Council of Ministers if they are thereupon cease to be members of the Assembly. The President resolved the problem through the Removal of Difficulties Order, 1962. It provides that a member of the Assembly, if he is appointed as Minister in the President's or a Governor's Council of Ministers may nevertheless remain a member of the Assembly.

This order was subsequently challenged in the East Pakistan High Court which held the order to be *ultra vires* of the Constitution. This decision of the High Court has been upheld by the Supreme Court of Pakistan. As a result, a Minister cease to be a member of the Assembly from the date that he was sworn in as a Minister.

### FIRST SESSION

The National Assembly was first summoned on June 8, 1962 at Rawalpindi, the interim capital. A lively and brilliant discussion in the Assembly covered wide sectors of public policy, including economic development, political reform, national integration, etc. The national budget for 1962-63 was passed after a very thorough debate.

### THE POLITICAL PARTIES ACT—1962

During the first session, to implement Article 173 of the Constitution, the National Assembly passed the Political Parties Act, 1962. Political parties, under the Act, were to be formed on a broad based ideology within the framework of the Constitution. No political party was to be formed with the object of propagating any opinion, or acting in a manner, prejudicial to Islamic ideology, or to the integrity or security of the country.

A person shall be disqualified from being a member or office bearer of a political party if he has been convicted and sentenced for not less than three years, or if he has been disqualified from holding public office or dismissed from the Government service or disqualified under the Elective Bodies (Disqualifications) Order, 1959.

### ADVISORY COUNCIL OF ISLAMIC IDEOLOGY

Pakistan came into being based on the ideology of Islam, to inspire and regulate the life and thinking of its people in accordance with the Islamic code of conduct. Its first Constitution formally designated it as the 'Islamic Republic of Pakistan'. The new Constitution goes further to provide for an Advisory Council of Islamic Ideology 'to bring Islam in impact with modern political, legal, ethical, social and economic conditions'.

As directed by the Constitution, the President on August 4, 1962 ordered the formation of this Advisory Council. The Council's functions are to recommend to the Central and Provincial Governments means of enabling and encouraging the Muslims of Pakistan to order their life in all respects in accordance with the principles and concepts of Islam.

## FRANCHISE COMMISSION

In July 1962, in fulfilment of the promise made in his inaugural address to the National Assembly, the President set up a Franchise Commission with the function of reviewing the electoral system established under the Constitution in the light of its adequacy for realistic representation of the people. The electoral college for the 1962 election consisted of persons elected as members of the Union Councils, Union Committees and Town Committees under the Basic Democracies Order. At the time of their election it was not known that they would later become the electors of members of the Assemblies.

The Franchise Commission released in August 1962 a nine-point questionnaire, and circulated it to people of all shades of opinion in order to explore their views on the form of franchise required for the country. The Commission also asked those interested to appear in person before the Commission to express their opinion along with their replies to the questionnaire.

After due consideration and analysis of the evidence placed before it, the Commission submitted its recommendations to the President in February 1963. This report is under consideration of the Government.

## EMERGENCY SESSION

The National Assembly met for the second time in Rawalpindi on November 21, 1962 in an emergency session, arising out of the massive arms supply by the Western countries to India as a result of the Sino-Indian border dispute. This session of the Assembly was summoned by the President with a view to reviewing the foreign policy of the country in the light of the consequent emergency situation. The session continued for 17 days, during which a hot debate took place regarding Pakistan's foreign policy and alliances.

## THIRD SESSION

The third session of the National Assembly was held at Dacca, the principal seat of the Legislature, from March 8, 1963. Some important bills of national importance and far-reaching effect were passed by the Assembly as listed below.

(1) The Diplomatic Immunities (Conferences with Commonwealth Countries) Bill, (2) The Code of Civil Procedure (Amendment) Bill and (3) The Appellate Jurisdiction (High Courts and Supreme Court) (Repeal) Bill.

## CENTRAL GOVERNMENT REORGANIZATION

In February 1962 the President appointed a Standing Reorganization Committee headed by the then Minister for Economic Coordination, Mr. Mohammad Shoaib, to consider what changes were necessary in the organizational set up of the Central Government, as a result of the transfer of certain responsibilities from the Centre to the Provinces under the new Constitution. The Committee submitted its report in April 1962.

On the recommendations of this Committee, the President ordered that the Central Government should be reorganized as follows :

- |  |  |
|--|--|
| 1. President's Secretariat.                        | 1. Cabinet Division.                       |
|  | 2. Economic Affairs Division.              |
|  | 3. Establishment Division.                 |
|  | 4. Planning Division.                      |
|  | 5. States and Frontier Region Division.    |
| 2. Ministry of Agriculture.                        | 6. Food and Agriculture Division.          |
|  | 7. Rehabilitation and Works Division.      |
| 3. Ministry of Commerce.                           | 8. Commerce Division.                      |
| 4. Ministry of Communications.                     | 9. Communications Division.                |
| 5. Ministry of Defence.                            | 10. Defence Division.                      |
| 6. Ministry of Education.                          | 11. Education Division.                    |
|  | 12. Information and Broadcasting Division. |
| 7. Ministry of Finance.                            | 13. Finance Division.                      |
| 8. Ministry of External Affairs.                   | 14. External Affairs Division.             |
| 9. Ministry of Home and Kashmir Affairs.           | 15. Home Affairs Division.                 |
|  | 16. Kashmir Affairs Division.              |
| 10. Ministry of Health, Labour and Social Welfare. | 17. Health Division.                       |
|  | 18. Labour and Social Welfare Division.    |
| 11. Ministry of Industries and Natural Resources.  | 19. Industries Division.                   |
|  | 20. Natural Resources Division.            |
| 12. Ministry of Law and Parliamentary Affairs.     | 21. Law Division.                          |
|  | 22. Parliamentary Affairs Division.        |

### National Economic Council

The Economic Committee of the Cabinet, which had been entrusted with the responsibility for making day-to-day decisions on economic problems, supervising the implementation of economic policies and sanctioning development schemes was abolished. The Economic Council with appropriate changes was reconstituted as the National Economic Council in accordance with the relevant provision of the new Constitution. An Executive Committee of the National Economic Council was constituted to exercise the Council's responsibilities when it is not in session. An Economic Coordination Committee, since abolished, was set up to deal with current operational matters and to sanction development schemes; its functions have now been taken over by the Executive Committee of the National Economic Council.

## Responsibility of Provincial Governments for Development Schemes

Before the Central administrative reorganization, development schemes of the Provincial Governments relating to industries, fuel and power, food, agriculture, health, labour, social welfare and education were scrutinized by the Central Ministries before being presented to the Central Development Working Party. Pursuant to the Standing Reorganization Committee's recommendations, however, schemes formulated by the Provincial Governments are now submitted direct to the Central Development Working Party. The Central Government administrative unit concerned is represented in the Central Development Working Party, but the Central Government is not required to make a detailed scrutiny of such schemes.

## Revised Rules of Business

It was recommended that Ministers should be concerned only with policy and not with day-to-day administration, and that Parliamentary Secretaries should deal only with Parliamentary affairs and perform 'public relations' functions on behalf of their Ministers, and should not become involved in the secretariat work. Both the Central and the Provincial Governments drafted rules along these lines, for incorporation in the revised Rules of Business according to Article 131 of the Constitution.

For the Central Government these provide that the proposal of a departmental head should not be scrutinized in the administration at a level lower than that of Deputy Secretary. There should be no scrutiny of the technical aspects of the case in the Secretariat. Technicians may be appointed in posts up to the level of Secretary; in some cases it may be desirable to post a technician in preference to a generalist. Heads of departments should be allowed direct access to Ministers in cases of disagreement, or in some instances might be given *ex-officio* secretariat status. The Standing Reorganization Committee considered that after the formation of the Assemblies it would be necessary to have House Committees for dealing with important legislative subject. According to their recommendations, the following House Committees have been formed in both the Central and the Provincial Assemblies.

- (1) Budget and Appropriations Committee ;
- (2) Public Accounts Committee ;
- (3) Standing Finance Committee for capital items ;
- (4) Standing Committees of the respective Legislatures for various Divisions and Departments. At the Centre these comprise committees for —
  - (a) Industries and Natural Resources and Commerce Divisions ;
  - (b) Food and Agriculture, Rehabilitation and Works, Health, Labour and Social Welfare, and Education Divisions ;
  - (c) Planning and Economic Affairs Divisions ;
  - (d) External Affairs Division ; and
  - (e) Communications Division.

Senior officers of the Ministries of the Central Government and of the Departments in the Provinces are associated as members of the relevant committees.

### PROVINCIAL GOVERNMENT REORGANIZATION

The Provincial Administrative Reorganization Committee was set up by a decision of the Cabinet on August 4, 1961. The first part of the report in respect of West Pakistan was submitted in December 1961 and the other part for East Pakistan in April 1962.

#### West Pakistan

The Committee based its recommendations for West Pakistan on the following broad principles.

1. Shortening the chain of command by reduction of administrative tiers as far as possible ;
2. location of executive authority in the field as low as possible consistent with the status of the officer wielding that authority.

On the recommendation of the Committee, sixteen departments have been constituted in the Province as follows :

- (i) Irrigation and Power ;
- (ii) Communications and Works ;
- (iii) Education ;
- (iv) Health, Social Welfare and Labour ;
- (v) Agriculture ;
- (vi) Food ;
- (vii) Industries ;
- (viii) Revenue and Rehabilitation ;
- (ix) Services and General Administration ;
- (x) Home ;
- (xi) Planning and Development ;
- (xii) Finance ;
- (xiii) Law ;
- (xiv) Auqaf ;
- (xv) Information ; and
- (xvi) Basic Democracies.

*Delegation of powers.* The Committee recommended delegation of more powers to the following authorities to ensure that actions affecting the daily life of the people are effectively and efficiently taken in time ;

1. Commissioners and other divisional and regional officers ;
2. Deputy Commissioners and other district officers ; and
3. Basic Democracies.

*Reorganization of services.* Reorganization of services and decentralization of their control are taking place based on the following principles which were taken into account by the Committee in making their recommendations:-

- (i) The various services should be representatives of the different regions of the Provinces ;
- (ii) administrative control over the services should be decentralized to the maximum extent feasible ;
- (iii) levels of transferability of government servant should be raised so that inter-regional transfers, particularly of Government servants in the lower grades, are avoided ;
- (iv) the present inequality of remuneration for similar posts for officers belonging to different integrating units in West Pakistan should be removed and ;
- (v) the service cadres should be reorganized in the light of the new structure of departments envisaged by the Committee.

*Decentralization of financial control.* The Provincial Administrative Reorganization Committee realized the necessity of a complete overhauling of the present machinery of financial control to make effective the delegation of executive powers, and they accordingly recommended the appointment of financial advisers in the various departments so that financial control should be fully decentralized. Administrative departments are to be given full powers to issue expenditure sanctions when funds are available in the budget or through a post-budget allocation.

*Role of Basic Democracies.* The objectives of the Basic Democracies, as defined by the Committee, are as follows :

- (1) to foster the growth of responsible leadership among the people through development of local initiative and enterprise in the management of public affairs ;
- (2) to develop local areas by the maximum utilization of local efforts and resources and by the building up of development plans from the grass-roots level ;
- (3) to enhance the accountability of the administration at the local level by providing institutional checks against the arbitrary exercise of authority by the local officers ;
- (4) to decentralize the administration and to co-ordinate it at appropriate levels ;
- (5) to provide municipal services to the people through responsible local government institutions.

The Committee considered that the scope of activities of Basic Democracies should be enlarged, and that they should be placed firmly within the framework of development administration. For this purpose it would be necessary :

- (i) to associate Basic Democracies with the planning and implementation of the schemes of various development and nation-building departments ; and
- (ii) to create favourable conditions and provide necessary assistance to them to undertake local development works on their own, supplementing the schemes of Government departments, particularly with regard to the special requirements of their localities.

## East Pakistan

The Provincial Administrative Reorganization Committee made its recommendations for East Pakistan with a view to the following objectives.

1. strengthening of the major departments ;
2. decentralization of authority to divisional, district and other local officers ;
3. decentralization of the present system of recruitment, transfer and control of the public services ;
4. removal of administrative and financial bottlenecks in the execution of development programmes ; and
5. simplification of procedures and forms used in Government offices in dealing with public business.

The following changes recommended by the Committee are expected to take place.

*Reorganization of departments.* A Services and General Administration Department is to be formed by splitting up the present Home Department, and a Communications and Transport Department as part of the reorganization of the present Works, Housing and Settlement Department. A separate Communications and Transport Department is reorganized in view of the transfer of Railways to the provinces and the need for co-ordinated treatment of all agencies dealing with transport problems in East Pakistan, including the Inland Water Transport Authority, Railways, and the Roads branch of the former Works, Housing and Settlement Department.

*Rationalization.* A number of recommendations were made with a view to rationalizing the working and staffing position of the present departments. These include :

1. merger of the Directorate of Trade and Commerce with the Directorate-General of Industries ;
2. transfer of the Labour Directorate from the Industries Department to the Social Welfare Department ;
3. strengthening the Directorate of Supply ;
4. decentralization of the Directorate of National Savings ;
5. appointment of a legal adviser in each Commissioner's Division ;
6. transfer of the Water and Power Development Authority from the Planning Department to the Works Department ;
7. posting of junior Assistant Controllers of Accounts (of the Board of Revenue) to the districts instead of concentrating them in Dacca as at present ;
8. creation of separate Directorates for Building and for Roads and ;
9. merger of the Housing and Settlement Directorate with the new Directorate of Buildings.



*Delegation of powers.* The Committee made concrete proposals for larger delegation of administrative, executive and financial powers to the divisional and district officers, particularly in respect of matters with which the public are vitally concerned in their day-to-day contacts with the administration.

*Public services.* The Committee recommended a decentralized pattern of administrative control in East Pakistan in the matter of recruitment, transfer, promotion and discipline of Government servants. For purposes of recruitment, the Committee proposed the constitution of Selection Boards at the provincial and divisional levels, to deal with posts for which appointment or promotion does not require a reference to the Public Services Commission. In the matter of promotion, the Committee recommended the establishment of a merit system without ignoring the claims of seniority. It also suggested that more 'selection grades' should be constituted in the East Pakistan Services in order to provide greater incentive for efficiency and hard work maintained over a period of service.

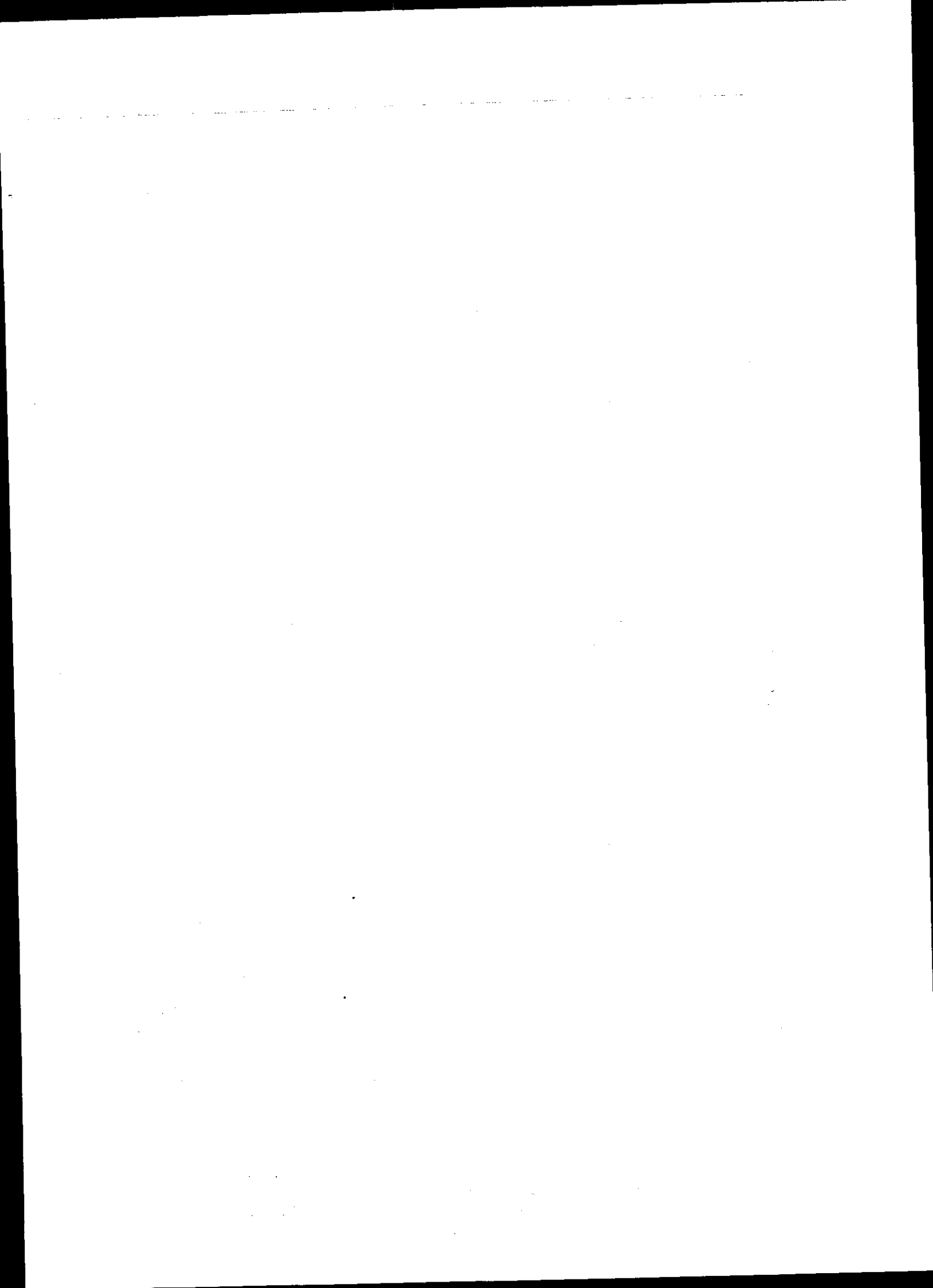
*New service.* The Committee also recommended a fuller classification of the present services in East Pakistan and constitution of new services from the larger number of functions included in the East Pakistan General Services, such as a Secretariat service, a Prisons service, a Co-operative service, and so on.

*Financial control.* In order to improve the working of the system of financial advisers already established in East Pakistan, the Committee recommended constitution of a Finance Branch in each administrative department. This branch would have separate sections to deal with budget, accounts and audit reports.

*Role of Basic Democracies.* The Committee recommended greater association of Basic Democracies in the fields of administration and development, particularly the latter. It considered that Basic Democracies should be specially associated with progressive measures for the good and welfare of the community, implementation of reforms, village improvement programme, rehabilitation of offenders, care of the sick and handicapped, and settlement of local disputes.

*Financial allocations.* Every Divisional Council would be given a lump sum allocation every year for works and schemes of local importance, to supplement the resources raised by the Councils themselves through taxes and voluntary contributions including labour. For the Third Five-Year Plan, the Committee recommended a substantial allocation for 'local development through Basic Democracies' and, during the current Plan period, the making of such a provision in the Provincial budget every year. To finance the bigger projects of the municipal committees, e.g., road development, drainage and water supply programmes, the Committee recommended setting up special financial arrangements, such as the creation of a Loan Fund by the Provincial Government.

It is hoped that the administrative reorganizations both in the Centre and Provinces will go a long way to set up a new standard of efficiency in administration and accelerate the pace of economic development.



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# *APPENDICES*

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THE UNIVERSITY OF CHICAGO

**IMPORTANT CHANGES IN FOREIGN EXCHANGE REGULATIONS  
FROM APRIL 1962 TO MARCH 1963****1. Import of goods for the private and personal use of the individual importers**

The limit up to which medicines can be imported by individuals for private and personal use was raised to Rs. 150 from Rs. 100 per person at any one time.

**2. Correspondence Courses**

The study of Actuarial Science by correspondence has been exempted from the ban imposed on correspondence courses. This step has been taken in the interest of the Insurance Industry of Pakistan.

**3. Employment of foreign nationals**

A regulation requiring the prior approval of the Investment Promotion and Supply Department before any foreign national can be gainfully employed by firms, companies and other institutions (other than Hospitals, Educational and Charitable Institutions and Government and Semi-Government Organizations), was introduced in May 1962. In the case of such foreign nationals as are already employed permission of the Investment Promotion and Supply Department would likewise be necessary before renewal or extension of their contracts. Authorized Dealers have been advised not to issue any fresh monthly remittance permits to any foreign national unless their application is accompanied by the original letter containing approval of the Investment Promotion and Supply Department for employment. As regards foreign nationals already holding monthly remittance permits issued by the Authorized Dealers, the facility was allowed to continue up to December 31, 1962 or till the date of expiry of the contracts whichever occurs first.

**4. Pakistan nationals desirous of proceeding for employment to the U.K.**

The provisions of the Commonwealth Immigrants Act 1962 governing entry into British Air and Sea ports came into force on July 1, 1962. Consequently, instructions were issued to the Authorized Dealers that with effect from July 1, 1962 all applications on form P and P-2 for booking of passages for Pakistani nationals desirous of proceeding to the U.K. for paid employment would be entertained by the State Bank only if they are accompanied by a valid employment voucher issued by the U. K. Government or Immigration Office of the British High Commission at Karachi, Lahore and Dacca.

**5. Money order service to Burma**

The Government of Pakistan introduced with effect from August 1, 1962 the facility of family remittances to Burmese nationals gainfully employed in Pakistan by means of postal money order. The facility is

limited to the extent of Rs. 20 per month. The permits are issued by the Exchange Control Offices of State Bank for a period of six months for remittance by means of money order through the Post Office mentioned by the applicant.

#### 6. Opening of accounts by foreign nationals

Hitherto only banks who were authorized to deal in foreign exchange could open accounts of foreign nationals in their books and sign certificates on form QA-22. Now all branches of the Banks irrespective of the fact whether they have been authorized to deal in foreign exchange or not have been permitted to open resident accounts of foreign nationals subject to certain specified conditions.

#### 7. Sale of cars by the non-privileged foreign nationals

In February 1962, the Government imposed restrictions on the sale of car imported as part of personal baggage by the non-privileged foreign nationals to Pakistan nationals against payment in Pak Rupees. Such foreign nationals can now sell the car to another foreign national against payment in foreign currency out of the funds held abroad by the buyer thus involving no remittance of foreign exchange from Pakistan. All such sales require prior approval of the State Bank.

#### 8. Compulsory marginal deposits against letter of credit

The restrictions regarding levying of compulsory marginal deposits against letter of credit for import of certain specified commodities imposed in January 1962 were withdrawn with effect from December 20, 1962. The recovery of such margins were left to the discretion of the Authorized Dealers.

#### 9. Trade Agreement with Nepal

A Trade Agreement was concluded between the Government of Pakistan and the Government of Nepal. The protocol to the Agreement provides for export and import of specified commodities on a balanced basis against payment in non-convertible Pakistani Rupees.

Export from Pakistan to Nepal under Protocol to the Agreement referred to above do not qualify for any bonus under the Export Bonus Scheme.

#### 10. Bonus to Pakistani Firms for Indus Basin Works supplies

The Government of Pakistan extended the Bonus Vouchers Scheme to the Pakistani firms for supplies to the Indus Basin Works against payment in foreign exchange whether as a result of direct contract from W.A.P.D.A. or sub-contract or off the shelf sales on the amount of payments received in foreign exchange and transferred to Pakistan at the following rates :

- |  |    |                    |
|--|----|--------------------|
| (1) Machinery items  | .. | at the rate of 30% |
| (2) All supplies other than mentioned<br>at S. No. (1) above | .. | at the rate of 20% |

The following items are regarded as Machinery items for the purpose of Bonus entitlement under S. No. (1) above.

- (a) Fans
- (b) Switch gears
- (c) Transformers
- (d) Electric motors
- (e) Pumps
- (f) Gates and gearings
- (g) Diesel engines and concrete mixers

The Bonus will, however, be allowed subject to the condition that the amount of advance licence, if any, issued *plus* Bonus does not exceed the amount of foreign exchange received for such supplies.

## APPENDIX 'B'

## CHRONOLOGY OF IMPORTANT ECONOMIC EVENTS

APRIL 1962 TO MARCH 1963

Date	Event	Brief description
CHAPTER I.—POPULATION		
6-6-62	Third Census Bulletin released	According to this bulletin, child population increased by 53 per cent between 1951 and 1961 against general increase of 23.7 per cent.
CHAPTER III.—AGRICULTURAL PRODUCTION AND ORGANIZATION		
4-6-62	Tea Plantation Ordinance promulgated.	All plantations having minimum area of 25 acres or employing 30 workers are covered.
20-6-62	First tea auction of 1962-63 season held.	About 19,000 chests of tea were offered at the auction. The prices were pegged down at Rs. 2.17 to Rs. 2.50 per lb. by the bidders.
14-7-62	Agricultural Development Bank to provide loans to jute growers.	The Agricultural Development Bank decided to provide loans to jute growers and small traders of jute.
3-11-62	Tea stocks and sales	The Controller-General of Prices and Supplies directed all approved dealers of tea to submit consolidated monthly return about their stocks etc., by 7th of every month.
9-11-62	Transport of rice to Karachi allowed.	The broken rice of <i>basmati</i> , <i>saila-basmati</i> , <i>hansraj</i> , <i>muskin</i> , <i>permal</i> and <i>begmi</i> could be exported to Karachi from the Punjab.
4-1-62	China bought 30,000 bales of cotton	The visiting Chinese trade team purchased 30,000 bales of Pakistan cotton.
9-1-62	Extraordinary Plan for Agriculture in West Pakistan.	The Provincial Government prepared an 'Extraordinary Plan' for the development of agriculture.
17-1-62	Rs. 41-crore plan for G. M. barrage lands.	The entire 28 lakh acres commanded by G. M. Barrage will be provided with irrigation facilities by the end of 1964-65 at an estimated cost of Rs. 41 crores.
23-1-62	Modern Fish Harbour for Gwadar.	The Government decided in principle the construction of a modern fish harbour at Gwadar at an estimated cost of Rs. 1.50 crore.
19-12-62	Monopoly procurement order on rice mills withdrawn in East Pakistan.	The East Pakistan Government withdrew the monopoly procurement order served on the major rice mills in the 5-mile border belt. The mills are now allowed to sell their milled rice to any licensed foodgrain dealer at the free market price.
15-2-62	14 lakh maunds more wheat and rice for East Pakistan.	The Governors' Conference held in Karachi decided to import an additional 14 lakh maunds of rice and wheat for East Pakistan.
15-2-62	Centre to give Rs. 20 crores for rice procurement.	The Central Government agreed to grant Rs. 20 crores to West Pakistan for rice procurement programme in 1963.



<i>Date</i>	<i>Event</i>	<i>Brief description</i>
CHAPTER IV.--INDUSTRY AND MINING		
3-4-62	Petro-chemical Plants sanctioned ..	Economic Committee of the Cabinet approved three units for West Pakistan to make the country self-sufficient in synthetic fibres like nylon fabrics and plastic raw materials. Cost Rs. 12.19 crores.
24-4-62	Commercial use of Ordnance Factories.	The U.S.A. agreed to provide aid of \$ 5.20 million to convert the excess capacity of Wah Ordnance Factories, for peaceful purposes.
4-6-62	Dissolution of P.I.D.C. and S.I.C.	The Pakistan Industrial Development Corporation and Small Industries Corporation were dissolved. In lieu, two provincial Corporations set up.
2-7-62	Rs. 12 crores for East Pakistan Industrial Development Corporation.	The Government provided a development credit of Rs. 12 crores to the East Pakistan Industrial Development Corporation for 1962-63.
27-7-62	Khulna Newsprint Factory to expand.	East Pakistan Industrial Development Corporation signed an agreement with General Electric Company Ltd. of Canada for supply of machinery worth £ 1.70 million to expand the capacity by 15,000 tons per year.
29-7-62	Farm Tool Plant for former Sind ..	A private party is establishing a Farm Tool Plant in former Sind. The Industrial Development Bank has given a loan. Ultimate capacity 3,000 units of harrows, ploughs, crushers, etc.
16-8-62	Small Industries Corporation dissolved.	The West Pakistan Government promulgated an Ordinance dissolving the Small Industries Corporation and handing its functions over to West Pakistan Industrial Development Corporation.
18-8-62	Cement Factory at Manghopir (Karachi).	An agreement for a loan of Rs. 1.67 crore for a cement factory was signed between the Government and Valika Cement Ltd.
29-8-62	Jute Industries target raised ..	Under the Second Five-Year Plan, original physical target for the jute industry was fixed at 12,000 looms. The Government decided to raise it to 14,000 looms. This would be in addition to those looms installed through bonus vouchers.
2-10-62	Three new textile mills for Peshawar region.	The Government sanctioned foreign exchange of Rs. 3 crores for three new textile mills.
18-10-62	Census of Business Units ..	A Census of commercial establishments was started in Karachi.
22-10-62	Rs. 2 crores for small industries development.	East Pakistan Government have provided Rs. 2 crores for development of small industries in 1962-63.
10-11-62	Stone-Crushing Plant in Islamabad	A massive stone-crushing plant with a capacity of 60 tons output per hour was switched into action.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
14-11-62	Refinery at Korangi, Karachi	.. President Ayub Khan performed the opening ceremony of the Rs. 8.9 crores oil refinery.
20-11-62	Gas found in East Pakistan	.. Pakistan Shell Oil Co., discovered a major gas field which is expected to meet the requirements of East Pakistan for decades to come.
22-11-62	Workers' minimum wages in steel re-rolling industry formulated.	The West Pakistan Minimum Wages Board formulated minimum wages for workers in steel re-rolling industry in the Province. Wages would range between Rs. 3 and Rs. 5 per day.
24-11-62	Khulna Newsprint Mills expansion	\$ 63.51 million contract for expansion of the newsprint mill at Khulna in East Pakistan was signed. The project was financed by a 15-year Canadian Government loan.
26-11-62	Machine tool and truck production.	The Heavy Industries Board approved the establishment of plants for the manufacture of machine tools and trucks at an estimated cost of Rs. 9.3 crores.
3-12-62	Raw materials for industrial goods production.	The Central Board of Revenue authorized the repayment of customs duties paid on the import of raw materials used in the production of certain goods.
5-12-62	U. K. restricts yarn imports from Pakistan.	The British Government announced that in future licences would be required for the import of cotton yarn from Pakistan. Quota was fixed at 1.2 million lbs. for 1962 and 1963 (total for 2 years).
15-12-62	Rayon plant for East Pakistan	.. An agreement for the supply of a rayon plant to be set up at Chandraghona in East Pakistan was signed between a consortium of Japanese firms and M/s. Dawood Industries, Ltd.
17-12-62	Fund for Textile Engineering Institute	The Provincial Assembly of West Pakistan passed the West Pakistan Institute of Textile Technology Cess Bill designed to raise money for setting up an Institute at Lyallpur for training Pakistanis in textile engineering. Bill empowered the Government to levy cesses on textile industries.
21-12-62	Rs. 7-crore oil refinery at Chittagong	An agreement was signed with France for the construction of an oil refinery at Chittagong at a cost of Rs. 7 crores.
25-12-62	Rs. 18-crore pulp mill in East Pakistan.	East Pakistan Industrial Development Corporation planned to set up a Rs. 18-crore pulp mill at Dohazari in Chittagong district.
26-12-62	Pakistan secures U.N.I.C.E.F. order for surgical instruments.	The U.N.I.C.E.F. placed an order for the purchase of surgical instruments worth Rs. 4.5 lakhs.
28-12-62	Industrial Development Bank sanctions \$ 6.4 million loan.	Foreign exchange loans amounting to \$ 6.4 million were sanctioned by the Industrial Development Bank for buying machinery displayed at the U.S. stall in Pakistan Industrial Fair held in Karachi.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
30-12-62	Barium Sulphate found in Kalat and Hazara.	An important mineral called barium sulphate discovered at Khuzdar in Kalat district and Hazara. Deposits at Khuzdar are estimated at 15 to 20 million tons.
4-1-63	Tariff protection granted to some industries.	The Cabinet granted protection to indigenous bicycle and acetone manufacturing industries on the recommendation of the Tariff Commission.
6-1-63	Paper and pulp mills in Sylhet ..	A scheme for the production of pulp and paper costing Rs. 8.58 crores has been approved by the Provincial Government.
7-1-63	Rs. 10-crore rayon factory for Chandraghona.	A factory with the assistance of Japanese industrialists would be set up to produce rayon at Chandraghona at a cost of Rs. 10 crores—Rs. 6 crores in foreign exchange.
8-1-63	Heavy Industries Board scrapped ..	In conformity with the provisions of the new Constitution, the Central Government decided to shift the authority relating to heavy industries to provinces and Heavy Industries Board was abolished.
14-1-63	Plan to set up another fertilizer factory in East Pakistan.	The factory would be set up on the lines of the Fenchuganj factory to utilize the new gas finds near Brahmanbaria.
24-1-63	Manufacture of jute and textile mill parts.	The Industrial Development Bank of Pakistan sanctioned 17 schemes for inland and sea transport etc. and plant to manufacture parts for jute and textile mills.
1-2-63	Six more industrial estates for West Pakistan.	Plan for the establishment of 6 additional industrial estates approved by the Provincial Government. They would be set up at Sukkur, Multan, Rahimyar Khan, Sargodha, Jhelum and Nowshera.
2-2-63	Another oil refinery for Karachi ..	The Central Government approved the setting up of another oil refinery at an estimated cost of Rs. 6.70 crores at Karachi.
2-2-63	Petro-chemical industry for Dhabeji	A petro-chemical industry would be built at Dhabeji at an estimated cost of Rs. 10 crores.
2-2-63	Sui gas for northern region ..	The Government approved a scheme for the construction of a gas pipeline at a cost of Rs. 28.5 crores to supply natural gas from Sui to northern areas of West Pakistan.
12-2-63	Over 1,741 million tons of coal reserves in West Pakistan.	According to a survey, there are reserves of some 1,741 million tons of coal in West Pakistan.
16-2-63	Industrial Investment Schedule approved.	The Executive Committee of the National Council approved the Revised Industrial Investment Schedule for Rs. 153 crores.
27-2-63	General Motors plant purchased by a Pakistani.	The General Motors, a U.S. firm, sold the Karachi plant to a Pakistani firm known as Gandhara Industries.
5-3-63	7 sugar mills for Rajshahi ..	The Government intend to set up 7 sugar mills in Rajshahi Division.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
9-3-63	Two Asbestos Cement Plants	.. The Government gave permission to set up two asbestos cement plants—one each at Karachi and Chittagong.
19-3-63	Superphosphate Plant for Chittagong	The Central Government approved a proposal for setting up a superphosphate plant at Chittagong with a capacity of 80,000 tons at a cost of Rs. 1.88 crore.
19-3-63	Rs. 21-crore fertilizer plant for Khairpur.	The West Pakistan Industrial Development Corporation has prepared plan for a Rs. 21 crore natural gas fertilizer factory for Dharki in Khairpur. Its capacity would be 1,32,000 tons of urea a year.
29-3-63	Chittagong Steel Mill accord signed	The East Pakistan Industrial Development Corporation and the Japanese Firm M/s. Kobe Steel Works signed an agreement for the execution of Rs. 27-crore steel mill in Chittagong.

#### CHAPTER V.—WATER AND POWER DEVELOPMENT

15-4-62	Baran Dam	.. .. Last phase of Kurramgarhi Project opened by the President. Cost Rs. 9.6 crores. About 8 lakh tribesmen to benefit.
18-5-62	Guddu feeder barrage	.. .. Opened on May 18, 1962. Seventy-mile long feeder is to benefit 9,50,000 acres of land.
23-11-62	Tanda Dam Project	.. .. The President inaugurated Tanda Dam Project costing Rs. 4.5 crores.
29-12-62	Greater Rawalpindi Water Supply Scheme.	The Municipal Committee Rawalpindi approved the scheme estimated to cost Rs. 1.38 crore.
3-1-63	Turbines for Mangla Dam	.. W.A.P.D.A. has accepted the bid of a Japanese firm for the supply of a turbine for the Mangla Dam Power House. The cost of the turbine is about Rs. 1.7 crores.
9-1-63	U. S. A. to give uranium for Rawalpindi reactor.	The U. S. A. informed the International Atomic Energy Agency (I.A.E.A.) that it will give Congo and Pakistan, through I. A. E. A. \$ 50,000 worth of enriched uranium for 2 research reactors.
13-1-63	Power Generation in 1961 up.	The Central Statistical Office published a report on power generation in 1961. In 1961, it was 1,818.931 million k.w.h. compared to 1,449.852 million k.w.h. in 1960.
1-3-63	Guddu Barrage opened	.. .. The President opened the Barrage.
29-3-63	Rechna Project opened	.. .. The President opened the Rs. 9.5 crore Rechna project.

Date	Event	Brief description
CHAPTER VI.—COMMERCIAL POLICY		
6-6-62	Import schedule for July—December 1962 released.	179 items included in the schedule. Licences would be issued from cash resources as well as foreign aid and loans.
9-6-62	Government to lift lower quality jute.	Jute Board decided to lift lower quality jute. Minimum prices would be fixed by the Board. Object of this decision was to break lull in the market.
10-6-62	Import licences for East Pakistan ..	Controller of Imports and Exports, East Pakistan announced that import licences would be issued in advance for July—December 1962 period to the established importers of that Province for certain consumer goods and industrial raw materials.
21-8-62	10 per cent bonus for cotton yarn export.	Government decided to give export bonus of 10 per cent to exporters of cotton yarn.
23-8-62	Businessmen's Convention at Karachi.	The Commerce Minister inaugurated a Businessmen's convention at Karachi. The convention considered the effects of U. K.'s entry into the Common Market.
20-10-62	Trade agreement with Nepal ..	A two-year trade agreement was signed in Karachi on October 19, 1962.
3-11-62	Export of mesta jute ..	Procedure for the export of mesta announced.
8-11-62	Trade with Iran ..	It was decided to allow exports of specified quantities of jute manufactures and hides and skins to Iran by land route. The import of cuminsseeds ( <i>zeera</i> ) was also allowed.
26-11-62	Citrus fruit export bonus raised ..	Bonus on the export of citrus fruits was raised from 20 per cent to 35 per cent.
5-12-62	Pakistan to buy American <i>ghee</i> ..	A Food for Peace Agreement with the U. S. A. was concluded under which 44 million lbs. of <i>ghee</i> worth \$ 17.20 million would be provided.
27-12-62	Mesta fibre exempted from customs duty.	The Central Government exempted mesta fibre from customs duty.
31-12-62	Import policy for January-June 1963 announced.	The new import policy was announced, ensuring liberal supply of foreign raw materials and spare parts.
2-1-63	35 per cent Bonus on export of fresh fruits.	The Government decided to allow 35 per cent bonus on exports of fresh fruits.
3-1-63	Chinese trade team ..	Chinese trade team arrived in Karachi for the conclusion of a trade agreement.
5-1-63	Pak-China Trade Pact signed ..	The trade pact between Pakistan and China was signed granting each other the most-favoured-nation treatment.
10-1-63	Pakistan-Nepal transit trade pact initialled.	Pakistan and Nepal reached an agreement in principle for a transit trade agreement which provides, on a reciprocal basis, facilities to carry on trade with each other and from and to third countries.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
15-1-63	35 per cent bonus on potato exports	The Government decided to allow 35 per cent bonus on the export of potatoes. Quotas fixed for export from East and West Pakistan up to the end of February 1963 are 1,500 and 2,000 tons respectively.
17-1-63	Insurance Tariff to be regulated ..	The Government decided to appoint an Insurance Tariff Committee with a view to regulating the tariff rates of the insurance companies operating in Pakistan. Main object is to check outflow of foreign exchange.

#### CHAPTER VIII.—PRICES AND PRICE TRENDS

14-4-62	Wheat prices reduced ..	In West Pakistan from Rs. 16 per maund to Rs. 14 per maund ; in East Pakistan to Rs. 12.50 per maund for wheat issued from Government stocks.
4-5-62	Price control on tea lifted ..	Price control on tea lifted in view of satisfactory market condition in the country.
19-8-62	Subsidy on fertilizer reduced ..	The price of fertilizers in West Pakistan was fixed at Rs. 11 per maund and the subsidy was reduced from 56 per cent to 25 per cent.
7-9-62	Sugarcane price for West Pakistan..	The Sugarcane Control Board, West Pakistan, fixed the uniform rate of Rs 2.50 per maund.
10-9-62	Buying jute below fixed prices banned.	The Government promulgated the Jute Ordinance, 1962 under which the selling of raw jute below fixed prices was banned.

#### CHAPTER IX.—TRANSPORT AND COMMUNICATIONS

17-4-62	Improved signalling on West Pakistan Railways.	Scheme approved by the Economic Committee of Cabinet. Cost : Rs. 5.32 crores.
24-4-62	10 K. W. Transmitters at Chittagong.	Transmitters installed and switched on.
30-4-62	Improved signalling on East Pakistan Railways.	Scheme approved by the Economic Committee of the Cabinet. Cost : Rs. 3.06 crores.
7-5-62	Railway Workshop Expansion ..	Scheme for West Pakistan Railway approved by the Economic Committee of the Cabinet. Cost Rs. 1.16 crore.
10-6-62	Transfer of Railways to Provinces	Ordinance promulgated providing for the transfer of railways to the Provinces. Provincial Boards would be constituted from July 1962. There would be three members of the Railway Board of East Pakistan and four of West Pakistan.
10-7-62	Centre sets up Railway Wing ..	The Central Government announced the creation of a unit under the Ministry of Communications to deal with various functions which are the exclusive responsibility of the Central Government under the Transfer of Railways Act, 1962.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
27-7-62	Chalna Anchorage improvement scheme approved.	The Executive Committee of the National Economic Council approved a scheme for the development of Chalna Anchorage at a cost of Rs. 328 lakhs.
23-8-62	Pakistan Shipping Lines ..	The Government decided to broad-base Pakistan Shipping Lines by including non-member shipping companies to handle the enhanced share of traffic agreed for Pakistan by the Conference Lines.
3-9-62	First Marine Academy ..	The Pakistan Mercantile Marine Academy built at a cost of Rs. 50 lakhs at Juldia near Chittagong started working.
6-9-62	Expansion of telephone factory ..	The Government approved the expansion of the telephone factory at Haripur at an estimated cost of Rs. 1.04 crore.
17-9-62	Rs. 40 lakhs loan for Chalna Port..	The loan was granted by the Government to Chalna Port Trust for development of the Port.
5-11-62	Rs. 4-crore P.I.C.I.C. loan for East Pakistan Inland Water Transport Authority.	Pakistan Industrial Credit and Investment Corporation advanced loan of Rs. 4 crores for development.
6-11-62	Rs. 1.40 crore to be spent on building and road projects in Quetta.	The West Pakistan Government allocated Rs. 1.40 crore.
1-1-63	Mangla Airstrip ..	The construction of an airstrip at Mangla Dam site was completed.
3-1-63	Preliminary talks on freight rates ..	A six-man delegation of the Conference Lines arrived in Rawalpindi to hold preliminary talks on freight rates on Pak-U. K./Continent route.
14-1-63	10,000 ton ships to be built in Karachi.	The Cabinet decided that Karachi Shipyard should undertake building of cargo ships and tankers of 9,000 to 10,000 tons.
24-1-63	Road transport to be denationalized in West Pakistan.	The West Pakistan Government decided to denationalize the road transport in the Province.
29-1-63	New ships for merchant navy ..	The Government decided to buy 2 new ships from West Germany to augment country's existing fleet.

#### CHAPTER X.—MONETARY AND CREDIT SITUATION

10-5-62	Credit Committee ..	Appointed to review the credit situation and to make recommendations with a view to ensuring that bank credit is regulated in the best interest of the economy.
14-5-62	Savings Bank Accounts ..	Interest rate raised from 2 to 2-1/2 per cent by agreement with the Pakistan Inter-Bank Organization including Pakistan Banks' Association and Associated Exchange Banks.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
9-7-62	Co-operative Banks placed under State Bank.	All co-operative banks placed under the partial control of State Bank under the Banking Companies Act.
10-12-62	Credit Committee Report Released	The report of the Credit Committee was released by the Government.
4-1-63	50-rupee note to issue .. ..	The Cabinet approved the issue of 50-rupee note and its design.
10-1-63	Pakistan gets Oscar Award for disinflation policy.	Pakistan was named as the winner of the Oscar Award for following the most effective disinflationary policy during 1962.
23-2-63	I.D.B. lending limit raised ..	The Government decided to raise the lending limit of each loan of the Industrial Development Bank of Pakistan to Rs. 25 lakhs.
5-3-63	Rs. 4 crores for co-operatives in East Pakistan.	The Government sanctioned Rs. 4 crores to step up co-operative activities in East Pakistan in 1962-63.

