ECONOMIC SURVEY OF PAKISTAN
1961 - 62

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

CONTENTS

LIST OF GRAPHS

*Periods of slack and busy seasons in the graphs do not correspond to their respective texts as the graphs were prepared earlier. The slack and busy season periods were revised when the text was written.

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

Year

Calendar Year=January, 1 to December, 31

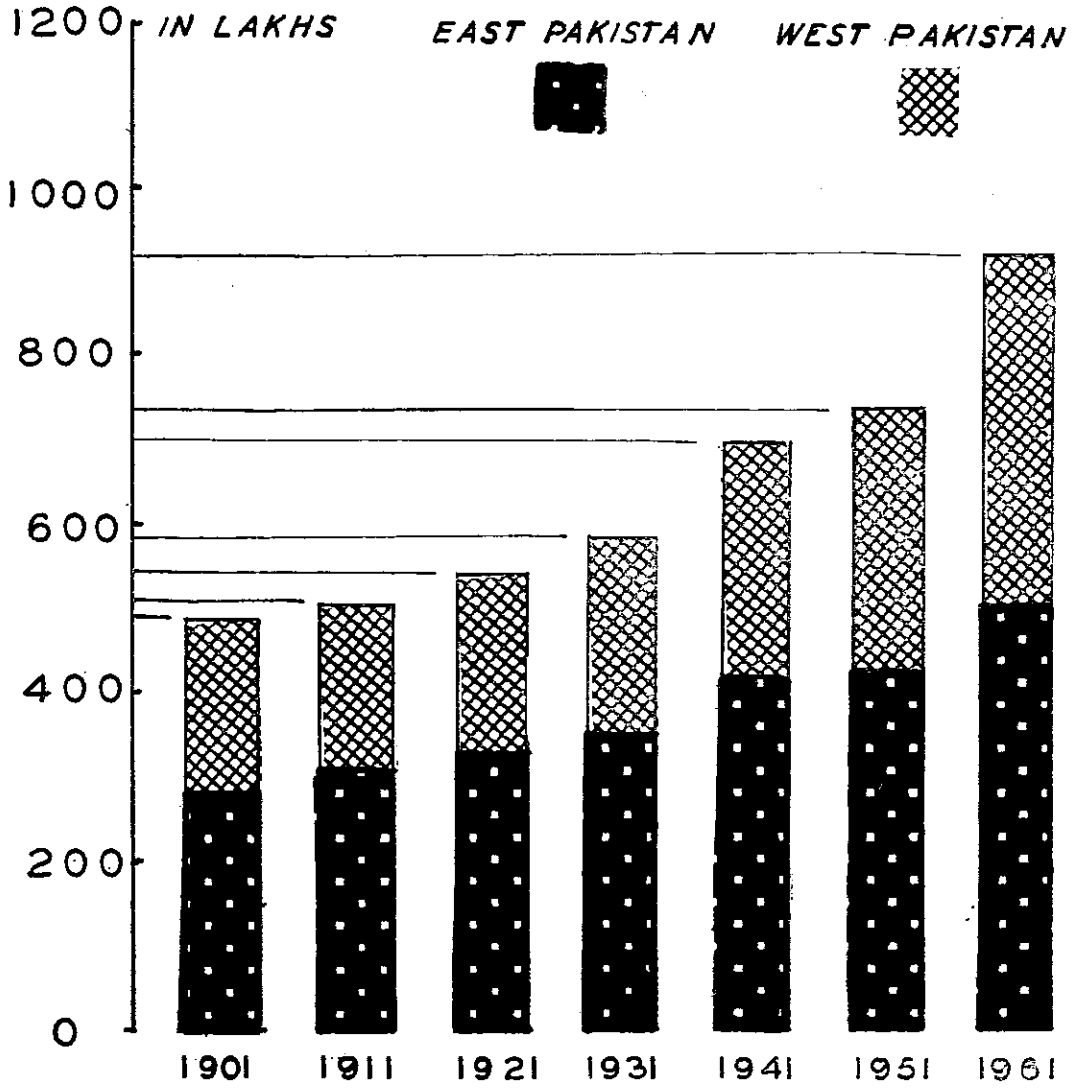
Fiscal Year
Trade Year
Agriculture Year
} 1st July to 30th June (Example : 1960-61 means the period covering July, 1960 to June, 1961)

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

GROWTH OF POPULATION



CHAPTER I

POPULATION

The results of the 1961 census, which have been analysed and published over the past year, highlight the economic importance and implications of the rapid growth of population in Pakistan.

Thomas Malthus propounded his famous theory, that population tends to outstrip the means of subsistence, at the close of the 18th century. The subsequent revolution in technology and transport, the growth of capital and productivity, so greatly enhanced the output of food in Europe and America that his gloomy forecast was discredited. But his ghost still haunts South and East Asia.