## CHAPTER XI.—DEVELOPMENTS IN BANKING

26-12-62	National Investment Unit Trust ..	The Finance Minister inaugurated the Trust at Karachi.
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## CHAPTER XII.—PUBLIC FINANCE

6-6-62	West Pakistan Budget, 1962-63 presented.	Revenue receipts ..	Rs. 115·93 crores
		Revenue expenditure	Rs. 108·69 ..
		Surplus ..	Rs. 7·24 ..
12-6-62	Central Budget 1962-63 presented ..	Revenue receipts ..	Rs. 212·75 crores
		Revenue expenditure	Rs. 195·88 ..
		Surplus ..	Rs. 16·87 ..
12-6-62	Pakistan Eastern Railway Budget 1962-63 presented.	Revenue receipts ..	Rs. 20·88 crores
		Revenue expenditure	Rs. 16·91 ..
		Surplus ..	Rs. 3·97 ..
15-6-62	East Pakistan Budget, 1962-63 presented.	Revenue receipts ..	Rs. 88·61 crores
		Revenue expenditure	Rs. 74·68 ..
		Surplus ..	Rs. 13·93 ..
16-6-62	Pakistan Western Railway Budget 1962-63 presented.	Revenue receipts ..	Rs. 47·26 crores
		Revenue expenditure	Rs. 36·71 ..
		Surplus ..	Rs. 10·55 ..
1-7-62	Refugee tax on third class passenger tickets of E. P. Railway abolished.	East Pakistan Railways abolished refugee tax on third class tickets from July 1, 1962; no change on Inter and 2nd class tickets; tax on first class tickets increased from 50 paisas to 75 paisas.	



<i>Date</i>	<i>Event</i>	<i>Brief description</i>
18-8-62	Interim relief to low paid Government employees.	The Cabinet decided to give Rs. 5 to 2 (to Government servants with a maximum pay of Rs. 600) per month as interim relief.
23-8-62	Interim relief to the Provincial Government employees.	The relief measures were extended to the employees of the Provincial Governments. Terms and conditions were the same as of the employees of the Central Government.
29-11-62	Further pay rise .. ..	The Finance Minister announced an increase of 10 to 12.5 per cent of pay for all non-gazetted civilian employees of the Central Government from December 1962.
2-12-62	10 per cent pay rise for West Pakistan Government employees.	West Pakistan Government decided to increase by 10 per cent the salaries of non-gazetted staff.
7-2-63	East Pakistan Supplementary Budget passed.	The East Pakistan Assembly passed the supplementary budget estimates for 1962-6 at Rs. 13.44 crores.
10-3-63	Supplementary Budget laid before the National Assembly.	The Finance Minister placed before the National Assembly Supplementary budget of Rs. 11.70 crores.

#### CHAPTER XIV.—PLANNING

22-5-62	1962-63 development programme	Economic Council accorded its approval. Total cost: Rs. 344 crores as shown below. Centre .. .. Rs. 122.8 crores East Pakistan .. Rs. 110.3 „ West Pakistan .. Rs. 110.9 „
20-6-62	Development of Dacca .. ..	Dacca Improvement Trust has provided Rs. crores for development purposes during 1962-63.
1-10-62	World Bank team .. ..	A team of eight experts came to Pakistan to assess the progress of the Second Plan.
17-11-62	Development projects costing Rs. 32 crores approved.	The Executive Committee of the National Economic Council approved schemes costing over Rs. 32 crores. Important schemes were: 1. Sugar Mill, Rajshahi, Rs. 2.20 crores. 2. Two Jute Mills, East Pakistan, Rs. crores. 3. Peat Deposits Survey, East Pakistan Rs. 0.42 crore. 4. First Phase of Tippera-Chittagong Multipurpose Project, Rs. 8.50 crore 5. Dacca—Chittagong Road widening Rs. 3.75 crores. 6. Eight Technical Institutes in East Pakistan, Rs. 2.50 crores. 7. New Government House, Dacca, Rs. 0.53 crores. 8. Two additional 65,000 KW generators for Multan Power House, Rs. 8.4 crores.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
5-1-63	The Executive Committee of the National Economic Council meeting.	The Executive Committee of the N.E.C. worked out a revised procedure for sanctioning of industrial units, it took decisions according to the provisions of the new Constitution about the distribution of subjects between Centre and the Provinces.
6-1-63	Rs. 85 crores sanctioned for economic development.	The Executive Committee of the National Economic Council sanctioned development schemes costing Rs. 85 crores.
<b>CHAPTER XV.—FOREIGN ECONOMIC ASSISTANCE</b>		
29-6-62	U.S. loan for Pakistan Railways ..	U.S.A. allocated \$ 31 million to buy railway equipment from that country.
25-7-62	\$ 500 million U.S. aid for the 2nd and 3rd years of the Plan.	The amount was committed at the consortium meeting held at Washington in January 1962. Agreement signed on July 25, 1962.
10-8-62	Agreement signed with Japan for purchase of textile machinery.	Japan committed \$ 13 million as credit to purchase textile machinery. Japan would supply 175,000 spindles and 4,200 looms.
31-8-62	\$ 42 million U.S. loan .. ..	An agreement for \$ 42 million U.S. commodity loan was signed.
1-9-62	Loan agreement with West Germany	Three loan agreements aggregating \$ 35.25 million were signed with West Germany in the last week of August 1962.
14-9-62	\$ 45 million U.S. loan .. ..	The U.S.A. agreed to supply iron and steel worth \$ 45 million during Second Five-Year Plan period.
16-9-62	\$ 23 million World Bank loan for Railways.	The World Bank agreed to supply credit of \$ 23 million for the development of Railways. Of this amount, \$ 4.75 million would be used in East Pakistan and \$ 18.25 million in West Pakistan.
3-11-62	\$ 6.5 million loan to Pakistan ..	The International Development Association extended a development credit of \$ 6.5 million to Pakistan for 2 industrial estates at Gujranwala and Sialkot.
3-11-62	U.K. gives £ 10 million loan ..	A loan agreement was signed with U.K. at Karachi. Under this agreement the U.K. would give £ 10 million loan to Pakistan to finance 2nd Five-Year Plan.
5-11-62	Swedish aid for Kaptai Institute ..	An agreement was signed with Sweden at Karachi under which Sweden would give aid to finance the establishment of a technological institute at Kaptai in Chittagong district.
16-11-62	11.9 million dollar U.S. loan ..	Pakistan and the U.S.A. signed an agreement in Washington under which the Export-Import Bank will lend \$ 11.9 million to Pakistan for purchase of diesel locomotives.
20-12-62	\$ 2.2 million for logging expansion in East Pakistan.	The U.S.A. announced a \$ 2.2 million loan to finance expansion of logging operations of a saw mill in East Pakistan.

<i>Date</i>	<i>Event</i>	<i>Brief description</i>
4-1-63	World Bank agrees to finance Rs. 10 crores plan for Chandpur.	World Bank agreed to help implement the Province's third major irrigation project in Chandpur sub-division costing Rs. 10 crores.
30-1-63	Canadian Aid .. ..	The Governments of Canada and Pakistan agreed to finance transmission line project known as Bheramara-Goalpara Transmission line project in East Pakistan. Canadian aid would be \$ 4.2 million for the project.
5-2-63	German Credit Team .. ..	The West German Reconstruction Loan Corporation's three-member team of experts arrived in Pakistan.
6-2-63	Pakistan to buy 26,971 tons of soyabean from U.S.A.	Pakistan contracted to purchase 26,971 tons of soyabean oil from the U.S.A. This is a part of 34,000 tons purchased by Pakistan from the U.S.A. under PL-480.
20-3-63	\$ 3.6 million U.S. loan	.. The U.S. AID announced a loan of \$ 3.6 million for the development of Chalna Anchorage.
27-2-63	2.1 million dollar U.S. loan	.. The United States Government announced a loan of \$ 2.1 million for electronic and communications gear and other air equipment to Pakistan.
28-2-63	\$ 3.8 million U.S. loan pact for malaria eradication signed.	A \$ 3.8 million loan to Pakistan to finance equipment and supplies for the country's malaria eradication programme was signed in Karachi.
5-3-63	Foreign exchange estimate reduced	The Government reduced the estimates of foreign exchange required for the Second Five-Year Plan by Rs. 130 crores.
26-3-63	American loan for embankment project in East Pakistan.	The U.S.A. authorized a loan for the construction of earth work embankments to protect 5,00,000 acres of arable land along East Pakistan coast.
27-3-63	75,000 tons of edible oils to be imported.	The United States Government authorized Pakistan to purchase 75,000 tons of edible oils worth Rs. 2.05 crores in the next six months.
27-3-63	\$ 32 million U.S. loan to Pakistan	Two agreements providing for a total loan of \$ 32 million were signed in Karachi.

#### CHAPTER XVI.—CONSTITUTIONAL DEVELOPMENTS

10-4-62	Economic Policies Co-ordination Committee.	Economic Policies Co-ordination Committee set up to co-ordinate Government's economic policies, except fiscal and monetary policies which are the responsibilities of Ministry of Finance. The Committee would be headed by the Deputy Chairman Planning Commission.
29-4-62	National Assembly .. ..	One hundred and forty-four members elected.

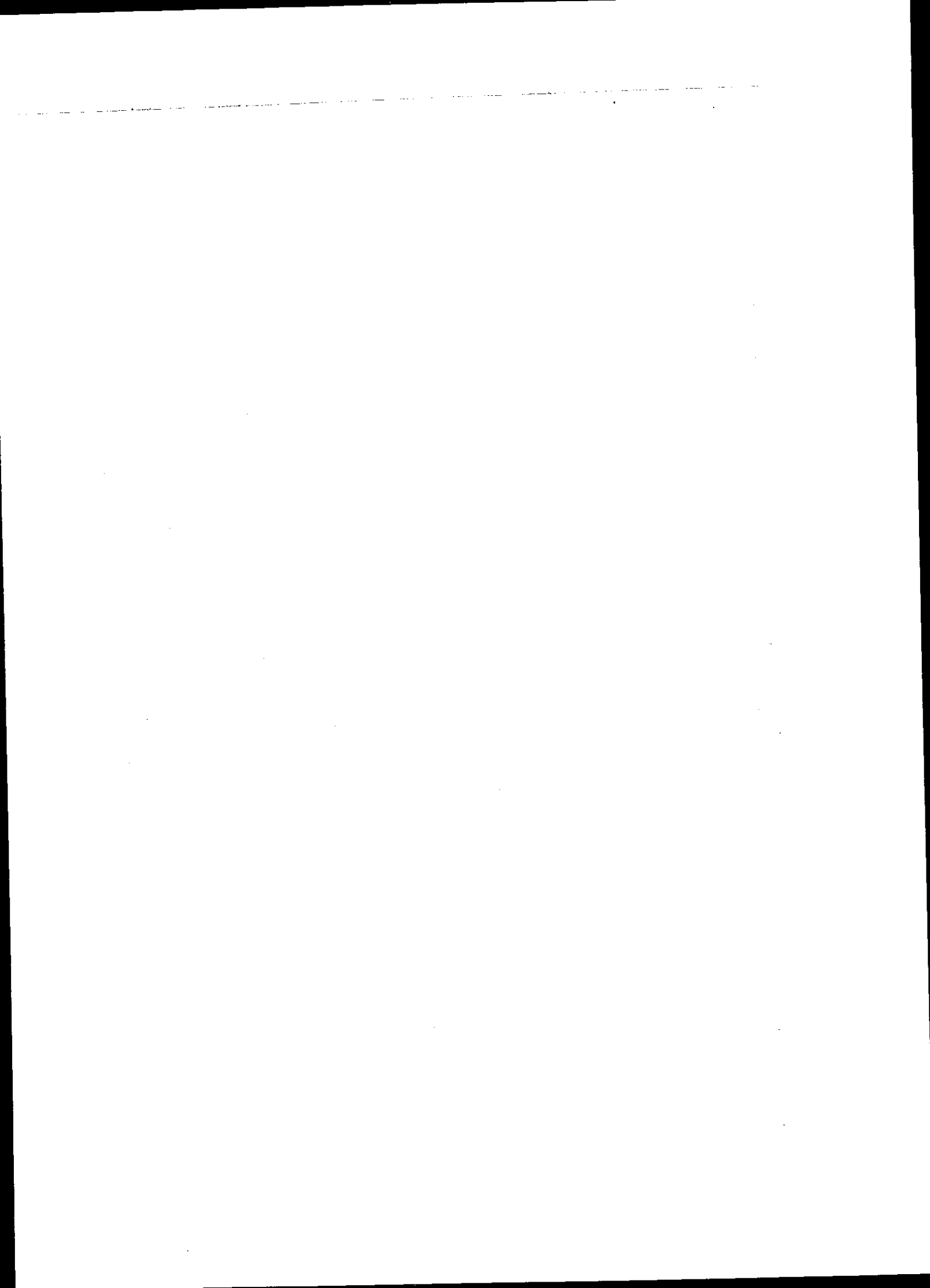
<i>Date</i>	<i>Event</i>	<i>Brief description</i>
6-5-62	Provincial Assemblies .. ..	290 members for the two Provincial Assemblies elected.
21-5-62	National and Provincial Assemblies	Women members elected.
21-5-62	Executive Committee of Economic Council set up.	Headed by the Finance Minister, its members would be the two Provincial Governors or the Ministers nominated by them, two Provincial Finance Ministers and the Deputy Chairman, Planning Commission.
8-6-62	National Assembly ... ..	Inaugurated by the President.
8-6-62	Martial Law ... ..	Lifted.
25-7-62	Franchise Commission appointed ..	The Government appointed a 5-man Franchise Commission with Mr. Akhtar Hussain as Chairman and 2 High Court Judges and 2 M.N.A's as members.
12-12-62	National Economic Council reconstituted.	The President reconstituted the National Economic Council to bring it in line with the requirements of the Constitution. According to new structure, the Provincial Finance Ministers and Ministers-in-Charge of Planning and Development in the Provincial Governments have been made members.
18-1-63	East Pakistan Assembly .. ..	The winter session of the East Pakistan Assembly opened.
4-3-63	Franchise Commission report submitted.	The five-man Franchise Commission submitted its report to the President.
18-3-63	Constitution Amendment Bill ..	The Law Minister moved the Constitution Amendment Bill in the National Assembly.

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*STATISTICAL*

*SECTION*

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## STATISTICAL SECTION

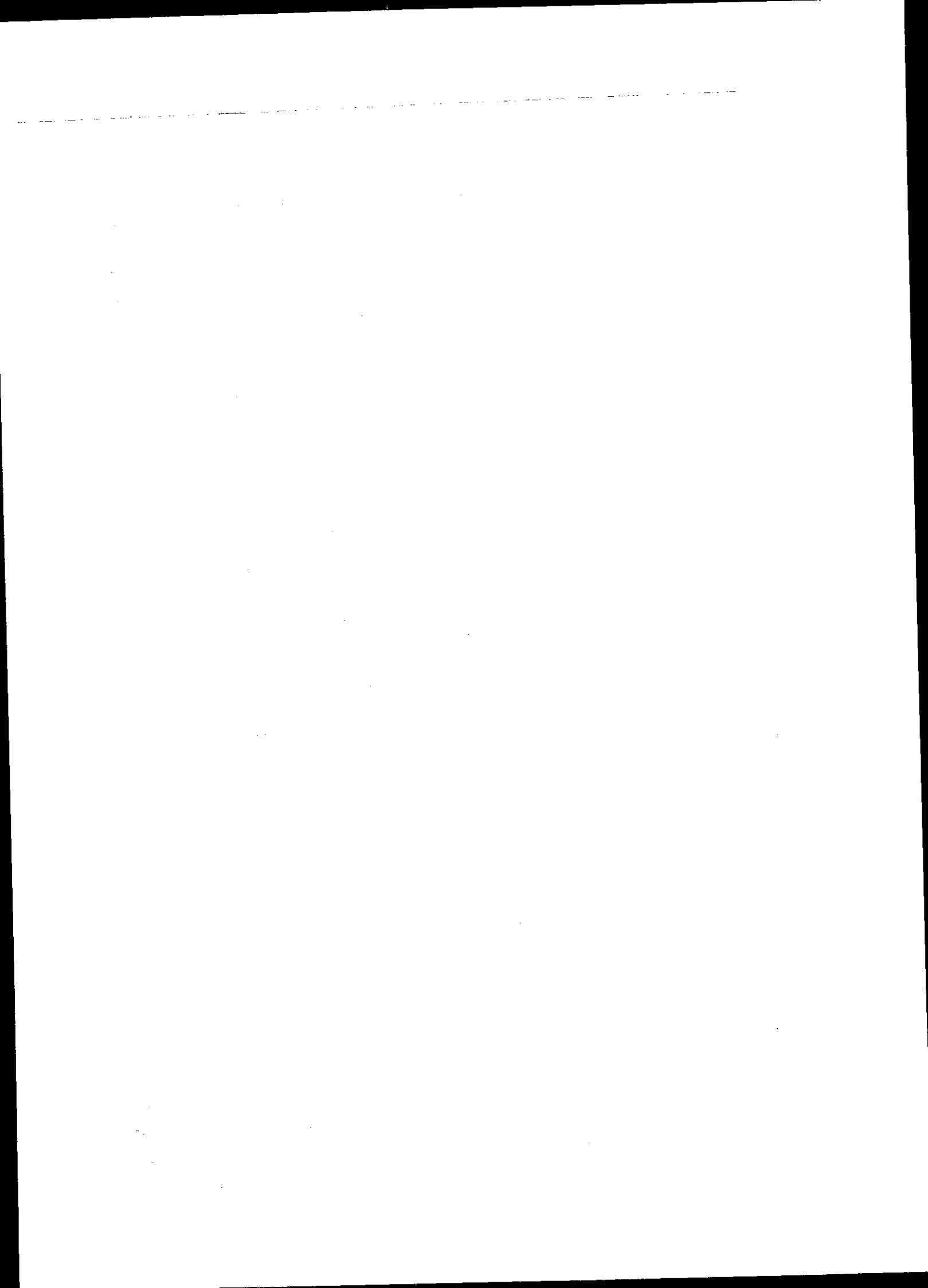
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**POPULATION**

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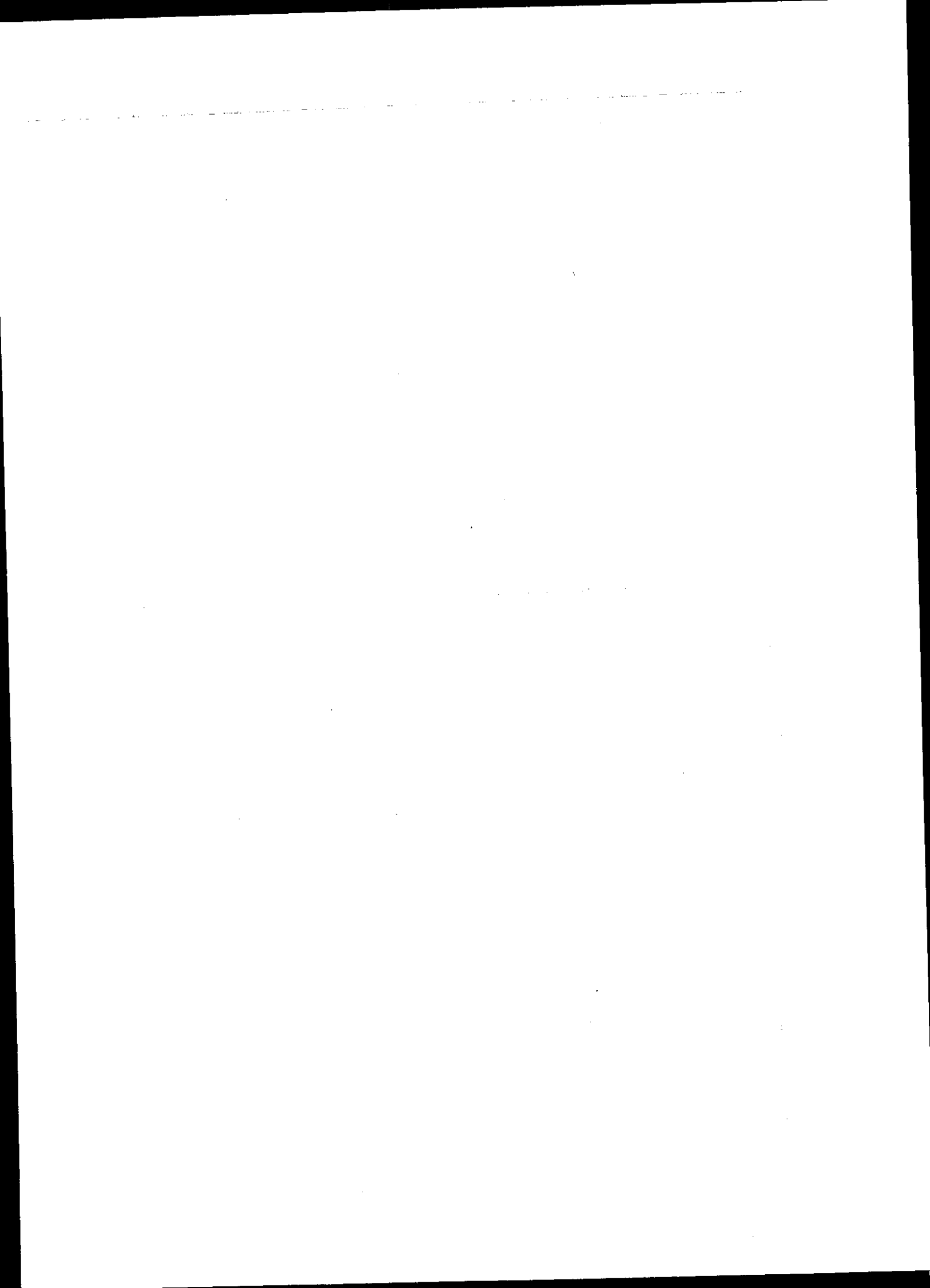


TABLE NO. 1  
CENSUS OF PAKISTAN—1961

Selected Aspects

Region	DENSITY		DISTRIBUTION BY SEX			DISTRIBUTION BY RELIGION			LITERACY	
	Area sq. miles	Population ('000') (2)	Persons per sq. mile	Male ('000')	Female ('000')	Muslims ('000')	Non-Muslims ('000')	Literates ('000') (3)	Percentage of total	
Pakistan (1) .. ..	3,65,529	9,37,20	256	4,93,08	4,44,12	8,25,56	1,11,64	1,43,36	15.9	
East Pakistan .. ..	55,126	5,08,40	922	2,63,49	2,44,91	4,08,90	99,50	89,56	17.6	
West Pakistan .. ..	3,10,403	4,28,80	138	2,29,60	1,99,21	4,16,66	12,14	53,80	13.6	

Source : Census Commissioner,  
Ministry of Home and Kashmir Affairs.

(1) Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagarh and Manavadar.

(2) Excluding foreign nationals.

(3) Defined as able to read with understanding a short statement on everyday life in any language.

Note. Total may exhibit small differences due to rounding off.

TABLE No. 2

## GROWTH OF POPULATION—1901 to 1961

Year	NUMERICAL DISTRIBUTION (In Lakhs)				PERCENTAGE DISTRIBUTION				PERCENTAGE INCREASE					
	Pakistan (1)		West Pakistan		Pakistan (1)		East Pakistan		Pakistan (1)		East Pakistan		West Pakistan	
1901	..	..	455	289	166	100	63.6	36.4	..	..	..	..	..	..
1911	..	..	509	316	194	100	61.9	38.1	11.9	9.0	16.9	8.9	..	..
1921	..	..	544	333	211	100	61.2	38.8	6.7	5.3	8.9	11.5	..	..
1931	..	..	592	356	236	100	60.2	39.8	8.8	7.0	20.1	11.5	..	..
1941	..	..	703	420	283	100	59.8	40.2	18.8	17.9	20.1	19.4	..	..
1951	..	..	758	421	337	100	55.5	44.5	7.9	0.1	19.4	27.1	..	..
1961 (2)	..	..	938	508	429	100	54.2	45.8	23.7	20.9	27.1	27.1	..	..

Source : Census Commissioner,  
Ministry of Home and Kashmir Affairs.

(1) Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagarh and Manavadar.

(2) Including Foreign Nationals.

Note. Total may exhibit small differences due to rounding off.

TABLE No. 3  
RURAL AND URBAN DISTRIBUTION OF POPULATION—1901 to 1961

Year	NUMERICAL DISTRIBUTION ('000')			PERCENTAGE DISTRIBUTION			PERCENTAGE INCREASE		
	Total (1)	Rural	Urban	Total (1)	Rural	Urban	Total (1)	Rural	Urban
	1901	..	..	..	100.0	94.9	5.1	..	..
1911	4,55,04	4,31,83	23,21	100.0	95.1	4.9	11.9	8.8	8.5
1921	5,09,37	4,84,41	24,96	100.0	94.6	5.4	6.7	6.2	16.1
1931	5,43,63	5,14,27	29,36	100.0	93.5	6.5	8.8	7.5	32.1
1941	5,91,46	5,53,01	38,45	100.0	92.1	7.9	18.8	17.0	44.1
1951	7,02,79	6,47,27	55,52	100.0	89.6	10.4	7.9	5.0	41.9
1961(2)	7,58,42	6,79,79	78,63	100.0	86.9	13.1	23.6	19.8	56.4
	9,37,20	8,14,25	1,22,95	100.0					

Source : Census Commissioner,  
Ministry of Home and Kashmir Affairs.

(1) Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagadh and Manavadar.

(2) Excluding Foreign Nationals.

TABLE No. 4

## DISTRIBUTION OF CIVILIAN LABOUR FORCE—1961 CENSUS

(No. in thousands)

Age group	PAKISTAN											
	EAST PAKISTAN					WEST PAKISTAN						
	Total	Cultivators	Other agri-culturists	Non-agri-culturists	Total	Cultivators	Other agri-culturists	Non-agri-culturists	Total	Cultivators	Other agri-culturists	Non-agri-culturists
All ages Total	3,02,06	2,17,96	6,46	77,64	1,74,43	1,46,04	2,68	25,71	1,27,68	71,92	3,78	51,93
(10 and over) %	100	72.16	2.14	25.70	100	83.72	1.54	14.74	100	56.35	2.96	40.69
Male	2,64,43	1,86,78	5,54	72,11	1,48,02	1,22,51	2,02	23,50	1,16,41	64,27	3,52	48,62
%	100	70.63	2.10	27.27	100	82.76	1.36	15.88	100	55.21	3.03	41.75
Female	37,63	31,18	92	5,53	26,41	23,53	66	2,21	11,22	7,65	26	3,31
%	100	82.86	2.46	14.68	100	89.12	2.52	8.36	100	68.14	2.31	29.55

Source: Census Commissioner,  
Ministry of Home and Kashmir Affairs.



TABLE No. 5  
**PERCENTAGE DISTRIBUTION OF POPULATION  
 BY ECONOMIC CATEGORIES (1951 and 1961)**

<i>Economic categories</i>	PAKISTAN			EAST PAKISTAN			WEST PAKISTAN		
	1951	1961	100	1951	1961	100	1951	1961	100
Total population .. .. .	..	..	100	..	..	100	..	..	100
Civilian labour force .. .. .	..	..	30.68	..	..	30.73	..	..	31.83
Agriculturists .. .. .	..	..	23.16	..	..	25.55	..	..	18.79
Non-agriculturists .. .. .	..	..	7.52	..	..	5.18	..	..	13.04
Others including dependents .. .. .	..	..	69.32	..	..	69.27	..	..	68.17

Source : Census Commissioner,  
 Ministry of Home and Kashmir Affairs.

TABLE No. 6

## NATIONAL INCOME AT CONSTANT PRICES BY INDUSTRIAL ORIGIN

(1949-50 to 1962-63)

(At Factor Cost of 1949-50 to 1952-53)

(In crore rupees)

Sector	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63 (d)
Agriculture (a)	1,093.8	1,131.7	1,095.3	1,106.2	1,183.5	1,159.1	1,103.0	1,182.0	1,158.1	1,143.8	1,198.0	1,230.3	1,304.0	1,273.5
Major crops	620.8	646.5	591.1	601.2	673.3	643.4	609.5	686.0	664.6	661.1	712.1	745.3	798.1	758.3
Minor crops	178.5	175.3	178.4	188.2	190.3	183.3	169.7	170.7	172.1	155.2	157.5	165.4	167.9	170.5
Livestock	236.4	247.8	256.8	245.2	251.9	253.5	254.8	256.1	252.4	258.7	258.3	247.5	263.8	268.1
Fishing	56.3	60.6	67.6	69.9	66.2	77.1	67.5	67.5	67.4	67.1	68.5	70.4	72.5	74.9
Forestry	1.8	1.5	1.4	1.7	1.8	1.8	1.5	1.7	1.6	1.7	1.6	1.7	1.7	1.7
Mining and quarrying	2.0	2.7	3.1	3.1	3.3	3.3	3.6	4.0	4.4	4.8	5.2	6.1	6.5	7.3
Manufacturing	131.4	139.9	154.0	170.7	192.6	220.0	242.3	257.5	269.4	286.6	304.0	319.7	344.4	364.9
Large-scale	31.3	38.2	48.7	62.6	81.7	106.1	125.2	137.3	146.0	159.9	173.8	186.0	206.9	223.8
Small-scale	100.1	101.7	105.3	108.1	110.9	113.9	117.1	120.2	123.4	126.7	130.2	133.7	137.5	141.1
Construction	25.2	26.0	25.6	33.2	20.5	27.8	28.1	34.0	40.0	42.5	48.6	56.3	66.1	74.8
Electricity, gas, water and sanitary services	2.7	2.9	3.0	3.0	3.4	4.1	4.1	4.4	4.4	4.9	5.2	5.6	6.8	7.7
Transportation, storage and communications	56.9	60.6	62.7	63.5	64.4	67.3	68.5	72.1	74.4	79.6	80.8	83.8	86.3	88.7
Wholesale and retail trade	167.6	174.1	171.1	174.8	188.4	188.8	184.3	197.2	195.6	196.0	205.9	212.6	226.1	225.8
Banking and insurance	4.8	5.8	6.2	5.8	6.8	7.7	8.5	9.1	9.0	10.6	11.3	13.3	15.0	17.0
Ownership of dwellings	88.6	91.1	93.5	96.0	98.7	101.4	104.5	107.4	110.7	114.2	117.8	121.6	125.7	130.1

Public administration and defence (b)	85.8	91.7	107.3	99.7	102.3	111.6	108.8	105.6	102.2	113.0	102.2	108.3	111.1	121.4
Services .. .. .	133.1	136.7	127.8	147.7	153.8	154.1	155.5	165.4	179.7	190.8	196.6	200.2	204.9	214.0
Net domestic product at factor cost	1,791.9	1,863.2	1,849.6	1,903.7	2,017.7	2,035.2	2,011.2	2,138.7	2,147.9	2,186.8	2,275.6	2,357.8	2,496.9	2,525.2
Net factor income from rest of the world	-1.0	-0.9	-0.8	-1.4	..	-0.9	-2.6	-1.2	-0.8	-1.0	-1.8	-1.9	-1.3	-2.1
National income .. .. .	1,790.9	1,862.3	1,848.8	1,902.3	2,017.7	2,034.3	2,008.6	2,137.5	2,147.1	2,185.8	2,273.8	2,355.9	2,495.6	2,523.1
Population (c) (In lakhs)	746.5	764.5	789.8	808.3	823.2	837.9	852.4	867.7	884.2	901.3	919.0	937.2	956.1	975.7
Per capita income (Rs.)	240	244	234	235	245	243	236	246	243	243	247	251	261	259

Source : Central Statistical Office.

Note. (1) The estimates under all sectors have been revised and adapted to U.N. classification of industries. These figures are, therefore, not comparable with previous series.

(2) The time reference of the estimates is July-June.

(b) Includes Public Education and Health.

(c) Population figures are those worked out by the Planning Commission and relate to mid-financial year.

(d) Provisional.

TABLE NO. 6 (a)

## NATIONAL INCOME AT CURRENT PRICES (BY INDUSTRIAL ORIGIN)

(1949-50 to 1961-62)

Sector	(In crore rupees)												
	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
Agriculture (a)	..	..	..	..	..	..	..	..	..	..	..	..	..
Major crops	1,076.8	1,086.8	1,158.1	1,105.4	1,081.7	1,009.4	1,064.7	1,279.5	1,350.7	1,303.4	1,487.3	1,587.1	1,756.1
Minor crops	592.0	615.2	650.6	601.8	543.6	453.0	553.1	729.8	774.6	742.3	871.6	943.6	1,036.6
Livestock	179.2	175.1	182.8	183.3	193.6	209.3	188.6	211.5	216.1	179.7	194.4	211.1	229.8
Fishing	245.8	240.7	255.1	244.4	262.3	256.0	241.7	256.1	266.3	289.8	320.7	317.2	356.6
Forestry	58.7	54.2	68.0	73.8	80.0	88.0	78.3	79.5	90.4	87.9	96.0	110.7	128.9
Mining and quarrying	1.1	1.6	1.6	2.1	2.2	3.1	3.0	2.6	3.3	3.7	4.6	4.5	4.5
Manufacturing	1.9	2.5	3.0	3.3	3.6	3.7	4.5	5.7	6.3	6.5	7.9	9.4	10.2
Large-scale	126.8	134.5	153.8	180.9	187.0	183.0	231.9	289.3	315.8	325.2	358.7	381.3	417.3
Small-scale	29.4	36.8	48.7	66.0	71.5	74.5	110.6	158.2	172.2	179.2	200.8	217.4	244.0
Construction	97.4	97.7	105.1	114.9	115.5	108.5	121.3	131.1	143.6	146.0	157.9	163.9	173.3
Electricity, gas, water and sanitary services	24.4	24.9	25.4	35.4	21.3	26.6	29.2	37.1	46.5	48.9	58.9	68.9	83.3
Transportation, storage and communications	2.6	2.8	3.1	3.3	3.8	4.2	4.5	5.0	5.4	5.8	6.6	7.1	8.9
Wholesale and retail trade	56.0	58.4	63.3	68.1	66.5	65.4	71.3	78.6	87.5	92.8	99.0	105.0	109.9
Banking and insurance	164.7	167.2	179.6	176.2	173.8	163.4	177.7	215.1	228.5	223.4	253.2	270.2	298.3
Ownership of dwellings	4.6	5.4	6.0	6.0	7.1	7.5	8.8	9.9	10.5	12.1	13.6	16.3	18.7
	86.2	87.6	92.9	102.6	105.7	101.8	110.0	119.4	131.7	133.2	144.7	151.6	160.6

Public administration and defence (b)	..	83.4	88.1	106.8	106.2	107.6	107.7	113.5	116.2	120.3	130.9	124.7	133.6	140.7
Services .. .. .	..	129.8	131.4	126.8	157.4	164.4	145.5	163.6	183.3	213.2	206.4	241.1	249.0	261.3
Net domestic product at factor cost ..	..	1,757.2	1,789.6	1,918.8	1,944.8	1,922.5	1,818.2	1,979.7	2,339.1	2,516.4	2,488.6	2,795.7	2,979.5	3,265.3
Net factor income from rest of the world ..	..	-1.8	-1.9	-1.3	-1.3	-2.9	-0.4	-3.0	-3.1	-0.7	-1.9	-3.3	-3.2	-3.7
National income .. .. .	..	1,755.4	1,787.7	1,917.5	1,943.5	1,919.6	1,817.8	1,976.7	2,336.0	2,515.7	2,486.7	2,792.4	2,976.3	3,261.6
Population (c) (In lakhs) .. .. .	..	746.5	764.5	789.8	808.3	823.2	837.9	852.4	867.7	884.2	901.3	919.0	937.2	956.1
Per capita income (Rs.) .. .. .	..	235	234	243	240	233	217	232	269	285	276	304	318	341

Source : Central Statistical Office.

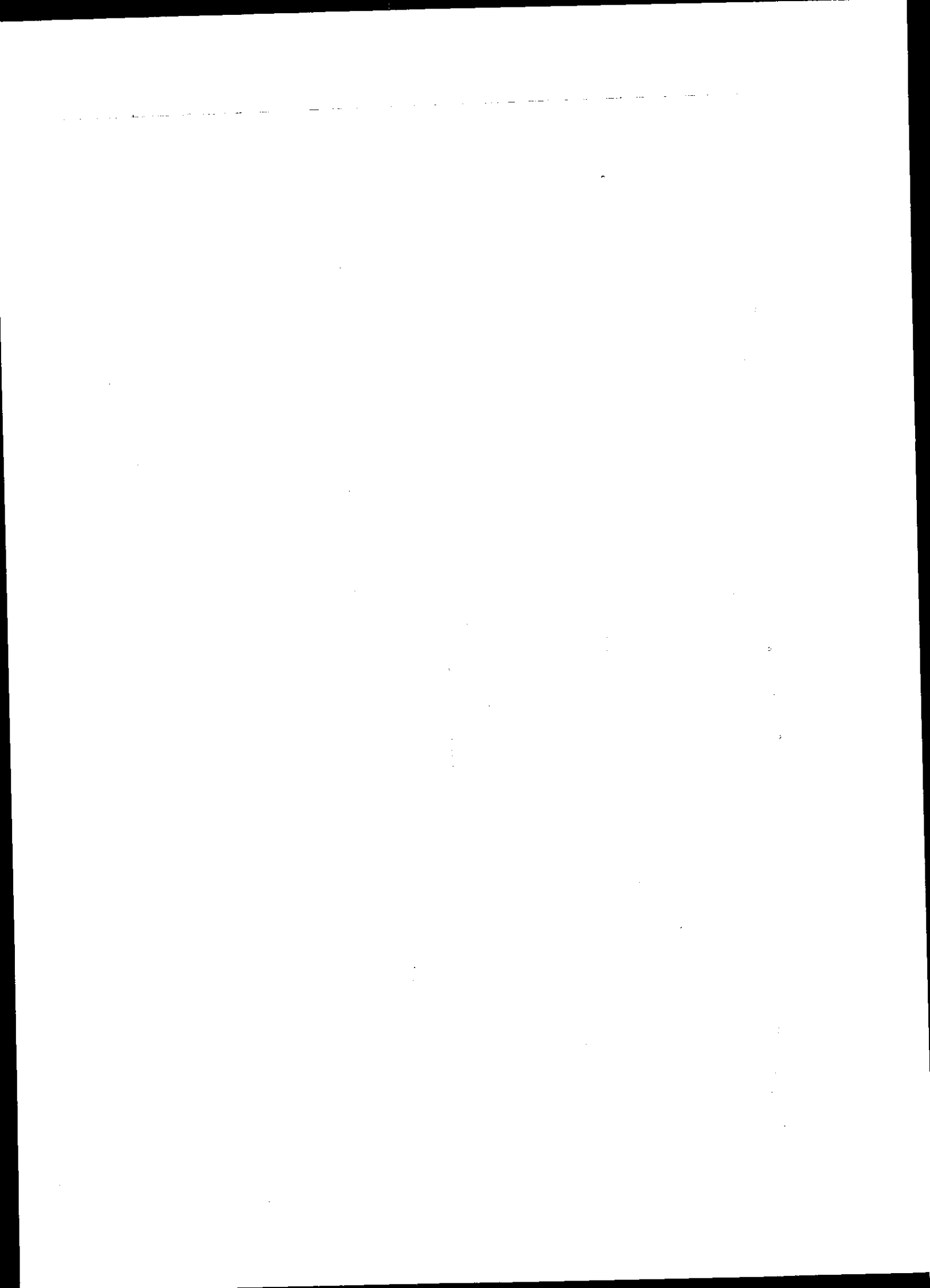
Note. (1) The estimates under all sectors have been revised and adapted to U.N. classification of industries. These figures are, therefore, not comparable with previous series.

(a) Official estimates of agricultural production have been used to compute these estimates. But it is generally believed that the official estimates are under-estimated

(2) The time reference of the estimates is July-June.

(b) Includes Public Education and Health.

(c) Population figures are those worked out by the Planning Commission and relate to mid-financial year.



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**FOOD AND AGRICULTURE**

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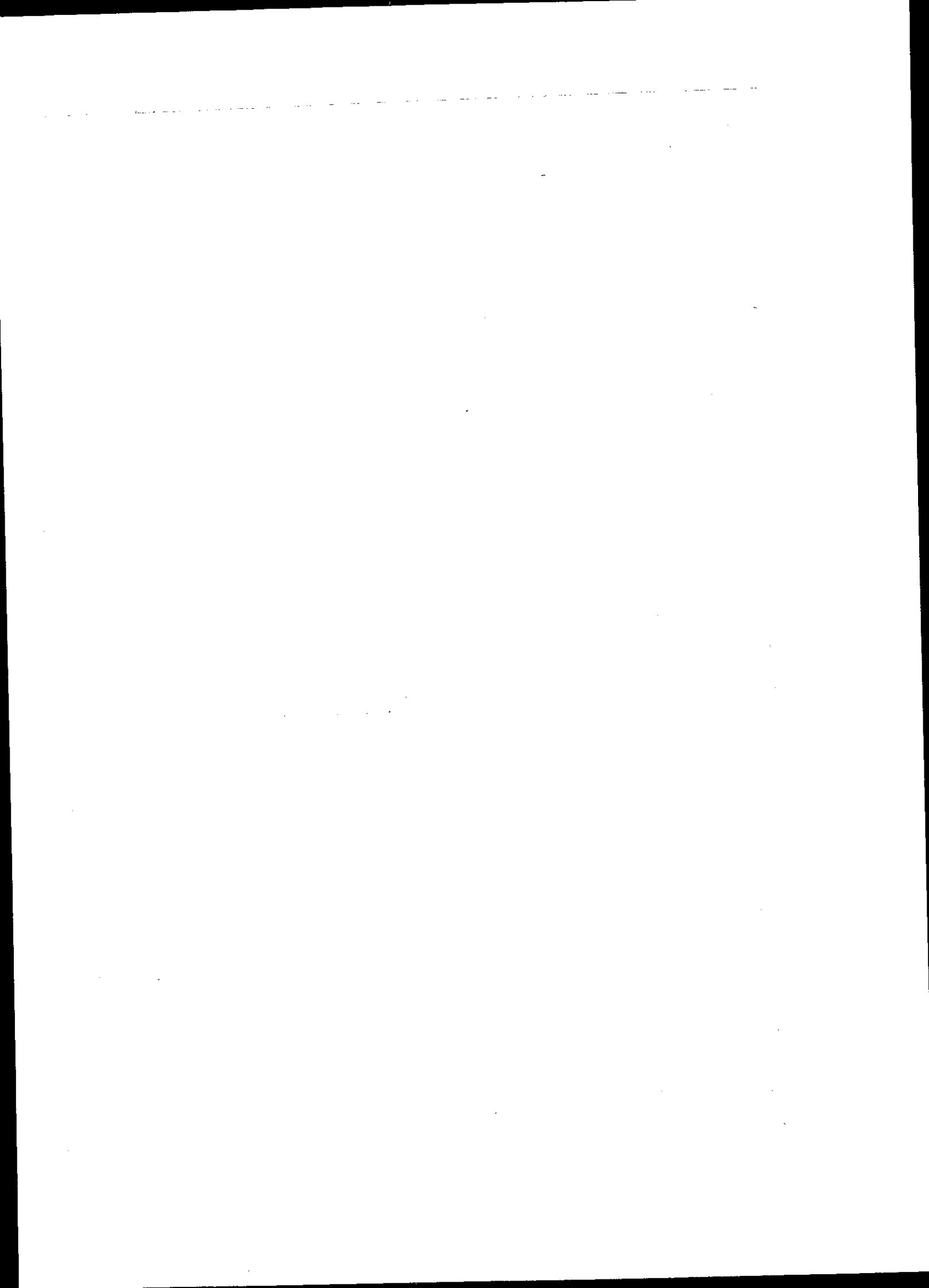




TABLE NO. 7

## INDEX OF AGRICULTURAL PRODUCTION

(1947-48 to 1962-63)

(Base : Average of 1949-50 to 1952-53=100)

Year (July—June)	All crops	Food crops	Non-food crops	Fibres
1947-48 .. ..	94	93	88	106
1948-49 .. ..	105	109	97	87
1949-50 .. ..	101	106	99	68
1950-51 .. ..	105	107	95	103
1951-52 .. ..	96	94	99	107
1952-53 .. ..	98	93	106	122
1953-54 .. ..	110	113	121	76
1954-55 .. ..	105	103	128	92
1955-56 .. ..	99	94	119	116
1956-57 .. ..	112	112	121	105
1957-58 .. ..	109	105	127	113
1958-59 .. ..	108	103	145	108
1959-60 .. ..	117	117	129	104
1960-61 .. ..	122	125	130	92
1961-62 .. ..	131	127	154	124
1962-63 (a) ..	126	122	154	107

Source : Central Statistical Office.

(a) Provisional.

Coverage. Major agricultural crops only.

Weighting system. Weighted average prices of the base year are used as a weight for these quantum indices.

Method of calculation. The index numbers are computed by Laspeyre's formula : i. e.  $\frac{\sum Q_1 P_0}{\sum Q_0 P_0}$ where  $Q_1$  is the quantity of current year and  $Q_0$  &  $P_0$  are the average quantity and weighted average price of the base year respectively.