Population Growth in Underdeveloped Areas

The problem of population growth is posed most acutely in the economically underdeveloped areas of Asia, Africa and Latin America. Some thirty million people are being added each year to the world's population; and most of the increase occurs in those countries, where the average margin above subsistence is already low. In some areas the rate of increase reaches 3 per cent. per annum, which would double the population in 23 years. Such a growth rate is beyond any precedent in human history. It enormously complicates the task of raising living standards to an acceptable level, and even more gravely hampers the accumulation of capital without which economic development, and more rapid expansion of output in the future, would be impossible.

Malthus saw the problem in very simple terms. Population, he said, tends to grow by geometric progression, whereas the means of subsistence normally increase in arithmetic ratio. Attrition of population through war, famine and pestilence will maintain a balance at a near subsistence level, but living standards can be improved in the long run only through checking population growth by means of "moral restraint".

Later thinkers have defined a more complex relation between output and population growth. They recognize that these trends can be brought into balance at a much more satisfactory level through improvements in technology and in the organization of production and distribution of goods. They have noted that in the process of economic development nations seem to pass through a cycle of changing birth and death rates. During the first phase, the birth rate remains high, but

and brought into balance with the lower death rate. This has been the pattern in Europe and more recently in Japan.

In some of the developing countries of Asia, including Pakistan, the present margin above subsistence, and the present ratio of resources to population, are less favourable than in 19th century Europe, or even in Japan at a similar stage of development. Thus we have less time and leeway for the "natural" cycle of acceleration and then decline of population growth to run its course. In the view of some, moreover, the cultural pattern in Asian countries may be less conducive than in Europe to eventual limitation of the birth rate, although there is growing popular interest in family planning.

The Government of Pakistan, recognizing the fundamental importance of the population problem, is attacking it along several different lines. First, it is seeking to ease the shortage of land through crop protection, anti-waterlogging and salinity measures, and action to increase the supply of water for irrigation. Second, it is attempting to raise the low average productivity in agriculture by introducing better varieties and cultivation practices, the use of fertilizers and protection against diseases and pests, and through extension of credit and other assistance to investment. Third, it is fostering alternative means of livelihood, by promoting commerce and industry; industrial production increased by over 400 per cent. between 1950 and 1960. And lastly, it is seeking to narrow the excess of births over deaths, through public education in the concepts and methods of family planning.

These several approaches, if they are pursued with full vigour and efficiency, should effect a substantial improvement in the balance between population and output a generation hence, as compared to that which now exists. Their prospects of success will depend in considerable part on continuing assistance from the more developed countries of the world—to provide capital goods and technical knowledge for the development of our economy, raw materials for our industries and even food for our people. For, in Pakistan, population has already outruned the food supply; and the country relies on the highly productive agriculture of North America to fill its deficit. But foreign aid cannot, and must not, be a permanent reliance. To become truly independent and establish a secure base for higher living standards, Pakistan must build up its own savings, investment and productive capacity at a far faster rate; and both a means and a consequence of doing so will be the curbing of runaway population growth.

Second Census of Population

In this context let us examine the findings of the ten-year census, taken throughout the country from 12th to 31st January, 1961[1].

It was a tremendous task. More than two lakh block enumerators were in the field, supervised by about 16,000 Circle Supervisors, 2,000 Charge Superintendents and 210 District Census Officers. The total population of the block was counted by the Enumerators, broken down by sex and number of literates, checked by the Supervisors and sent to the Charge Superintendents; the latter in turn made a final check and despitched the "charge" total to the District Census Officer by the 9th February, 1961. The returns from the District Census Officers were given a hurried but careful check in the offices of Provincial Directors and the Census Commissioner, and the overall results were compiled and published on the 3rd March, 1961. Elaborate further analysis took place in the ensuing months, and final figures were released by the Ministry of Home Affairs on 30th November, 1961.

Area and Population

The total area of Pakistan[2] on 1st February, 1961, was 3,65,529 square miles. Administratively, the nation is divided into 4 divisions with 17 districts in East Pakistan, and 12 divisions with 51 districts and agencies in West Pakistan. West Pakistan has 84.9 per cent. of the total area and 45.8 per cent. of the population; East Pakistan comprises only 15.1 per cent. of the area but has 54.2 per cent. of the population.

Kalat, the largest division with 20 per cent. of total area, 1.3 times larger than all of East Pakistan, has the lowest percentage (0.56) of population. In contrast, Dacca has only 3.3 per cent. of the total area but 16.3 per cent. of population. Karachi, the smallest division, contains 2.3 per cent. of total area and also 2.3 per cent. of the national population.