TABLE NO. 8

**PER CAPITA AVAILABILITY OF FOODGRAINS**  
(1947- 48 to 1961-62)

Year	Domestic produc- tion(a) (lakh tons)	Allowance for seed, animal feed, wastage etc. @ 10% (lakh tons)	Imports(b) (lakh tons)	Exports(b) (lakh tons)	Available for con- sumption (lakh tons) (Cols. 2— 3+4—5)	Population (c) (in lakhs)	Per capita availability (ounces per day)
1	2	3	4	5	6	7	8
1947-48	.. 117.3	11.73	0.41	0.67	105.31	726.50	14
1948-49	.. 136.1	13.61	1.15	0.03	123.61	736.00	16
1949-50	.. 132.6	13.26	1.02	0.22	120.14	742.50	16
1950-51	.. 133.0	13.30	..	3.25	116.45	750.40	15
1951-52	.. 117.1	11.71	..	0.73	104.66	778.61	13
1952-53	.. 115.0	11.50	8.58	0.79	111.29	800.89	14
1953-54	.. 140.8	14.08	7.59	1.38	132.93	815.71	16
1954-55	.. 127.2	12.72	..	1.61	112.87	830.74	13
1955-56	.. 117.4	11.74	1.71	0.21	107.16	845.10	13
1956-57	.. 138.3	13.83	13.55	..	138.02	859.64	16
1957-58	.. 130.5	13.05	12.69	0.04	130.10	875.84	15
1958-59	.. 129.5	12.95	7.43	0.24	123.74	892.61	14
1959-60	.. 145.2	14.52	13.44	1.11	143.01	909.97	15
1960-61	.. 154.1	15.41	17.32	1.00	155.01	927.93	16
1961-62	.. 158.7	15.87	10.65	1.40	152.22	946.51	16

Source : Central Statistical Office.

(a) Production data include rice, wheat, barley, maize, bajra and jowar.

(b) Import and export data supplied by the Ministry of Food and Agriculture.

(c) Population figures are based on estimates of the Planning Commission.

TABLE NO. 9

**AREA UNDER PRINCIPAL CROPS**  
**(1947-48 to 1962-63)**

(In thousand acres)

Crop	Average 1947-48 to 1951-52		Average 1952-53 to 1956-57		1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (a)
	Year beginning July 1.											
Rice	..	21,835	23,117	22,887	22,487	24,125	24,804	23,964	23,653	22,868	24,281 (d)	
Wheat	..	10,422	10,732	11,495	12,032	12,193	11,603	12,571	11,979	11,044	12,140 (c)	
Bajra	..	2,224	2,296	1,846	2,003	1,990	1,844	2,055	1,948	2,156	2,104	
Jowar	..	1,197	1,328	955	1,097	1,128	1,177	1,269	1,125	1,217	1,204	
Maize	..	958	1,053	1,072	1,132	1,199	1,207	1,191	1,160	1,057	1,151	
Barley	..	550	554	542	550	630	536	544	561	555	526 (b)	
<b>Total foodgrains</b>	..	<b>37,186</b>	<b>39,080</b>	<b>38,797</b>	<b>39,301</b>	<b>41,265</b>	<b>41,171</b>	<b>41,594</b>	<b>40,426</b>	<b>38,897</b>	<b>41,406</b>	
Gram	..	2,651	3,002	3,134	3,154	2,954	2,881	3,093	3,043	2,899	2,926 (c)	
<b>Total food crops</b>	..	<b>39,837</b>	<b>42,082</b>	<b>41,931</b>	<b>42,455</b>	<b>44,219</b>	<b>44,052</b>	<b>44,687</b>	<b>43,469</b>	<b>41,796</b>	<b>44,332</b>	
Sugarcane	..	713	976	1,234	1,301	1,261	1,238	1,388	1,284	991	1,381 (c)	
Rape and mustard	..	1,563	1,756	1,745	2,047	1,965	1,791	1,704	1,850	1,723	1,648 (b)	
Cotton (Lint)	..	3,000	3,348	3,641	3,324	3,370	3,242	3,488	3,413	3,254	3,283 (c)	
Jute	..	1,797	1,396	1,563	1,528	1,375	1,518	2,061	1,609	1,601	1,723	
Tea	..	73	75	76	76	78	78	79	78	75	81	
Tobacco	..	171	196	196	200	203	198	219	203	190	27 (e)	
<b>Total cash crops</b>	..	<b>7,317</b>	<b>7,747</b>	<b>8,455</b>	<b>8,476</b>	<b>8,252</b>	<b>8,065</b>	<b>8,939</b>	<b>8,437</b>	<b>7,834</b>	<b>8,323</b>	
<b>TOTAL PRINCIPAL CROPS</b>	..	<b>47,154</b>	<b>49,829</b>	<b>50,386</b>	<b>50,931</b>	<b>52,471</b>	<b>52,117</b>	<b>53,626</b>	<b>51,906</b>	<b>49,630</b>	<b>52,655</b>	

Source : Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.

- (a) Provisional except for jute, tea, bajra, jowar and maize.  
 (b) First estimate.  
 (c) Second estimate.  
 (d) Third estimate.  
 (e) Previous three years' average.

TABLE No. 10  
**PRODUCTION OF PRINCIPAL CROPS**  
 (1947-48 to 1962-63)

Year beginning July 1.	(In thousand tons)									
	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (a)
<i>Crop</i>										
Rice (cleaned)	7,983	8,390	8,460	7,897	9,461	10,533	10,575	9,385	8,586	9,871 (d)
Wheat	3,627	3,221	3,530	3,870	3,876	3,786	4,064	3,825	3,558	3,961 (c)
Bajra	342	356	274	309	324	301	364	314	337	416
Jowar	232	246	183	212	229	218	245	218	232	248
Miluze	380	420	442	482	480	439	487	466	422	486
Barley	148	129	169	172	149	135	132	152	143	139 (e)
<b>Total foodgrains</b>	<b>12,712</b>	<b>12,762</b>	<b>13,058</b>	<b>12,942</b>	<b>14,519</b>	<b>15,412</b>	<b>15,867</b>	<b>14,360</b>	<b>13,298</b>	<b>15,121</b>
Gram	648	618	688	606	627	636	650	641	636	690
<b>Total food crops</b>	<b>13,360</b>	<b>13,380</b>	<b>13,746</b>	<b>13,548</b>	<b>15,146</b>	<b>16,048</b>	<b>16,517</b>	<b>15,001</b>	<b>13,914</b>	<b>15,811</b>
Sugarcane	9,565	12,197	14,881	16,126	14,105	15,412	18,548	15,814	12,526	19,154 (c)
Rape and mustard	267	290	296	373	318	308	305	320	292	310 (e)
Cotton (lint)	217 (1,239)	289 (1,652)	301 (1,722)	281 (1,605)	290 (1,657)	299 (1,711)	322 (1,840)	299 (1,707)	268 (1,533)	311 (c) (1,776)

Jute	..	1,000 (5,598)	936 (5,240)	1,107 (6,200)	1,071 (6,000)	992 (5,534)	796 (4,457)	1,244 (6,969)	1,042 (5,836)	993 (5,558)	919 (5,145)
Tea	..	17 (37.3)	24 (52.9)	20 (44.5)	24 (53.5)	25 (57.0)	19 (42.3)	26 (58.8)	23 (51.2)	21 (47.1)	23 (52.0)
Tobacco	..	69 (152.6)	92 (206.4)	90 (202.3)	99 (221.6)	88 (198.1)	84 (189.0)	99 (223.0)	98 (206.8)	84 (188.6)	91 (203.0)
<b>Total cash crops</b>	..	<b>11,135</b>	<b>13,828</b>	<b>16,695</b>	<b>17,974</b>	<b>15,818</b>	<b>16,918</b>	<b>20,544</b>	<b>17,590</b>	<b>14,184</b>	<b>20,808</b>
<b>TOTAL PRINCIPAL CROPS</b>	..	<b>24,495</b>	<b>27,208</b>	<b>30,441</b>	<b>31,522</b>	<b>30,964</b>	<b>32,966</b>	<b>37,061</b>	<b>32,591</b>	<b>28,098</b>	<b>36,619</b>

Source : Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.

(a) Provisional except for jute, tea, bajra, jowar and maize.

(b) First estimate.

(c) Second estimate.

(d) Third estimate plus three years' average *boro* production.

(e) Previous three years' average.

Note. Figures in brackets indicate '000' bales for jute and cotton and million lbs. for tea and tobacco.

TABLE NO. 11  
YIELD PER ACRE OF PRINCIPAL CROPS  
(1947-48 to 1962-63)

Year beginning July 1.	Crop	(In maunds)										
		Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (a)	
..	Rice (cleaned)	10.0	9.9	10.1	9.6	10.7	11.5	12.0	10.8	10.2	11.1	
..	Wheat	9.5	8.2	8.4	8.8	8.7	8.7	8.8	8.7	8.8	8.9	
..	Bajra	4.2	4.2	4.0	4.2	4.4	4.4	4.8	4.4	4.3	5.4	
..	Jowar	5.3	5.0	5.2	5.3	5.5	5.0	5.3	5.3	5.2	5.6	
..	Maize	10.8	10.9	11.2	11.6	10.9	9.9	11.1	10.9	10.9	11.5	
..	Barley	7.3	6.3	8.5	8.5	6.4	6.9	6.6	7.4	7.0	N.A.	
..	Gram	6.7	5.6	6.0	5.2	5.8	6.0	5.7	5.7	6.0	6.4	
..	Sugarcane	365.1	340.1	328.3	337.4	304.5	338.9	363.7	334.6	346.6	377.5	
..	Rape and mustard	4.6	4.5	4.6	5.0	4.4	4.7	4.9	4.7	4.6	N.A.	
..	Tobacco	10.9	12.8	12.5	13.5	11.7	11.5	12.3	12.3	12.0	N.A.	
..	Cotton	2.0	2.3	2.3	2.3	2.3	2.5	2.5	2.4	2.2	2.6	
..	..	15.1	18.3	19.3	19.1	19.6	14.3	16.4	17.7	17.0	14.5	
..	Tea	6.3	8.7	7.1	8.6	8.9	6.5	9.0	8.1	7.7	7.7	

Source : Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.

(a) Provisional except for jute, tea, bajra, jowar and maize.

TABLE NO. 12  
**AREA UNDER PRINCIPAL CROPS IN EAST PAKISTAN**  
 (1947-48 to 1962-63)

(In thousand acres)

Crop	Average 1947-48 to 1951-52		Average 1952-53 to 1956-57		1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 1962-63 (p)
	1947-48	1951-52	1952-53	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1957-58 to 1961-62	1962-63 (p)
Rice	19,653	20,733	20,733	20,235	19,643	21,151	21,886	20,963	20,776	20,387	21,439 (d)
Wheat	93	105	107	138	140	(a)	(a)	(a)	126	108	181 (c)
Bajra	1	1	1	1	1	1	1	2	(a)	1	(a)
Jowar	1	1	1	1	1	1	1	2	1	1	2
Maize	10	9	7	7	5	7	22	22	13	11	17
Barley	82	83	57	64	60	74	83	83	67	77	71 (b)
Gram	19,840	20,932	20,408	19,808	19,808	21,361	22,123	21,215	20,983	20,585	21,710
	203	192	136	141	141	133	149	142	140	178	138 (c)
<b>Total foodgrains</b>	<b>20,043</b>	<b>21,124</b>	<b>20,544</b>	<b>19,949</b>	<b>19,949</b>	<b>21,494</b>	<b>22,272</b>	<b>21,357</b>	<b>21,123</b>	<b>20,763</b>	<b>21,848</b>
<b>Total food crops</b>	<b>226</b>	<b>257</b>	<b>252</b>	<b>244</b>	<b>244</b>	<b>281</b>	<b>279</b>	<b>290</b>	<b>269</b>	<b>251</b>	<b>317 (c)</b>
Sugarcane	472	509	398	554	578	558	590	536	536	506	557 (b)
Rape and mustard	56	56	51	52	47	48	39	48	48	53	40 (c)
Cotton (lint)	1,797	1,396	1,563	1,528	1,518	1,518	2,061	1,609	1,609	1,601	1,723
Jute	74	75	76	76	78	79	79	79	77	75	81
Tea	129	124	107	111	110	102	102	108	108	120	107 (c)
Tobacco	..	..	..	..	..	..	..	..	..	..	..
<b>Total cash crops</b>	<b>2,754</b>	<b>2,417</b>	<b>2,447</b>	<b>2,564</b>	<b>2,474</b>	<b>2,583</b>	<b>3,167</b>	<b>2,647</b>	<b>2,647</b>	<b>2,606</b>	<b>2,825</b>
<b>TOTAL PRINCIPAL CROPS</b>	<b>22,797</b>	<b>23,541</b>	<b>22,991</b>	<b>22,513</b>	<b>23,968</b>	<b>24,855</b>	<b>24,524</b>	<b>23,770</b>	<b>23,770</b>	<b>23,369</b>	<b>24,673</b>

Source : Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.

(P) Provisional except for jute, tea, bajra, jowar and maize.

(a) Below 500 acres.

(b) First estimate.

(c) Second estimate.

(d) Third estimate plus three years' average boro acreage.

TABLE NO. 13  
**PRODUCTION OF PRINCIPAL CROPS IN EAST PAKISTAN**  
 (1947-48 to 1962-63)

Year beginning July 1.	(In thousand tons)									
	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (p)
<i>Crop</i>										
Rice (cleaned)	7,233	7,548	7,598	6,921	8,482	9,519	9,466	8,397	7,726	8,775 (d)
Wheat	21	24	22	25	29	32	39	29	24	44 (c)
Bajra	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Powar	(a)	(a)	(a)	(a)	(a)	(a)	1	(a)	(a)	1
Maize	2	2	2	1	2	7	7	4	3	5
Barley	16	17	12	14	12	17	18	15	16	16 (e)
<b>Total foodgrains</b>	<b>7,272</b>	<b>7,591</b>	<b>7,634</b>	<b>6,961</b>	<b>8,525</b>	<b>9,576</b>	<b>9,531</b>	<b>8,445</b>	<b>7,769</b>	<b>8,841</b>
Gram	50	50	35	38	29	36	37	35	45	33 (c)
<b>Total food crops</b>	<b>7,322</b>	<b>7,641</b>	<b>7,669</b>	<b>6,999</b>	<b>8,554</b>	<b>9,612</b>	<b>9,568</b>	<b>8,480</b>	<b>7,814</b>	<b>8,874</b>
Sugarcane	3,308	3,845	3,765	3,834	3,611	3,955	4,418	3,917	3,690	4,890 (c)
Rape and mustard	87	101	67	105	83	97	103	91	93	94 (e)
Cotton (lint)	3 (17)	3 (16)	2 (14)	3 (18)	3 (18)	3 (19)	3 (17)	3 (17)	3 (17)	3 (17)



Jute .. .. .	1,000 (5,598)	936 (5,240)	1,107 (6,200)	1,071 (6,000)	992 (5,554)	796 (4,457)	1,244 (6,969)	1,042 (5,836)	993 (5,558)	919 (5,145)
Tea .. .. .	17 (37.3)	23 (52.9)	20 (44.5)	24 (53.5)	25 (57.0)	19 (42.3)	26 (58.8)	23 (51.2)	21 (47.1)	23 (52.0)
Tobacco .. .. .	44 (98.3)	46 (103.5)	34 (77.5)	42 (93.2)	27 (60.9)	25 (57.1)	31 (70.0)	32 (71.7)	41 (91.2)	28 (62.7) (e)
<b>Total cash crops .. .. .</b>	<b>4,459</b>	<b>4,955</b>	<b>4,996</b>	<b>5,079</b>	<b>4,741</b>	<b>4,895</b>	<b>5,825</b>	<b>5,108</b>	<b>4,841</b>	<b>5,957</b>
<b>TOTAL PRINCIPAL CROPS .. .. .</b>	<b>11,781</b>	<b>12,596</b>	<b>12,665</b>	<b>12,078</b>	<b>13,295</b>	<b>14,507</b>	<b>15,393</b>	<b>13,588</b>	<b>12,655</b>	<b>14,831</b>

Source : Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.

(P) Provisional except for jute, tea, bajra, jowar and maize.

(a) Below 500 tons.

(b) First estimate.

(c) Second estimate.

(d) Third estimate plus three years' average *boro* production.

(e) Previous three years' average.

Note. Figures in brackets indicate '000' bales for jute and cotton and million lbs. for tea and tobacco.

TABLE No. 14  
YIELD PER ACRE OF PRINCIPAL CROPS IN EAST PAKISTAN  
(1947-48 to 1962-63)

(In maunds)

Crop	Average 1947-48 to 1951-52		Average 1952-53 to 1956-57		1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (a)
	..	..	..	..	..	..	..	..	..	..	..	..
Rice (cleaned)	..	..	10.0	9.9	10.2	9.6	10.9	11.8	12.3	11.0	10.3	11.1
Wheat	..	..	6.2	6.3	5.6	5.9	5.7	6.4	7.3	6.2	6.2	6.6
Maize	..	..	6.5	7.3	7.8	5.4	7.8	8.7	8.7	7.7	7.2	8.0
Barley	..	..	5.3	5.6	5.7	6.3	5.1	6.3	5.9	5.9	5.6	N.A.
Gram	..	..	6.7	7.1	7.0	7.3	5.9	6.6	7.1	6.8	6.9	6.5
Sugarcane	..	..	398.4	407.2	406.7	427.3	349.8	385.9	414.7	396.9	400.8	419.9
Rape and mustard	..	..	5.0	5.4	4.6	5.2	3.9	4.7	4.8	4.6	5.0	N.A.
Tobacco	..	..	9.3	10.1	8.8	10.2	6.7	6.8	7.8	8.1	9.2	N.A.
Cotton	..	..	1.5	1.5	1.3	1.6	1.6	1.9	2.1	1.7	1.6	2.0
Jute	..	..	15.1	18.3	19.3	19.1	19.6	14.3	16.4	17.7	17.0	14.5
Tea	..	..	6.3	8.7	7.1	8.6	8.9	6.5	9.0	8.0	7.6	7.7

Source : Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.

(a) Provisional except for jute, tea and maize.  
N. A. Not Available.

TABLE No. 15  
**AREA UNDER PRINCIPAL CROPS IN WEST PAKISTAN**  
 (1947-48 to 1962-63)

Crop	(In thousand acres)									
	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (a)
Rice	..	2,182	2,384	2,844	2,974	2,918	3,001	2,878	2,481	2,842 (d)
Wheat	..	10,329	10,618	11,388	11,933	11,463	12,426	11,853	10,934	11,959 (c)
Bajra	..	2,223	2,295	1,845	2,003	1,844	2,055	1,947	2,155	2,104
Jowar	..	1,195	1,327	954	1,096	1,175	1,267	1,124	1,215	1,202
Maize	..	948	1,044	1,065	1,127	1,185	1,169	1,148	1,047	1,134
Barley	..	459	471	485	490	462	461	492	477	455 (b)
Total foodgrains	..	17,346	18,139	18,389	19,493	19,047	20,379	19,442	18,309	19,696
Grain	..	2,448	2,810	2,998	3,013	2,732	2,951	2,903	2,720	2,788 (c)
Total food crops	..	19,794	20,949	21,387	22,506	21,779	23,330	22,345	21,029	22,484
Sugarcane	..	487	718	982	1,057	959	1,098	1,015	740	1,064 (c)
Rape and mustard	..	1,118	1,247	1,347	1,493	1,233	1,114	1,315	1,227	1,091
Cotton (lint)	..	2,945	3,292	3,590	3,273	3,195	3,449	3,365	3,201	3,243 (c)
Tobacco	..	43	72	89	89	96	111	96	70	101 (e)
Total cash crops	..	4,593	5,329	6,008	5,912	5,483	5,772	5,791	5,238	5,499
TOTAL PRINCIPAL CROPS	..	24,387	26,278	27,395	28,418	27,262	29,102	28,136	26,267	27,983

(a) Provisional estimate for bajra, jowar and maize. (b) First estimate. (c) Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.  
 (c) Second estimate. (d) Third estimate. (e) Previous three years' average. Source 1

TABLE No. 16

**PRODUCTION OF PRINCIPAL CROPS IN WEST PAKISTAN  
(1947-48 to 1962-63)**

(In thousand tons)

Year beginning July 1.											1962-63 (a)	
	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62			
Crop											1962-63 (a)	
Rice (cleaned)	..	..	756	842	862	976	979	1,014	1,109	988	862	1,096 (c)
Wheat	..	..	3,619	3,198	3,508	3,845	3,847	3,754	4,025	3,796	3,537	3,917 (b)
Sujra	..	..	342	356	274	309	324	301	364	314	337	416
Jowar	..	..	232	246	183	212	229	217	244	217	232	247
Maize	..	..	377	414	440	481	478	432	480	462	418	481
Barley	..	..	132	112	157	158	137	118	114	137	127	123 (d)
Total foodgrains	..	..	5,458	5,168	5,424	5,981	5,994	5,836	6,336	5,914	5,513	6,280
Gram	..	..	597	568	653	568	598	600	613	607	591	657 (b)
Total food crops	..	..	6,055	5,736	6,077	6,549	6,592	6,436	6,949	6,521	6,104	6,937
Sugarcane	..	..	6,214	8,337	11,116	12,292	10,494	11,457	14,130	11,898	8,816	14,264 (b)
Rape and mustard	..	..	179	189	229	268	235	211	202	229	199	216 (d)



TABLE NO. 16

**PRODUCTION OF PRINCIPAL CROPS IN WEST PAKISTAN  
(1947-48 to 1962-63)**

Year beginning July 1.	(In thousand tons)										1962-63 (a)	(In maunds)	
	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (a)			
<i>Crop</i>													
Rice (cleaned)	..	756	842	862	976	979	1,014	1,109	988	862	1,096 (c)	11.1	
Wheat	..	3,619	3,198	3,508	3,845	3,847	3,754	4,025	3,796	3,537	3,917 (b)	6.6	
Bajra	..	342	356	274	309	324	301	364	314	337	416	8.0	
Maize	..	232	246	183	212	229	217	244	217	232	247	N.A.	
Barley	..	377	414	440	481	478	432	480	462	418	481	6.5	
	..	132	112	157	158	137	118	114	137	127	123 (d)	419.9	
	..	..	..	..	..	..	..	..	..	..	..	N.A.	
<b>Total foodgrains</b>	..	<b>5,458</b>	<b>5,168</b>	<b>5,424</b>	<b>5,981</b>	<b>5,994</b>	<b>5,836</b>	<b>6,336</b>	<b>5,914</b>	<b>5,513</b>	<b>6,280</b>	N.A.	
Gram	..	597	568	653	568	598	600	613	607	591	657 (b)	2.0	
<b>Total food crops</b>	..	<b>6,055</b>	<b>5,736</b>	<b>6,077</b>	<b>6,549</b>	<b>6,592</b>	<b>6,436</b>	<b>6,949</b>	<b>6,521</b>	<b>6,104</b>	<b>6,937</b>	14.5	
Sugarcane	..	6,214	8,337	11,116	12,292	10,494	11,457	14,130	11,898	8,816	14,264 (b)		
Rape and mustard	..	179	189	229	268	235	211	202	229	199	216 (d)		

Cotton (lint)	..	..	214	286	299	278	287	296	319	296	265	308
			(1,222)	(1,636)	(1,708)	(1,537)	(1,639)	(1,692)	(1,823)	(1,690)	(1,516)	(1,759)
Tabacco	..	..	24	46	56	57	61	59	68	60	44	63
			(54.3)	(102.9)	(124.8)	(128.4)	(137.2)	(132.4)	(153.0)	(135.2)	(97.5)	(140.9) (d)
<b>Total cash crops</b>	..	..	<b>6,631</b>	<b>8,858</b>	<b>11,700</b>	<b>12,895</b>	<b>11,077</b>	<b>12,023</b>	<b>14,719</b>	<b>12,483</b>	<b>9,324</b>	<b>14,851</b>
<b>TOTAL PRINCIPAL CROPS</b>	..	..	<b>12,686</b>	<b>14,594</b>	<b>17,777</b>	<b>19,444</b>	<b>17,669</b>	<b>18,459</b>	<b>21,668</b>	<b>19,004</b>	<b>15,428</b>	<b>21,788</b>

(a) Provisional except for bajra, jowar and maize. (b) Second estimate.  
 (c) Third estimate. (d) Previous three years' average.

Source: Compiled on the basis of data supplied by the Department of Marketing Intelligence and Agricultural Statistics.

Note: Figures in brackets indicate '000' bales for cotton and million lbs. for tobacco.

TABLE NO. 17  
YIELD PER ACRE OF PRINCIPAL CROPS IN WEST PAKISTAN  
(1947-48 to 1962-63)

Crop	Year beginning July 1.										(In maunds)	
	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Average 1957-58 to 1961-62	Average 15 years ending 1961-62	1962-63 (a)		
Rice (cleaned)	..	..	8.8	9.3	10.7	9.5	10.1	9.4	9.4	10.5		
Wheat	..	..	8.4	8.8	8.7	8.9	8.8	8.7	8.8	8.9		
Bajra	..	..	4.0	4.2	4.4	4.4	4.8	4.4	4.3	5.4		
Mustard	..	..	5.2	5.3	5.5	5.0	5.2	5.2	5.1	5.6		
Maize	..	..	11.2	11.6	10.9	9.9	11.2	10.9	10.9	11.5		
Barley	..	..	8.8	8.8	6.4	7.0	6.7	7.5	7.2	N.A.		
Gram	..	..	5.9	5.1	5.8	6.0	5.7	5.7	5.9	6.4		
Sugarcane	..	..	308.1	316.5	304.5	325.2	350.3	320.9	328.1	364.9		
Rape and mustard	..	..	4.6	4.9	4.4	4.7	4.9	4.7	4.4	N.A.		
Tobacco	..	..	17.0	17.5	11.7	16.8	16.7	17.0	16.5	N.A.		
Cotton	..	..	2.3	2.3	2.3	2.5	2.5	2.4	2.2	2.6		

(a) Provisional except for bajra, jowar and maize.  
N.A. Not Available.

Source : Compiled on the basis of data supplied by the  
Department of Marketing Intelligence  
and Agricultural Statistics.



TABLE NO. 18  
**AREA UNDER MINOR CROPS**  
**(1947-48 to 1961-62)**

(In thousand acres)

Year beginning July 1.	(In thousand acres)														
	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
<i>Crop</i>															
<i>Pulses</i>															
Moong .. .. .	390	341	348	346	307	290	304	302	259	236	207	209	213	220	214
Mash .. .. .	295	219	227	224	236	229	271	240	227	207	217	242	230	236	225
Masoor .. .. .	326	425	401	386	396	406	420	462	401	419	368	401	358	343	326
Arhar .. .. .	13	14	15	20	19	18	19	23	17	22	26	22	17	17	17
Khesari .. .. .	502	565	590	648	703	699	660	705	664	581	597	674	664	409	N.A.
Other pulses .. .. .	404	462	417	404	460	376	458	465	472	439	281	363	375	360	360
<i>Oilseeds</i>															
Linseed .. .. .	74	74	80	67	69	71	82	76	75	69	31	93	85	36	N.A.
Groundnut .. .. .	4	4	12	6	7	8	10	10	14	21	25	38	51	58	56
Cottonseed .. .. .	3,112	2,654	2,799	3,071	3,375	3,480	2,928	3,194	3,529	3,608	3,641	3,324	3,370	3,242	3,488
<i>Vegetables</i>															
Potato .. .. .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	88	98	108	102	114	186	172
Other vegetables .. .. .	719	773	763	697	761	774	932	739	717	698	674	N.A.	N.A.	N.A.	N.A.
<i>Miscellaneous crops</i>															
Condiments and spices .. .. .	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	327	326	318	N.A.	N.A.	N.A.	N.A.
Sann hemp .. .. .	39	36	41	43	43	44	46	42	44	41	40	42	43	44	41
Betelnut .. .. .	193	193	226	218	215	212	210	197	188	187	175	189	217	204	204

Source : Department of Marketing Intelligence and Agricultural Statistics.

TABLE NO. 19  
**PRODUCTION OF MINOR CROPS**  
 (1947-48 to 1961-62)

Year beginning July 1.	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
Crop	Unit														
<i>Pulses</i>															
Moong	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mash	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mungoor	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Arhar	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Khesari	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Other pulses	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<i>Oilseeds</i>															
Linseed	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Groundnut	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cottonseed	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<i>Vegetables</i>															
Other vegetables	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Condiments and spices	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sann hemp	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Beetroot	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Source: Department of Marketing Intelligence and Agricultural Statistics.

N.A. Not Available.

TABLE No. 20  
**AREA UNDER MINOR CROPS IN EAST PAKISTAN**  
**(1947-48 to 1961-62)**

(In thousand acres)

Year beginning July 1.	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
<i>Pulses</i>															
Moong ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mash ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Masoor ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Arhar ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Khesari ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Other pulses..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	177	110	109	111	109	114	110	114	66	57	41	40	41	38	40
	164	108	113	131	132	135	134	139	126	122	135	143	126	138	130
	161	264	264	250	251	252	256	267	204	209	179	190	159	155	159
	4	6	7	13	13	15	16	19	15	18	18	21	13	14	10
	204	289	289	302	307	315	316	351	310	243	262	308	299	311	309
	6	7	8	8	8	8	9	9	26	13	9	10	10	N.A.	N.A.
<i>Oilseeds</i>															
Linseed ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Groundnut ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cottonseed ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	69	68	74	60	61	63	65	65	64	48	20	78	74	N.A.	N.A.
	3	4	6	6	6	7	7	7	10	15	14	29	28	30	29
	56	55	55	55	57	58	58	58	52	53	51	51	52	47	3
<i>Vegetables</i>															
Potato ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Other vegetables ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	64	72	77	71	87	138	138
	526	538	545	537	533	537	541	550	469	459	435	N.A.	N.A.	N.A.	N.A.
<i>Miscellaneous crops</i>															
Condiments and spices ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sann hemp ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Betelnut ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	207	235	219	N.A.	N.A.	N.A.	N.A.
	18	20	20	19	19	19	19	20	19	18	14	15	16	17	17
	193	193	226	218	215	212	210	197	188	187	185	189	217	204	204

N.A. Not Available.

Source : Department of Marketing Intelligence and Agricultural Statistics-

TABLE No. 21  
PRODUCTION OF MINOR CROPS IN EAST PAKISTAN  
(1947-48 to 1961-62)

Year beginning July 1.	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
<i>Pulses</i>															
Moong	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Mash	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Masoor	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Arhar	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Khesari	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Other pulses	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<i>Oilseeds</i>															
Linseed	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Groundnut	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Cottonseed	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<i>Vegetables</i>															
Potato	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Other vegetables	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<i>Miscellaneous crops</i>															
Condiments and spices	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sann hemp	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ittelnut	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

Source: Department of Marketing Intelligence and Agricultural Statistics.

(b) Less than 500 tons. N.A. Not available.

**TABLE No. 22**  
**AREA UNDER MINOR CROPS IN WEST PAKISTAN**  
**(1947-48 to 1961-62)**

Year beginning July 1.	(In thousand acres)															
	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	
<b>Pulses</b>																
Moong .. .. .	..	213	234	239	235	198	179	194	188	193	179	166	169	172	182	174
Mash .. .. .	..	132	112	114	93	104	95	137	101	101	85	82	99	104	98	95
Musoor .. .. .	..	165	160	137	136	145	155	164	196	197	210	189	211	199	188	167
Arhar .. .. .	..	9	8	8	7	6	2	3	4	2	4	8	1	4	4	N.A.
Khesari .. .. .	..	298	276	300	347	396	384	343	353	354	338	335	366	365	108	N.A.
Other pulses .. .. .	..	398	456	410	396	452	363	449	455	446	426	272	353	365	360	360
<b>Oilseeds</b>																
Linseed .. .. .	..	..	6	6	6	8	8	17	11	11	21	N.A.	15	11	13	11
Groundnut .. .. .	..	..	1	(a)	6	1	1	2	3	4	7	N.A.	9	8	28	27
Cottonseed .. .. .	..	..	3,056	2,598	2,744	3,016	3,318	2,870	3,136	3,477	3,555	3,590	3,273	3,318	3,195	3,449
<b>Vegetables</b>																
Potato .. .. .	..	..	7	8	13	12	18	19	21	24	26	31	31	27	48	34
Other vegetables .. .. .	..	..	194	236	218	161	228	391	188	248	239	239	N.A.	N.A.	N.A.	N.A.
<b>Miscellaneous crops</b>																
Condiments and spices .. .. .	..	..	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	96	91	99	N.A.	N.A.	N.A.	N.A.
Sann hemp .. .. .	..	..	21	16	21	24	24	25	27	23	23	26	27	27	27	24

(a) Below 500 acres.  
N.A. Not available.

Source: Department of Marketing Intelligence and Agricultural Statistics.

TABLE NO. 23  
PRODUCTION OF MINOR CROPS IN WEST PAKISTAN  
(1947-48 to 1961-62)

Year beginning July 1.	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62
<i>Pulses</i>															
Mung	29	33	38	36	38	25	30	26	28	26	21	23	24	25	26
Urad	25	19	18	13	14	15	22	15	15	16	12	12	15	15	14
Chickpea	33	26	27	25	25	20	27	38	31	33	30	35	39	32	28
Arhar	2	2	2	2	2	(a)	1	1	(a)	1	2	(a)	1	1	N.A.
Khesari	50	44	49	58	55	49	56	50	56	59	59	66	66	18	N.A.
Other pulses	63	73	66	69	72	60	76	68	69	69	45	55	58	51	N.A.
<i>Oilseeds</i>															
Linseed	1	1	1	2	2	1	1	2	2	4	2	2	3	3	2
Groundnut	1	(a)	1	(a)	1	1	1	1	2	3	N.A.	4	4	16	15
Cottonseed	387	338	434	492	489	624	499	554	588	599	598	555	574	598	638
<i>Vegetables</i>															
Potato	757	996	1,395	1,279	1,367	1,656	1,860	2,184	1,965	1,868	2,685	2,790	2,034	4,063	3,419
Other vegetables	13,929	17,475	17,058	11,806	16,441	19,033	25,876	25,945	17,146	15,169	17,513	N.A.	N.A.	N.A.	N.A.
<i>Miscellaneous crops</i>															
Condiments and spices	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3,020	2,754	3,110	N.A.	N.A.	N.A.	N.A.
Sann hemp	34	26	36	42	40	40	42	36	41	38	56	35	35	35	38

Source: Department of Marketing Intelligence and Agricultural Statistics.

(a) Below 500 tons.  
N.A. Not Available.

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**INDUSTRY AND MINING**

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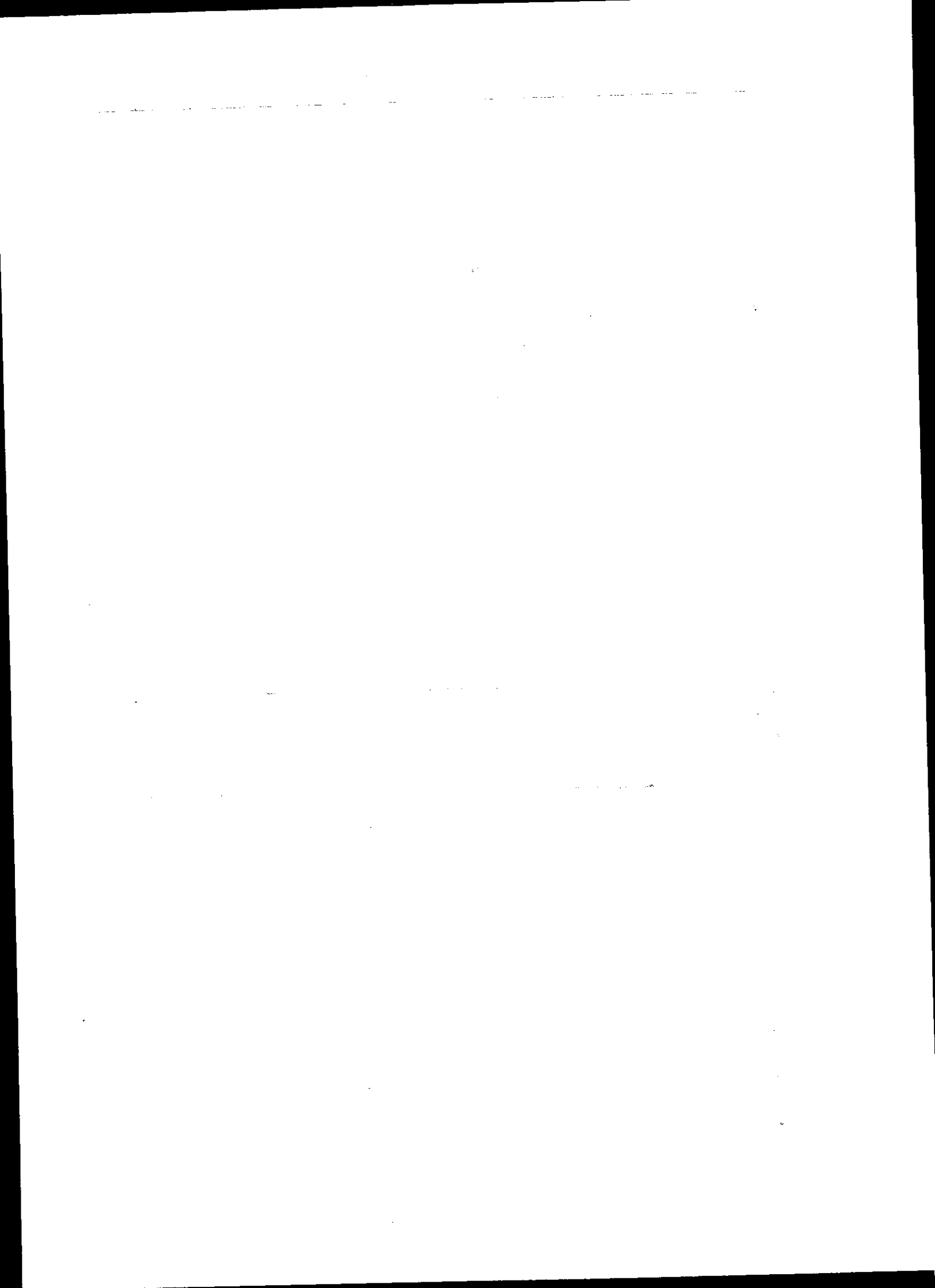




TABLE NO. 24  
INDEX OF INDUSTRIAL PRODUCTION

Period	Mining	Manufacturing	Industrial production (mining & manufacturing)									
			Mining	Manufacturing								
Base : 1954=100												
1950	66.7	37.7	39.5									
1951	72.4	46.6	48.2									
1952	89.1	58.6	60.5									
1953	98.5	76.3	77.7									
1954	100.0	100.0	100.0									
1955	105.9	126.9	125.6									
1956	123.3	143.9	142.6									
1957	128.6	152.4	150.9									
1958	146.3	162.4	161.4									
1959	151.9	181.9	180.1									
1960	178.9	192.4	191.6									
1961	198.7	203.5	203.2									
1962 (Jan.—June) (a)	211.0	228.0	227.0									
Base : July 1959 to June 1960=100 (Interim Revision)												
1959-60	100.0	100.0	100.0									
1960-61	114.7	107.3	107.8									
1961-62	124.0	118.9	119.2									
January—March 1962	131.0	120.5	121.2									
April—June 1962	123.6	119.0	119.3									
July—September 1962	133.9	123.8	124.4									
October—December 1962	145.4	133.9	134.6									
COMPARISON OF FORMER AND REVISED INDICES												
Year July— June)	INDEX						YEARLY RATE OF INCREASE (%)					
	Mining		Manufacturing		Industrial production		Mining		Manufacturing		Industrial production	
	For- mer	Revis- ed	For- mer	Revis- ed	For- mer	Revis- ed	For- mer	Revis- ed	For- mer	Revis- ed	For- mer	Revis- ed
1959-60	164.3	100.0	186.3	100.0	184.9	100.0	15.6	14.7	5.0	7.3	5.7	7.8
1960-61	189.9	114.7	195.7	107.3	195.4	107.8	8.5	8.1	10.0	10.8	9.8	10.6
1961-62	206.0	124.0	215.2	118.9	214.6	119.2						

Source : Central Statistical Office.

(a) Discontinued from July 1962.

TABLE NO. 25

**PRODUCTION OF MANUFACTURING INDUSTRIES  
(1948-1962)**

Item	Unit	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
<i>Food manufactures</i>																
Tea ..	Lakh lbs.	445	471	532	534	531	557	558	537	562	476	575	580	425	599	525
Sugar ..	'000' tons	30.4	38.6	32.7	42.8	64.0	85.7	75.5	95.1	107.7	111.5	162.6	167.2	145.4	123.4	184.6
Hydrogenated vegetable oil	'000' tons	0.3	2.5	4.2	6.0	8.0	10.8	11.1	14.5	16.7	18.0	20.4	27.1	34.3	45.2	62.7
Sea salt	'000' tons	126(a)	143	183	219	170	169	250	259	226	297	176	126	243	185	250
<i>Tobacco manufactures</i>																
Cigarettes ..	Crore nos.	—	24.1(a)	148.8	271.6	317.0	399.6	458.8	483.3	534.3	648.1	746.8	877.1	994.6	1,206.5	1,369.6
<i>Textile manufactures</i>																
(i) Cotton yarn	Lakh lbs.	297	339	431	534	697	1,206	1,924	2,745	3,007	3,159	3,451	3,921	4,087	4,126	4,322
(ii) Cotton cloth	Lakh yards	881	924	1,063	1,277	1,742	2,516	3,452	4,532	5,004	5,270	5,762	6,185	6,288	6,990	7,252
Silk (art) fabrics ..	Lakh sq. yds.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	97(c)	145	140	90	193	260	220	247
Woollen, worsted yarn	Lakh lbs.	—	—	—	—	—	—	30	37	47	60	69	53	64	51	51 (d)
Jute goods ..	'000' tons	N.A.	N.A.	N.A.	N.A.	9.7(c)	44.1	53.3	103.2	142.4	148.8	172.1	232.6	264.7	250.4	286.4
<i>Leather manufactures</i>																
Upper leather (tanned) ..	Lakh sq. ft.	10	11	15	23	72	72	86	91	240	240	180	180	198	243	383 (d)
Sole leather ..	Lakh lbs.	15	18	25	31	83	83	96	140	250	255	115	115	117	115	126 (d)
<i>Rubber manufactures</i>																
Tyres and tubes ..	'000' Nos.	—	13	112	621	776	1,367	1,902	2,035	2,187	2,651	2,705	2,778	2,951	2,982	4,590

*Manufacture of chemicals and chemical products*

Soda ash ..	'000' tons	—	—	—	—	26.8	28.5	24.9	25.4	26.5	26.9	26.6	25.9	25.3
Super phosphates ..	tons	—	—	—	—	—	—	—	1,024(b)	1,089	1,529	3,879	8,048	7,842
Ammonium sulphate ..	tons	—	—	—	—	—	—	—	—	20,140	42,078	44,711	50,506	51,964
Urea ..	tons	—	—	—	—	—	—	—	—	—	—	—	—	56,590
Ammonium Nitrate ..	tons	—	—	—	—	—	—	—	—	—	—	—	—	41,884
Sulphuric Acid ..	tons	—	—	—	—	—	—	—	1,374	1,612	2,413	3,364	4,754	4,505
Safety matches :		—	—	—	—	—	—	—	—	—	—	—	—	—
(i) 20 and 30 sticks ..	'000' gross boxes	—	134	1,831	3,425	2,219	3,203	1,176	336	67	4	—	—	—
(ii) 40—60 sticks ..	Do	299	496	527	468	206	1,569	3,240	3,896	5,349	6,874	7,406	8,326	9,790
														9,831
														10,199

*Paper and board*

Paper :															
(i) Printing ..	tons	—	—	—	—	—	7,997	13,289	14,901	12,177	12,962	14,755	18,651	18,327	
(ii) Writing ..	"	—	—	—	—	—	4,392	3,862	4,601	4,286	6,069	4,475	5,971	7,660	
(iii) Packing and other paper ..	"	—	—	—	—	—	6,846	6,213	5,240	8,385	6,162	7,709	7,303	6,822	
(iv) Newsprint ..	"	—	—	—	—	—	—	—	—	—	3,532(b)	21,369	28,800	30,568	
Board :															
(i) Straw ..	"	—	—	—	—	—	55(c)	2,629	3,252	4,157	4,681	3,657	4,664	5,826	
(ii) Paper ..	"	—	—	—	—	—	58(c)	2,739	5,306	6,648	7,641	8,762	11,152	9,970	
(iii) Chip ..	"	—	—	—	—	—	—	—	—	535	1,075	1,733	2,090	1,989	
Paints and varnishes ..	'000' cwt.	—	—	—	—	—	—	—	—	—	—	75	92	101	
	'000' gallons	—	—	—	—	—	—	—	—	—	—	572	535	626	

TABLE NO. 25---*concl.*

Item	Unit	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
<i>Petroleum manufactures</i>																
Diesel oil	..	9	11	18	23	35	55	57	72	82	80	82	82	94	120	95
(I) Light	.. Lakh I. G.	5	3	4	6	22	34	65	67	68	79	90	104	101	120	207
(H) Highspeed	.. "	28	60	104	112	151	170	191	194	198	213	219	250	285	279	338
Motor spirit	.. "	4	10	21	18	23	24	28	28	46	44	38	39	57	67	77
Kerosene oil	.. "	64	153	240	248	237	278	261	254	247	245	243	246	246	266	296
Furnace oil	.. "	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
<i>Manufacture of non-metallic products except products of petroleum and coal</i>																
Cement	.. '000' tons	324	422	413	499	530	595	671	681	773	1,078	1,072	986	1,120	1,223	1,373
<i>Basic metal industries</i>																
Steelingots	.. '000' tons	2	4	3	5	8	10	10	11	10	12	9	9	7	9	7
Steel re-rolling	.. "	3	12	23	24	27	25	69	79	99	99	95	112	101	177	191

Source: Central Statistical Office.

(a) Data relate to April—December.  
 (b) Data relate to August—December.  
 (c) Data relate to December only.  
 (d) Provisional.

TABLE No. 26

**PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES—  
EAST PAKISTAN**

(1958—1962)

<i>Item</i>	<i>Unit</i>	1958	1959	1960	1961	1962
<i>Food manufactures</i>						
Tea .. .. .	Lakh lbs.	575	580	425	599	525
Sugar .. .. .	'000' tons	36·2	58·8	63·1	57·2	71·0
Hydrogenated vegetable oil	..	..	1·3	2·2	3·9	4·2
<i>Tobacco manufactures</i>						
Cigarettes .. .. .	Crepe nos.	87·1	96·7	126·4	198·3	319·4
<i>Textile manufactures</i>						
(i) Cotton yarn .. .. .	Lakh lbs.	401	454	486	513	543
(ii) Cotton cloth .. .. .	Lakh yards	652	639	648	694	628
Art silk fabrics .. .. .	Lakh sq. yds.	2	2	4	4	3
Jute goods .. .. .	'000' tons	172·1	232·6	264·7	250·4	286·4
<i>Rubber manufactures</i>						
Tyres and tubes .. .. .	'000' nos.	30	36	55	70	40
<i>Manufacture of chemical and chemical products</i>						
Safety matches .. .. .	'000' gross boxes	6,774	7,744	9,239	9,384	9,711
<i>Manufacture of non-metallic mineral products except products of petroleum and coal</i>						
Cement .. .. .	'000' tons	57	44	69	96	9
<i>Paper manufactures</i>						
Printing paper .. .. .	tons	12,177	12,962	14,755	18,651	18,32
Writing paper .. .. .	tons	4,286	6,069	4,475	5,971	7,66
Packing and other paper .. .. .	tons	8,385	6,162	7,709	7,303	6,82
Newsprint .. .. .	tons	..	3,532	21,369	28,800	30,56
<i>Leather manufactures</i>						
Upper leather (Tanned) .. .. .	Lakh sq. ft.	..	..	..	139	200 (a)
Sole leather .. .. .	Lakh lbs.	..	..	..	8	15 (a)
Paints & Varnishes .. .. .	'000' Cwt.	..	..	6	11	8
	'000' Gallons	..	..	50	72	61
Electric power .. .. .	Crepe K.w.h.	16	18	23	26	N.A.
<i>Petroleum manufactures</i>						
Motor spirit .. .. .	Lakh I.G.	..	..	..	2 (c)	7
<i>Basic metal industries</i>						
Steel re-rolling .. .. .	'000' tons	..	..	27	54	54

(a) Provisional.

(b) Data relate to August-December.

(c) Data relate to September-December.

Source : Central Statistical Office

TABLE No. 27

PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES—  
WEST PAKISTAN

(1958—1962)

Item	Unit	1958	1959	1960	1961	1962
<i>Food manufactures</i>						
Sugar .. .. .	'000' tons	126.4	108.3	82.3	66.3	113.6
Hydrogenated vegetable oil	'000' tons	20.4	25.8	32.1	41.3	58.5
Sea salt .. .. .	'000' tons	176	126	243	185	250
<i>Tobacco manufactures</i>						
Cigarettes .. .. .	Crete nos.	659.7	780.4	868.2	1,008.2	1,050.2
<i>Textile manufactures</i>						
(i) Cotton yarn ..	Lakh lbs.	3,050	3,467	3,601	3,613	3,780
(ii) Cotton cloth ..	Lakh yds.	5,110	5,547	5,640	6,297	6,625
Art silk fabrics ..	Lakh sq. yds.	87	191	257	216	244
<i>Rubber manufactures</i>						
Tyres and tubes ..	'000' nos.	2,675	2,742	2,896	3,912	4,544
<i>Manufactures of chemical and chemical products</i>						
Safety matches :						
(i) 20 and 30 sticks ..	'000' gross boxes	336	67	—	—	—
(ii) 40—60 sticks ..	'000' gross boxes	632	582	551	447	482
<i>Manufacture of non-metallic mineral products except products of petroleum and coal</i>						
Cement .. .. .	'000' tons	1,016	942	1,050	1,127	1,283
<i>Basic metal industries</i>						
Steel ingots .. .. .	'000' tons	9	9	9	9	9
<i>Chemical fertilizers</i>						
(i) Superphosphate ..	tons	1,089	1,529	3,879	8,048	7,842
(ii) Ammonium sulphate	tons	20,140	42,078	44,711	70,505	51,964

	1	2	3	4	5	6	7
<i>Paper manufactures</i>							
(i) Straw board ..	tons		4,157	4,681	3,657	4,664	5,826
(ii) Paper board ..	tons		6,648	7,641	8,762	11,152	9,970
(iii) Chip board..	tons		535	1,075	1,733	2,090	1,989
<i>Leather manufactures</i>							
Upper leather (Tanned)	Lakh sq. ft.	..	..	..	..	105	183
Sole leather ..	Lakh lbs.	..	..	..	..	107	111
Soda ash ..	'000' tons		26	27	27	26	25
Urea ..	Tons	..	..	..	..		13,791
Ammonium nitrate	Tons	..	..	..	..		41,884
Paints & varnishes ..	'000' Cwt. '000' gallons	..	..	..	69	81	92
		..	..	..	522	463	565
Steel re-rolling ..	'000' tons	..	..	..	74	123	137
Electric power ..	Crete Kwh,		107	112	122	156	N.A.
<i>Petroleum manufactures</i>							
Diesel oil							
(i) Light speed ..	Lakh I. G.		82	82	94	120	95
(ii) High speed ..	Lakh I. G.		90	104	101	120	207
Motor spirit ..	Lakh I. G.		219	250	285	277	381
Kerosene oil ..	Lakh I. G.		38	39	57	67	77
Furnace oil ..	Lakh I. G.		243	246	246	266	296

(a) Provisional.

Source : Central Statistical Office.

TABLE No. 28

**PRODUCTION OF MINERALS AND ELECTRICITY**  
(1959—1962)

<i>Mineral</i>	<i>Unit</i>	1959	1960	1961	1962
1. Antimony .. ..	(tons)	152	90	20	105 (a)
2. Asbestos .. ..	"	46	—	—	—
3. Bauxite .. ..	"	2,139	574	405	—
4. Bentonite .. ..	"	—	1,334	967	401 (a)
5. Celestite .. ..	"	664	1,332	412	284 (a)
6. China clay .. ..	"	—	6	706	20 (a)
7. Chromite .. ..	(' 000 ' tons)	16	18	25	30 (a)
8. Coal .. ..	"	723	818	906	947 (a)
9. Copper .. ..	(tons)	—	154	—	88 (a)
10. Dolomite .. ..	"	—	16	346	474 (a)
11. Fireclay .. ..	(' 000 ' tons)	14	16	16	9 (a)
12. Fuller's earth .. ..	(tons)	—	1,480	10,207	8,571 (a)
13. Gypsum .. ..	(' 000 ' tons)	97	90	100	128 (a)
14. Iron ore .. ..	(tons)	2,250	5,421	3,804	N. A.
15. Limestone .. ..	(' 000 ' tons)	927	1,064	1,176	1,515(a)
16. Lead ore .. ..	(tons)	331	17	62	130 (a)
17. Magnesite .. ..	"	376	663	160	925 (a)
18. Manganese .. ..	"	29	180	344	14 (a)
19. Marble .. ..	"	2,796	5,245	4,921	2,222 (a)
20. Ochres .. ..	"	276	451	406	722 (a)
21. Rock salt .. ..	(' 000 ' tons)	157	181	198	192
22. Silica sand .. ..	"	22	26	13	14 (a)
23. Soapstone .. ..	(tons)	2,340	3,370	1,215	1,092 (a)
24. Sodium carbonate .. ..	"	—	1,458	—	—
25. Barytes .. ..	"	508	635	437	2,677 (a)
26. Crude oil .. ..	(Million I.G.)	82	92	99	117
27. Natural gas .. ..	(Million cubic feet)	22,365	29,842	34,665	42,076
28. Electricity .. ..	(Million K.w.h.)	1,302	1,450	1,819	N.A.

*Source* : Central Statistical Office.

*Note.* Figures for 1959-1961 have been revised in some cases.

(a) Provisional.



TABLE No. 29  
**STOCKS OF EXCISABLE COMMODITIES—ALL PAKISTAN**  
**(1948—1962)**

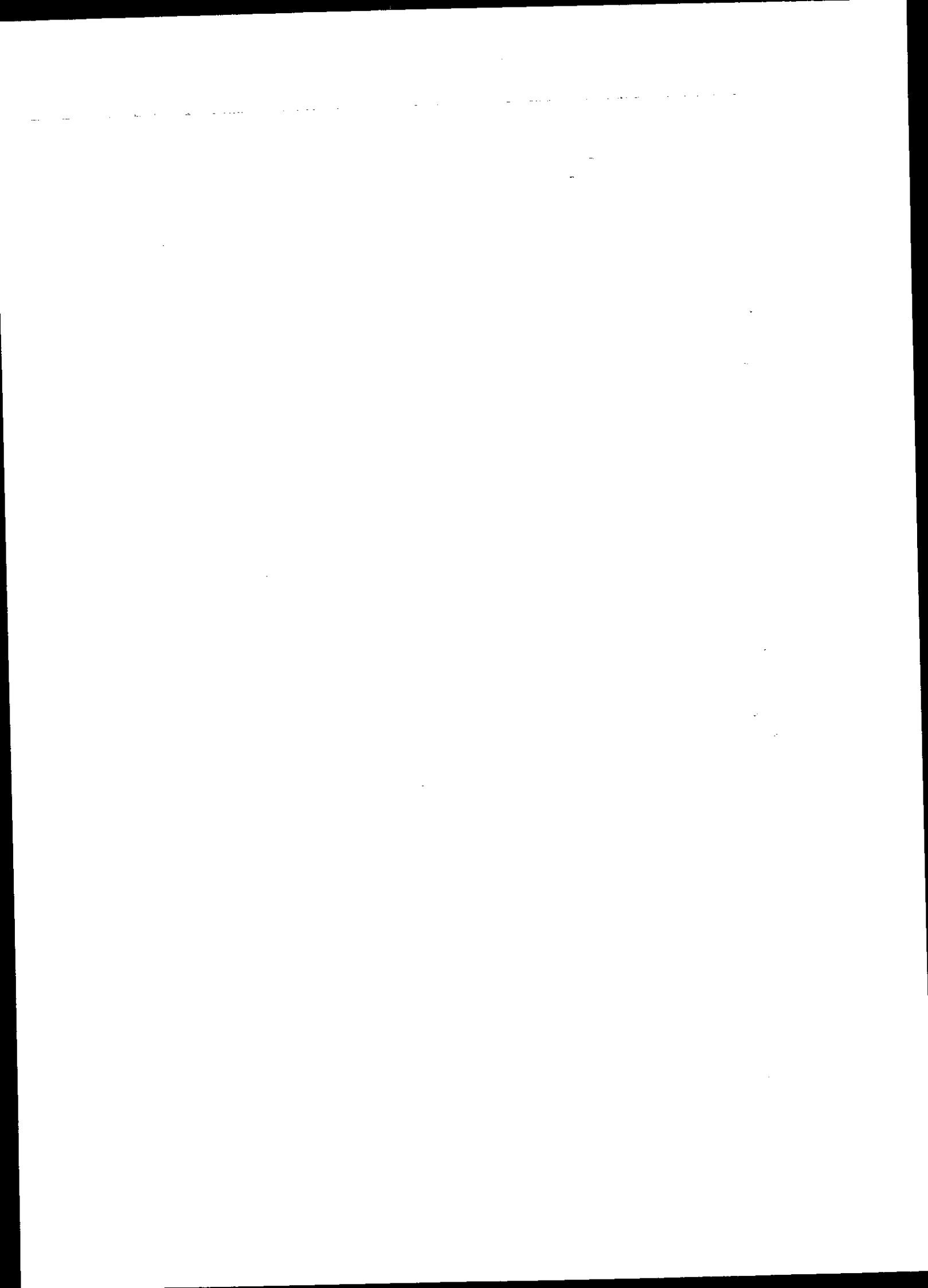
At the end of year	V.P. sugar (a) ('000 Cwt.)	Motor spirit ('000 gallons)	Kerosene ('000 gallons)	Vegetable products ('000 Cwt.)	MATCHES ('000 GROSS BOXES)			Cigarettes (million)	Cigars & cheroots ('000 nos.)	Tobacco ('000 nos.)	Cotton textiles (1)	Silk & rayon cloth (2)	Tea ('000 lbs.)	Salt ('000 mds.)
					20's	40's	50's							
1948	85	1,047	164	2	..	..	1	8	..	21	..	18,806	2,492	
1949	132	1,641	205	3	..	..	63	10	37	7	..	11,507	2,789	
1950	110	1,487	235	5	..	..	22	41	56	8	..	21,155	4,980	
1951	277	2,200	222	6	..	6	187	31	49	8	..	10,478	4,965	
1952	406	1,987	228	9	2	1	16	29	145	15	..	7,548	4,330	
1953	388	1,936	216	7	..	42	13	12	135	9	..	6,193	2,186	
1954	365	1,547	173	11	513	229	4	20	304	28	..	5,751	3,542	
1955	465	3,030	191	7	220	206	2	24	163	69	..	10,307	5,295	
1956	429	1,754	184	6	424	316	2	40	137	52	..	9,731	4,018	
1957	708	3,657	134	9	63	395	7	82	164	57	..	5,189	8,005	
1958	1,196	2,988	199	5	70	351	63	121	182	93	..	5,609	10,409	
1959	1,119	4,365	206	12	58	240	33	119	..	44	..	5,374	9,014	
1960	646	4,882	440	21	58	552	15	150	..	77	..	6,187	10,634	
1961	770	2,806	526	37	58	300	36	78	..	136	..	6,721	8,685	
1962	1,273	3,685	614	43	58	209	10	130	..	167	..	4,767	6,530	

(a) Vacuum pan sugar.

(1) The unit upto February 9, 1957 is million yards and thereafter million square yards.

(2) The unit upto February 9, 1957 is '000 yards' and thereafter '000' square yards.

Source: Central Board of Revenue, Statistical Office,  
 Ministry of Finance.



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**COASTAL AND FOREIGN TRADE  
AND BALANCE OF PAYMENTS**

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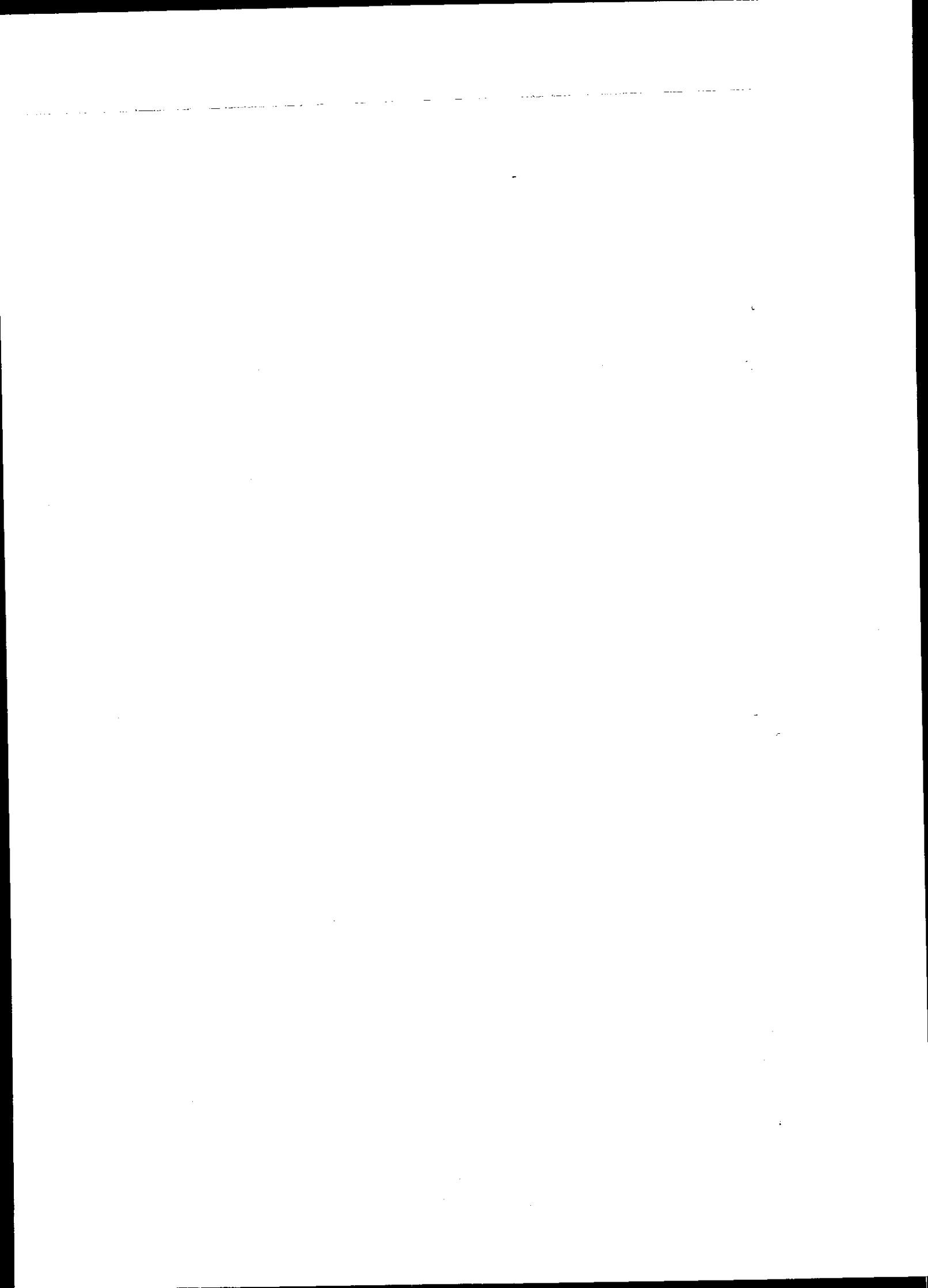


TABLE NO. 30  
 INTER-ZONAL SEA BORNE TRADE  
 (1948—1963)

(In lakh rupees)

Year/Month	IMPORTS INTO WEST PAKISTAN FROM EAST PAKISTAN			IMPORTS INTO EAST PAKISTAN FROM WEST PAKISTAN		
	Total	Pakistan Merchandise	Foreign Merchandise	Total	Pakistan Merchandise	Foreign Merchandise
1948 (a)	92	89	3	7.58	7.56	2
1949	4.72	4.00	.72	19.12	18.75	3.7
1950	5.77	3.90	1.87	26.15	24.14	1.91
1951	5.73	3.50	2.23	28.08	16.48	11.60
1952	9.70	6.18	3.52	22.68	17.67	5.01
1953	17.52	13.43	4.09	32.67	29.06	3.61
1954	18.31	16.40	1.91	32.93	31.55	1.38
1955	21.57	20.01	1.56	32.07	30.55	1.52
1956	23.28	21.93	1.35	40.61	38.70	1.91
1957	27.60	26.77	.83	62.53	60.91	1.62
1958	26.39	25.46	.93	64.07	61.79	2.28
1959	38.34	37.89	.45	65.24	63.12	2.12
1960	39.43	39.23	.20	71.31	68.99	2.32
1961	39.01	37.56	1.45	88.02	85.51	2.51
1962	42.27	42.14	.13	85.80	82.60	3.20
1963	4.65	4.63	.02	9.21	9.04	.17
January	4.62	4.61	.01	7.49	7.28	2.1
February	3.75	3.75	.00	10.09	9.88	2.1
March						

(a) April to December 1948.

Source: Central Statistical Office.

TABLE NO. 31  
**FOREIGN TRADE**  
 (1951—1963)

(In crore rupees)

Year					Imports (a)	Exports	Balance	
1951	..	..	..	..	181.70	252.54	(+)	70.84
1952	..	..	..	..	208.32	176.23	(-)	32.09
1953	..	..	..	..	115.82	145.26	(+)	29.44
1954	..	..	..	..	110.42	118.75	(+)	8.33
1955	..	..	..	..	108.66	150.50	(+)	41.84
1956	..	..	..	..	198.61	162.00	(-)	36.61
1957	..	..	..	..	209.65	160.39	(-)	49.26
1958	..	..	..	..	188.78	141.69	(-)	47.09
1959	..	..	..	..	168.10	152.72	(-)	15.38
1960	..	..	..	..	311.20	187.32	(-)	123.88
1961	..	..	..	..	305.63	190.50	(-)	115.13
1962	..	..	..	..	351.49	189.20	(-)	162.29
1963								
January	..	..	..	..	28.59	19.06	(-)	9.58
February	..	..	..	..	23.20	14.85	(-)	8.35
March	..	..	..	..	32.88	17.96	(-)	14.92

Source : Central Statistical Office.

(a) On Private and Government accounts.

TABLE NO. 32  
EXPORTS OF PRINCIPAL COMMODITIES  
(1954-1963)

(In lakh rupees)

Commodity	Unit	1963 (Jan.-Mar.)		1962		1961		1960		1959		1958	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Raw jute	'000' tons	232	2,413.95	7,29	7,744.95	5,96	8,952.45	7,45	8,062.83	7,97	6,801.37	8,91	8,359.24
Raw cotton	'000' bales	146	607.30	4,22	1,872.33	2,12	1,036.96	4,88	2,111.52	2,98	1,207.39	5,37	2,404.78
Raw wool	'000' lbs.	5,224	124.36	3,07,55	747.33	3,23,20	794.70	3,12,41	773.75	2,67,38	615.26	24	458.00
Raw hides	'000' pcs.	20	2.53	1,18	13.51	1,79	14.31	7,67	85.04	12,35	140.87	7,57	67.92
	'000' cwt.	13	15.58	40	42.17	54	54.67	40	39.13	—	—	—	—
Raw skins	'000' pcs.	195	17.55	7,46	64.19	7,01	60.45	62,54	404.01	1,06,53	500.55	98,90	340.66
	'000' cwt.	22	68.60	1,69	439.84	1,46	458.11	44	150.76	—	—	—	—
Raw hides and skins n.e.s.	'000' pcs.	18	0.29	3,11	6.03	2,00	5.89	1,48	4.34	—	—	—	—
	'000' cwt.	...	1.77	4	13.23	10	23.76	2	11.72	—	—	—	—
Tea	'000' lbs.	57	1.40	87,29	164.14	56,89	111.31	40,37	95.86	1,30,16	290.50	1,26,88	330.14
Cotton twist and yarn	'000' lbs.	2,463	44.21	54,57	104.33	1,53,83	279.66	7,96,67	1,371.80	8,25,28	1,228.82	67,64	123.15
Cotton piece goods	'000' yds.	18,846	114.40	6,30,32	409.88	5,38,32	400.03	7,60,69	533.41	4,17,77	255.22	40,74	30.44
Jute manufactures	'000' yds.	—	710.93	—	3,130.06	—	3,475.54	—	2,455.10	—	2,125.89	8,57	1,083.57
	'000' cwt.	—	1.77	4	13.23	10	23.76	2	11.72	—	—	—	—
	'000' lbs.	57	1.40	87,29	164.14	56,89	111.31	40,37	95.86	1,30,16	290.50	1,26,88	330.14
	'000' lbs.	2,463	44.21	54,57	104.33	1,53,83	279.66	7,96,67	1,371.80	8,25,28	1,228.82	67,64	123.15
	'000' yds.	18,846	114.40	6,30,32	409.88	5,38,32	400.03	7,60,69	533.41	4,17,77	255.22	40,74	30.44
	'000' yds.	—	710.93	—	3,130.06	—	3,475.54	—	2,455.10	—	2,125.89	8,57	1,083.57
	'000' tons	7,72	7,819.48	8,45	7,509.76	8,45	7,509.76	9,67	6,968.18	9,67	6,968.18	8,78	5,454.53
Raw jute	'000' bales	6,32	3,317.20	7,26	3,638.24	7,26	3,638.24	9,27	4,029.60	9,27	4,029.60	7,28	3,487.14
Raw cotton	'000' lbs.	3,72,57	1,034.39	2,62,33	711.35	2,62,33	711.35	3,02,80	673.68	3,02,80	673.68	2,07,53	425.49
Raw wool	'000' pcs.	8,49	69.74	15,28	122.44	15,28	122.44	13,19	92.62	13,19	92.62	17,15	127.47
Raw hides	'000' cwt.	—	—	—	—	—	—	—	—	—	—	—	—
Raw skins	'000' pcs.	94,06	337.20	88,57	277.02	88,57	277.02	76,66	222.11	76,66	222.11	78,50	210.07
	'000' cwt.	—	—	—	—	—	—	—	—	—	—	—	—
	'000' cwt.	—	—	—	—	—	—	—	—	—	—	—	—
Raw hides and skins n.e.s.	'000' pcs.	—	—	—	—	—	—	—	—	—	—	—	—
	'000' cwt.	—	—	—	—	—	—	—	—	—	—	—	—
Tea	'000' lbs.	98,36	234.92	2,35,24	543.44	2,35,24	543.44	1,29,00	342.05	1,29,00	342.05	2,39,52	470.45
Cotton twist and yarn	'000' lbs.	4,06,46	770.10	2,76,74	498.21	2,76,74	498.21	41,25	73.76	41,25	73.76	4	0.04
Cotton piece goods	'000' yds.	1,02,71	94.21	1,69,58	110.77	1,69,58	110.77	89	1.67	89	1.67	4	0.09
Jute manufactures	'000' yds.	—	926.24	—	934.84	—	934.84	—	671.70	—	671.70	—	172.68

TABLE NO. 33

## IMPORTS OF PRINCIPAL COMMODITIES

(1951—1963)

(In lakh rupees)

(a)	Commodity group	1963 (Jan.-Mar.)							1957
		1962	1961	1960	1959	1958	1957		
	Total	84,67	351,49.1	305,63.2	311,19.6	168,10.3	188,78.0	209,65.0	
1.	Chemicals	..	5,43.2	6,02.3	7,06.2	3,81.6	4,73.7	4,34.4	
2.	Drugs and medicines	..	7,82.7	9,32.6	9,74.5	4,57.8	4,44.3	4,78.1	
3.	Dyes and colours	..	6,18.7	5,79.5	5,78.6	2,41.2	3,83.9	3,51.3	
4.	Electrical goods	..	8,02.1	8,29.6	7,93.2	4,47.7	4,94.7	6,66.7	
5.	Machinery	..	92,19.9	48,66.3	63,44.4	33,79.5	31,39.7	31,82.6	
6.	Paper, paste board and stationery	..	3,40.0	2,71.3	3,29.6	1,56.6	1,70.0	2,01.3	
7.	Rubber manufactures	..	3,94.7	3,77.0	4,18.1	2,15.8	1,93.0	1,62.4	
8.	Vehicles	..	37,52.5	23,90.9	20,61.4	11,32.7	12,85.5	11,43.0	
9.	Woollen yarn and manufactures	..	29.1	13.5	11.4	13.7	7.1	11.3	
10.	Art silk yarn	..	2,63.4	1,35.7	2,38.6	1,55.4	1,48.6	1,56.7	
11.	Cotton piece goods	..	22.1	41.23	33.5	17.3	14.4	86.3	
12.	Cotton twist and yarn (b)	..	1,29.8	1,65.8	1,84.4	26.4	43.4	94.8	
13.	Iron and steel and manufactures (hereof	..	41,68.2	41,50.3	33,26.8	16,92.3	23,63.1	22,50.2	
14.	Non-ferrous metals and manufactures thereof	..	8,24.9	9,40.3	5,64.5	3,35.2	2,28.3	3,64.0	
15.	Oil and minerals (excluding grease)	..	24,49.2	26,85.7	28,75.1	16,64.9	8,74.6	8,94.0	
16.	Vegetable oils	..	15,53.6	7,63.8	5,48.8	4,66.8	1,26.8	60.7	
17.	Others	..	92,55.0	108,16.5	111,30.6	60,25.4	84,87.0	104,27.3	



	1956	1955	1954	1953	1952	1951
<b>Total</b>	<b>98,33.4</b>	<b>93,78.0</b>	<b>90,70.2</b>	<b>62,84.0</b>	<b>173,31.1</b>	<b>156,86.2</b>
1. Chemicals	..	2,32.6	2,09.1	92.9	2,49.8	1,53.6
2. Drugs and medicines	..	3,81.4	3,50.3	1,61.0	4,58.2	3,45.6
3. Dyes and colours	..	2,76.8	2,29.1	1,20.0	2,92.2	2,52.4
4. Electrical goods	..	2,56.5	2,29.8	1,61.7	3,13.7	2,85.5
5. Machinery	..	19,28.6	25,01.0	27,44.8	17,30.0	14,07.3
6. Paper, paste board and stationery	..	2,01.1	1,62.8	2,45.2	3,61.9	3,41.8
7. Rubber manufactures	..	2,90.0	1,30.6	1,01.6	1,29.7	1,38.1
8. Vehicles	..	6,64.2	4,94.3	4,37.7	2,49.0	8,36.7
9. Woollen yarn and manufactures	..	26.8	46.2	72.4	75.1	2,32.9
10. Art silk yarn	..	2,16.5	1,49.4	1,45.3	2,83.5	2,40.6
11. Cotton piece goods	..	5,12.8	2,61.3	2,97.3	1,42.7	33,33.4
12. Cotton twist and yarn (b)	..	1,30.0	1,06.5	4,84.0	19,56.3	21,56.0
13. Iron and steel and manufactures thereof	..	11,69.2	9,92.4	6,71.3	5,81.7	8,19.8
14. Non-ferrous metals and manufactures thereof	..	1,85.3	1,23.8	99.4	64.8	1,09.5
15. Oil and minerals (excluding grease)	..	9,96.2	11,38.8	9,95.1	9,98.9	7,91.9
16. Vegetable oils	..	74.3	82.7	19.7	40.7	3,32.9
17. Others	..	22,59.4	21,15.4	17,63.2	15,69.0	46,82.5

Source : Central Statistical Office.

From 1957 it is for both Government and private accounts.

Note. (i) Data up to December 1956 relates to private account only.  
(ii) Total may exhibit small differences due to rounding off.

(a) Provisional.

(b) Also include cotton thread since July 1960.

TABLE NO. 34

## BALANCE OF TRADE BY AREAS AND COUNTRIES

(1951 and 1962)

(In lakh rupees)

Area and country		1951			1962		
		Imports	Exports	Balance	Imports	Exports	Balance
Europe :	Total ..	60,67	115,29	+54,62	13,401	84,57	-49,44
E.F.T.A. :	Total ..	36,90	38,47	+ 1,57	70,73	36,95	- 33,78
	U.K. ..	32,76	31,67	- 1,09	62,72	32,90	- 29,82
	Switzerland ..	1,53	15	- 1,38	3,37	41	- 2,96
	Sweden ..	95	2,23	+ 1,28	2,08	1,04	- 1,04
	Denmark ..	18	14	- 4	1,04	74	- 30
	Norway ..	46	11	- 35	63	4	- 59
	Austria ..	56	99	+ 43	42	44	+ 2
	Portugal ..	3	1,38	+ 1,35	21	1,34	+ 1,13
	Finland ..	43	1,80	+ 1,37	26	4	- 22
E.C.M. countries :	Total ..	19,99	62,02	+ 42,03	55,44	34,87	- 20 57
	West Germany ..	4,60	14,21	+ 9,61	33,00	9,03	- 23,97
	France ..	2 74	21,25	+ 18,51	5,19	8,01	+ 2,82
	Italy ..	8,61	15,38	+ 677	8,56	4,46	- 4,10
	Belgium-Luxembourg ..	2,63	8,55	+ 5,92	3,44	9,83	+ 6,39
	Netherlands ..	1,41	2,63	+ 1,22	5,25	3,54	- 1,71
Communist countries :	Total ..	2,46	9,34	+ 6,88	7,05	7,52	+ 47
	Russia ..	41	1,38	+ 97	2,21	1,75	- 46
	Poland ..	61	5,33	+ 4,72	2,35	2,37	+ 2
	Czechoslovakia ..	1,10	2,14	+ 1,04	76	95	+ 19
	Hungary ..	34	13	- 21	16	21	+ 5
	Rumania ..	..	18	+ 18	33	31	- 2
	Bulgaria ..	..	..	..	22	..	- 22
	Yugoslavia ..	..	18	+ 18	1,02	1,93	+ 91
Other Europe :	Total ..	1,32	5,46	+ 4,14	79	5,23	+ 4,44
	Greece ..	..	40	+ 40	2	48	+ 46
	Turkey ..	..	44	+ 44	..	20	+ 20
	Irish Republic ..	..	52	+ 52	5	1,19	+ 1,14
	Spain ..	1,27	4,10	+ 2,83	64	3,36	+ 2,72
	Others ..	5	..	- 5	8	..	- 8
Americas :	Total ..	9,93	14,35	+ 4,42	139,49	24,61	- 11,68
	U.S.A. ..	9,29	10,49	+ 1,20	133,43	17,29	- 116,14
	Canada ..	59	46	- 13	5,78	1,53	- 4,25
	Argentina ..	..	1,13	+ 1,13	..	1,01	+ 1,01
	Cuba ..	..	..	..	..	81	+ 81
	Chile ..	..	51	+ 51	..	55	+ 55
	Peru ..	..	3	+ 3	..	1,16	+ 1,16
	Others ..	5	1,73	+ 1,68	28	2,26	+ 1,98

TABLE NO. 34—*contd.*

		1951			1962		
		Imports (a)	Exports	Balance	Imports	Exports	Balance
<b>Oceania :</b>	<b>Total ..</b>	<b>55</b>	<b>4,43</b>	<b>+ 3,88</b>	<b>3,13</b>	<b>5,37</b>	<b>+ 2,24</b>
	Australia .. ..	50	4,40	+ 3,90	3,05	4,99	+ 1,94
	New Zealand .. ..	5	3	— 2	8	38	+ 30
<b>Asia :</b>	<b>Total ..</b>	<b>83,66</b>	<b>116,37</b>	<b>+ 32,71</b>	<b>72,23</b>	<b>55,21</b>	<b>— 17,02</b>
	Japan .. ..	35,81	25,44	— 10,37	27,74	11,90	— 15,84
	Ceylon .. ..	2,50	1,82	— 68	2,48	1,90	— 58
	Burma .. ..	49	28	— 21	1,50	3,24	+ 1,74
	India .. ..	20,06	58,72	+ 38,66	10,42	18,93	+ 8,51
	Afghanistan .. ..	1,77	61	— 1,16	1,81	1	— 1,80
	Iran .. ..	3,87	10	— 3,77	12,36	2,13	— 10,23
	Saudi Arabia .. ..	1,06	1	— 1,05	4,24	1,25	— 2,99
	Malaya .. ..	—	—	—	2,13	69	— 1,44
	Singapore .. ..	4,43	16	— 3,27	1,58	45	— 1,13
	Indonesia .. ..	7	—	— 7	13	3	— 10
	Thailand .. ..	7	9	+ 2	3	6	+ 3
	Philippines .. ..	—	14	+ 14	1	38	+ 37
	Aden .. ..	4	2	— 2	20	89	+ 69
	Iraq .. ..	89	6	— 83	14	2,36	+ 2,22
	Bahrein .. ..	1,41	3	— 1,38	3,34	1,14	— 2,20
	Kuwait .. ..	4	3	— 1	20	1,23	+ 1,03
	Hongkong .. ..	6,41	11,25	+ 4,84	95	4,07	+ 3,12
	South Vietnam .. ..	..	..	..	..	25	+ 25
	China (Mainland) .. ..	5,43	15,02	+ 9,59	2,02	78	— 1,24
	Lebanon .. ..	12	..	— 12	27	12	— 15
	Syria .. ..	5	7	+ 2	..	2	+ 2
	Other Asia .. ..	14	2,52	+ 2,38	68	3,38	+ 2,70
<b>Africa :</b>	<b>Total ..</b>	<b>2,05</b>	<b>2,08</b>	<b>+ 3</b>	<b>2,61</b>	<b>19,42</b>	<b>+ 16,81</b>
	Egypt .. ..	1,65	32	— 1,33	24	1,58	+ 1,34
	Kenya .. ..	..	2	+ 2	20	46	+ 26
	Uganda .. ..	..	..	..	..	2	+ 2
	Tanganyika .. ..	..	..	..	..	6	+ 6
	Ghana .. ..	..	..	..	..	41	+ 41
	Nigeria .. ..	..	..	..	..	..	..
	Sudan .. ..	6	..	— 6	6	54	+ 48
	Ethiopia .. ..	..	..	..	..	18	+ 18
	Zanzibar and Pemba .. ..	5	..	— 5	21	31	+ 10
	South Africa .. ..	7	1,57	+ 1,50	1,04	8,71	+ 7,67
	Mauritius .. ..	..	..	..	..	13	+ 13
	Tangier .. ..	..	..	..	..	4	+ 4
	Morocco .. ..	..	9	+ 9	4	44	+ 40
	Portuguese East Africa .. ..	..	1	+ 1	2	2,12	+ 2,10
	Portuguese West Africa .. ..	3	..	— 3	..	55	+ 55
	Tunisia .. ..	..	1	+ 1	..	7	+ 7
	Other Africa .. ..	19	6	— 13	80	3,80	+ 3,00
	Unclassified .. ..	..	..	..	2	2	..
<b>GRAND TOTAL ..</b>		<b>156,86</b>	<b>252,52</b>	<b>+ 95,66</b>	<b>351,49</b>	<b>189,20</b>	<b>— 162,29</b>

(a) Private account only.

Source : Central Statistical Office.

TABLE NO. 35

## IMPORT OF CAPITAL GOODS, INDUSTRIAL RAW MATERIALS AND CONSUMER GOODS

(1951-1963)

Year	Item			In lakh rupees	Percentage
1951			<b>Total</b>	<b>156,86</b>	<b>100</b>
	Capital goods	.. ..	..	14,08	8.98
	Industrial raw material	.. ..	..	43,60	27.80
	Consumer goods	.. ..	..	99,18	63.22
1952			<b>Total</b>	<b>173,31</b>	<b>100</b>
	Capital goods	.. ..	..	17,30	9.98
	Industrial raw material	.. ..	..	52,74	30.43
	Consumer goods	.. ..	..	103,27	59.59
1953			<b>Total</b>	<b>62,84</b>	<b>100</b>
	Capital goods	.. ..	..	11,94	19.00
	Industrial raw material	.. ..	..	17,84	28.39
	Consumer goods	.. ..	..	33,06	52.61
1954			<b>Total</b>	<b>90,70</b>	<b>100</b>
	Capital goods	.. ..	..	27,45	30.26
	Industrial raw material	.. ..	..	22,33	24.62
	Consumer goods	.. ..	..	40,92	45.12
1955			<b>Total</b>	<b>93,78</b>	<b>100</b>
	Capital goods	.. ..	..	25,01	26.67
	Industrial raw material	.. ..	..	22,97	24.49
	Consumer goods	.. ..	..	45,80	48.84
1956			<b>Total</b>	<b>98,33</b>	<b>100</b>
	Capital goods	.. ..	..	18,29	18.60
	Industrial raw material	.. ..	..	27,91	28.38
	Consumer goods	.. ..	..	52,13	53.02
1957			<b>Total</b>	<b>209,65</b>	<b>100</b>
	Capital goods	.. ..	..	31,82	15.18
	Industrial raw material	.. ..	..	145,95	21.92
	Consumer goods	.. ..	..	131,88	62.90
1958			<b>Total</b>	<b>188,78</b>	<b>100</b>
	Capital goods	.. ..	..	31,40	16.63
	Industrial raw material	.. ..	..	49,30	26.12
	Consumer goods	.. ..	..	108,08	57.25
1959			<b>Total</b>	<b>168,10</b>	<b>100</b>
	Capital goods	.. ..	..	33,79	20.10
	Industrial raw material	.. ..	..	38,23	22.74
	Consumer goods	.. ..	..	96,08	57.16
1960			<b>Total</b>	<b>311,20</b>	<b>100</b>
	Capital goods	.. ..	..	63,44	20.39
	Industrial raw material	.. ..	..	68,03	21.86
	Consumer goods	.. ..	..	179,73	57.75
1961			<b>Total</b>	<b>305,63</b>	<b>100</b>
	Capital goods	.. ..	..	63,10	20.65
	Industrial raw material	.. ..	..	121,76	39.83
	Consumer goods	.. ..	..	120,77	39.52
1962			<b>Total</b>	<b>351,47</b>	<b>100</b>
	Capital goods	.. ..	..	111,32	31.67
	Industrial raw material	.. ..	..	124,80	35.51
	Consumer goods	.. ..	..	115,35	32.82
1963 (January— March)			<b>Total</b>	<b>84,67</b>	<b>100</b>
	Capital goods	.. ..	..	24,93	29.45
	Industrial raw material	.. ..	..	29,02	34.27
	Consumer goods	.. ..	..	30,72	36.28

Source : Central Statistical Office.

Note. Data upto 1956 relate to the current account only, and since 1957 the data relate to both private and Government accounts.

TABLE NO. 36

## UNIT VALUES OF PRINCIPAL EXPORTS

(1949-50 to 1962-63)

<i>Period</i>	<i>Index of unit values of exports (a)</i>	<i>Jute (per bale)</i>	<i>Cotton (per bale)</i>	<i>Wool (per lb.)</i>	<i>Tea (per lb.)</i>	<i>Hides and skins (per piece)</i>
1949-50 .. ..	87.9	150.1	490.7	1.36	1.62	3.16
1950-51 .. ..	106.3	181.5	764.1	2.72	1.56	4.80
1951-52 .. ..	111.5	207.7	744.8	1.70	1.26	3.83
1952-53 .. ..	65.8	106.5	487.1	2.00	1.30	3.53
1953-54 .. ..	64.0	108.5	426.2	2.32	1.41	3.64
1954-55 .. ..	67.1	115.9	423.0	2.04	2.22	3.31
1955-56 .. ..	81.4	145.9	487.7	2.46	2.43	3.76
1956-57 .. ..	91.1	169.3	521.9	2.82	2.27	3.86
1957-58 .. ..	90.2	170.0	489.4	2.37	2.33	4.15
1958-59 .. ..	82.5	159.9	412.2	2.11	2.64	4.31
1959-60 .. ..	81.5	151.3	417.4	2.42	2.26	6.40
<b>1960-61</b> .. ..	<b>134.5</b>	<b>301.0</b>	<b>469.5</b>	<b>2.50</b>	<b>2.38</b>	<b>7.36</b>
July-September ..	101.4	207.5	435.8	2.69	2.11	6.73
October-December ..	120.6	263.8	454.3	2.39	2.18	6.73
January-March ..	153.8	357.0	484.3	2.41	2.75	6.76
April-June .. ..	162.0	375.6	503.5	2.49	2.50	9.22
<b>1961-62</b> .. ..	<b>106.7</b>	<b>213.6</b>	<b>461.5</b>	<b>2.39</b>	<b>1.87</b>	<b>10.37</b>
July-September ..	121.1	245.6	516.6	2.54	1.95	11.41
October-December ..	104.9	215.0	440.8	2.34	1.96	8.64
January-March ..	98.7	197.9	422.7	2.25	1.79	9.46
April-June .. ..	102.3	196.0	466.0	2.44	1.78	11.96
<b>1962-63</b>						
July-September ..	95.5	187.8	429.6	2.60	1.84	8.83
October-December ..	95.5	181.4	459.5	2.41	2.15	9.27
January-March (b) ..	94.5	185.6	417.4	2.33	2.45	8.23

(1) Base. April 1948 to March 1949=100.

Source : Central Statistical Office.

(b) Provisional.