The three Southwestern Divisions in West Pakistan—namely, Dera Ismail Khan, Quetta and Kalat—include 44.2 per cent. of the total area of the Province; their combined population is only 5.5 per cent. of the province. Conversely, the two Northeastern Divisions of West Pakistan have 6.5 per cent. of the provincial area but 24.3 per cent. of its population In East Pakistan there is much smaller variation, among the four divisions in percentage of population. The highest is Dacca, with 30 per cent, and lowest Rajshahi with 23.3 per cent. of the Provincial population.

---

[1]) The first census was held in February, 1951.

[2]) Excluding Jammu, Kashmir, Gilgit and Baltistan, Junagarh, Manavadar and Pakistan enclaves in India.

The total population of Pakistan[3] on 1st February, 1961 was 9,38,31,982 persons. Of these 1,11,369 were Non-Pakistanis. Excluding these latter, there were 4,93,08,645 males and 4,44,11,968 females. The 1951 population of the corresponding territory was 7,58,79,165 [including 2,06,669 Non-Pakistanis, the estimated population of Gwadur (13,000) which became part of Pakistan in 1958, and 24,000 persons in the Frontier Regions who were not included in the published 1951 Census figure]. Excluding foreign nationals, the 1951 population was 7,56,72,496 persons, 4,00,84,342 males and 3,55,88,154 females. The 1961 population thus registered an increase of 23.85 per cent.

The population of East Pakistan (excluding Non-Pakistanis) was 5,08,40,235 persons—2,63,48,843 males and 2,44,91,392 females—which represents a ten-year increase of 21.2 per cent. The Pakistani population of the West Wing was 4,28,80,378 persons—2,29,59,802 males and 1,99,20,576 females—showing an increase of 27.1 per cent.

Density of Population

Population density increased from 207 persons per square mile in 1951 to 256 persons in 1961. Details are given below:

	Persons Per Square Mile	
	1951	1961
Pakistan	207	256
East Pakistan	761	922
West Pakistan	109	138

For every person on a square mile of land in West Pakistan, East Pakistan has about seven. Dacca district has the highest density, with 1,768 per square mile. In four districts of West Pakistan—(Mekran, Kharan, Zhob and Chagai) covering an area of 72,000 square miles, the average density does not exceed 10 persons per square mile; whereas 10 out of 17 districts of East Pakistan have a density of over 1,000 per square mile. Two West Pakistan districts reach a similar density—Karachi with 1,506 and Lahore with 1,119 persons per square mile. The Northeastern block of districts surrounding Lahore—Sialkot, Gujranwala, Sheikhupura, Lyallpur and Montgomery—shows the highest concentration in West Pakistan.

Rural and Urban Population

The past 10 years have seen an accelerated trend toward urbanization. Rates of economic development and opportunities for employment

(3) See footnote (2) on preceding page.

have varied widely, as between different localities, inducing large-scale movement of population within the country. The major shift is from rural areas to urban centres of rapid industrial growth. Thus a number of urban areas have gained population far in excess of their natural increase, while certain rural districts have been consistently losing population.

About the turn of the century Pakistan was mainly a rural country. By 1961 a semi-industrial pattern was emerging, especially in the West Wing. The trend is summarised below :—

Year	Rural Percentage	Urban Percentage
1901	94·9	5·1
1911	95·1	4·9
1921	94·6	5·4
1931	93·5	6·5
1941	92·1	7·9
1951	89·6	10·4
1961	86·9	13·1

The Rate of Increase

The increase in population from 1951 to 1961 exceeded most estimates. The official 1951 figure of 75.88 million was doubtless too low, as a result of admitted under-enumeration in the cities which was largely corrected in 1961 ; the extent of the previous under-enumeration in rural areas is less readily ascertainable. This factor certainly served to inflate somewhat the apparent 10-year increase. Nevertheless, the Census Commissioner commented in his report :

> " Our observation and scrutiny of the actual enumeration and post-enumeration survey of selected localities, however, convince us that the increase in population between 1951 and 1961 was substantial and significantly larger than the moderate estimates made earlier ".

Among these earlier estimates were the following :

	Million
Pakistan Planning Commission	88·9 (mid-1960)
Muldin and Hashmi	91·45
Rahman	90·41 (mid-1961)
United Nations	92·5[4]
Pakistan Census Office	89·0
Actual Count	93·8

(4) Assuming constant fertility, moderately declining mortality.