TABLE NO. 37  
**INDICES OF UNIT VALUES OF IMPORTS AND EXPORTS AND TERMS OF TRADE**  
 (1949-50 to 1962-63)  
 (Base. April 1948 to March 1949=100)

Period	INDICES OF UNIT VALUES OF IMPORTS					INDICES OF UNIT VALUES OF EXPORTS					Indices of terms of trade
	Total	Food, drink and tobacco	Raw materials	Mani- factures	Total	Jute	Cotton	Wool	Tea	Hides and skins	
1949-50	79.4	90.0	85.4	76.2	87.9	82.9	101.9	102.4	104.3	81.9	111.3
1950-51	84.5	98.4	86.3	80.8	106.3	85.9	158.7	205.6	101.0	124.3	124.8
1951-52	94.6	108.2	100.4	74.3	111.5	98.3	154.7	135.2	82.0	99.3	118.1
1952-53	77.7	91.6	81.0	81.6	65.8	50.4	48.3	151.2	84.3	91.5	84.7
1953-54	85.4	106.8	77.0	73.4	64.0	54.8	88.5	159.7	91.7	94.2	75.4
1954-55	81.2	121.1	72.2	111.5	67.1	51.4	101.3	149.3	144.0	86.3	82.8
1955-56	120.8	179.5	93.1	143.8	91.0	69.1	108.4	186.5	158.1	97.4	67.8
1956-57	143.6	173.7	98.2	156.1	90.2	80.1	101.6	322.5	135.1	101.2	63.4
1957-58	153.1	176.5	99.8	159.9	90.2	81.4	101.6	179.6	151.1	107.6	59.1
1958-59	154.9	176.8	96.2	159.9	82.5	75.8	84.8	160.0	171.2	111.5	53.3
1959-60	156.3	166.5	101.8	163.1	81.5	69.4	86.6	182.9	146.6	165.7	52.2
1960-61	160.9	157.6	118.8	168.7	101.4	98.3	90.5	203.7	137.0	174.4	63.0
July-September	158.7	166.1	101.7	166.6	120.6	124.9	94.3	181.1	141.5	174.4	76.0
October-December	168.1	188.3	109.1	173.5	153.8	169.0	100.6	182.6	178.6	175.1	91.5
January-March	164.3	163.5	98.1	175.6	162.0	177.8	104.6	158.3	162.3	238.9	98.6
April-June	163.0	168.9	106.9	171.1	134.5	142.5	97.5	181.4	154.9	190.7	82.28
Yearly average	153.1	146.6	87.5	165.6	121.1	116.3	107.3	192.4	126.6	295.6	79.1
July-September	159.2	190.6	87.0	164.4	104.9	101.8	91.6	177.3	127.3	223.8	65.9
October-December	160.2	190.5	91.6	165.0	98.7	93.7	87.8	170.5	116.2	245.1	61.6
January-March	161.6	193.2	89.1	167.4	102.3	92.8	96.8	184.9	115.6	309.9	63.3
April-June	158.5	180.2	88.8	165.6	106.8	101.2	95.9	181.3	121.4	268.6	67.5
Yearly average	159.3	190.6	86.4	164.7	95.5	88.9	89.2	197.0	119.5	227.4	59.9
1962-63	158.3	190.2	90.6	162.6	95.1	85.9	95.4	181.8	139.6	240.2	60.1
October-December	..	..	..	..	..	..	..	..	..	..	..

Source: Central Statistical Office.

TABLE NO. 38  
 EXPORTS OF RICE, WHEAT AND SUGAR\*  
 (1952--1963)

Year	RICE		WHEAT		SUGAR*		Quantity in tons (Value in lakh rupees)
	Quantity	Value	Quantity	Value	Quantity	Value	
1952	..	..	64	0.16	..	..	..
1953	..	..	..	..	..	..	..
1954	..	..	..	..	499	2.43	..
1955	..	..	792	1.62	316	1.72	..
1956	..	..	80	0.15	97	0.41	..
1957	..	..	2,790	7.59	..	..	..
1958	..	..	1,629	16.16	3,063	2.68	..
1959	..	..	98,516	5,23.93	10,278	18.74	..
1960	..	..	67,745	5,17.72	15,189	29.59	..
1961	..	..	121,782	9,52.21	556	1.57	..
1962	..	..	126,093	11,59.39	37	0.17	..
1963 (Jan.--Mar.)	..	..	37,002	2,75.18	..	..	..

\*Mostly molasses

Source : Central Statistical Office.

TABLE No. 39

## IMPORTS OF WHEAT, RICE AND SUGAR

(1952—1963)

(Quantity in tons)

<i>Year (July-June)</i>								<i>Wheat</i>	<i>Rice</i>
1952-53	..	..	..	..	..	..	6,49,125	..	
1953-54	..	..	..	..	..	..	7,83,037	..	
1954-55	..	..	..	..	..	..	3,970	..	
1955-56	..	..	..	..	..	..	48,157	200	
1956-57	..	..	..	..	..	..	6,48,490	5,15,456	
1957-58	..	..	..	..	..	..	6,92,272	3,93,817	
1958-59 (15 months)	..	..	..	..	..	..	9,03,818	2,18,718	
1959-60	..	..	..	..	..	..	9,62,612	3,60,957	
1960-61	..	..	..	..	..	..	13,50,007	3,82,207	
1961-62	..	..	..	..	..	..	8,59,000	2,06,000	
1962-63 (up to March 1963)	..	..	..	..	..	..	8,77,523	1,77,999	
<i>Calendar Year</i>								<i>Sugar</i>	
1952	..	..	..	..	..	..	..	1,28,770	
1953	..	..	..	..	..	..	..	45,380	
1954	..	..	..	..	..	..	..	93,980	
1955	..	..	..	..	..	..	..	76,930	
1956	..	..	..	..	..	..	..	86,090	
1957	..	..	..	..	..	..	..	91,190	
1958	..	..	..	..	..	..	..	52,550	
1959	..	..	..	..	..	..	..	..	
1960	..	..	..	..	..	..	..	..	
1961	..	..	..	..	..	..	..	29,577*	
1962	..	..	..	..	..	..	..	1,14,158*	
1963 (Jan.—March)	..	..	..	..	..	..	..	48,043	

Source : 1. Ministry of Food and Agriculture

\* 2. Central Statistical Office.



TABLE No. 40

## BALANCE OF PAYMENTS

(1961-1962)

(In lakh rupees)

Item	1961			1962		
	Credit	Debits	Net credits	Credits	Debits	Net credits
<b>A. Goods and services</b>						
1. Merchandise f.o.b. ..	188,08	313,47	-125,39	199,19	277,68	-78,49
(i) Imports on private account	—	134,61	—	—	128,26	—
(ii) Imports on Government account	—	57,23	—	—	62,63	—
(iii) Aid financed imports	—	121,64	—	—	85,80	—
2. Non-monetary gold (net)	27	—	+27	7	—	+7
3. Foreign travel ..	83	3,76	-2,93	96	4,07	-3,11
4. Transportation and insurance	8,52	28,49	-19,97	7,86	28,56	-20,70
5. Investment income ..	4,91	7,57	-2,67	4,14	10,08	-5,93
6. Government expenditure (n.e.i.)	9,95	10,30	-35	11,54	14,25	-2,72
7. Miscellaneous ..	15,99	11,57	+4,42	18,52	8,90	+9,61
8. Total goods and services	228,53	375,18	-146,64	242,28	343,54	-101,26
<b>B. Donations</b>						
9. Private remittances and migrants' transfers	3,45	3,47	-3	3,08	3,43	-35
10. Official donations ..	124,69	—	+124,69	92,52	—	+92,52
11. Total donations ..	128,14	3,47	+125,67	955,60	3,43	+92,18
Total Current Account (A+B)	356,67	378,64	-21,97	337,88	346,96	-9,08
<b>C. Capital and monetary gold</b>						
12. Private capital movements						
(i) Direct investments	1,30	—	+1,30	1,01	—	+1,01
(ii) Other long-term	—	72	-72	—	11	-11
(iii) Other short-term	43	—	+43	..	1,48	-1,48
Total Private Capital ..	1,73	72	+1,02	1,01	1,59	-57

Machinery and transport equipment ..	50,52	22,72	28,77	51,49
Miscellaneous manufactured articles	8	3,96	3,42	6,38
Others .. .. .		14	12	26

(i) Loans and long-term obligations	14,23	—	+14,23	23,75	—	+23,75
(ii) Contractual repayments	—	5,77	-5,77	—	8,51	8,51

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TABLE NO. 42

### GOLD, DOLLAR AND STERLING RESERVES HELD AND CONTROLLED BY THE STATE BANK

(1948—1963)

(In lakh rupees)

Year Month Date			Year Month Date		
1948			1955		
June	30	51,79	March	31	67,71
			June	30	69,64
December	31	141,61	September	30	100,05
			December	31	115,62
1949			1956		
June	30	165,51	March	31	134,81
December	31	98,02	June	30	139,47
			September	30	127,13
1950			December	31	126,29
June	30	95,85	1957		
September	30	87,07	March	31	125,70
December	31	94,16	June	30	120,05
			September	30	102,94
1951			December	31	102,14
March	31	138,16	1958		
June	30	151,31	March	31	95,62
September	30	149,00	June	30	88,05
December	31	148,17	September	30	72,62
			December	31	76,58
1952			1959		
March	31	134,50	March	31	90,84
June	30	104,57	June	30	104,32
September	30	66,23	September	30	112,12
December	31	60,61	December	31	127,22
1953			1960		
March	31	67,48	March	31	132,13
June	30	66,88	June	30	116,97
September	30	66,94	September	30	118,02
December	31	68,89	December	31	129,40
1954			1961		
March	31	71,96	March	31	143,00
June	30	63,05	June	30	122,50
September	30	56,06	September	30	109,26
December	31	63,10	December	29	113,30
			1962		
			March	31	114,84
			June	30	112,83
			September	29	104,98
			December	31	118,41
			1963		
			March	31	131,55*

Source : State Bank of Pakistan.

\* Provisional.

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PRICES AND COST OF LIVING

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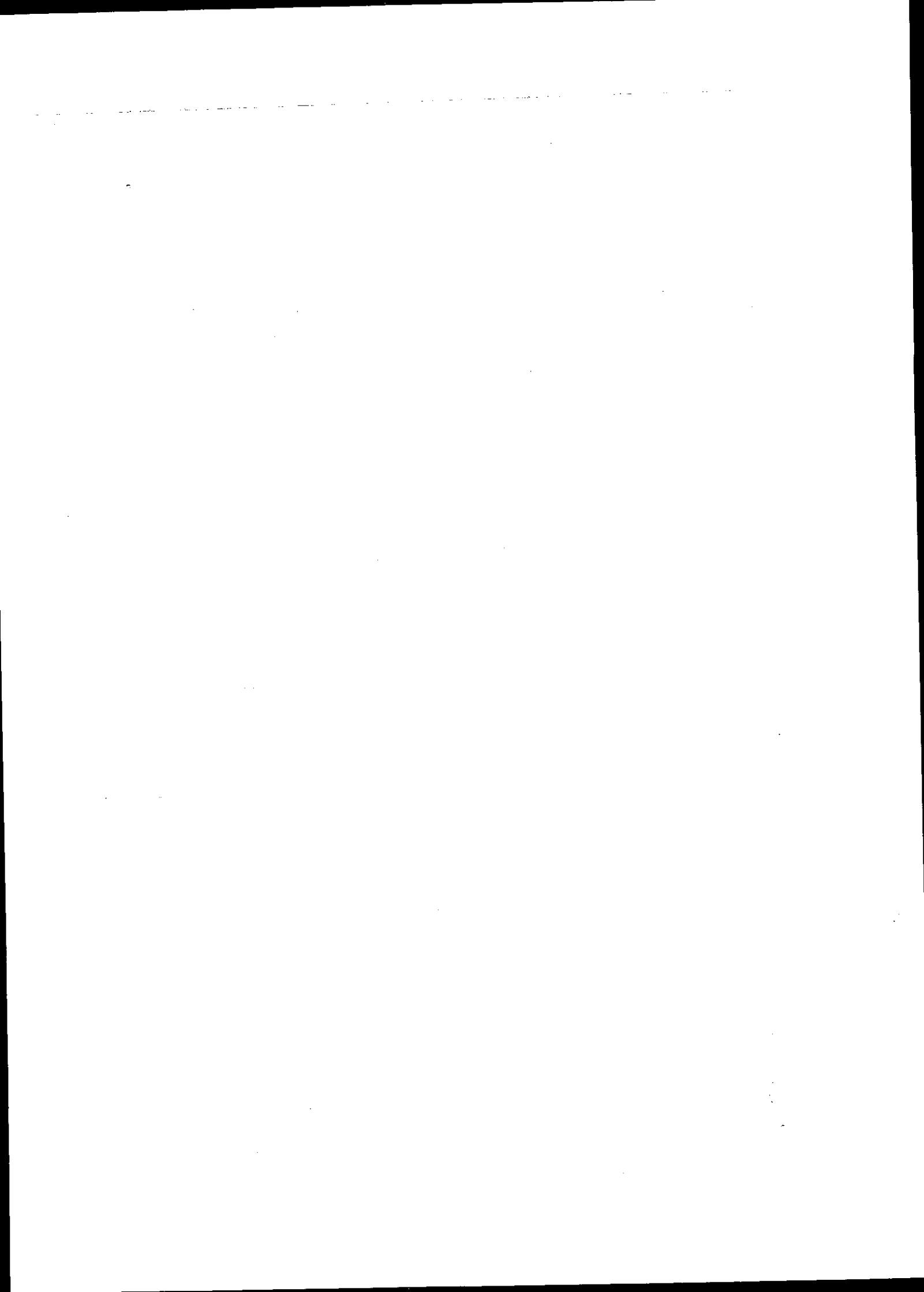


TABLE No. 43

## GENERAL COST OF LIVING INDICES FOR INDUSTRIAL WORKERS

(1949-50 to 1962-63)

(BASE : April 1948 to March 1949=100)

Average (July-June)	CENTRE		
	Karachi	Lahore	Narayanganj
1949-50 .. .. .	97	90	101
1950-51 .. .. .	96	82	99
1951-52 .. .. .	100	93	105
1952-53 .. .. .	107	99	109
1953-54 .. .. .	111	101	102
1954-55 .. .. .	107	96	88
1955-56 .. .. .	107	94	105
1956-57 .. .. .	113	102	109
1957-58 .. .. .	123	111	116
1958-59 .. .. .	118	103	117
1959-60 .. .. .	125	111	123
1960-61 .. .. .	127	118	123
1961-62 .. .. .	130	124	128
1962-63(a) .. .. .	126	119	133

Source : Central Statistical Office.

(a) Average for nine months (July 1962 to March 1963).

TABLE No. 44

MONTHLY COST OF LIVING INDICES FOR INDUSTRIAL WORKERS  
BY EXPENDITURE GROUPS (JANUARY 1961—MARCH 1963)

(BASE : April 1948 to March 1949=100)

Year Month	CENTRE		
	Karachi	Lahore	Narayanganj
A. GENERAL			
1961			
January	127	121	120
February	127	123	119
March	128	123	121
April	128	123	122
May	127	122	126
June	129	120	131
July	128	119	130
August	131	123	131
September	133	125	128
October	131	127	124
November	131	127	124
December	129	126	124
1962			
January	130	127	126
February	132	130	129
March	131	128	128
April	129	122	131
May	128	120	129
June	129	118	133
July	126	118	136
August	127	117	135
September	127	119	133
October	128	119	133
November	127	119	131
December	127	120	130
1963			
January	127	119	137
February	127	119	130
March	128	122	129
B. FOOD			
1964			
January	136	120	115
February	136	123	114
March	138	122	113
April	137	123	114
May	136	121	117
June	137	117	125
July	138	118	124
August	142	120	126
September	146	126	123
October	141	128	121
November	141	128	121
December	138	125	120

TABLE No. 44—contd.

Year/Month	CENTRE		
	Karachi	Lahore	Narayanganj
1962			
January	140	125	120
February	143	129	122
March	142	126	119
April	139	119	123
May	137	115	124
June	139	113	128
July	134	114	133
August	136	114	130
September	136	116	128
October	137	116	128
November	135	116	126
December	136	117	126
1963			
January	137	115	125
February	137	116	123
March	139	122	122
C. FUEL AND LIGHTING			
1961			
January	138	108	163
February	141	104	163
March	142	101	162
April	144	107	162
May	143	105	185
June	145	107	180
July	140	107	177
August	140	107	167
September	140	102	160
October	146	105	141
November	143	104	142
December	146	102	138
1962			
January	150	109	149
February	149	107	177
March	144	105	175
April	144	107	174
May	143	108	141
June	144	107	142
July	144	107	146
August	145	106	163
September	146	108	166
October	148	107	164
November	146	108	158
December	146	110	159
1963			
January	146	106	163
February	142	105	159
March	142	105	163

TABLE No. 44—*contd.*

Year Month	CENTRE		
	Karachi	Lahore	Narayanganj
D. CLOTHING			
1961			
January	114	92	126
February	114	98	120
March	114	99	141
April	114	103	141
May	114	103	141
June	114	107	139
July	114	102	141
August	114	101	140
September	114	104	130
October	114	103	134
November	114	106	132
December	114	104	133
1962			
January	114	108	132
February	114	110	131
March	114	110	132
April	114	106	132
May	114	106	136
June	114	106	136
July	114	104	137
August	114	104	139
September	114	104	138
October	114	104	132
November	114	104	131
December	114	105	127
1963			
January	114	106	130
February	114	105	136
March	114	104	136
E. MISCELLANEOUS			
1961			
January	113	160	150
February	113	164	150
March	113	165	160
April	113	155	166
May	112	156	165
June	115	154	173
July	114	154	167
August	114	167	167
September	114	164	176
October	114	163	162
November	114	162	168
December	113	170	175



TABLE No. 44—*concl'd.*

<i>Year/Month</i>	CENTRE		
	<i>Karachi</i>	<i>Lahore</i>	<i>Narayanganj</i>
1962			
January .. .. .	112	174	182
February .. .. .	112	175	187
March .. .. .	112	176	202
April .. .. .	112	165	214
May .. .. .	112	165	216
June .. .. .	112	164	218
July .. .. .	112	156	205
August .. .. .	112	151	193
September .. .. .	112	156	188
October .. .. .	112	157	186
November .. .. .	112	158	195
December .. .. .	112	161	197
1963			
January .. .. .	112	161	208
February .. .. .	111	159	214
March .. .. .	111	161	239

*Source* : Central Statistical Office.

TABLE No. 45

YEARLY COST OF LIVING INDICES FOR INDUSTRIAL WORKERS BY  
EXPENDITURE GROUPS (1949-50 to 1962-63)

(BASE: April 1948 to March 1949=100)

Average (July-June)	General	Food	Fuel and lighting	Bedding, clothing and footwear	Miscellaneous
KARACHI					
1949-50 .. .. .	97	97	98	112	91
1950-51 .. .. .	96	95	102	113	90
1951-52 .. .. .	100	101	105	114	91
1952-53 .. .. .	107	108	113	112	103
1953-54 .. .. .	111	110	121	112	116
1954-55 .. .. .	107	107	119	112	107
1955-56 .. .. .	107	107	132	113	99
1956-57 .. .. .	113	118	146	113	100
1957-58 .. .. .	123	131	146	113	108
1958-59 .. .. .	118	124	131	114	107
1959-60 .. .. .	125	133	137	115	113
1960-61 .. .. .	127	136	143	115	112
1961-62 .. .. .	130	140	144	114	113
1962-63(a) .. ..	126	136	145	114	112
LAHORE					
1949-50 .. .. .	90	87	102	85	93
1950-51 .. .. .	82	75	99	77	99
1951-52 .. .. .	93	88	98	77	118
1952-53 .. .. .	99	98	101	80	119
1953-54 .. .. .	101	91	104	105	136
1954-55 .. .. .	96	88	106	87	127
1955-56 .. .. .	94	87	109	79	122
1956-57 .. .. .	102	98	110	84	125
1957-58 .. .. .	111	108	113	93	137
1958-59 .. .. .	103	100	104	88	132
1959-60 .. .. .	111	112	107	90	128
1960-61 .. .. .	118	115	108	98	145
1961-62 .. .. .	124	123	106	106	167
1962-63 (a) .. ..	119	116	107	104	158

TABLE No. 45—*contd.*

<i>Average (July-June)</i>			<i>General</i>	<i>Food</i>	<i>Fuel and lighting</i>	<i>Bedding, clothing and footwear</i>	<i>Miscellaneous</i>
NARAYANGANJ							
1949-50 .. ..			101	101	106	104	98
1950-51 .. ..			99	98	103	99	106
1951-52 .. ..			105	104	113	116	102
1952-53 .. ..			109	111	109	106	98
1953-54 .. ..			102	98	100	135	125
1954-55 .. ..			88	81	102	109	132
1955-56 .. ..			105	102	116	100	130
1956-57 .. ..			109	107	116	119	130
1957-58 .. ..			116	113	123	123	155
1958-59 .. ..			117	113	141	114	159
1959-60 .. ..			123	119	163	111	144
1960-61 .. ..			123	119	165	126	149
1961-62 .. ..			128	122	157	134	186
1962-63 (a) .. ..			133	127	160	134	199

*Source* : Central Statistical Office.

(a) Average for nine months (July 1962 to March 1963).

TABLE No. 46

CONSUMERS' PRICE INDEX FOR GOVERNMENT AND COMMERCIAL  
EMPLOYEES (CLERICAL) AT KARACHI

(1950—1963)

(BASE : 1956=100)

Year Month	General	Food	Clothing and footwear	Housing and household operations	Miscella- neous
1950 .. ..	93	92	77 (a)	91	90
1951 .. ..	91	94	80 (a)	91	92
1952 .. ..	96	103	79 (a)	93	92
1953 .. ..	98	102	97	95	94
1954 .. ..	98	100	96	95	96
1955 .. ..	97	97	93	96	97
1956 .. ..	100	100	100	100	100
1957 .. ..	107	109	119	103	100
1958 .. ..	110	114	130	100	102
1959 .. ..	106	114	107	98	98
1960 .. ..	115	125	127	101	99
1961 .. ..	116	131	122	102	96
1962 .. ..	116	131	121	102	97
January .. ..	116	130	121	103	96
February .. ..	117	132	122	103	96
March .. ..	117	133	123	102	97
April .. ..	116	129	122	102	97
May .. ..	116	131	122	102	97
June .. ..	117	133	121	102	97
July .. ..	116	131	119	102	97
August .. ..	117	131	122	102	97
September .. ..	116	130	122	102	97
October .. ..	116	130	120	103	97
November .. ..	116	130	121	102	97
December .. ..	115	128	121	102	97
1963					
January .. ..	116	130	121	102	97
February .. ..	116	129	121	102	98
March .. ..	117	132	121	102	99

(a) Excluding footwear.

Source : Central Statistical Office.

TABLE No. 47  
**INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES**  
 (1952—63)  
 (BASE: April 1948 to March 1949=100)

Year/Month	Rice	Wheat	Gram	Jute	Cotton	Wool	Hides	Skins
1952	84.6	110.0	94.6	61.5	111.6	104.7	114.9	70.7
1953	83.4	117.6	114.4	55.7	82.4	142.5	113.0	79.5
1954	67.3	93.7	69.6	64.7	98.6	153.1	122.1	89.8
1955	68.4	83.1	59.7	69.6	95.0	190.7	153.9	99.3
1956	94.4	106.2	103.1	93.5	110.6	220.0	142.2	113.6
1957	96.2	111.8	100.5	97.6	108.7	213.7	149.5	127.4
1958	108.2	108.3	113.9	85.0	95.3	162.6	155.1	125.5
1959	107.6	106.1	116.2	84.6	92.5	173.7	190.0	149.0
1960	108.7	126.9	125.7	132.4	113.0	183.5	224.6	165.9
1961	103.2	136.6	123.4	171.6	114.2	179.8	222.1	141.9
1962	105.9	126.6	121.0	116.9	103.7	181.6	222.2	140.9
1963	101.8	136.9	123.6	131.7	114.9	184.8	226.9	142.7
January	101.6	143.5	125.4	130.1	116.2	182.7	227.0	145.6
February	102.9	143.7	121.1	123.8	103.8	182.9	227.2	146.7
March	105.5	135.1	112.8	119.2	102.2	183.2	222.2	144.3
April	107.6	121.6	113.3	116.2	100.0	185.6	214.0	143.3
May	108.7	121.5	113.7	108.5	104.3	180.6	210.5	140.2
June	106.5	118.8	114.6	110.5	108.2	179.6	206.2	135.5
July	104.9	114.7	121.1	110.0	106.6	182.0	213.5	135.2
August	107.8	115.8	125.5	111.1	99.7	182.0	213.2	139.0
September	103.0	120.9	124.5	111.8	91.7	180.7	218.7	140.6
October	109.3	121.5	126.3	111.8	93.3	179.5	245.7	138.6
November	106.6	124.6	129.8	118.0	103.6	175.8	241.9	139.0
December	..	..	..	..	..	..	..	..
1963	..	..	..	..	..	..	..	..
January	105.0	125.9	139.1	118.8	105.2	175.7	250.0	139.3
February	106.8	127.3	149.5	118.8	101.5	174.5	249.2	140.9
March	109.7	131.1	143.0	118.8	104.8	176.2	247.2	144.8

TABLE No. 48

## AVERAGE WHOLESALE PRICES OF SELECTED COMMODITIES

(1960-61 to 1962-63)

(Rs. &amp; Paisa)

1962-63

Item and specification	Market	Unit	Average 1960-61	Average 1961-62	July 1962	Aug. 1962	Sept. 1962	Oct. 1962	Nov. 1962	Dec. 1962	Jan. 1963	Feb. 1963	March 1963
AGRICULTURAL AND LIVESTOCK PRODUCTS													
<i>Food stuffs</i>													
Wheat dara													
(Fair average quality)	Karachi	.. Maund	18.10	18.66	17.98	15.85	16.34	17.48	17.10	16.80	16.80	16.80	16.80
	Lyalpur	.. "	16.90	15.33	13.56	13.85	13.73	13.91	14.00	14.90	14.84	15.17	15.75
	Peshawar	.. "	16.23	15.48	13.40	13.79	13.54	14.07	13.70	14.01	15.52	15.80	15.77
	Dacca(a)	.. "	17.12	16.07	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Rice													
Sugdasi	..	..	32.12	41.67	42.10	41.10	42.16	42.35	42.10	42.16	42.00	42.40	42.38
Medium quality	..	..	29.66	30.58	30.00	29.38	32.45	32.60	33.56	29.70	28.94	30.38	31.90
	Chittagong	..	25.62	24.64	26.88	26.00	25.30	26.13	25.88	26.20	25.12	25.63	27.30
Barley (Fair average quality)	..	..	14.67	12.81	12.22	12.10	12.18	11.82	11.69	11.50	11.87	11.50	11.50
	Karachi	..	13.08	10.71	9.12	9.12	9.75	9.75	9.75	10.15	11.06	10.03	10.00
	Lahore	..	13.31	13.44	19.13	19.75	18.85	13.50	11.63	11.10	10.78	10.92	12.30
Maize (Fair average quality)	..	..	14.56	13.58	13.41	12.65	13.40	12.85	11.70	12.26	11.99	12.07	12.48
	Peshawar	..											

Jowar (Fair average quality)	Lahore	..	Maund	14.54	11.38	13.63	12.50	13.67	12.00	11.75	11.75	11.50	11.34	11.98
	Mardan	..	"	12.64	8.81	9.06	17.19	16.90	16.75	16.85	17.00	..	..	..
Bajra (Fair average quality)	Multan	..	"	15.53	14.90	14.75	15.44	14.65	14.81	13.38	12.40	12.07	11.72	11.19
Gram (Whole)														
(Fair average quality)	Karachi	..	"	16.51	16.66	16.25	16.20	16.50	16.25	16.53	16.56	16.86	17.25	19.02
	Lahore	..	"	15.88	16.30	15.44	16.66	17.20	16.94	16.81	17.11	17.50	18.13	18.06
	Peshawar	..	"	15.99	15.98	15.23	17.38	17.07	17.24	16.47	16.95	17.33	17.65	17.94
	Dacca	..	"	17.60	13.83	13.75	14.69	15.50	15.50	16.38	18.10	19.88	24.00	18.90
Masoor (Whole)	Lyalpur	..	"	21.78	25.76	21.56	20.69	21.18	21.50	19.56	19.95	19.78	19.34	19.03
	Dacca	..	"	18.88	18.32	17.81	17.97	18.63	18.50	18.28	18.55	19.00	18.69	17.15
Split (Punjab)	Karachi	..	"	27.71	34.80	31.25	30.25	31.20	30.38	31.19	31.70	31.12	30.50	30.30
Mash Kalai (Whole)	Dacca	..	"	18.59	15.00	16.17	15.50	18.00	19.50	19.50	19.50	14.00	12.63	12.40
Split (Chittagong)	Karachi	..	"	30.99	36.41	38.00	38.25	38.90	37.88	38.13	39.00	38.87	38.37	40.40
Split (Punjab)	"	..	"	37.64	43.58	42.38	40.88	41.40	42.00	41.44	41.50	41.12	40.75	40.70
Moong (Whole)	Dacca	..	"	29.01	33.95	31.75	32.25	32.50	32.50	32.13	30.80	26.38	26.88	29.00
(Whole) Punjab	Karachi	..	"	23.82	31.12	31.13	31.00	31.25	31.00	30.94	31.20	31.12	30.12	29.30
Split Punjab	"	..	"	30.57	40.96	42.50	42.69	43.30	42.81	41.81	41.50	41.00	40.12	40.00
Chillies Dry														
Red Punjab ..	Karachi	..	"	116.32	84.16	92.50	116.25	137.40	132.00	100.00	90.40	97.50	111.25	145.00
Superior ..	Dacca	..	"	88.50	108.11	85.00	89.38	92.50	92.50	100.00	105.00	100.00	100.00	100.00

(h)

TABLE No. 48—contd.

1962-63

Item and specification	Market	Unit	Average 1960-61	Average 1961-62	July 1962	Aug. 1962	Sept. 1962	Oct. 1962	Nov. 1962	Dec. 1962	Jan. 1963	Feb. 1963	March 1963
<i>Food stuffs—contd.</i>													
<i>Spices</i>													
Black pepper	.. Karachi	Maund	569.41	517.24	427.50	366.25	360.00	353.75	351.25	350.00	355.00	377.50	407.00
Cumin seed (Black)	.. "	"	214.10	242.10	266.25	275.00	275.00	275.00	275.00	275.00	250.00	350.00	350.00
Cardamom (Large)	.. "	"	324.75	335.92	337.50	291.25	292.80	290.00	286.25	283.00	285.00	298.75	342.00
Turmeric (Pak-ordinary)	.. "	"	62.65	137.85	148.75	143.00	150.00	150.00	151.25	151.00	148.75	133.00	131.00
Gur (Fair quality)	.. Lahore	"	33.66	28.73	19.75	20.16	20.55	20.62	21.06	20.75	19.37	18.19	18.15
First quality	.. Mardan	"	35.36	31.67	20.75	20.00	20.40	20.00	20.88	19.40	16.62	16.12	17.50
First quality	.. Dacca	"	36.74	43.35	31.25	33.69	31.60	32.38	30.00	26.50	25.37	25.50	25.20
	.. Dacca	"	29.79	35.91	30.00	30.33	31.00	30.33	27.25	26.00	26.00	26.00	26.00
<i>Sugar</i>													
(Desi)	.. Lahore	"	82.26	65.09	47.00	47.00	46.20	43.00	43.75	43.75	41.25	41.77	45.40
(Refined) (a)	.. Karachi	"	51.35	53.75	53.75	53.75	53.75	53.75	53.75	53.75	53.75	53.75	53.75
	.. Lahore	"	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00	55.00
	.. Dacca	"	53.75	56.50	58.75	58.75	58.75	58.75	58.75	58.75	58.75	58.75	58.75









TABLE No. 48—contd.

1962-63

Item and specification	Market	Unit	Average 1960-61	Average 1961-62	July 1962	Aug. 1962	Sept. 1962	Oct. 1962	Nov. 1962	Dec. 1962	Jan. 1963	Feb. 1963	March 1963
Coal													
Steam coal other than India High Grade	Karachi Port	Tons	74.94	74.94	74.94	74.94	74.94	74.94	74.94	74.94	74.94	74.94	74.94
Steam coal other than India High Grade	Chittagong(l)	"	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25	62.25
Soft Coke (Indian)	Wagha & McLeod Gunj (k)	"	62.31	67.0	67.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00	67.00
Hard coke (Indian) By-product	Wagha & McLeod Gunj (k).	"	93.00	93.87	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00
"	Darsana and Benapole(l)	"	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00
Mineral oil (Imported)													
Motor spirit (Shell)	Karachi	(Gallon)	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81
Motor spirit (Shell)	Chittagong	"	2.94	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97	2.97
Diesel oil (Light)	Karachi	"	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Diesel oil (Light)	Chittagong	"	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Furnace oil	Karachi	Ton	104.70	104.77	104.81	104.81	104.81	104.81	104.81	104.81	104.81	104.81	104.81
Kerosene oil (Bulk)	"	8 I. G.	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62	8.62
"	Lahore	8 I. G.	10.97	10.98	10.99	10.99	10.99	10.99	10.99	10.99	10.99	10.99	10.99
"	Chittagong	8 I. G.	9.34	9.34	9.34	9.34	9.34	9.34	9.34	9.34	9.34	9.34	9.34

*Manufacturing products*

Cement																				
Zeal-Pak(p)	..	Karachi	Tons	107.33	115.83	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29	116.29
Dalmia Portland(m)	..	"	"	104.60	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38	120.38
Assam Bengal(n)	..	Sylhet	"	119.29	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75	149.75

**Chemicals**

Gammexene insect powder (I.C.I.)	..	Karachi	lb.	2.57	2.32	2.20	..	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Soda ash light	..	"	Cwt.	20.46	21.42	21.59	22.54	22.66	22.85	22.91	22.85	22.85	22.85	22.85	22.85	22.87	22.85	22.92	22.89	22.89
Bleaching powder(I.C.I.)	..	"	"	53.44	53.11	55.00	53.50	65.50	68.75	68.00	68.00	68.00	68.00	77.00	89.33	11.75	118.60	118.60	118.60	118.60
	..	Chittagong	"	48.39	52.05	..	56.00	..	..	65.00	..	..	..	..	..	..	..	..	..	52.00

**Chemicals (Imported)**

Caustic soda solid 98/99%(U.K.)	..	Karachi	Cwt.	30.48	27.40	28.63	26.88	28.35	30.08	29.94	29.94	29.94	29.94	29.94	30.87	34.25	44.00	44.00	44.00	44.00
Bicarbonate of soda (U.K.)	..	"	"	28.66	27.93	29.38	29.38	35.60	37.13	36.75	36.90	36.90	36.90	40.87	47.75	51.330	51.330	51.330	51.330	51.330
Sodium sulphide solid (U. K.)	..	"	"	47.98	58.15	54.69	54.25	55.30	56.00	53.38	53.20	53.20	53.20	77.89	84.00	84.00	84.00	84.00	84.00	84.00
Bleaching powder (U. K.)	..	"	"	49.92	53.99	55.75	53.50	66.20	68.50	68.50	78.60	78.60	78.60	93.25	112.50	117.60	117.60	117.60	117.60	117.60

**Plastic moulding powder Klestrone standard colour**

Cellulose acetate	..	"	"	4.45	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
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TABLE No. 48—contd.

1962-63

Item and specification	Market	Unit	Average 1960-61	Average 1961-62	July 1962	Aug. 1962	Sept. 1962	Oct. 1962	Nov. 1962	Dec. 1962	Jan. 1963	Feb. 1963	March 1963
Dyes													
Alizarine red Lumps	Karachi	lbs.	12.29	10.98	11.00	11.63	12.90	19.00	16.00	14.00	14.75	15.00	16.30
Congo red (I.C.I.)	"	"	5.55	5.91	7.00	6.56	6.90	7.50	7.50	7.50	7.50	7.44	8.0
Indigo (I.C.I.)	"	"	7.40	5.95	6.50	6.31	6.45	7.13	7.00	7.00	7.12	7.44	9.70
Paints and varnishes													
Qamar varnish paint (1 lb. Tin)	"	Dozen	19.94	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Buxly oil bound dis- temper	"	14 lbs. Tin	11.94	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Fute manufactures :													
Gunny bag B. Twill 2—1/4 (Adamjee)	Karachi	100 Bags	230.22	206.70	196.75	196.00	196.30	201.67	186.00	195.80	192.25	189.75	188.50
Hessian cloth W. 45" (Adamjee)	Narayanganj	100 Yards	74.62	75.73	76.25	75.00	75.40	75.50	73.88	72.40	69.50	68.50	68.60
Matches													
Butterfly 50 sticks	Karachi	Gross	7.58	7.66	7.53	7.50	7.50	7.50	7.75	7.56	7.56	7.59	7.62
Butterfly 50 sticks	E. Pakistan (I)	Gross	6.37	6.50	6.50	6.50	6.50	6.50	6.50	6.75	6.75	6.75	6.75

Paper and paper products														
White printing 20" x 30"- W. pakjstan(2) 24 lbs.	lbs.	0.95	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11
White printing 20" x 30"- E. Pak. (1) 24 lbs.	"	0.92	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04
Cream laid 16—1/2" x 26"- West Pak. (2) 1/2"-18 lbs.	"	0.97	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
(Without water mark) and above 17" x 27"-20 lbs.	"	0.94	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
M. G. Sulphate Brown W. Pak. (2) 26" x 44"-46 lbs.	"	1.06	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Azurclaid E. Pak. (1)	"	1.03	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Poster white 20" x 30"-22 E Pak. (1) -lbs.	"	1.03	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11	1.11
Imitation art white 20" x 30"-30 lbs. E Pak. (1)	"	1.16	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Rubber manufactures														
Cycle tyres														
National Road Master Karachi 28" x 1 1/2"	Dozen	108.00	102.50	102.00	102.00	102.00	102.00	102.00	102.00	102.00	102.00	102.00	102.00	102.00
Bata Mazboot Super West Pak. (2)	"	97.50	91.88	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00	87.00
Roadster 28" .. East Pak. (1)	"	98.25	97.16	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00	93.00
Cycle tubes														
National Road Master Karachi 28" x 1 1/2"	"	42.00	39.25	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00	39.00
Bata Mazboot West Pak. (2)	"	38.25	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50
Popular .. East Pak. (1)	"	35.25	33.78	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00	33.00

TABLE NO. 48--contd.

1962-63

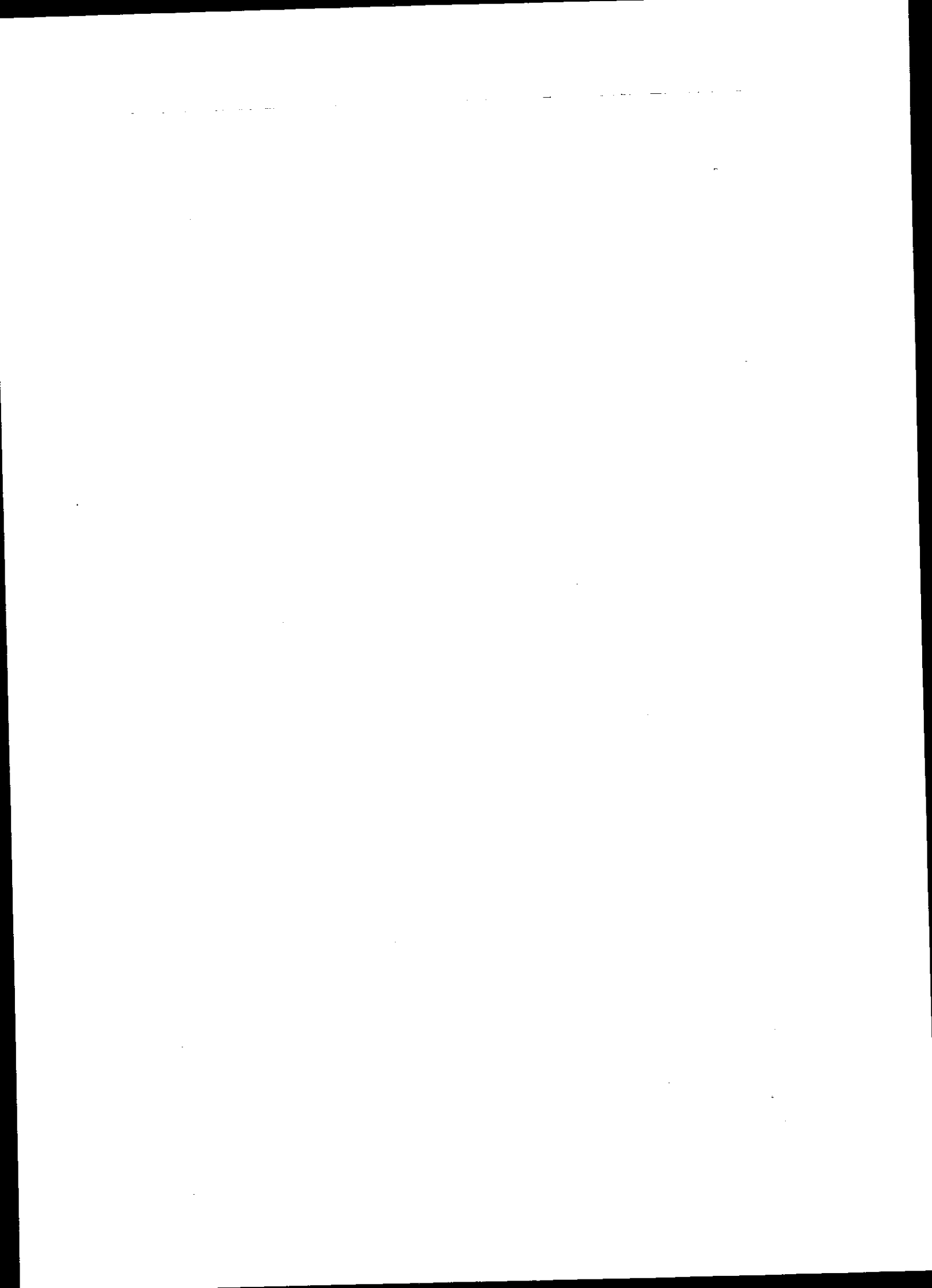
Item and specification	Market	Unit	Average Average 1960-61 1961-62	1962-63														
				July 1962	Aug. 1962	Sept. 1962	Oct. 1962	Nov. 1962	Dec. 1962	Jan. 1963	Feb. 1963	Mar. 1963						
Auto tyres and tubes (Imported)																		
6.00x16 CoverDunlop (6 Ply)	Karachi	Piece	146.12	143.37	143.37	143.37	143.37	143.37	143.37	143.37	143.37	143.37	143.37	143.37	150.94	150.94		
6.00x16 Tube	Karachi	"	15.89	15.56	15.56	15.56	15.56	15.56	15.56	15.56	15.56	15.56	15.56	15.56	16.36	16.36		
Auto tyres and tubes (Im- ported)																		
32x6 Cover Dunlop (10 Ply)	Karachi	"	358.58	363.50	363.50	363.50	363.50	363.50	363.50	363.50	363.50	363.50	363.50	363.50	382.60	382.60		
32x6 Tube Dunlop	Karachi	"	28.50	28.87	28.87	28.87	28.87	28.87	28.87	28.87	28.87	28.87	28.87	28.87	30.38	30.38		
7.50x20 Cover Dunlop (10 Ply)	Karachi	"	483.23	489.81	489.81	489.81	489.81	489.81	489.81	489.81	489.81	489.81	489.81	489.81	515.48	515.48		
7.50x20 Tube	Karachi	"	35.19	35.69	35.69	35.69	35.69	35.69	35.69	35.69	35.69	35.69	35.69	35.69	37.50	37.50		
Leather manufactures																		
Bata shoes																		
Every Body Leather Shoes (4--10 Size)	Karachi/ West Pak.	Pair	13.69	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72	13.72		
Regum Leather Shoes (2--6 size)	Karachi/ West Pak.	"	6.81	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84	6.84		











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**TRANSPORT AND COMMUNICATIONS**

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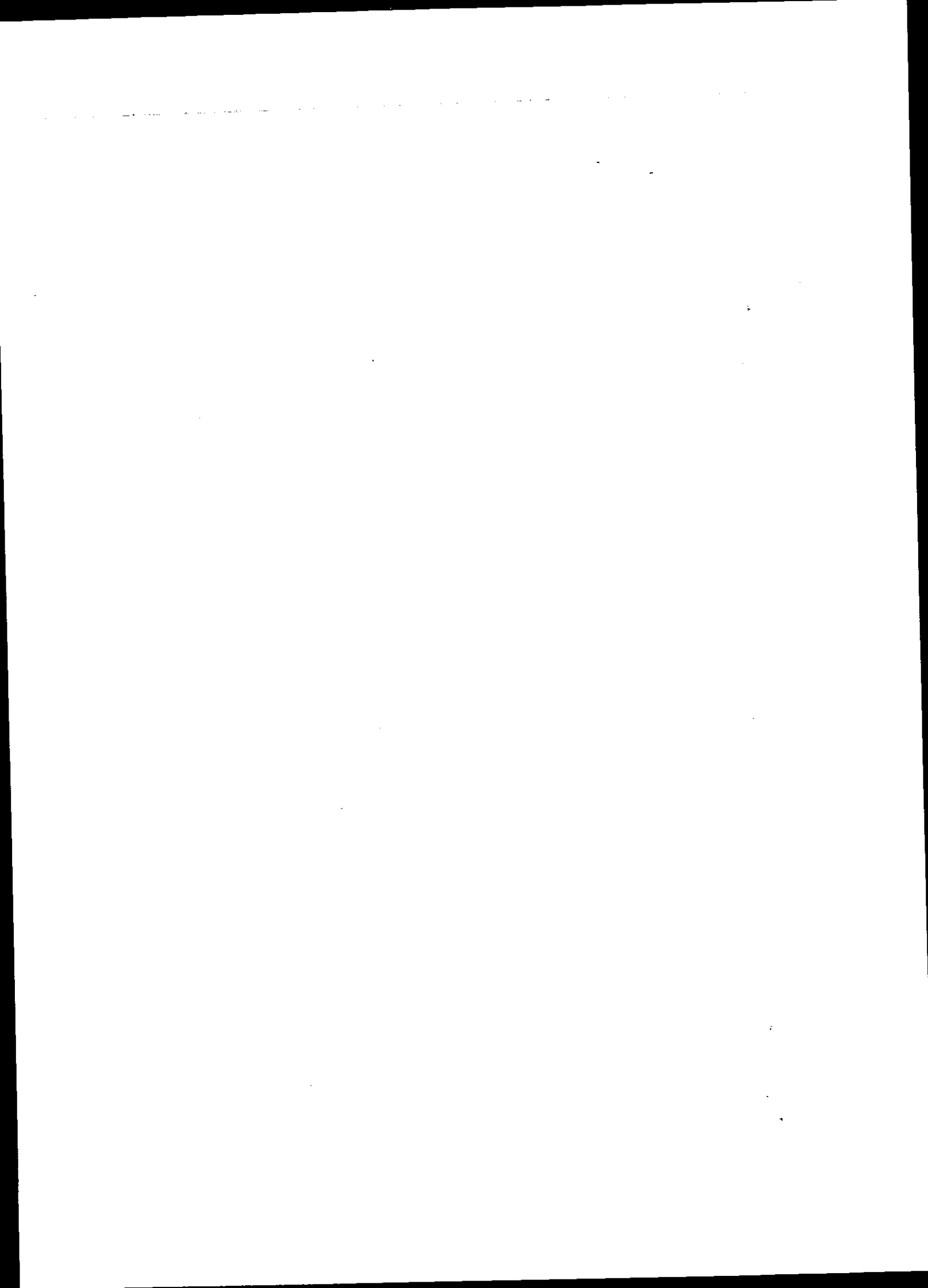


TABLE No. 49

**GROSS EARNINGS OF THE RAILWAYS**  
(1948-49 to 1962-63)

Year (April—March)					In thousand rupees	
1					2	3
1948-49	..	..	..	..	Total	37,29,000
					P.W. Railway	24,71,000
					P.E. Railway	12,57,000
1949-50	..	..	..	..	Total	37,86,000
					P.W. Railway	25,53,000
					P.E. Railway	12,32,000
1950-51	..	..	..	..	Total	37,90,000
					P.W. Railway	26,53,000
					P.E. Railway	11,37,000
1951-52	..	..	..	..	Total	41,62,000
					P.W. Railway	29,51,000
					P.E. Railway	12,11,000
1952-53	..	..	..	..	Total	44,10,000
					P.W. Railway	32,12,000
					P.E. Railway	11,97,000
1953-54	..	..	..	..	Total	45,12,000
					P.W. Railway	33,96,000
					P.E. Railway	11,16,000
1954-55	..	..	..	..	Total	47,29,000
					P.W. Railway	35,29,000
					P.E. Railway	12,00,000
1955-56	..	..	..	..	Total	50,00,000
					P.W. Railway	36,17,000
					P.E. Railway	13,83,000
1956-57	..	..	..	..	Total	55,45,000
					P.W. Railway	38,92,000
					P.E. Railway	16,52,000

TABLE No. 49—*contd.*

1				2	3	
1957-58	..	..	..	..	Total	58,44,58
					P.W. Railway	41,13,26
					P.E. Railway	17,31,32
1958-59	..	..	..	..	Total	62,73,42
					P.W. Railway	44,44,83
					P.E. Railway	18,28,59
1959-60	..	..	..	..	Total	64,69,61
					P.W. Railway	46,38,81
					P.E. Railway	18,30,80
1960-61	..	..	..	..	Total	67,47,90
					P.W. Railway	49,11,64
					P.E. Railway	18,36,26
1961-62	..	..	..	..	Total	67,28,35
					P.W. Railway	47,71,41
					P.E. Railway	19,56,94
1962-63	April	..	..	..	Total	5,83,60
					P.W. Railway	4,32,19
					P.E. Railway	1,51,41
	May	..	..	..	Total	5,44,83
					P.W. Railway	3,89,00
					P.E. Railway	1,55,83
	June	..	..	..	—	—
	July	..	..	..	Total	4,57,01
					P.W. Railway	3,12,05
					P.E. Railway	1,44,96
	August	..	..	..	Total	5,15,70
					P.W. Railway	3,57,48
					P.E. Railway	1,58,22
	September	..	..	..	Total	5,18,00
					P.W. Railway	3,66,00
					P.E. Railway	1,52,00
	October	..	..	..	Total	5,62,00
					P.W. Railway	3,88,00
					P.E. Railway	1,74,00



TABLE No. 49—concl'd.

1	2	3
November .. .. .	Total	5,76,00
	P.W. Railway	3,95,00
	P.E. Railway	1,81,00
December .. .. .	Total	5,99,00
	P.W. Railway	4,13,00
	P.E. Railway	1,86,00
January .. .. .	Total	6,28,00
	P.W. Railway	4,34,00
	P.E. Railway	1,89,00
February .. .. .	Total	5,33,00
	P.W. Railway	3,65,00
	P.E. Railway	1,68,00
March .. .. .	Total	6,77,00
	P.W. Railway	4,86,00
	P.E. Railway	1,91,00

Source : The East and West Pakistan  
Railway Boards.

TABLE No. 50  
RAIL MOVEMENT OF PASSENGERS AND FREIGHT  
(1948-49 to 1962-63)

Year/Month	NUMBER OF PASSENGERS CARRIED (THOUSANDS)				PASSENGER-MILES (MILLIONS)				FREIGHT CARRIED (THOUSAND TONS)				NET FREIGHT-MILES (MILLIONS)			
	Pakistan Western Railway		Pakistan Eastern Railway		Total		Pakistan Western Railway		Pakistan Eastern Railway		Total		Pakistan Western Railway		Pakistan Eastern Railway	
	2	3	4	5	6	7	8	9	10	11	12	13				
1948-49	139,121	71,654	67,467	6,178	4,016	2,162	10,194	6,356	3,838	2,339	1,702	637				
1949-50	117,493	67,791	49,902	5,486	3,685	1,801	11,292	7,176	4,116	2,462	1,807	655				
1950-51	117,975	69,661	48,314	5,722	3,882	1,840	10,725	7,812	2,913	2,718	2,223	495				
1951-52	129,873	79,146	50,727	6,167	4,360	1,807	12,294	8,656	3,638	3,068	2,523	545				
1952-53	126,624	79,654	46,970	5,923	4,314	1,609	12,749	9,011	3,738	3,314	2,756	558				
1953-54	122,932	80,764	42,168	5,456	4,137	1,319	13,391	10,075	3,316	3,567	3,058	509				
1954-55	131,156	85,487	45,669	5,739	4,366	1,373	13,227	9,938	3,289	3,448	2,826	472				
1955-56	138,514	87,195	51,319	5,888	4,409	1,479	14,514	10,652	3,862	3,448	2,874	574				
1956-57	152,318	95,535	56,783	6,416	4,801	1,615	15,489	10,886	4,603	3,883	3,174	709				
1957-58	162,010	103,189	58,821	6,718	5,107	1,611	16,330	11,855	4,475	(b)	(b)	720				
1958-59	169,556	106,250	63,306	6,804	5,147	1,657	17,568	12,447	5,121	4,349	3,531	818				
1959-60	191,210	121,119	70,091	7,406	5,590	1,816	17,962	12,329	5,633	4,686	3,814	872				
1960-61	195,912	124,737	71,175	7,598	5,716	1,882	19,372	13,487	5,885	5,074	4,129	945				
1961-62(c)	192,685	119,886	72,799	7,431	5,514	1,917	19,644	13,341	6,303	4,859	3,885	974				
1962-63(c)	16,564	10,703	5,861	655	504	151	1,253	726	527	321	238	83				
July	15,837	10,352	5,485	625	485	140	1,382	862	520	323	238	85				
August	15,720	10,158	5,562	601	459	142	1,386	883	503	348	263	85				
September	16,316	9,987	6,329	626	460	166	1,591	1,034	557	409	322	87				
October	15,431	9,347	6,084	604	443	161	1,730	1,168	562	428	341	87				
November																

Source: P.W. and P.E. Railways.

Note. All annual figures have been revised.  
(a) Includes 201,714 tons carried } on account of adjustments on foreign coal not accounted for in the monthly figures.  
(b) Includes 16,588,523 ton miles }  
(c) Provisional.

TABLE No. 51  
CARGO HANDLED AT PORTS  
(1950-51 to 1962-63)

(In thousand tons)

Year	KARACHI			CHITTAGONG			CHALNA			GRAND TOTAL—ALL PORTS		
	Import	Export	Total	Import	Export	Total	Import	Export	Total	Import	Export	Total
	1950-51	..	1,172	3,474	1,207	423	1,630	81	691	772	3,590	2,286
1951-52	..	1,076	3,764	1,321	400	1,721	192	210	402	4,201	1,686	5,887
1952-53	..	897	3,914	1,054	540	1,594	194	335	529	4,265	1,772	6,037
1953-54	..	2,664	895	3,559	1,031	1,541	123	313	436	3,818	1,728	5,546
1954-55	..	2,157	915	3,072	902	1,392	88	391	479	3,147	1,796	4,943
1955-56	..	2,530	1,096	3,626	1,086	1,610	78	507	585	3,694	2,127	5,821
1956-57	..	3,271	1,017	4,288	1,710	2,166	205	501	706	5,186	1,974	7,160
1957-58	..	3,418	897	4,315	1,722	2,214	306	505	811	5,446	1,894	7,340
1958-59	..	2,641	967	3,608	1,638	2,139	218	577	795	4,497	2,045	6,542
1959-60	..	3,442	1,148	4,590	2,147	2,644	259	627	886	5,848	2,272	8,120
1960-61	..	4,052	1,615	5,667	2,221	2,618	435	480	915	6,708	2,492	9,200
1961-62	..	3,617	1,725	5,342	2,454	2,996	325	676	1,001	6,396	2,843	9,239
1962-63	July	237	142	379	225	259	79	48	127	541	224	765
	August	352	122	474	271	307	79	53	132	702	211	913
	September	248	138	386	194	235	46	58	94	488	237	725
	October	350	172	522	215	268	57	64	121	622	289	911
	November	361	186	547	219	276	54	78	132	634	321	955
	December	319	237	556	204	256	..	..	..	..	..	..

TABLE No. 52

ROAD MILEAGE IN EAST AND WEST PAKISTAN  
(UNDER PROVINCIAL GOVERNMENTS ONLY)

(1951—62)

Year			Total East and West Pakistan	Total East Pakistan	Total West Pakistan	WEST PAKISTAN	
						High type	Low type
1951	..	..	16,863	537	16,326	6,150	10,176
1952	..	..	17,714	562	17,152	6,654	10,498
1953	..	..	18,909	630	18,279	7,001	11,278
1954	..	..	19,335	715	18,620	7,444	11,176
1955	..	..	19,962	860	19,102	7,980	11,122
1956	..	..	20,414	990	19,424	8,038	11,386
1957	..	..	20,561	1,137	19,424	8,238	11,186
1958	..	..	20,683	1,259	19,424	8,412	11,012
1959	..	..	20,314	1,381	19,933	8,690	10,243
1960	..	..	20,707	1,531	[19,176	8,772	10,404
1961	..	..	22,062	1,681	[20,381	8,827	[11,554
1962	..	..	22,797	1,833	[20,964	9,510	[11,454

Note. The decrease in low type road mileage means that these were improved to high types.

Source: Ministry of Transport and Communications (Technical Sub-Committee Report).

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**MONEY AND BANKING**

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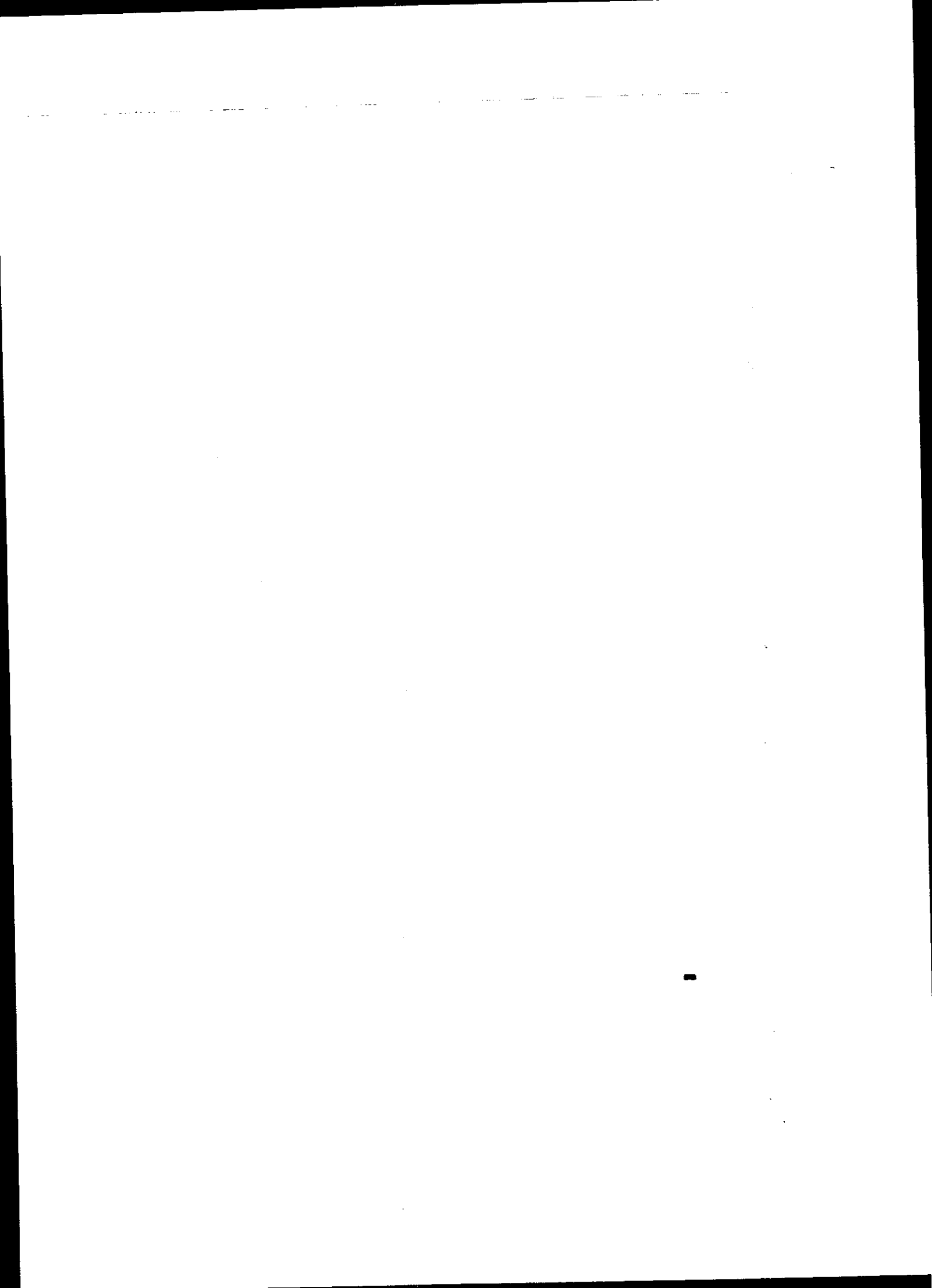


TABLE No. 53

## MONEY SUPPLY WITH THE PUBLIC

(1948—1963)

(In crore rupees)

<i>Last Friday</i>				<i>Currency in circulation</i>	<i>Demand deposits (general)</i>	<i>Other de- posits with S.B.P. (i)</i>	<i>Money supply</i>
December 1948	..	..	..	170·79	89·17	3·53	263·49
December 1949	..	..	..	173·94	88·63	4·45	267·02
June 1950	..	..	..	174·75	99·99	3·68	278·42
December 1950	..	..	..	199·19	90·72	3·34	293·25
June 1951	..	..	..	202·72	109·82	3·95	316·49
December 1951	..	..	..	246·74	119·03	4·01	369·78
June 1952	..	..	..	223·58	104·52	3·77	331·87
December 1952	..	..	..	214·77	102·27	3·49	320·53
June 1953	..	..	..	223·56	111·81	2·11	337·48
December 1953	..	..	..	236·87	115·14	2·10	354·11
June 1954	..	..	..	241·52	120·18	2·01	363·71
December 1954	..	..	..	257·14	117·04	5·87	380·05
June 1955	..	..	..	260·03	127·02	2·95	390·00
December 1955	..	..	..	298·64	132·63	5·35	436·62
June 1956	..	..	..	304·96	143·12	7·26	455·34
December 1956	..	..	..	346·33	142·97	2·69	491·96
June 1957	..	..	..	342·90	149·01	8·83	500·74
December 1957	..	..	..	357·99	156·21	8·85	523·05
June 1958	..	..	..	362·36	168·92	4·60	535·88
December 1958	..	..	..	373·90	170·86	5·14	549·90
June 1959	..	..	..	364·31	186·96	4·39	555·66
December 1959	..	..	..	384·12	187·13	4·62	575·87
<b>1960</b>							
June	..	..	..	381·19	199·71	4·37	585·27
July	..	..	..	366·29	197·38	4·20	567·87
August	..	..	..	364·47	196·39	4·30	565·16
September	..	..	..	365·57	203·91	4·62	574·10

TABLE No. 53—contd.

1	2	3	4	5
October	374.72	202.46	4.49	581.67
November	389.10	197.76	4.51	591.37
December	417.93	193.28	4.70	615.91
1961				
January	416.36	198.32	5.04	619.72
February	408.67	202.67	4.89	616.23
March	406.21	203.45	5.79	615.45
April	396.29	200.47	5.96	602.72
May	401.45	189.87	4.42	595.74
June	384.26	199.07	4.51	587.84
July	376.87	201.78	4.73	583.38
August	373.65	201.13	4.82	579.60
September	370.88	201.88	4.85	577.61
October	375.58	202.74	5.06	583.38
November	385.83	205.52	5.25	594.63
December	405.12	210.00	5.12	620.24
1962				
January	412.13	206.91	4.19	623.23
February	404.98	213.37	4.14	622.49
March	404.61	215.93	4.11	624.65
April	400.24	209.83	4.16	614.23
May	399.56	211.07	4.44	615.07
June	386.54	219.01	4.95	610.50
July	380.67	224.04	4.83	609.54
August	375.91	221.49	5.11	602.51
September	378.16	224.08	6.35	608.59
October	383.95	227.15	8.15	619.25
November	394.31	227.26	7.26	628.83
December	410.33	235.86	7.52	653.71
1963				
January	418.60	237.15	10.76	666.51
February	429.91	248.45	6.56	684.92
March	424.62	246.58	7.40	678.63*

\*Provisional.

Source : State Bank of Pakistan.

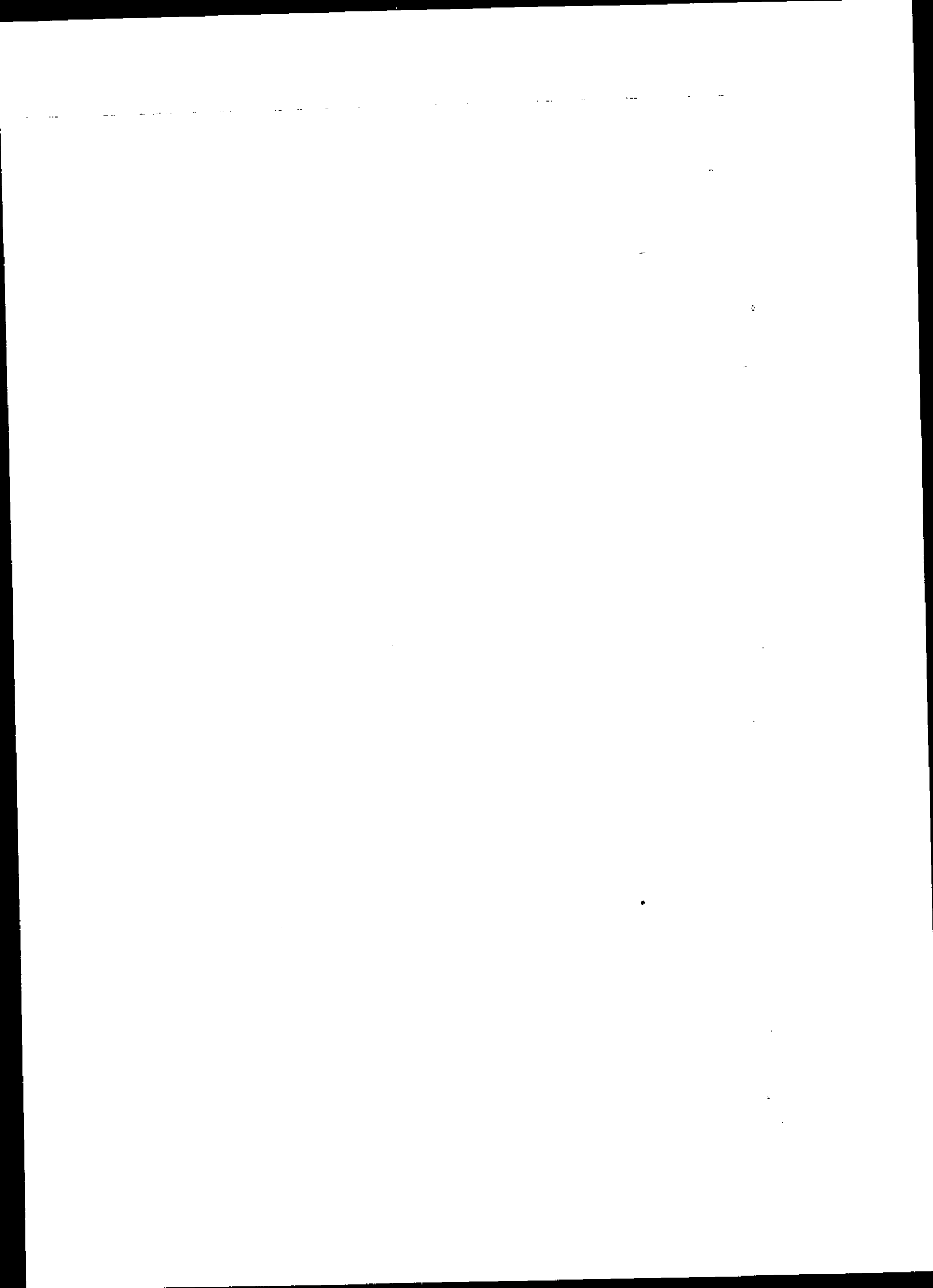
(i) Excluding I.M.F. Account No. 1, Special Commodity Aid Accounts, I.B.R.D. Indus Account and U.S. Disbursing Officer's Account.



TABLE No. 54  
SEASONAL BREAK-UP OF MONEY SUPPLY  
(1960--63)  
(In crore rupees)

Month	SLACK SEASON OF 1960			SLACK SEASON OF 1961			SLACK SEASON OF 1962		
	Currency in circulation	Deposit money	Money supply	Currency in circulation	Deposit money	Money supply	Currency in circulation	Deposit money	Money supply
April	..	193.39	579.82	396.29	206.43	602.72	400.24	213.99	614.23
May	..	199.79	584.08	401.45	194.29	595.74	399.56	215.51	615.07
June	..	204.08	585.27	384.26	203.58	587.84	386.54	223.96	610.57
July	..	201.58	567.87	376.87	206.51	583.38	380.67	228.87	609.54
August	..	200.69	565.16	373.65	205.95	579.60	375.91	226.60	602.51
September	..	208.53	574.10	370.88	206.73	577.61	378.16	230.43	608.59
October	..	206.95	581.67	375.58	207.81	583.38	383.95	235.30	619.25
Month	BUSY SEASON OF 1960-61			BUSY SEASON OF 1961-62			BUSY SEASON OF 1962-63		
	1	2	3	1	2	3	1	2	3
November	..	202.27	591.37	385.83	210.81	594.63	394.31	234.52	628.83
December	..	197.98	615.91	405.12	215.12	620.24	410.33	243.38	653.71
January	..	203.36	619.72	412.13	211.10	623.23	418.67	247.91	666.51
February	..	207.56	616.23	404.98	217.51	622.49	429.91	255.01	684.92
March	..	209.24	615.45	404.61	220.04	624.65	424.62	253.98	678.60*

Source : Compiled on the basis of data supplied by the State Bank of Pakistan.





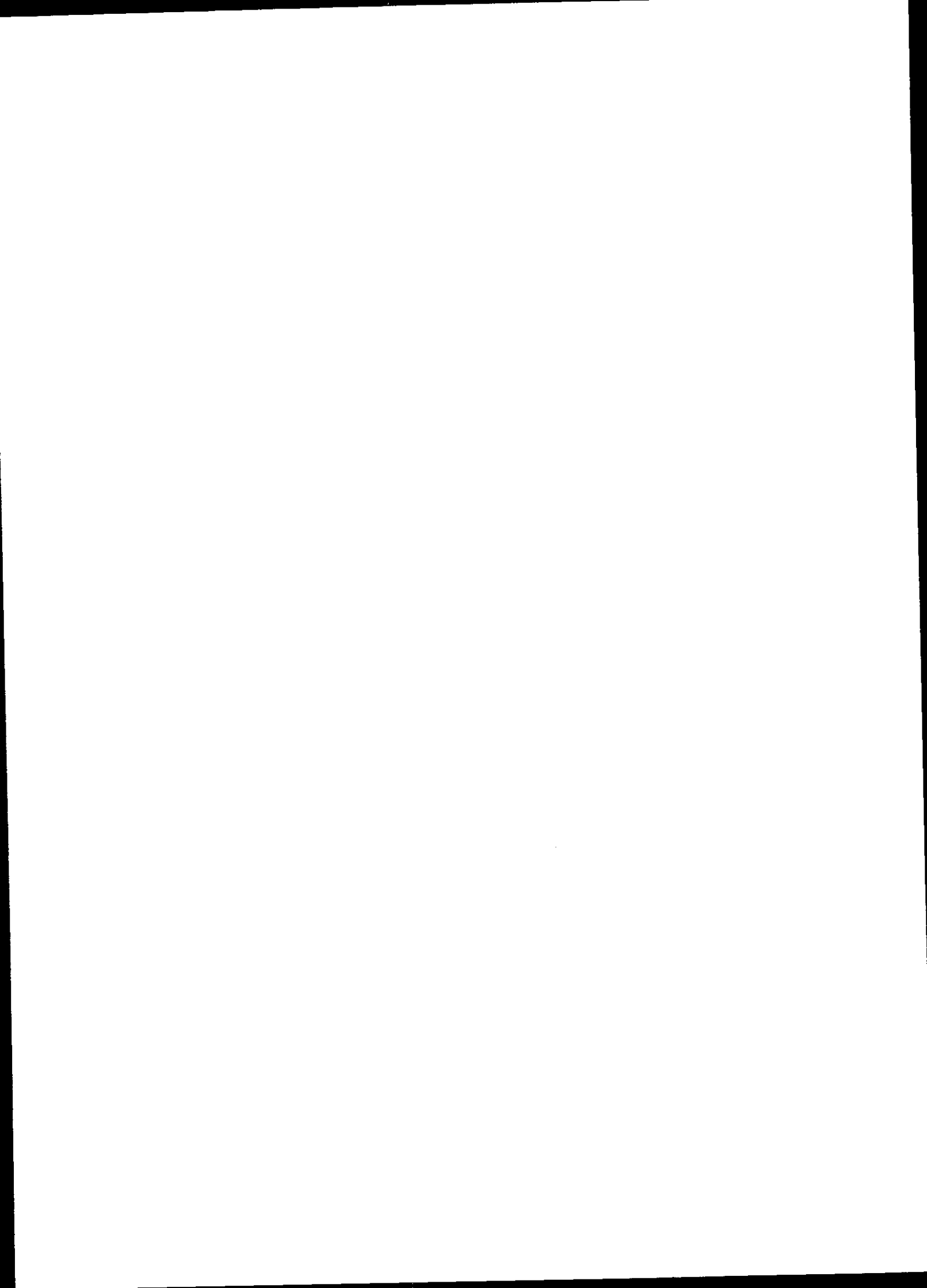
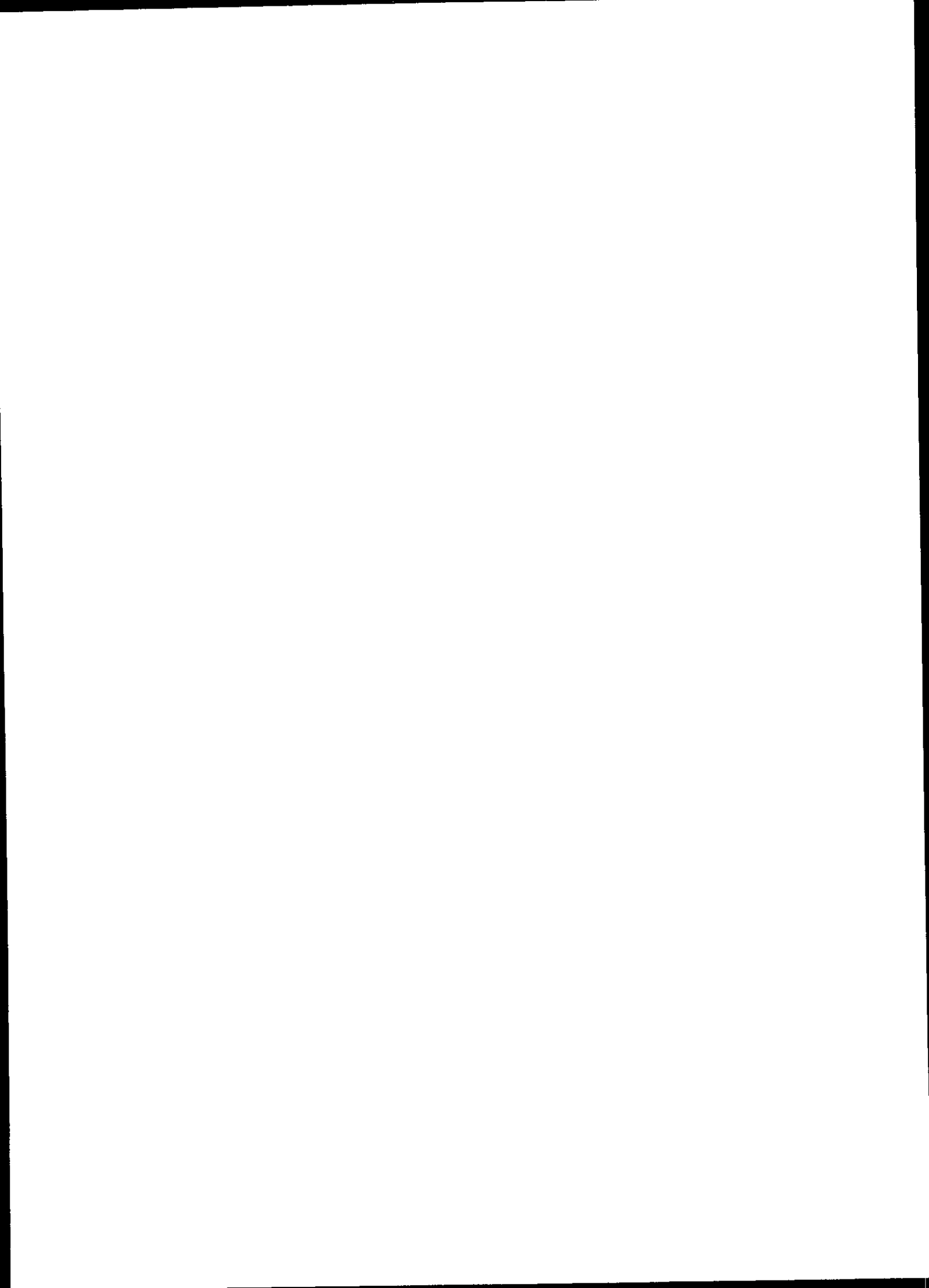


TABLE No. 56  
STATE BANK OF PAKISTAN  
LIABILITIES AND ASSETS OF BANKING DEPARTMENT  
(1961-1963)

	(in thousand rupees)																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
LIABILITIES																				
Deposits																				
Capital	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reserve fund	515.00	515.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Rural Credit Fund	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Central Government	4,700.29	7,025.57	3,612.23	1,084.46	3,267.77	2,144.45	2,117.97	6,252.21	74.03	19,567.79	20,282.28	146,882.31	86.34	7	20,771.41	—	1,500.00	31,674.99	88,655.68	10,984.13
Provincial Governments	6,895.60	17,606.45	17,606.45	115,414.49	144,078.83	46.30	13,128.86	165,819.99	9,296.60	1,005	17,657.28	17,657.28	1,005	—	44,172.35	—	4,680.00	50,641.11	47,122.92	9,889.96
Banks	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16	17,555.16
Others	14,988.87	7,311.20	15,065.53	115,476.65	155,348.63	40.21	14,586.61	178,486.65	15,721.80	1,400	17,657.28	17,657.28	1,400	—	15,565.30	—	5,400.00	40,994.47	91,496.66	9,977.78
Central Government	15,065.53	21,175.59	2,323.83	18,268.84	115,213.38	20.18	6,986.68	173,825.50	13,358.08	1,337	13,358.08	13,358.08	1,337	—	16,400.93	—	1,920.00	45,348.85	89,648.81	9,308.86
Provincial Governments	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43	2,576.46	1,024.43
Banks	16,364.2	18,322.22	102,894.4	142,266.1	11,52	11,791.7	163,823.0	8,514.2	44	17,008.83	17,008.83	44	—	17,008.83	—	4,870.00	45,307.76	82,944.43	9,881.63	9,881.63
Others	10,199.95	108,580.7	143,033.30	14,10	12,648.84	165,472.4	12,334.2	45	60,813.59	60,813.59	11,418.16	11,418.16	45	—	27,123.30	—	2,820.00	60,813.59	50,333.00	11,418.16
Central Government	16,609.93	11,037.2	26,323.5	6,217.1	6,217.1	19,433.7	104,123.0	90,958	24.94	21,848.86	176,533.51	18,119.96	52	—	29,527.78	—	9,590.00	44,513.32	69,606.63	12,613.38
Provincial Governments	66.52	18,555.38	112,780.05	146,628.88	15,49	13,041.0	171,474.47	13,472.7	56	4,003.00	25,549.19	48,220.05	62	—	27,603.32	—	3,350.00	72,360.05	48,220.05	10,813.35
Banks	64.06	18,741.13	122,560.05	152,979.96	37.59	14,916.09	177,922.24	15,642.1	62	3,350.00	27,603.32	50,121.12	62	—	27,603.32	—	3,350.00	69,966.63	50,121.12	11,213.34
Others	26,323.5	63.49	21,424.45	106,890.9	155,273.38	48.57	17,463.31	182,872.26	16,667.1	59	16,667.1	16,667.1	59	—	29,122.12	—	2,470.00	73,867.29	50,114.49	11,810.06
Central Government	15,762.21	6,217.1	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21	15,762.21
Provincial Governments	18,389.96	4,927.76	22,561.31	98,908.6	144,781.1	24.94	21,848.86	176,533.51	18,119.96	52	18,119.96	18,119.96	52	—	31,601.01	—	5,760.00	54,843.38	53,988.74	12,219.90
Banks	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4	21,077.8	4,864.4
Others	13,238.0	59.02	181,605.4	199,735.35	23.30	16,400.95	180,085.56	14,800.88	58	16,400.95	16,400.95	16,400.95	58	—	21,291.2	—	3,300.00	40,197.74	71,630.08	11,132.87
Central Government	20,473.7	3,197.7	22,681.9	88,491.3	146,734.8	15.25	11,283.31	167,843.31	16,363.9	68	16,363.9	16,363.9	68	—	20,044.37	—	1,710.00	36,247.76	84,181.15	10,289.96
Provincial Governments	10,660.4	6,590.2	21,547.5	105,880.50	144,608.31	18.60	11,033.88	166,974.74	14,127.8	29	14,127.8	14,127.8	29	—	20,880.05	—	—	38,247.80	83,403.35	10,513.54
Banks	5,076.64	16,575.52	21,311.4	102,263.7	145,237.97	69.88	13,377.99	170,755.05	14,033.39	31	21,311.46	21,311.46	31	—	24,000.00	—	—	38,337.73	83,969.98	10,531.17
Others	6,708.6	17,865.7	25,347.9	100,638.7	150,569.09	16.73	13,675.53	175,559.59	6,916.1	42	24,179.93	24,179.93	42	—	2,020.00	—	2,020.00	38,713.90	92,616.02	11,078.87
Central Government	18,531.71	18,336.85	23,500.7	91,884.86	151,451.51	10.60	16,552.11	179,212.2	6,446.60	38	6,446.60	6,446.60	38	—	31,479.92	—	—	54,390.07	73,530.00	11,362.35
Provincial Governments	19,743.7	14,700.52	23,066.33	93,074.8	150,587.0	13.16	17,064.88	178,934.34	13,189.2	55	13,189.2	13,189.2	55	—	30,844.19	—	—	55,181.15	61,972.26	11,717.77
Banks	38,996.0	11,784.7	23,375.5	77,426.1	143,582.3	69.83	15,693.86	171,129.52	6,393.2	29	6,393.2	6,393.2	29	—	49,753.83	—	—	53,420.03	83,403.35	12,626.63
Others	38,578.2	13,155.5	26,093.6	82,467.6	160,494.9	58.55	15,737.3	181,966.57	14,328.85	34	14,328.85	14,328.85	34	—	49,753.83	—	—	54,443.38	56,390.04	15,032.95

Source : State Bank of Pakistan.

s. One Rupee Notes and Subsidiary Coins.  
not suspended between 14th March 1952 and 6th June 1958.  
with effect from 17th October 1952.





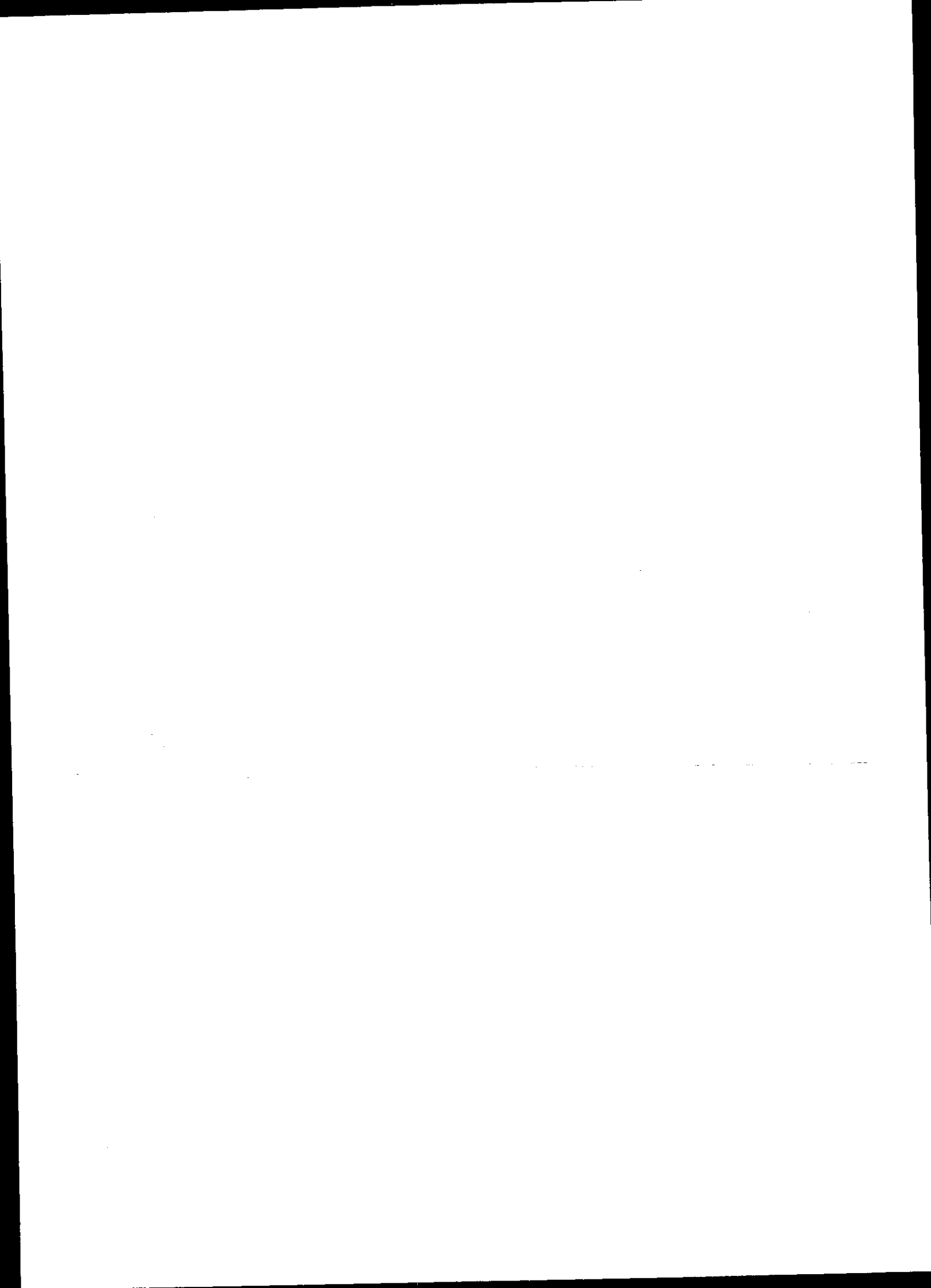






TABLE No. 58—*contd.*

Item	31-3-61	30-6-61	30-9-61	31-12-61	31-3-62	30-6-62	30-9-62	31-12-62
Head office and inter-bank/branch adjustments .. .. .	10.92	5.59	8.46	8.76	8.62	9.72	8.72	14.86
Contingent liabilities as per contract .. .. .	142.84	140.84	183.81	224.50	208.45	242.85	224.14	249.65
Other liabilities .. .. .	17.14	20.40	21.76	29.85	35.04	31.05	35.20	32.49
Total .. .. .	560.20	564.64	619.86	708.25	723.40	758.50	752.98	823.89
<b>ASSETS</b>								
<i>Cash</i>								
(a) Gold .. .. .	1.11	1.14	1.23	1.30	1.03	1.06	1.03	1.03
(b) Notes, coins and silver .. .. .	7.48	8.84	7.50	11.98	7.99	9.58	9.64	14.14
(c) Balances with State Bank .. .. .	14.84	17.69	17.29	17.86	18.28	22.29	20.82	21.22
(d) Balances with other banks .. .. .	6.45	8.37	11.32	12.61	14.75	10.55	10.29	18.81
Total .. .. .	29.88	36.05	37.34	43.75	42.05	43.47	41.78	55.20
Balances held abroad .. .. .	4.29	3.84	3.81	3.58	5.04	3.54	3.40	4.61
Bills purchased and discounted .. .. .	22.81	18.83	24.54	25.60	27.72	23.84	24.14	27.64
<i>Advances</i>								
(a) To banks .. .. .	21.15	21.22	14.27	21.37	27.98	29.81	26.66	27.08
(b) To others .. .. .	183.79	192.04	202.30	238.68	264.69	259.27	274.80	298.94
Total .. .. .	204.94	213.26	216.56	260.05	292.67	289.08	301.46	326.02
Total bank credit .. .. .	227.74	232.08	241.10	285.65	320.39	312.92	325.60	353.66

*Investments in shares and securities*

	109.92	109.58	107.25	106.85	107.60	103.44	103.24
(a) Central Government .. ..	113.98	109.92	109.58	107.25	106.85	107.60	103.44
(b) Treasury bills .. ..	..	..	..	..	..	..	..
(c) Provincial Governments .. ..	19.37	19.25	19.21	18.17	18.25	18.27	19.80
(d) Foreign .. ..	0.57	0.55	0.60	0.59	0.59	0.66	0.52
(e) Others.. ..	1.76	1.90	1.87	2.13	2.26	5.09	7.18
Total .. ..	135.67	131.62	131.26	128.14	127.94	131.62	131.64
Bank premises .. ..	2.93	3.98	3.00	3.08	3.17	4.38	3.67
Head office and inter-bank/branch adjustments .. ..	6.16	2.04	1.59	0.71	1.02	1.70	1.49
Contingent assets as per <i>contra</i> .. ..	142.84	140.84	183.81	224.50	208.45	242.85	224.14
Other assets .. ..	10.68	14.20	17.96	18.84	15.34	18.01	22.00
Total .. ..	560.20	564.64	619.86	708.25	723.40	758.50	752.98

Source : State Bank of Pakistan.

TABLE No. 59  
 CLASSIFICATION OF SCHEDULED BANKS' ADVANCES  
 BY ECONOMIC GROUPS (1961 and 1962)

<i>Economic group</i>	(In lakh rupees)							
	31-3-61	30-6-61	30-9-61	31-12-61	31-3-62	30-6-62	30-9-62	31-12-62
Agriculture, forestry, hunting and fishing	7.45	12.00	16.23	18.29	21.64	20.81	20.53	20.84
Mining and quarrying	1.57	1.42	1.69	1.54	1.49	1.25	2.29	1.63
Manufacturing	67.74	61.83	59.53	76.83	88.75	89.53	97.10	104.61
Construction	1.35	1.11	86	84	2.10	7.33	10.31	10.39
Electricity, gas, water and sanitary services	1.30	5.36	2.37	3.15	2.71	1.85	2.01	3.06
Commerce	80.65	77.16	85.09	94.24	98.59	82.77	110.83	125.26
Transport, storage and communications	2.67	2.77	2.72	4.80	5.14	5.10	6.54	5.87
Services	14.71	15.45	17.73	20.14	21.72	27.22	18.91	20.58
Employees and activities not adequately described	6.35	14.82	16.08	18.82	22.55	23.41	6.29	6.70
Unclassified	..	13	..	1	..	..	..	..
Total	183.79	192.04	202.30	238.68	264.69	259.27	274.80	298.94

Source : State Bank of Pakistan.

TABLE No. 60  
**CLASSIFICATION OF BILLS PURCHASED AND DISCOUNTED BY SCHEDULED BANKS**  
**BY ECONOMIC GROUPS (1961 and 1962)**  
(In lakh rupees)

<i>Economic group</i>	31-3-61	30-6-61	30-9-61	31-12-61	31-3-62	30-6-62	30-9-62	31-12-62
Agriculture	..	..	..	..	2,83	2,46	2,50	3,58
Manufacturing	..	..	..	..	1,60	85	1,00	1,02
Construction	..	..	..	..	6	11	11	7
Commerce	..	..	..	..	22,01	19,10	19,03	21,15
Financial institutions	..	..	..	..	3	4	1	1
Electricity, gas, water and sanitary services	..	..	..	..	30	34	64	36
Transport, storage and communications	..	..	..	..	4	27	11	35
Others	..	..	..	..	83	68	75	1,10
Unclassified	..	..	..	..	..	..	..	..
<b>Total</b>	..	..	..	..	27,72	23,84	24,14	27,64

Source: State Bank of Pakistan.

**TABLE No. 61**  
**CLASSIFICATION OF SCHEDULED BANKS' ADVANCES BY SECURITIES PLEDGED**  
**(1961 and 1962)**

(In lakh rupees)

<i>Securities pledged</i>	31-3-61	30-6-61	30-9-61	31-12-61	31-3-62	30-6-62	30-9-62	31-12-62
Precious metals .. .. .	3,16	3,94	4,34	4,38	4,54	4,99	5,72	5,69
Stock exchange securities .. .. .	12,08	11,98	13,93	14,22	17,14	19,55	19,40	21,68
Merchandise .. .. .	132,73	129,15	135,45	157,82	176,28	156,67	159,88	179,23
Machinery and fixed assets .. .. .	4,76	3,65	4,67	13,87	13,43	16,16	18,94	2,01
Real estate .. .. .	4,81	9,20	9,58	10,62	11,61	13,23	14,64	15,71
Financial obligations, e.g., insurance policies and bank deposits .. .. .	6,32	9,63	6,31	6,44	6,97	9,10	8,20	10,75
Others .. .. .	19,94	24,48	27,94	31,33	34,72	39,57	48,03	45,87
Unclassified .. .. .	..	1	8	..	..	..	..	..
All securities .. .. .	183,80	192,04	202,30	238,68	264,69	259,27	274,80	298,94

Source : State Bank of Pakistan.

TABLE No. 62  
 INTER-BANK CALL MONEY RATE (KARACHI)  
 (1954-1963)

Last Friday	(Percentage)											
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963		
January	..	2½	3	3	2½	2½-2½	3½-3½	4½	4	3½-3½		
February	..	2½	3½-3½	3	3	2½	3½	4½-4½	3½-4	3½-3½		
March	..	1½	2½-2½	2½	2½	2½-2½	4	3½-4	3½-4	3½-3½		
April	..	1½	1½	2½	1½	2-2½	4½	3½	3½-4	3½-3½		
May	..	½	1½-1½	2½	1½-1½	1½-1½	2½-3½	3½-3½	3½-3½	2½-3		
June	..	½	½	1½-1½	1½-1½	1	1½	3½	2½-2½	2½-2½		
July	..	½	1-1½	1½-1½	1½-1½	1½-1½	3½	3½	2½-2½	2½-2½		
August	..	½	1-1	1-1	1-1	1	3½	3½-3½	3-3½	2½-2		
September	..	½	1-1	1-1	1-1	1	4½	3½	3-3½	3-3½		
October	..	1½	2½	1½-2	2-2½	1	4	3½	3-3½	3½-3½		
November	..	2-2½	2½	2½	2½-2½	1	4	3½	3½-3½	3½-3½		
December	..	1½-2	3	2½	2½-2½	3½	4½-4½	4	3½-3½	3½-3½		

Source : State Bank of Pakistan.

TABLE No. 63

## ISSUE OF CAPITAL BY REGION

(1947-1963)

(In lakh rupees)

Year	East Pakistan	West Pakistan(a)	Karachi	Total
1947(b) .. ..	205.00	152.00	211.00	568.00
1948 .. ..	486.25	494.99	995.42	1,976.66
1949 .. ..	226.05	210.64	671.96	1,108.65
1950 .. ..	117.15	115.00	536.80	768.95
1951 .. ..	176.91	300.25	889.59	1,366.75
1952 .. ..	1,006.41	563.12	1,682.24	3,251.77
1953 .. ..	785.43	794.09	1,335.84	2,915.36
1954 .. ..	267.54	872.62	1,819.05	2,959.21
1955 .. ..	727.72	803.95	2,010.83	3,542.50
1956 .. ..	551.45	523.90	2,656.75	3,732.10
1957 .. ..	255.25	261.25	1,605.40	2,121.90
1958 .. ..	904.35	814.04	1,407.92	3,126.31
1959 .. ..	2,315.31	1,919.64	3,233.56	7,468.51
1960 .. ..	481.48	652.45	2,806.43	3,940.36
1961 .. ..	1,899.00	755.95	2,556.28	5,211.23
1962 .. ..	565.25	1,912.05	4,642.85	7,120.15
1963 .. .. (Up to March)	372.00	93.00	641.25	1,111.25

Source : Ministry of Finance.

(a) Excluding Karachi.

(b) Data for the period 14th August to 31st December 1947.



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**STOCK EXCHANGE**

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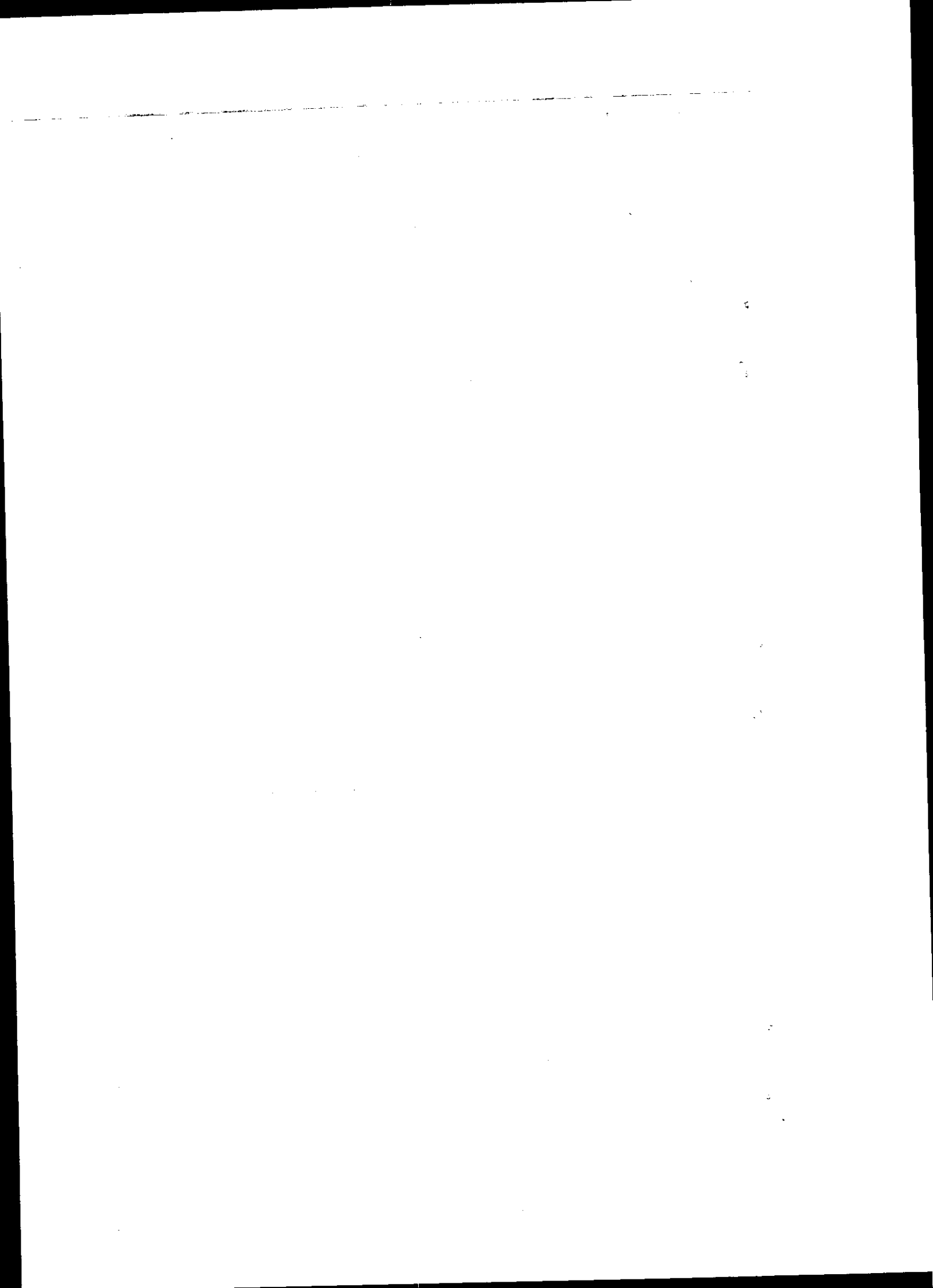


TABLE No. 64  
**INDICES OF SHARES AT KARACHI — ALL SHARES**  
 (1957—1963)

<i>End of month</i>	1957	1958	1959	1960	1961	1962	1963
January	..	211.12	165.17	236.29	193.03	218.23	265.10
February	..	207.25	173.14	236.51	190.16	229.34	263.85
March	..	185.55	176.49	232.31	192.49	226.00	276.35
April	..	179.75	185.91	213.39	193.24	218.60	
May	..	170.73	187.34	200.14	192.50	221.23	
June	..	172.53	192.04	200.19	190.77	222.62	
July	..	173.80	196.79	189.53	188.50	225.87	
August	..	177.28	211.25	184.55	188.77	241.36	
September	..	180.68	209.51	197.10	197.71	249.34	
October	..	165.31	232.78	196.08	202.77	242.30	
November	..	158.50	234.39	199.44	204.94	242.22	
December	..	158.66	232.58	192.70	212.12	255.59	

Source : Habib Bank Ltd.

TABLE No. 65

**BONUS VOUCHERS QUOTATIONS (READY) AT KARACHI**  
(1961—1963)

(In rupees)

<i>Year Month</i>	<i>Highest</i>	<i>Lowest</i>	<i>Month-end</i>
<b>1961</b>			
January .. .. .	145·00	135·00	144·00
February .. .. .	145·25	136·00	139·00
March .. .. .	138·00	116·50	118·00
April .. .. .	120·75	116·00	120·00
May .. .. .	120·50	111·00	111·50
June .. .. .	116·00	102·00	108·00
July .. .. .	107·00	87·75	89·00
August .. .. .	126·00	87·00	115·00
September .. .. .	125·00	103·00	103·75
October .. .. .	117·00	104·50	116·00
November .. .. .	142·00	114·00	134·00
December .. .. .	165·25	148·00	158·00
<b>1962</b>			
January .. .. .	171·00	158·00	167·25
February .. .. .	193·00	168·00	180·50
March .. .. .	181·25	181·00	181·25
April .. .. .	173·00	148·00	149·50
May .. .. .	165·00	150·00	165·00
June .. .. .	162·00	133·00	133·00
July .. .. .	135·00	125·50	132·00
August .. .. .	146·00	133·25	145·00
September .. .. .	162·50	145·25	162·00
October .. .. .	180·50	148·25	148·25
November .. .. .	149·50	143·00	148·50
December .. .. .	161·00	146·50	158·00
<b>1963</b>			
January .. .. .	158·50	150·50	154·75
February .. .. .	164·50	155·75	160·50
March .. .. .	172·00	163·25	172·00

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**PUBLIC FINANCE**

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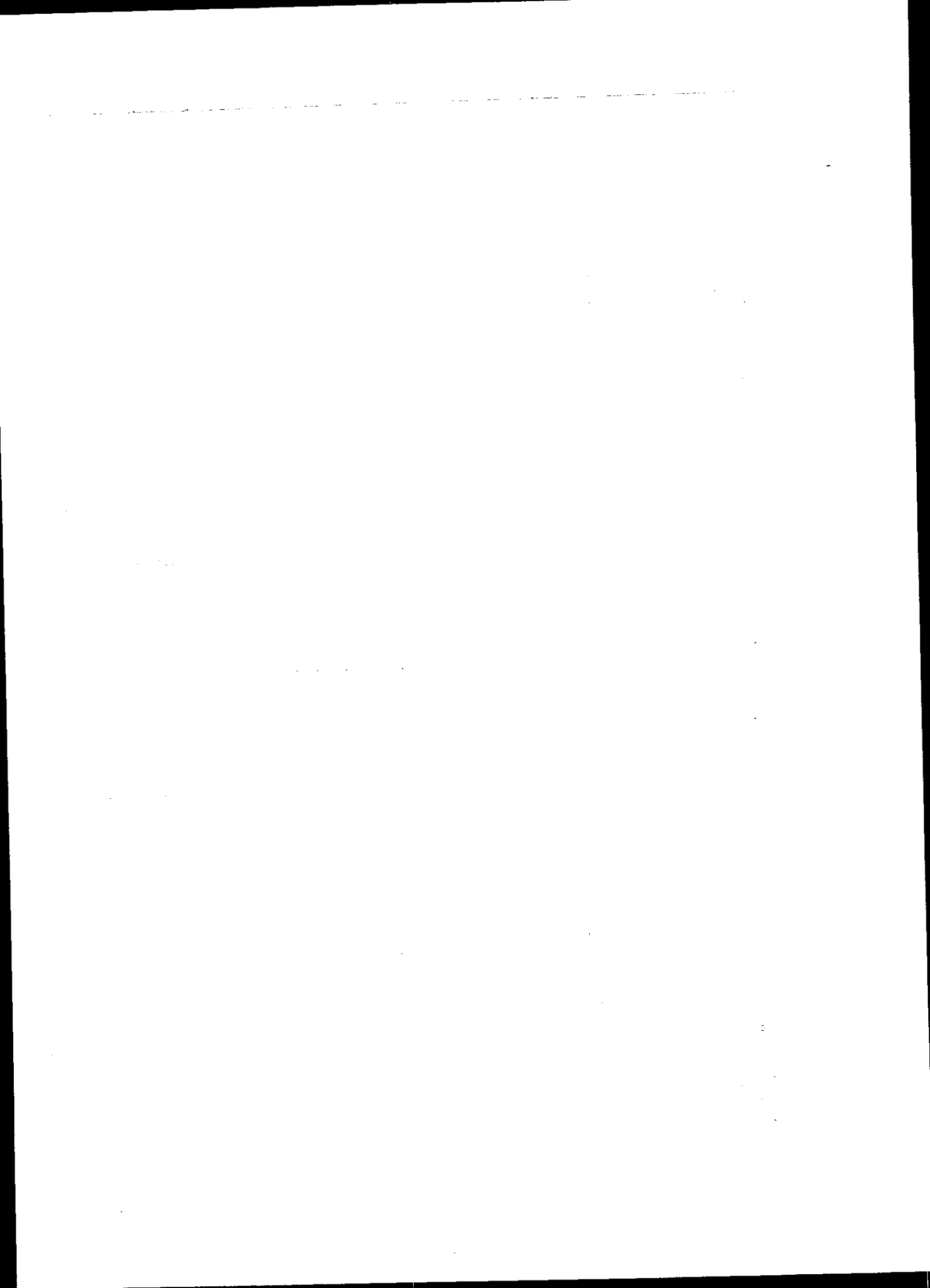


TABLE No. 66  
CENTRAL GOVERNMENT REVENUE AND EXPENDITURE  
(1950-51 to 1962-63)

(In lakh rupees)

Item	ACTUALS										Revised 1961-62	Budget 1962-63	
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59*	1959-60	1960-61					
<b>A. Revenue</b>													
Customs .. .. .	77,62	41,61	55,79	46,96	42,05	49,36	50,93	58,50	60,81	64,03			
Central excise .. .. .	6,72	11,55	13,50	14,49	19,37	26,41	28,74	34,34	36,22	38,62			
Income tax and corporation tax .. .. .	13,24	19,41	21,42	21,14	24,04	33,44	30,48	32,44	36,40	23,70			
Sales tax .. .. .	7,11	10,60	13,72	13,23	14,27	17,02	16,42	24,36	25,48	21,01			
Salt .. .. .	2,22	2,21	2,40	1,97	5	-06	-	61	38	39			
Others .. .. .	2,37	4,56	4,49	4,39	5,05	12,85	6,05	6,96	13,00	4,46			
<b>Total Principal Heads ..</b>	<b>109,28</b>	<b>89,94</b>	<b>111,32</b>	<b>102,18</b>	<b>104,83</b>	<b>139,02</b>	<b>132,62</b>	<b>157,21</b>	<b>172,29</b>	<b>152,21</b>			
Railways (net) .. .. .	1,71	6,18	7,69	7,68	10,22	10,35	11,77	5,02	3,83	4,50			
Posts and telegraphs (net) .. .. .	62	66	1,73	1,77	1,85	3,01	3,27	2,64	12,91	21,79			
Debt services .. .. .	6,01	8,83	9,14	8,68	11,77	13,81	6,88	6,78	3,22	3,21			
Civil administration .. .. .	1,24	1,85	1,99	2,53	3,24	4,48	3,46	4,32	5,57	4,96			
Currency and mint .. .. .	95	2,08	1,96	2,72	3,82	3,78	3,63	5,46	4,06	4,12			
Miscellaneous .. .. .	93	3,18	3,18	2,74	2,63	4,24	4,04	4,93	7,95	8,94			
Defence services .. .. .	4,84	3,99	5,83	4,15	6,27	8,44	9,56	10,15	12,21	12,16			
Extraordinary items .. .. .	1,45	1,42	1,11	1,17	7,11	8,00	12,13	12,03	86	86			
Others .. .. .	29	81	63	52	7,76	8,74	1,41	93	86	86			
<b>Total Revenue ..</b>	<b>127,32</b>	<b>117,27</b>	<b>143,58</b>	<b>133,14</b>	<b>152,50</b>	<b>195,87</b>	<b>188,77</b>	<b>209,47</b>	<b>222,90</b>	<b>212,75</b>			

TABLE NO. 66—*contd.*

Item	ACTUALS										Revised 1961-62	Budget 1962-63
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59*	1959-60	1960-61				
<b>B. Expenditure</b>												
Direct demands on revenue ..	2,21	2,72	2,98	2,82	3,19	4,32	3,45	5,73	4,04	4,53		
Debt services ..	6,94	9,37	9,37	12,55	12,13	16,93	20,21	18,28	22,57	25,06		
Civil administration ..	16,93	23,17	26,41	26,91	29,36	40,73	37,46	34,35	41,87	37,99		
Miscellaneous ..	29,77	7,56	5,82	4,50	6,08	6,47	6,90	7,14	7,56	7,32		
Currency and mint ..	45	34	37	74	68	81	57	63	76	95		
Civil works ..	1,62	2,03	1,61	1,38	2,52	1,69	4,48	1,85	3,13	2,52		
Defence services ..	64,99	63,51	91,77	80,09	85,42	99,66	95,99	100,53	99,34	101,09		
Contribution and miscellaneous ad- justments between Central and Provincial Governments	3,60	5,71	4,89	2,30	3,68	3,95	4,23	2,69	2,49	2,27		
Others ..	11	2,85	12	1,78	9,12	21,09	9	6,37	8,23	14,15		
<b>Total expenditure met from Revenue</b>	<b>126,62</b>	<b>117,26</b>	<b>143,34</b>	<b>133,07</b>	<b>152,18</b>	<b>195,65</b>	<b>173,38</b>	<b>177,57</b>	<b>189,90</b>	<b>195,88</b>		
<b>Surplus ..</b>	<b>70</b>	<b>1</b>	<b>24</b>	<b>7</b>	<b>32</b>	<b>22</b>	<b>15,39</b>	<b>31,90</b>	<b>33,00</b>	<b>16,87</b>		

Source : Ministry of Finance.

\*Accounts for the year 1958-59 covers 15-month period from April 1958 to June 1959.



TABLE No. 67

**DISTRIBUTION OF CENTRAL GOVERNMENT REVENUE AND  
EXPENDITURE UNDER MAJOR HEADS**

(Actuals—1960-61)

<i>Item</i>	<i>Per cent of total ordinary revenue</i>
<i>Revenue</i>	
Customs .. .. .	27·93
Central excise .. .. .	16·39
Income tax and corporation tax .. .. .	15·49
Sales tax .. .. .	11·63
Salt .. .. .	0·29
Other heads .. .. .	3·32
<b>Total Principal Heads</b> ..	<b>75·05</b>
Railways (net) .. .. .	2·40
Posts and telegraphs (net) .. .. .	1·26
Debt services .. .. .	3·24
Civil administration .. .. .	2·06
Currency and mint .. .. .	2·61
Miscellaneous .. .. .	2·35
Defence services .. .. .	4·85
Extraordinary items .. .. .	5·74
Other heads .. .. .	0·44
<b>Total Revenue</b> ..	<b>100·00</b>
<i>Expenditure</i>	
Direct demands on revenue .. .. .	3·23
Debt services .. .. .	10·29
Civil administration .. .. .	19·34
Currency and mint .. .. .	0·35
Civil works .. .. .	1·04
Miscellaneous .. .. .	4·02
Defence services .. .. .	56·62
Contribution and miscellaneous adjustments between Central and Provincial Governments .. .. .	1·52
Other heads .. .. .	3·59
<b>Total Expenditure</b> ..	<b>100·00</b>
	<i>Per cent of total revenue expenditur</i>

Source : Ministry of Finance

TABLE No. 68  
REVENUE AND EXPENDITURE OF EAST PAKISTAN GOVERNMENT  
(1950-51 to 1962-63)

Item	ACTUALS										Revised 1961-62	Budget 1962-63	
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	(In lakh rupees)				
A. Revenue													
Customs	4,25	3,97	4,35	4,51	4,33	5,17	4,75	3,30	6,62	4,91			
Central excise	—	—	1,46	1,75	1,87	2,62	1,80	2,77	3,06	4,38			
Taxes on income other than corporation tax	78	2,50	2,97	2,98	3,53	5,76	3,69	3,91	4,12	12,87			
Sales tax	1,65	2,03	2,02	2,52	2,59	3,02	3,37	5,21	6,17	13,90			
Land revenue	2,24	5,02	5,08	5,15	6,75	13,05	9,35	10,83	11,26	12,50			
Stamps	2,08	2,15	2,51	2,75	2,77	4,02	4,35	4,60	4,25	4,25			
Rehabilitation taxes	—	—	—	2	4	20	19	32	21	37			
Other heads	4,60	4,18	4,84	3,71	4,34	6,54	5,53	5,81	5,88	6,14			
Total Principal Heads	15,55	19,85	23,24	23,39	26,22	40,98	33,03	36,75	41,57	59,32			

Irrigation etc., works for which Capital Accounts are kept	—6	—23	—4	4	1	6	—4	—	—
Irrigation etc., works for which Capital Accounts are not kept	1	2	2	2	4	3	3	—	—
Debt services .. .. .	17	20	22	15	19	59	41	62	3,40
Civil administration .. .. .	1,18	2,47	2,57	2,01	2,41	5,37	2,98	2,61	1,84
Receipts from electricity schemes .. .. .	—	22	42	44	36	1,42	85	1,05	68
Civil works .. .. .	36	61	1,04	41	30	77	62	3,30	5,38
Miscellaneous .. .. .	99	1,07	1,37	3,46	1,15	1,94	59	44	11,62
Grants-in-aid from Central Govern- ment	—	6	—	46	75	1,11	1,32	44	18,10
Extraordinary items .. .. .	—	15	—	—	—	—	—	—	1
Total Revenue .. .. .	18,20	24,42	28,83	30,38	31,41	52,27	39,79	44,77	64,50

**B. Expenditure**

Direct demands on revenue .. .. .	1,28	2,54	3,01	4,47	4,44	6,29	5,70	6,00	7,27	9,49
Revenue account of irrigation etc., works	19	17	17	18	22	57	—	—	—	—
Capital account of irrigation, etc., works	6	25	33	48	76	1,24	21	—	—	—
Debt services .. .. .	10	3,00	2,98	2,20	—11	10,81	2,36	46	74	11,06
General administration .. .. .	2,18	2,21	2,36	2,35	2,47	3,09	2,51	2,79	2,77	3,14
Police .. .. .	3,81	4,70	5,05	5,25	6,14	7,45	5,85	5,30	5,85	6,03

TABLE No. 68—*concl'd.*

Item	ACTUALS										Revised 1961-62	Budget 1962-63
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61				
Education ..	2,09	2,31	2,65	2,25	3,99	3,44	2,52	6,25	6,69	7,35		
Medical and public health ..	83	89	96	1,19	1,19	1,96	2,00	2,81	3,05	3,41		
Agriculture ..	90	95	90	82	1,01	1,08	96	1,05	1,11	1,20		
Industries ..	17	18	20	23	24	34	29	30	28	29		
Other departments ..	2,09	2,10	2,07	2,14	2,66	3,62	2,91	3,08	3,18	3,34		
Civil works ..	21	3,12	1,60	-2	-2,46	1,28	1,44	2,99	2,33	1,62		
Miscellaneous ..	2,65	2,56	2,62	8,51	2,39	4,06	3,72	5,06	3,62	3,65		
Extraordinary charges ..	61	5	5	5	5	5	—	10,98	19,65	24,10		
Development expenditure ..	1,86	3,44	3,56	3,75	4,64	6,83	7,41					
Expenditure met from revenue ..	19,03	28,47	28,51	33,85	27,63	52,10	37,89	47,09	56,54	74,68		
Surplus/Deficit (—) ..	-83	-4,05	32	-3,47	3,78	18	1,90	-2,32	7,96	13,93		

Source : East Pakistan Government.

TABLE No. 69

**DISTRIBUTION OF REVENUE AND EXPENDITURE OF EAST  
PAKISTAN GOVERNMENT UNDER MAJOR HEADS**

(Actuals-- 1960-61)

<i>Item</i>	<i>Per cent of total ordinary revenue</i>
<i>Revenue</i>	
Customs .. .. .	7.37
Central excise .. .. .	6.19
Taxes on income other than corporation tax .. .. .	8.73
Sales tax .. .. .	11.64
Land revenue .. .. .	24.19
Stamps .. .. .	10.27
Rehabilitation taxes .. .. .	00.72
Other heads .. .. .	12.98
Total Principal Heads ..	82.09
Irrigation etc., works for which Capital Accounts are kept .. .. .	—
Irrigation etc. works for which Capital Accounts are not kept .. .. .	—
Debt services .. .. .	1.38
Civil administration .. .. .	5.83
Civil works .. .. .	2.35
Receipts from electricity schemes .. .. .	—
Miscellaneous .. .. .	7.37
Grants-in-aid from Central Government .. .. .	0.98
Extraordinary items .. .. .	—
Total Revenue ..	100.00
	<i>Per cent of total revenue expenditure</i>
<i>Expenditure</i>	
Direct demands on revenue .. .. .	12.74
Revenue account of irrigation etc. works .. .. .	—
Capital account of irrigation etc. works .. .. .	—
Debt services .. .. .	0.98
General administration .. .. .	5.93
Police .. .. .	11.26
Education .. .. .	13.27
Medical and public health .. .. .	5.97
Agriculture .. .. .	2.23
Industries .. .. .	0.64
Other departments .. .. .	6.56
Civil works .. .. .	6.35
Miscellaneous .. .. .	10.75
Extraordinary charges .. .. .	23.32
Development expenditure .. .. .	—
Total Expenditure ..	100.00

TABLE No. 70  
**REVENUE AND EXPENDITURE OF WEST PAKISTAN GOVERNMENT**  
 (1950-51 to 1962-63)

(In lakh rupees)

Item	ACTUALS										Revised 1961-62	Budget 1962-63	
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61					
<b>A. Revenue</b>													
Customs .. .. .	6	—	—	—	—	—	—	—	—	—	—	—	4,18
Central excise duties .. .. .	—	1,45	1,62	2,03	2,13	3,12	2,31	3,10	3,54	3,72	3,54	3,72	3,72
Taxes on income other than corporation tax	1	2,04	2,71	2,66	2,83	3,64	3,03	3,46	4,09	8,10	4,09	8,10	8,10
Sales tax .. .. .	5,92	6,07	7,23	10,10	9,98	12,75	11,11	16,85	17,40	16,70	17,40	16,70	16,70
Land revenue .. .. .	3,28	4,40	7,55	11,75	11,95	17,85	15,67	13,36	6,83	7,86	6,83	7,86	7,86
Stamps .. .. .	64	1,03	1,39	1,54	1,55	2,17	2,07	2,60	3,15	3,28	3,15	3,28	3,28
Other heads .. .. .	4,79	5,56	5,77	6,33	7,62	12,74	10,19	10,86	13,63	16,97	13,63	16,97	16,97
<b>Total Principal Heads .. .. .</b>	<b>14,70</b>	<b>20,55</b>	<b>26,27</b>	<b>34,41</b>	<b>36,06</b>	<b>52,27</b>	<b>44,38</b>	<b>50,23</b>	<b>48,64</b>	<b>60,81</b>	<b>48,64</b>	<b>60,81</b>	<b>60,81</b>
Irrigation, navigation etc. works for which Capital Accounts are kept	7,73	7,10	5,70	4,79	4,65	5,01	6,61	10,73	16,04	16,23	16,04	16,23	16,23
Irrigation etc. works for which Capital Accounts are not kept	8	10	8	5	8	6	8	7	7	7	7	7	7
Debt services .. .. .	56	1,23	83	64	1,03	1,40	2,68	1,95	4,78	13,42	4,78	13,42	13,42

Civil administration .. .. .	64	80	91	1,02	1,62	2,59	2,21	1,55	1,41	1,40
Civil works .. .. .	91	1,39	1,01	1,05	1,29	2,17	2,42	1,65	1,18	86
Beneficial departments .. .. .	1,90	2,75	3,37	3,37	5,29	8,88	7,13	4,62	6,63	4,82
Receipts from electricity schemes .. .. .	36	1,67	2,20	2,66	2,21	1,82	—	—	—	—
Miscellaneous .. .. .	4,26	6,33	3,40	2,11	3,18	3,72	3,34	3,87	2,63	2,40
Grants-in-aid from Central Government .. .. .	1,01	1,33	2,14	6,72	3,51	4,90	3,11	2,37	6,31	10,19
Extraordinary items .. .. .	3,83	4,27	5,15	4,49	2,15	5,27	5,43	5,28	5,64	5,73
Total Revenue .. .. .	35,98	47,52	51,06	61,31	61,07	88,09	77,39	82,83	93,33	115,93

<b>B. Expenditure</b>										
Direct demands on revenue .. .. .	4,81	5,37	3,05	3,86	3,84	5,62	4,70	4,57	5,29	5,66
Irrigation .. .. .	66	93	2,03	2,80	3,17	4,10	1,12	1,65	1,25	1,12
Debt services .. .. .	2,08	4,45	5,58	7,02	6,87	8,42	9,85	2,93	2,51	16,60
General administration .. .. .	2,16	2,86	3,11	3,43	3,42	4,36	3,46	4,10	4,75	5,35
Police .. .. .	5,41	6,01	6,57	7,09	7,16	9,36	7,20	8,53	9,61	10,31
Frontier regions .. .. .	—	—	43	80	2,58	4,56	3,70	1,03	1,23	1,27
Other heads .. .. .	1,66	2,05	2,17	2,35	2,48	3,56	2,76	3,07	3,34	3,38
Education .. .. .	4,29	7,48	8,46	10,06	10,28	13,66	11,58	12,19	16,67	20,18
Health services .. .. .	1,16	1,47	2,13	3,05	3,36	4,75	4,15	4,34	5,93	6,93
Agriculture .. .. .	83	96	1,29	1,44	3,14	9,99	7,94	4,71	2,95	3,12
Veterinary .. .. .	26	34	93	64	54	86	78	1,05	1,22	1,14
Industries .. .. .	46	78	82	1,10	96	1,22	99	91	87	91
Development expenditure .. .. .	—	—	—	—	—	—	—	8,22	13,32	20,49
Civil works .. .. .	3,63	5,17	5,59	4,79	6,74	9,38	4,09	4,48	4,45	4,63
Other heads .. .. .	86	1,00	81	68	58	72	65	93	62	93
Miscellaneous .. .. .	4,63	3,74	4,34	5,69	6,34	7,25	6,45	5,95	6,95	6,67
Extraordinary items .. .. .	7	92	42	1	1	2	1	—	—	—
Expenditure met from revenue .. .. .	32,97	43,53	47,73	54,81	61,47	87,83	69,44	68,66	80,96	108,69
Surplus or Deficit (—) .. .. .	3,01	3,99	3,33	6,50	—40	26	7,95	13,66	12,37	7,24

Source : West Pakistan Government.

TABLE No. 71

**DISTRIBUTION OF REVENUE AND EXPENDITURE OF WEST  
PAKISTAN GOVERNMENT UNDER MAJOR HEADS**

(Actuals—1960-61)

<i>Item</i>	<i>Per cent of total ordinary revenue</i>
<i>Revenue</i>	
Central excise .. .. .	3.77
Taxes on income other than corporation tax .. .. .	4.20
Sales tax .. .. .	20.47
Land revenue .. .. .	16.23
Stamps .. .. .	3.16
Other heads .. .. .	13.20
Total Principal Heads .. .. .	61.03
Irrigation, navigation etc., works for which Capital Accounts are kept .. .. .	13.03
Irrigation etc : works for which Capital Accounts are not kept .. .. .	0.09
Debt services .. .. .	2.37
Civil administration .. .. .	1.88
Civil works .. .. .	2.00
Beneficent Departments .. .. .	5.61
Receipts from electricity schemes .. .. .	—
Miscellaneous .. .. .	4.70
Grants-in-aid from Central Government .. .. .	2.88
Extraordinary items .. .. .	6.41
Total Revenue .. .. .	100.00
<i>Per cent of total revenue expenditure</i>	
<i>Expenditure</i>	
Direct demands on revenue .. .. .	6.66
Irrigation .. .. .	2.40
Debt services .. .. .	4.27
Civil administration .. .. .	24.37
Education .. .. .	17.75
Health services .. .. .	6.32
Agriculture .. .. .	6.86
Veterinary .. .. .	1.53
Industries .. .. .	1.33
Development expenditure .. .. .	11.97
Civil works .. .. .	6.52
Other heads .. .. .	1.35
Electricity schemes .. .. .	—
Miscellaneous .. .. .	8.67
Extraordinary items .. .. .	—
Total Expenditure .. .. .	100.00



TABLE No. 72

## CHANGES IN EXPORT DUTIES OF PRINCIPAL COMMODITIES

(Amount in rupees)

Period	Jute (per bale)	Jute cutting (per bale)	Kutchu bale (per maund)
<b>1. JUTE</b>			
Before 14-11-1947 .. .. .	15·00	4·50	—
14-11-1947 to 31-3-1948 .. .. .	15·00	4·50	3·00
1-4-1948 to 30-10-1951 .. .. .	20·00	6·00	4·00
1-11-1951 to 30-6-1952 .. .. .	35·00	10·00	7·00
1-7-1952 to 24-3-1953 .. .. .	15·00	5·00	3·75
			<i>plus Rs. 2·50 as licence fee for export to India.</i>
25-3-1953 to 22-8-1955 .. .. .	20·00	5·00	3·00
23-8-1955 to 22-8-1956 .. .. .	20·00	5·00	4·00
23-8-1956 to date .. .. .	20·00	10·00	4·00
<b>2. COTTON</b>			
		<i>Desi</i>	<i>Other varieties (per bale)</i>
Before 23-1-1948 .. .. .	..	20·00	20·00
23-1-1948 to 22-2-1948 .. .. .	..	40·00	40·00
23-2-1948 to 5-10-1949 .. .. .	..	60·00	60·00
6-10-1949 to 22-10-1950 .. .. .	..	40·00	60·00
23-10-1950 to 23-11-1950 .. .. .	..	180·00	180·00
24-11-1950 to 10-9-1951 .. .. .	..	300·00	300·00
11-9-1951 to 10-9-1952 .. .. .	..	100·00	180·00
11-9-1952 to 9-9-1953 .. .. .	..	—	90·00
10-9-1953 to 22-8-1955 .. .. .	..	60·00	90·00
23-8-1955 to 22-8-1956 .. .. .	..	60·00	135·00
23-8-1956 to 1958 .. .. .	..	80·00	115·00
1958-59 .. .. .	..	50·00	115·00
1959-60 .. .. .	..	40·00	75·00
1960-61 .. .. .	..	40·00	75·00
		(Comilla only from 26-8-0 to Rs. 20).	
13-8-61 to 22-11-62 .. .. .	..	On Comilla abolished. On other desi varieties reduced from Rs. 40 to Rs. 25	75·00
23-11-1962 to date .. .. .	..	„	25·00

TABLE No. 72—*contd.*

3. WOOL				
Before 6-12-1950	..	..	..	.. Nil.
6-12-1950 to 28-4-1952	..	..	..	.. 25% <i>ad valorem</i> .
29-4-1952 to date	..	..	..	.. Exempted.
4. HIDES				
14-8-1947 to 15-4-1951	..	..	..	.. 10% <i>ad valorem</i> on tariff value.
16-4-1951 to 31-3-1955	..	..	..	.. 10% <i>ad valorem</i> on real value.
1-4-1955 to date	..	..	..	.. Exempted.
5. SKINS				
14-8-1957 to 15-4-1951	..	..	..	.. 50% <i>ad valorem</i> on tariff value.
16-4-1951 to 29-9-1953	..	..	..	.. 5% <i>ad valorem</i> on real value.
30-9-1953 to 31-3-1955	..	..	..	.. 5% <i>ad valorem</i> on tariff value.
1-4-1955 to date	..	..	..	.. Exempted.
6. TEA				
Before 16-3-1952	..	..	..	.. 0-4-0 per lb.
16-3-1952 to 11-9-1952	..	..	..	.. 0-3-0 per lb.
12-9-1952 to 31-3-1955	..	..	..	.. Suspended.
1-4-1955 to 20-10-1955	..	..	..	.. 0-3-0 per lb.
21-10-1955 to 31-12-1960	..	..	..	.. 0-6-0 per lb.
1-1-1961 to 14-9-1961	..	..	..	.. 38 paisa per lb.
15-9-1961 to 12-6-1962	..	..	..	.. 25 paisa per lb.
13-6-1962 to date	..	..	..	.. 15 paisa per lb.

Source : Central Board of Revenue.

TABLE No. 73

**CHANGES IN PRINCIPAL CENTRAL DUTIES**  
(1961-62 and 1962-63)

<i>Description of article</i>	1961-62	1962-63
1	2	3
<b>1. IMPORT DUTY</b>		
Frozen poultry .. .. .	20%	Free
Milk and cream falling under Sub-head "B (ii)".	30%	20%
<i>Ghee</i> .. .. .	25%	Free
Cheese .. .. .	25%	30%
Dried eggs .. .. .	30%	Free
Dried figs .. .. .	32%	35%
Sultanas .. .. .	30%	35%
Tallow.. .. .	Free	7½%
Food for infants and invalids ..	80%	30%
Blended flavouring concentrates for the preparation of non-alcoholic beverages	30%	40%
Chalk (natural) .. .. .	30%	25%
Tar distilled from coal .. .. .	20%	12½%
Mineral oils not otherwise specified	27%	30%
Mineral grease .. .. .	27%	20%
Bitumen and asphalt .. .. .	25%	Rs. 55 per ton or 27%, whichever is less.
Various chemicals (inorganic) ..	30%	25%
Potassium chlorate and potassium perchlorate	24%	25%
Precipitated chalk (whiting) and activated calcium carbonate	20%	25%
Naphthalene in powder form ..	25%	12½%
Various chemicals (organic) ..	30%	25%
Dyes derived from coal tar and coal tar derivatives, used in any dyeing process	12%	15%
Colour flakes .. .. .	30%	25%
Prepared pigments, etc. .. .. .	30%	20%
Lithophone and ultramarine blue ..	30%	35%

TABLE No. 73—*contd.*

1	2	3
Electroplating polishes (Lustre, Peerless polish and rouge bar)	80%	40%
X-Ray films .. .. .	20%	12½%
Miscellaneous chemical products ..	30%	25%
Lubricating oil additives .. ..	30%	19 paise per gallon
Plastic rods, tubes, sheets, etc. (other than thermoplastic and thermosetting moulding powders)	30%	25%
Thermoplastic and thermosetting moulding powders	20%	15%
Building board of wood pulp or vegetable fibre	25%	50%
Tourist propaganda material imported by the Government of Pakistan	80%	Free
Yarn spun from silk waste .. ..	24% <i>plus</i> Rs.1-4/5 per lb.	40%
Art silk yarn .. .. .	150%	200%
Woven fabrics of metal thread or of metalized yarn	250%	225%
Raw wool .. .. .	Free	5%
Wool tops .. .. .	Free	7½%
Book-binding cloth .. .. .	25%	30%
Hats, caps, bonnets, etc. .. ..	20%	70%
Articles of asbestos cement, etc. ..	45%	40%
Fabricated articles of asbestos, etc.	45%	40%
Heat insulating bricks, etc. .. ..	15%	12½%
Other refractory goods .. .. .	15%	12½%
Chopped strand glass fibre mat ..	80%	50%
Imitation jewellery .. .. .	30%	100%
Bead wires for cycle tyres .. ..	40%	20%
Copper unwrought .. .. .	Free	5%
Copper wire .. .. .	25%	20%
Copper bars, rods, etc. .. .. .	15%	10%
Stranded wire, cables, ropes, etc. of copper wire	25%	20%
Builders sanitary wire of copper ..	60%	50%

TABLE No. 73—contd.

1	2	3
Aluminium wire .. -	30%	25%
Bars, rods, etc., of aluminium -	25%	20%
Plates, sheets and strips of aluminium	25%	20%
Aluminium powder and flakes ..	30%	25%
Tubes, pipes and pipe fittings of aluminium	25%	20%
Pig lead .. ..	Free	5%
Zinc spelter and unwrought zinc ..	Free	5%
Refrigerating equipments ..	10% (former G.A.T.T. bound rate)	12½% for West Pakistan and 7½% for East Pakistan.  (Reverting to normal rate for machinery)
Mining and drilling machinery ..		
Sugar manufacturing machinery ..		
Wool spinning machinery ..		
Wool washing machinery ..		
Boot and shoe manufacturing machinery		
Metal working machinery ..		
Oil refining machinery ..		
Cinema projecting apparatus ..		
Passenger lifts and parts thereof ..	25%	30%
Milking machines .. ..	Free	12½% (7½% for East Pakistan)
Office machines, all sorts, including typewriters and parts thereof	20%	25%
Electric generators, generating sets and parts thereof	8%	12½% (7½% for East Pakistan)
Primary cells and batteries ..	50%	40%
Zinc cups for cells and batteries ..	50%	30%
Portable electric battery and magneto lamps	45%	40%
Microphones and loud speakers ..	60%	50%
Discharge lamps including fluorescent tubes	40%	30%
Insulated wires and cables of sectional area less than 1/80th sq. inch	45%	40%
Frames and mountings of non-precious metal for spectacles	40%	30%
Survey instruments, etc. .. ..	20%	12½%
Balances and weights .. ..	25%	20%
Medical, dental and surgical instruments, etc.	25%	20%

TABLE No. 73—*contd.*

1	2	3
Mechano therapy appliances other than gas masks	25%	20%
X-Ray apparatus, etc. . . . .	20%	12½%
Instruments and apparatus for physical or chemical analysis	20%	12½%
Meters other than milometer and other meters used in vehicles	20%	12½%
Electrical measuring and checking instruments etc.	20%	12½%
One day alarm clocks . . . . .	50%	100%
Magnetic film used in the film industry	30%	Rs. 1.60 per 100 linear feet.
<b>Beer</b>		
(i) In barrels containing 27 ozs. or more	Rs. 2.25 per gallon plus 1/3rd of duty as Refugee tax.	Rs. 3 per gallon (Refugee tax merged).
(ii) In bottles containing from 20 to 27 ozs.	37 paise per bottle plus 1/3rd of duty as Refugee tax.	50 paise per bottle (Refugee tax merged).
(iii) In bottles containing from 10 to 13½ ozs.	19 paise per bottle plus ¼rd of duty as Refugee tax.	25 paise per bottle (Refugee tax merged).
(iv) In bottles containing from 5 to 6½ ozs.	9 paise per bottle plus 1/3rd of duty as Refugee tax.	12 paise per bottle (Refugee tax merged).
(v) In other containers . . . . .	Rs. 3 per gallon plus 1 Refugee tax.	Rs. 4 per gallon (Refugee tax merged).
Alcoholic beverages such as Brandy, Gin and Whisky	Rs. 150 per proof gallon plus Rs. 3 per gallon Refugee tax.	Rs. 153 per proof gallon. (Refugee tax merged)
Cigarettes . . . . .	250% plus Rs. 1.56 per thousand.	300% (Refugee tax merged).
Motor spirit . . . . .	Rs. 1.53 per gallon plus 3 paise per gallon Refugee tax.	Rs. 1.55 per gallon (Refugee tax merged).
<b>2. EXPORT DUTY</b>		
Tea . . . . .	25 paise per lb.	15 paise per lb.
<b>3. EXCISE DUTY</b>		
Motor spirit . . . . .	Rs. 1.53 per I.G. plus 2 paise as R.T.	Rs. 1.55 (Surcharge of two paise per I.G. merged with excise duty.)
High speed diesel oil . . . . .	19 Paise per I.G.	As in 1961-62.

TABLE No. 73—contd.

1	2	3	
Light diesel oil .. ..	6 paise per I.G.	No change.	
Furnace oil .. ..	3 paise per I.G.	" "	
Asphalt .. ..	Rs. 55 per ton	" "	
Cycle tyres and tubes .. ..	75 paise per tyre 25 paise per tube.	" "	
<b>Cotton cloth</b>			
(a) Fine (other than dhoties and sarees)	} See Footnote (1) at the end of the table.		
(b) Fine (dhoties and sarees) .. ..			
(c) Medium .. ..			
(d) Coarse .. ..			
(e) Tapestry .. ..			
Fabrics of man-made fibre .. ..	62 paise per sq. yard. See also footnote (4) at the end of table.	31 paise per sq. yard.	
<b>Woollen cloth</b>			
(a) Value does not exceed 18'00 per linear yd.	Rs. 0'50	.. No change.	
(b) Value exceeds Rs. 18 but does not exceed Rs. 24 per sq. yard.	Rs. 1 per sq. yd.	.. No change.	
(c) Value exceeds Rs. 24 per linear yard.	12 paise per sq. yard	.. No change.	
Jute manufactures .. ..	Rs. 70 per ton	.. No change.	
Paints and varnishes .. ..	See foot note (2) at the end of table.		
Cement .. ..	Rs. 15 per ton	.. No change.	
<b>Electric fans and parts</b>			
(1) Not exceeding 16 inches .. ..	Rs. 5 per fan	} Exempted from 30-6-61.	
(2) All other fans .. ..	Rs. 10 per fan		
<b>Parts</b>			
(a) Motor for (1) above .. ..	Rs. 3 per Motor,		
(b) Starters and rotors for above. .. ..	Rs. 1'50 per Rotor or Starters.		
(c) Motors for (2) above .. ..	Rs. 6 per Motor		

TABLE No. 73—contd.

1	2	3
(d) Startors and rotors for above ..	Rs. 3 per Rotor or Startor.	
<b>Cigarettes of which the value :</b>		
(i) exceeds Rs. 50 a thousand ..	} See footnote (3) at the end of the table.	Beginning from 1962-63 surcharge of 20 per cent merged with excise duty prevailing in 1961-62 and the consolidated rates in all the slabs increased by about 10 per cent.
(i) exceeds Rs. 40 but does not exceed Rs. 50 a thousand.		
(iii) exceeds Rs 30 but does not exceed Rs. 40 a thousand.		
(iv) exceeds Rs. 25 but does not exceed Rs. 30 a thousand.		
(v) exceeds Rs. 20 but does not exceed Rs. 25 a thousand.		
Tea .. .. .	62 paise per lb.	.. No change.
Vegetable product .. .. .	Rs. 7 per cwt.	.. No change.
<b>Soap*</b>		
(1) Soap, household and laundry	Rs. 6 per cwt.	} No change.
Soap, toilet .. .. .	Rs. 14 per cwt.	
Soap, other than household and laundry or toilet.	Rs. 14 per cwt.	
(2) Soap or in relation to the manufacture of which no process is carried on with the aid of power or steam.	Rs. 6 per cwt.	No change.
Mild steel bars .. .. .	Rs. 50 per ton	.. No change.
Betelnuts .. .. .	12 paise per lb.	.. } Exempted by a notification.
<i>Khandsari</i> sugar .. .. .	Rs. 2 per cwt.	.. } 75 paise per lb.
Biri tobacco .. .. .	37 paise per lb under partial exemption.	..

**Note.**

All excisable goods produced or manufactured in the Special Areas of the North-West Frontier Regions of West Pakistan and the district of Chittagoong Hill Tracts in East Pakistan (excluding the area falling within the jurisdiction of the Chandragona Police Station) have been exempted from duty for a period of four years.

\*Soap means all varieties of the product known commercially as Soap—

Soap, or in relation to the manufacture of which any process is ordinarily carried on with the aid of power, or of steam or of artificial heat for heating.

(1) 'Cotton cloth' means cloth of any description manufactured either wholly or partly from cotton, but does not include any such cloth—

(a) if it contains 10 per cent or more by weight of wool; or

(b) if it contains 10 per cent or more by weight of rayon or art silk.

(i) "coarse cotton cloth" that is to say all cloth, other than cloth mentioned in sub-item (ii), in which the average count of yarn is less than 17s. 6 paise per square yard.

(ii) "medium cotton cloth" that is to say all cloth, other than cloth mentioned in sub-item (iv), in which the average count of yarn is 17s. or more but is less than 35s. 19 paise per square yard.

(iii) "fine cotton cloth" that is to say all cloth other than cloth mentioned in sub-item (ii), in which the average count of yarn is 35s. or more. 31 paise per square yard.



TABLE No 73—concl.

(iv) Tapestry, curtain cloth, bed covers and table covers, regardless 31 paise per square yard of the count of yarn of which they are made.

## (2) Paints and Varnishes

## (a) Water paints—

(i) Dry distemper .. .. .	Rs. 8 per cwt.
(ii) Oil bound distemper .. .. .	Rs. 10 per cwt.
(iii) Cement-based water paints ... .. .	Rs. 15 per cwt.
(iv) Plastic emulsion paints .. .. .	Rs. 3·50 per Imperial gallon.

## (b) Oil paints and enamels—

(i) Stiff-paints and ready-mixed paints sold by weight .. .. .	Rs. 8 per cwt.
(ii) Ready-mixed paints and enamels, sold by volume .. .. .	Rs. 2·50 per Imperial gallon.
(iii) Paints and enamels, not otherwise specified—	
(a) If sold by weight .. .. .	Rs. 8 per cwt.
(b) If sold by volume .. .. .	Rs. 2·50 per Imperial gallon.

## (c) Cellulose lacquers—

(i) Nitrocellulose lacquers, clear and pigmented .. .. .	Rs. 6 per Imperial gallon.
(ii) Nitrocellulose ancillaries .. .. .	Rs. 4 per Imperial gallon.

## (d) Varnishes, blacks and wood stains—

(i) Varnishes of all descriptions and wood stains .. .. .	Rs. 1·25 per Imperial gallon.
(ii) Bituminous and coaltar black .. .. .	Rs. 1/- per Imperial gallon.

## (3) Cigarettes of which the value—

	From 1·7·62 Per thousand
(i) exceeds Rs. 50 a thousand .. .. .	Rs. 36·50
(ii) exceeds Rs. 40 a thousand but does not exceed Rs. 50 a thousand .. .. .	Rs. 27·75
(iii) exceeds Rs. 34 a thousand but does not exceed Rs. 40 a thousand .. .. .	Rs. 22·50
(iv) exceeds Rs. 25 a thousand but does not exceed Rs. 34 a thousand .. .. .	Rs. 14·50
(v) exceeds Rs. 17·50 a thousand but does not exceed Rs. 25 a thousand .. .. .	Rs. 8·15
(vi) exceeds Rs. 14 a thousand but does not exceed Rs. 17·50 a thousand .. .. .	Rs. 6·10
(vii) exceeds Rs. 11 a thousand but does not exceed Rs. 14 a thousand .. .. .	Rs. 4·05
(viii) exceeds Rs. 9 a thousand but does not exceed Rs. 11 a thousand .. .. .	Rs. 2·45
(ix) exceeds Rs. 6·50 a thousand but does not exceed Rs. 9 a thousand .. .. .	Rs. 2·05
(x) does not exceed Rs. 6·50 a thousand .. .. .	40 paise.

Two slabs of values for the assessment of duty on cigarettes have been changed as follows :

(i) the slab "exceeds Rs. 30 a thousand but does not exceed Rs. 40 a thousand" has been changed to "exceed Rs. 34 a thousand, but does not exceed Rs. 40 a thousand", and

(ii) the slab "exceeds Rs. 25 a thousand but does not exceed Rs. 30 a thousand" has been changed to "exceed Rs. 25 a thousand but does not exceed Rs. 34 a thousand".

(4) The exemption in respect of art silk fabrics produced by power loom factories not equipped with more than four power looms has also been withdrawn.

(5) The exemption in respect of soap manufactured without the aid of power or steam during a year has been reduced from the first one hundred tons to the first fifty tons.

Source : Central Board of Revenue.

TABLE No. 74

**RATES OF INCOME TAX**  
(1962-63)

A. In the case of every individual, Hindu undivided family, unregistered firm and an association of persons not being a case to which paragraph B of this Part applies :

- |  |   |
|--|---|
| 1. Where the taxable income does not exceed Rs. 25.                            |   |
| Rs. 1,000.   |   |
| 2. Where the taxable income exceeds Rs. 1,000 but does not exceed Rs. 2,000.   | Rs. 25 plus 2 per cent of the amount exceeding Rs. 1,000.       |
| 3. Where the taxable income exceeds Rs. 2,000 but does not exceed Rs. 4,000.   | Rs. 45 plus 10 per cent of the amount exceeding Rs. 2,000.      |
| 4. Where the taxable income exceeds Rs. 4,000 but does not exceed Rs. 6,500.   | Rs. 245 plus 15 per cent of the amount exceeding Rs. 4,000.     |
| 5. Where the taxable income exceeds Rs. 6,500 but does not exceed Rs. 10,000.  | Rs. 620 plus 20 per cent of the amount exceeding Rs. 6,500.     |
| 6. Where the taxable income exceeds Rs. 10,000 but does not exceed Rs. 20,000. | Rs. 1,320 plus 25 per cent of the amount exceeding Rs. 10,000.  |
| 7. Where the taxable income exceeds Rs. 20,000 but does not exceed Rs. 30,000. | Rs. 3,820 plus 35 per cent of the amount exceeding Rs. 20,000.  |
| 8. Where the taxable income exceeds Rs. 30,000 but does not exceed Rs. 40,000. | Rs. 7,320 plus 50 per cent of the amount exceeding Rs. 30,000.  |
| 9. Where the taxable income exceeds Rs. 40,000 but does not exceed Rs. 60,000. | Rs. 12,320 plus 65 per cent of the amount exceeding Rs. 40,000. |
| 10. Where the taxable income exceeds Rs. 60,000                                | Rs. 25,320 plus 75 per cent of the amount exceeding Rs. 60,000. |

Provided that :

- (i) no income tax shall be payable on a total income, which before the deduction of an allowance of Rs. 2,000 (hereafter referred to as Personal Allowance) and the sums, if any, exempt under the first proviso to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15E, section 15F and section 58F of the Income Tax Act, 1922 (XI of 1922) does not exceed Rs. 6,000 ; and
- (ii) the income tax payable shall in no case exceed (a) the amount by which the total income exceeds Rs. 6,000 or (b) the amount representing seventy-five per cent of the total income, whichever amount is less, and, where such income includes any income from a share of the income, profits and gains of a firm to which paragraph C of Part II applies, such portion of the super tax payable under the said paragraph as bears to the total amount of such super tax the same proportion as his share of income, profits and gains of the firm bears to the total income of the firm shall be added to the income tax payable by such partner under this paragraph and, if the sum so arrived at exceeds seventy-five per cent of the total income of such partner (including his share of income, profits and gains of the firm) the amount of income tax payable by him under this paragraph shall be reduced by the amount of such excess.

*Explanation.* The expression 'taxable income', as used in this paragraph, means :

- (a) in the case of an assessee to which sub-section (3) of section 7 applies, the total income ;
- (b) in any other case, the total income of an assessee as diminished by (i) the personal allowance of two thousand rupees, and (ii) the allowance admissible under the first proviso to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15E, section 15F and section 58F of the Income Tax Act, 1922 (XI of 1922).

TABLE No. 74—*contd.*

B. In the case of every company and local authority and in every case in which, under the provisions of the Income Tax Act, 1922 (XI of 1922), income tax is to be charged at the maximum rate :

	<i>Rate</i>
(1) On the part of the total income consisting of—	
(a) the amount, if any, to which sub-paragraph (2) of paragraph A of Part II applies ;	<i>Nil</i>
(b) the amount representing the face value of any bonus shares and the amount of any bonus distributed to share holders out of the profits of any previous year for the assessment for any year ending on or before the 30th day of June, 1962.	<i>Nil</i>
(2) On the balance of the total income	.. 30 per cent of such income;

Provided that where a company distributes dividends out of its income, profits and gains respect of which it has obtained a rebate of one anna in the rupee under the proviso to paragraph B of Part I of the Fourth Schedule to the Finance Act, 1958 (XXII of 1958), the Third Schedule to the Finance Act, 1957 (1 of 1957), the Third Schedule to the Finance Act, 1956 (1 of 1956) and the Third Schedule to the Finance (1955-56) Act, 1956 (XXX of 1956), an additional income tax at the rate of 6.25 per cent shall be levied on the amount of such dividend and such amount shall be deemed for the purposes of this proviso to be a part of the total income of the company of the year in which such distribution is made.

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*Source : Central Board of Revenue.*

TABLE No. 75  
**RATES OF SUPER TAX**  
**(1962-63)**

**A. In the case of a company:**

- |  | <i>Rate</i>                       |
|--|-----------------------------------|
| (1) On the whole of the total income excluding income to which sub paragraph (1) of paragraph B of Part I applies. | 30 per cent of such total income. |

**Provided that :**

- (i) a rebate of 10 per cent shall be allowed in the case of every company which, in respect of its profits liable to tax under the Income Tax Act, 1922 (XI of 1922), has made such effective arrangements as may be prescribed by the Central Board of Revenue in this behalf for the declaration and payment in Pakistan of the dividends payable out of such profits and for the deduction of tax from such dividends ; and
- (ii) a rebate of 5 per cent shall be allowed on such portion of the income, profits and gains as is derived by a company from an industrial undertaking.

*Explanation.*—The term ‘ industrial undertaking ’, as used in this clause, means an undertaking which is set up or commenced in Pakistan on or after the 14th day of August, 1947 (and which employs (i) ten or more persons in Pakistan and involves the use of electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency or ; (ii) twenty or more persons in Pakistan and does not involve the use of electrical energy or other form of energy which is mechanically transmitted and is not generated by human or animal agency and which is

(i) engaged in—

- (a) the manufacture of goods or materials or the subjection of goods or materials to any process, which substantially changes their original condition ;
- (b) ship-huilding ;
- (c) generation, transformation, conversion, transmission or distribution of electrical energy, or the supply of hydraulic power;
- (d) the working of any mine, oil well or other source of mineral deposits [not being an undertaking to which the Second and Third Schedules to the Income Tax Act, 1922 (XI of 1922), apply] ; or
- (ii) any other industrial undertaking which may be approved by the Central Board of Revenue for the purposes of this clause.

*Rate*

- |  |                             |
|--|-----------------------------|
| (2) On the amount representing income from dividends from a company having its registered office in Pakistan—  |                             |
| (a) Where such dividends are declared and paid by a company formed and registered in Pakistan under the Companies Act, 1913 (VII of 1913), or a body corporate formed in pursuance of a Central Act in respect of the share capital issued, subscribed and paid after the fourteenth day of August, 1947 out of income, profits and gains to which clause (ii) of the proviso to sub-paragraph (1) applies ; | 15 per cent of such amount. |

Provided that a rebate of 5 per cent shall be allowed where such dividends are received by a company to which clause (i) of the proviso to sub-paragraph (1) applies and which owns not less than one-third voting shares of the company declaring the dividends.

*Rate*

- |   |                               |
|---|-------------------------------|
| (b) In other cases .. .. .  | 20 per cent of such amount.   |
| (3) On the whole of the amount representing the face value of any bonus shares or the amount of any bonus issued by the company to its share holders— |                               |
| (a) where such bonus shares are issued in pursuance of clause (a) of sub-section (2) of section 15BB of the Income Tax Act, 1922 (XI of 1922).        | Nil.                          |
| (b) In other cases .. .. .  | 12.5 per cent of such amount. |

TABLE No. 75—*contd.*

## B. In the case of every local authority—

*Rate*

On the whole of total income .. .. 12.5 per cent of the total income

## C. In the case of every registered firm :

- |   |  |
|---|--|
| (1) Where the total income does not exceed Rs. 12,000                           | Nil.   |
| (2) Where the total income exceeds Rs. 12,000 but does not exceed Rs. 30,000.   | 5 per cent of the amount exceeding Rs. 12,000.                           |
| (3) Where the total income exceeds Rs. 30,000 but does not exceed Rs. 60,000.   | Rs. 900 <i>plus</i> 10 per cent of the amount exceeding Rs. 30,000.      |
| (4) Where the total income exceeds Rs. 60,000 but does not exceed Rs. 1,00,000. | Rs. 3,900 <i>plus</i> 20 per cent of the amount exceeding Rs. 60,000.    |
| (5) Where the total income exceeds Rs. 1,00,000 ..                              | Rs. 11,900 <i>plus</i> 30 per cent of the amount exceeding Rs. 1,00,000. |

*Explanation.*—The term 'registered firm', as used in this paragraph, means a firm registered under section 26A of the Income Tax Act, 1922 (XI of 1922), or a firm treated as a registered firm under clause (b) of sub-section (5) of section 23 of the Income Tax Act, 1922 (XI of 1922).

*Source :* Central Board of Revenue.

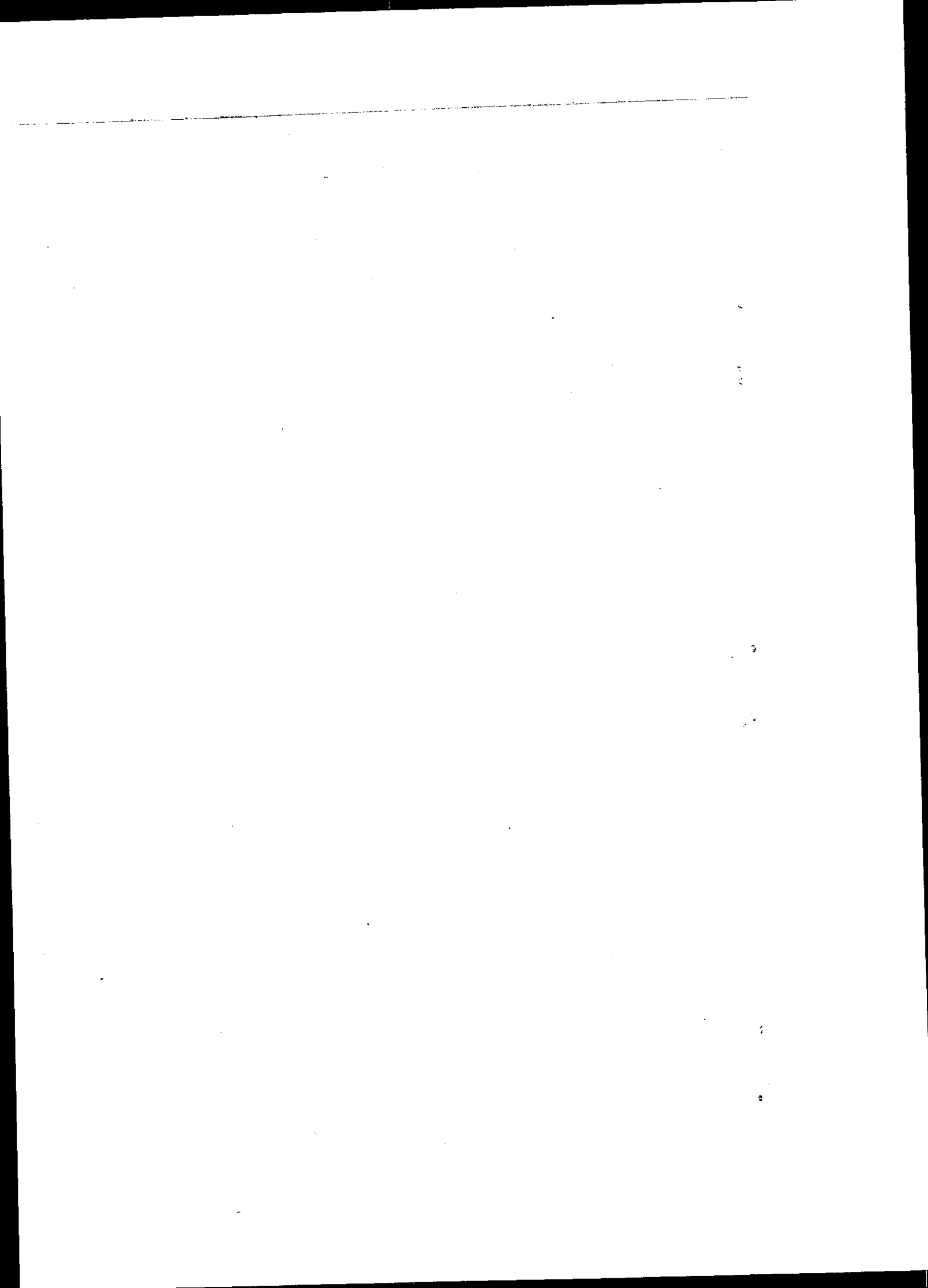


TABLE No. 76  
**CHANGES IN PRINCIPAL CENTRAL TAXES**  
 (1960-61 to 1962-63)

1960-61	1961-62	1962-63
1. No change was made in the rates of income-tax applicable to individuals, etc.	1. The highest marginal rate of personal income-tax was reduced from 80 to 75 per cent.	1. Development allowance at 20 per cent was allowed on plant and machinery installed after June 30, 1962. This was to be in replacement of initial and additional depreciation allowances. The allowance will enable tax-payers to recover 120 per cent of the cost of the capital asset. An amount equivalent to the development allowance will have to be kept in a reserve account for eight years for purposes of replacement of capital assets and other business of undertaking and it will not be available for distribution by way of dividends, etc. The development allowance is not admissible in the case of tax holiday enterprises.
2. The "grossing up" of dividends was discontinued and dividend income up to Rs. 1,000 was exempted. Where such income exceeds Rs. 1,000, the first Rs. 1,000 would be exempt from tax.	2. An additional investment allowance at the rate of 10 per cent of the total income was allowed for taking out life insurance policies.	2. The exemption limit in the case of income from dividends was raised from Rs. 1,000 to Rs. 1,000 plus 20 per cent of the balance of the dividend income.
3. The maximum limit of investment allowance was raised from 20 per cent of the total income, subject to maximum of Rs. 8,000 to 20 per cent of total income, subject to maximum of Rs. 12,000.	3. Non-professional writers, artists, journalists receiving payments for occasional literary or artistic work were exempted from tax on such payments up to the first Rs. 1,000.	3. Mining industries have been allowed depreciation allowance of 15 per cent, subject to a maximum of 50 per cent of the capital employed in the relevant year.
4. Relief was provided in marginal cases by reducing the tax to the amount in excess of the taxable limit.	4. Writers and artists receiving payments in lumpsum for works on which they had been working for a number of years were allowed to spread over the payment up to three years.	4. Unit Trust Certificates issued by the National Investment Trust will qualify for exemption by way of investment allowance subject to the prescribed limits. The income of the Investment Trust was exempted from income tax and super tax.
5. The period of Tax-Holiday was raised from two to four years. In the cases of less developed regions (East Pakistan and the under developed regions of West Pakistan), the period was extended to six years.	5. Amounts spent on the purchase of books of a professional or technical nature or of general utility were made eligible for the grant of investment allowance.	5. The exemption limit in the case of owner-occupied houses was raised from Rs. 2,400 net annual value to Rs. 4,800 gross annual value. If the gross annual value of a self-occupied house exceeds the above limit the exemption would be admissible up to the first Rs. 4,800 of such value.
6. The provision restricting the distribution of profits in the first five years of the operation of a new industrial undertaking enjoying the benefit of the tax-holiday was also modified. The undertaking is now required to set aside 60 per cent of its exempted profits for being utilized in the expansion and development of the same undertaking. In special cases permission may also be given to invest this amount in some other approved industrial undertaking.	6. A super-tax rebate of 5 per cent was allowed in respect of dividends received by a parent company holding not less than one-third of the voting shares of subsidiary industrial company.	6. Provision was made in the income-tax law allowing the deduction of bad debts in the year in which they actually became irrecoverable according to the finding of the income-tax authorities.
7. The condition regarding the using of materials wholly or partly produced in Pakistan can also now be relaxed in suitable cases.	7. A benefit of the 'tax-holiday' in the fields of industrial companies was made available for 4, 6 and 8 years depending on the areas in which the industries were located.	7. Income derived from creative writings was to enjoy complete exemption from tax.
8. Existing industries were also made eligible for the benefit of the tax-holiday, in respect of the profits attributable to a new identifiable unit or a new industrial process.	8. Where the existing undertaking carried on expansion or extension through a subsidiary company for purposes of operating a new unit or a new industrial process, the dividends derived by the parent company were completely exempted from tax.	8. Earned income relief in the case of salary income was admissible at 20 per cent of such income subject to a maximum of Rs. 6,000. Earned income relief in the case of other income from personal exertion such as business, etc. was continued to be admissible at 20 per cent subject to a maximum of Rs. 4,000.
9. The period of 'tax-holiday' was also extended so as to cover industries set up upto the end of Second Five-Year Plan period, i.e. the 30th June 1965.	9. The tax otherwise payable on bonus shares by a 'tax-holiday' company out of its 60 per cent reserves was waived.	9. The percentage prescribed for the deduction on account of amounts paid to, or reserved for, or expended on behalf of policy holders was raised from 50 per cent to 75 per cent. It was hoped that life insurance companies would be able to reduce their premium rates and extend insurance facilities to a larger number of persons.
10. The interest paid to foreign lenders has been exempted from tax where the country from which the loan has emanated either grants total exemption to the interest income in question or agrees to give tax-credit for the tax payable in Pakistan but not actually charged in Pakistan. Where the other country does not grant total exemption Pakistan tax would be reduced to the level of the tax in the other country.	10. The minimum limit of share capital in the case of 'tax-holiday' companies was reduced from Rs. 2 lakhs to Rs. 50,000.	10. Donations to institutions or funds established for charitable purposes (i.e., education, relief of the poor, medical relief and the advancement of any other object of general public utility) are exempt from income tax, subject to a maximum of 10 per cent of the total income of the tax-payer. The institutions and funds to which such donations are made must, however, be approved by the Central Board of Revenue for purposes of the tax exemption.
11. Development institutions have been allowed to create special tax-free reserves to the extent of their paid-up capital to enhance their lending capacity subject to their approval by the Government.	11. Income from newly constructed residential houses with an annual value up to Rs. 6,000 per annum was granted exemption from tax for three years.	It would no longer be necessary to obtain the approval of the Central Board of Revenue in the case of the following types of institutions:
12. Co-operative societies have been given the option to be taxed either at company rates or at rates applicable to associations of persons, whichever treatment is more beneficial to them. The profits of such societies from a cottage industry and the provision of agricultural and rural credit facilities have been exempted altogether from tax.	12. Housing estates constructing small houses and flats were also given tax exemption for six years subject to certain conditions.	(i) Educational institutions (including poly-technics) affiliated to any University or Board of Education and educational institutions (including poly-technics) recognized or run by the Central Government or a Provincial Government or any local authority;
13. Foreign professors and teachers teaching at a recognized university or school in Pakistan have been exempted from tax for a period of two years.	13. Mining industries were given the option of availing themselves of the benefit of the 'tax-holiday'.	(ii) Hospitals aided, run or recognized by the Central Government or a Provincial Government or a local authority; and
14. The rates of tax applicable to companies have been revised. The standard rate of income-tax has been fixed at 30 per cent, and the super-tax also at 30 per cent. Companies declaring dividends in Pakistan are entitled to get a rebate of 10 per cent. A rebate of 5 per cent, is admissible in respect of the industrial profits of companies.	14. The rate of initial depreciation in the case of ships was raised from 25 to 40 per cent.	(iii) Flood or famine relief funds sponsored or approved by the Central Government or a Provincial Government.
15. The rates of inter-corporate tax has also been revised. In the case of industrial companies established after Independence, the rate has been fixed at 15 per cent, in other cases at 20 per cent. These rates are further subject to the rebates admissible under the Agreements for the Avoidance of Double Taxation between Pakistan and other countries.	15. The technicians employed by undertakings engaged in the drilling of minerals (other than petroleum) rock, water etc. and approved financial institutions established for financing and assisting industries were given the benefit of the tax exemption.	11. Rehabilitation taxes which were originally levied in 1950 and extended from year to year were discontinued. Consequently additional income tax, the tax on dealers and on air passages were abolished with effect from July 1, 1962.
	16. The provision requiring compulsory distribution of company profits in the case of private companies was waived for industrial companies.	
	17. The limit of 5 per cent imposed on donations made by companies to approved charitable institutions and funds was raised to 10 per cent as in the case of individuals.	
	18. The provision that donations below Rs. 250 made to approved charitable institutions and funds would not qualify for tax concession was removed.	

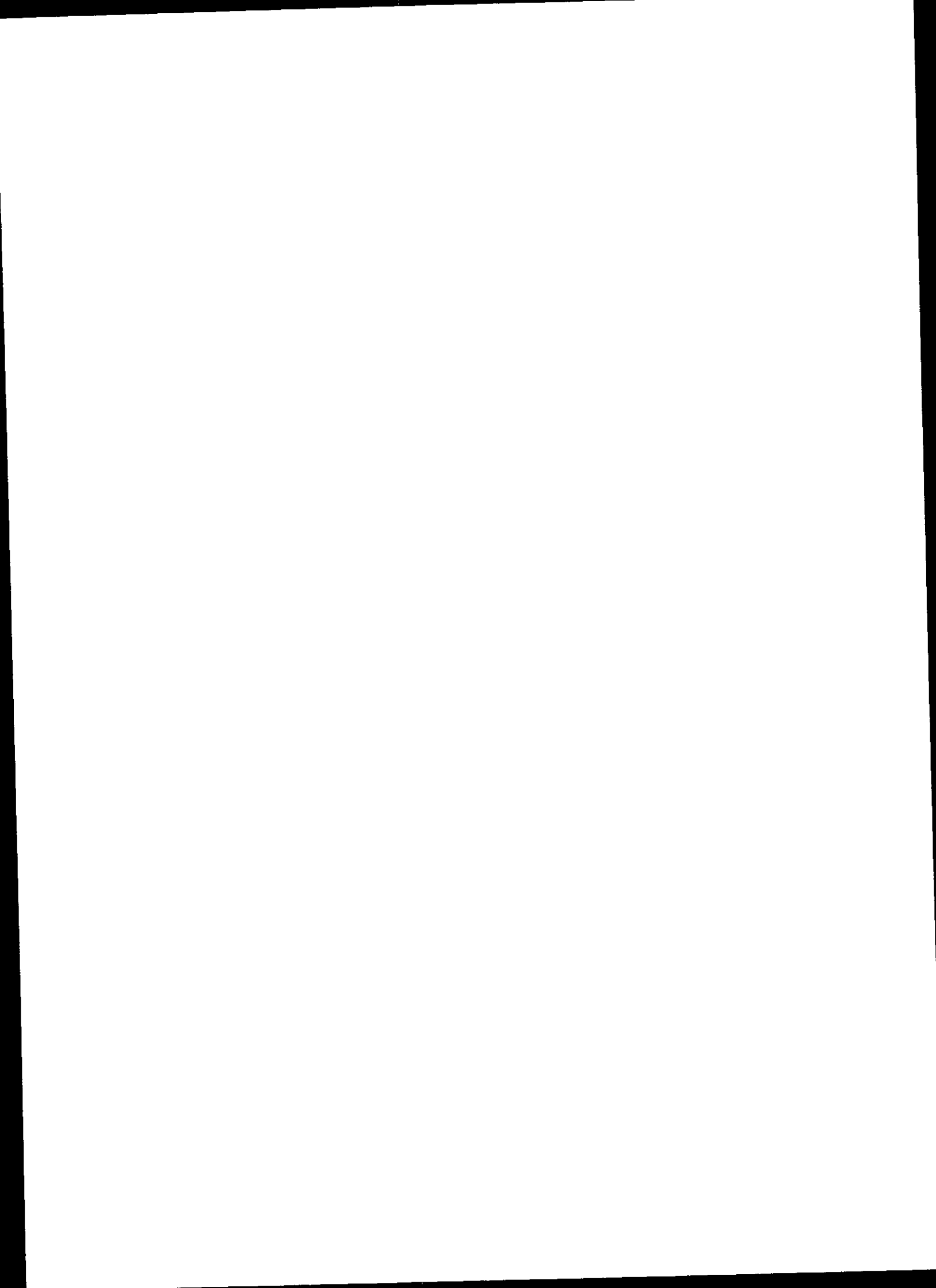




TABLE No. 76—*contd.*

## SALES TAX

(1961-62)

## I. Exemption of articles of every day use

The following goods have been exempted from Sales Taxes

- (1) Cycles manufactured or assembled in Pakistan.
- (2) Sewing machines manufactured or assembled in Pakistan.
- (3) Saltpetre manufactured in Pakistan.
- (4) Locks made in Pakistan.
- (5) Hurricane, lamps, gas mantles and braids manufactured in Pakistan.
- (6) Hand water-pumps made in Pakistan.
- (7) Plastic and glass crockery made in Pakistan.

Ginger, insecticides and pesticides used for agricultural purposes including their ingredients have also been exempted.

## II. Ship-building industry

It has been decided to encourage the ship-building industry by exempting from sales tax:

- (a) ships, barges and other vessels built by recognized shipyards in Pakistan; and
- (b) the raw materials used in the manufacture of ships, barges and other vessels. This is a departure from the normal practice as under the system followed so far, raw materials did not qualify for exemption where the articles manufactured from them are exempt from sales tax.

## III. Exemption of timber

It has been decided to exempt from sales tax timber and bamboo produced in Pakistan. If timber can be used only after being sawed, it has been decided to exempt all products of sawing mill also from sales tax.

## IV. General exemption of all goods exported out of Pakistan and the raw material used therein

(a) It has been decided to exempt all goods manufactured in Pakistan from sales tax on their export abroad.

(b) It has also been decided to exempt the raw materials used in the manufacture of goods exported out of Pakistan. This exemption was not available so far.

## V. Abolition of the statutory exemption limit and exemption to cottage industries

Cottage industries satisfying certain conditions are exempt from sales tax. This concession exempts almost all small manufacturers from the payment of sales tax. The existing statutory exemption limit of Rs. 36,000 is, therefore, hardly necessary and has been removed.

(1962-63)

The exemption has been further extended with effect from financial year 1962-63 in the case of additional items such as rubber shoes (including slippers and *chappals*), trunks made of iron and zinc sheets, *alkatra* (black-paint used for painting boats etc. in East Pakistan), sewing needles, dried milk and *ghee*. Exemption is also being allowed in the case of lead and coloured pencils.

Source: Central Board of Revenue.

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THE UNITED STATES OF AMERICA  
DO hereby certify that  
[Name] is a citizen of the United States  
and that he is entitled to the  
privileges and immunities of  
citizenship in the State of  
[State]  
in accordance with the provisions  
of the Constitution of the United States  
and the laws of the State of [State]  
and that he is qualified to  
exercise the right of suffrage  
in the State of [State]  
at the election to be held  
on the [Date] of [Month] 19[Year]  
for the office of [Office]  
in the County of [County]  
State of [State]

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## PLANNING

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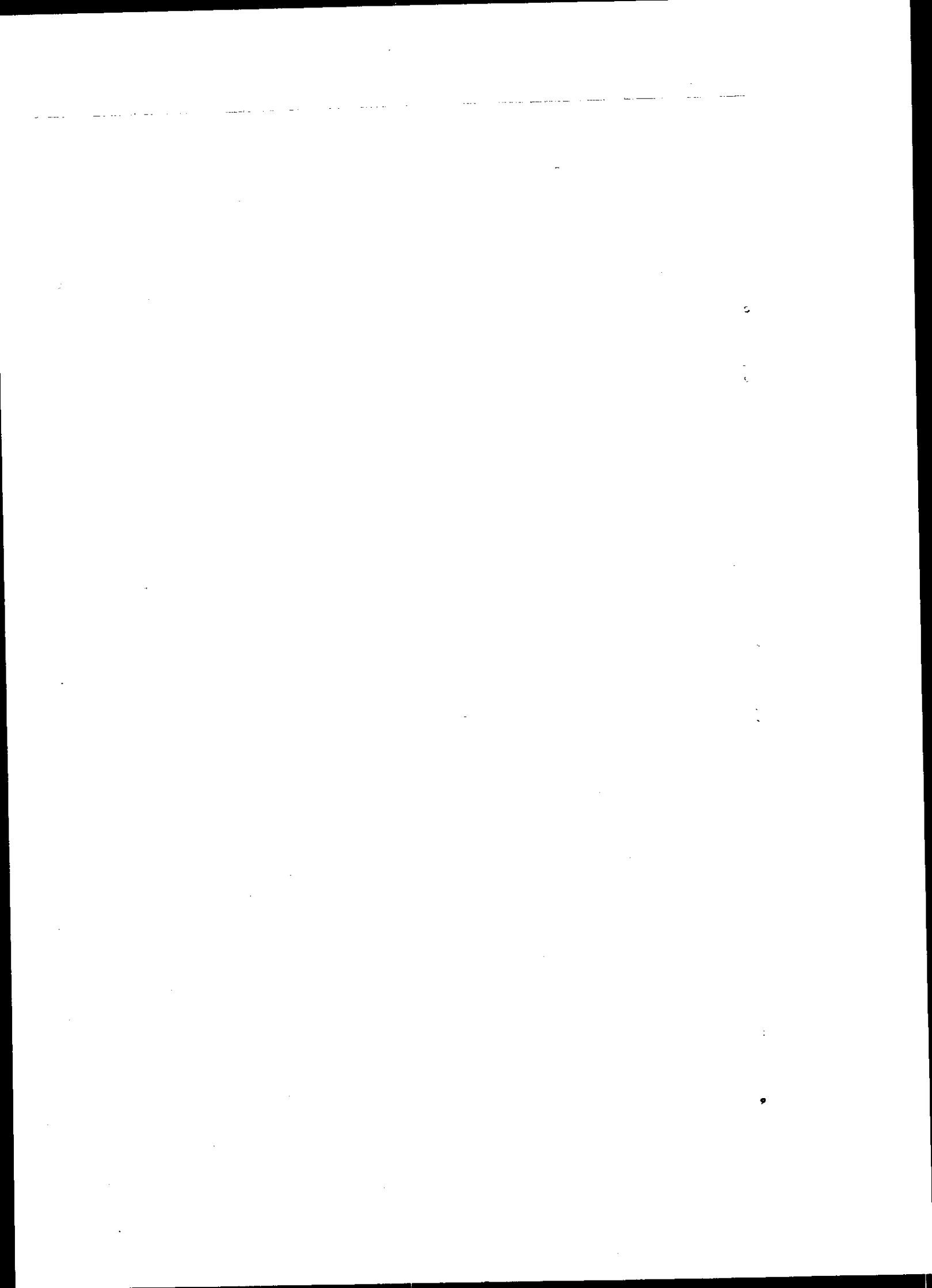


TABLE No. 77

**SECOND FIVE-YEAR PLAN**

(1960-65)

**SOURCES AND USES OF RESOURCES FOR DEVELOPMENT**

(In crore rupee)

<i>Sources</i>			<i>Uses</i>		
Domestic savings .. ..		1,205.0	Public sector .. ..		1,240.0
Foreign aid, loans and investments ..		1,095.0	Semi-public sector (public corporations)		379.0
			Private sector .. ..		680.0
	Total ..	2,300.0			2,300.0

Source : Planning Commission

TABLE No. 78

**FINANCING OF THE SECOND FIVE-YEAR PLAN**

(1960-65)

(In crore rupee)

<i>Item</i>	<i>Local currency</i>	<i>Foreign currency</i>	<i>Total</i>	
Revenue surplus .. ..	122.0	—	122.0	
Net capital receipts .. ..	140.0	—	140.0	
Additional taxation .. ..	175.0	—	175.0	
Local bodies .. ..	20.0	—	20.0	
Project aid and loans .. ..	—	685.0	685.0	
Foreign private investment .. ..	—	60.0	60.0	
Commodity aid .. ..	—	350.0	350.0	
Customs on commodity aid .. ..	70.0	—	70.0	
PL 480 Counterpart Funds .. ..	60.0	—	60.0	
Private savings (including Public Corporations' own resources) .. ..	618.0	—	618.0	
	Total ..	1,205.0	1,095.0	2,300.0

Source : Planning Commission

TABLE No. 79

## SECOND FIVE-YEAR PLAN

(1960-65)

## ALLOCATION OF EXPENDITURE IN VARIOUS SECTORS

(In crore rupees)

Sector	SEMI-PUBLIC SECTOR			Private sector	Total	Percentage of total allocation
	Public sector	Contribution from Government	From own resources, private investment and loans			
Agriculture	251.5	—	—	90.5	342.0	14.9
Water and power	414.0	—	19.0	6.0	439.0	19.1
Industry	10.0	136.0	57.5	308.5	512.0	22.3
Fuel and minerals	17.9	27.1	—	55.0	100.0	4.3
Transport and communications	261.2	11.3	42.0	90.5	405.0	17.6
Housing and settlement	141.0	47.5	39.0	113.5	341.0	14.8
Education and training	95.5	—	—	10.0	105.5	4.6
Health	37.0	—	—	5.0	42.0	1.8
Social services	8.5	—	—	1.5	10.0	0.4
Manpower and employment	3.5	—	—	—	3.5	0.2
Total	1,240.1	221.9	157.5	838.0	2,300.0	100.0
	1,462.0					
	Government financed		Private financed			

Source: Planning Commission.

TABLE No. 80

**SECOND FIVE-YEAR PLAN  
(1960—65)**  
**ALLOCATIONS BY GEOGRAPHICAL REGIONS**  
**(Government Financed Programme)**

(In crore rupees)

Sector	EAST PAKISTAN			WEST PAKISTAN			Centrally administered areas (Central only)	Total
	Provincial	Central	Total	Provincial	Central	Total		
Agriculture	92.8	23.5	116.3	105.7	27.9	133.6	1.6	251.5
Water and power	176.0	3.6	179.6	226.0	6.6	232.6	1.8	414.0
Industry	21.7	65.1	86.8	14.2	44.8	59.0	0.2	146.0
Fuels and minerals	—	14.2	14.2	—	30.8	30.8	—	45.0
Transport and communications	32.2	69.9	102.1	25.0	140.6	165.6	4.8	272.5
Housing and settlements	72.3	1.1	73.4	40.9	52.0	92.9	22.2	188.5
Education and training	38.9	5.9	44.8	40.1	10.1	50.2	0.5	95.5
Health	16.1	0.3	16.4	14.4	2.2	16.6	4.0	37.0
Social service	2.9	1.2	4.1	2.7	1.7	4.4	—	8.5
Manpower and employment	1.1	0.3	1.4	1.0	1.1	2.1	—	3.5
<b>Total</b>	<b>454.0</b>	<b>185.1</b>	<b>639.1</b>	<b>470.0</b>	<b>317.8</b>	<b>787.8</b>	<b>35.1</b>	<b>1,462.0</b>

Note. Break-up of Central allocations by geographical regions is based on rough estimates.

Source : Planning Commission.