The increase to 93.83 million in 1961 indicates a growth rate of 23.7 per cent. over about 10 years, or 2.16 per annum. If foreign residents are excluded, the apparent growth rate for Pakistani nationals is 23.8 per cent. It is strikingly higher than in previous decades of this century :

Percentage Increase in Population by Decade 1901—61

Decade (*a*)	Pakistan (*a*)	India	Pakistan and India
1901—11	11·9	5·7	6·7
1911—21	6·7	0·4	0·9
1921—31	8·8	11·0	10·6
1931—41	18·8	13·5	15·0
1941—51	7·9	14·1	12·9
1951—61	23·7	21·5	22·9

Available data indicate that only about 800,000 of the total rise in population was due to immigration. The remainder is apparently natural increase, the excess of births over deaths.

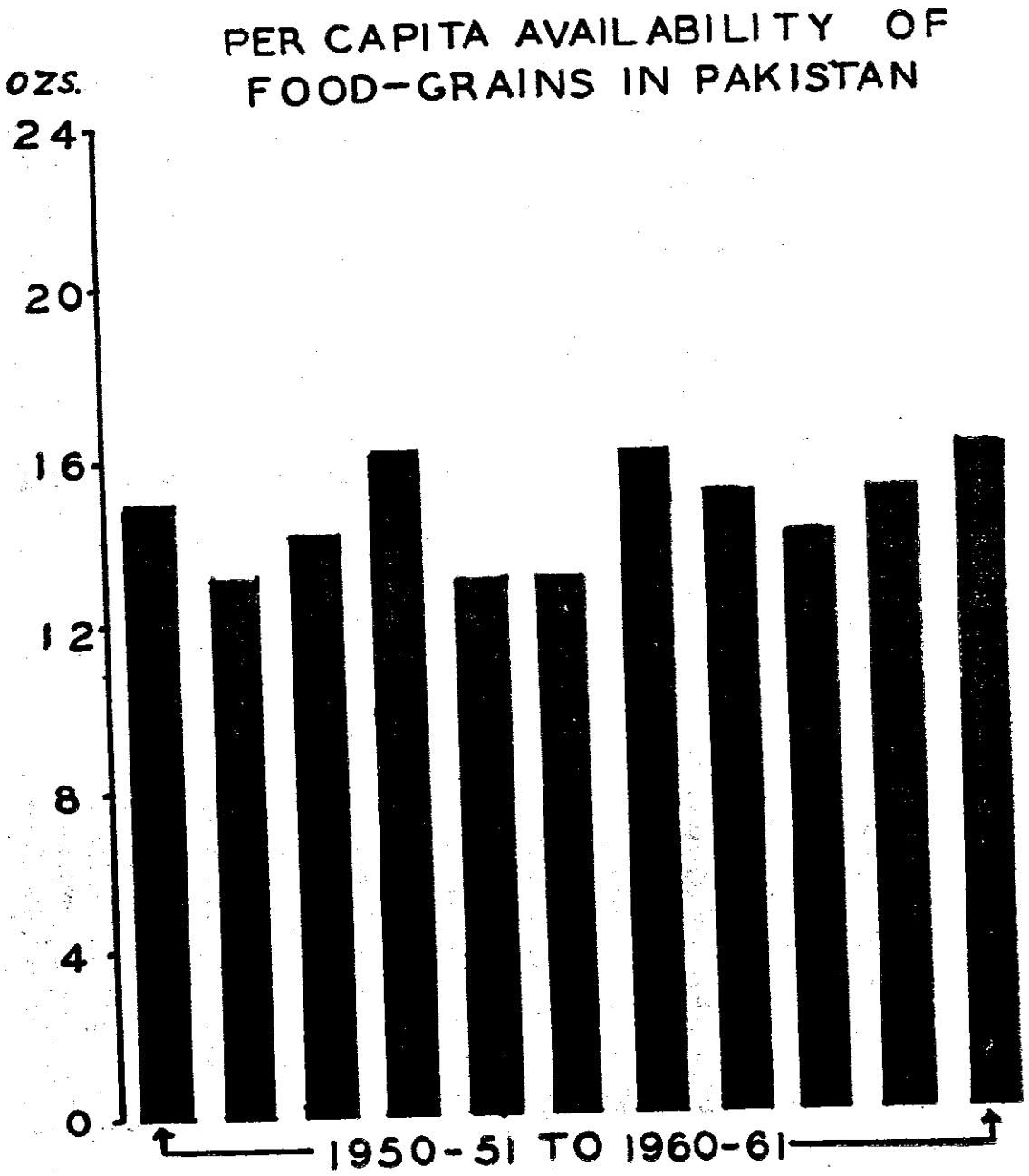
Literacy, Sex and Religion

The following table shows the distribution of the 1961 population by literacy, sex and religion :

Region	Literacy		Distribution by Sex		Distribution by Religion	
	Literates (000s) (*b*)	Percentage of total population	Males (000s)	Females (000s)	Muslims (000s)	Non-Muslims (000s)
All Pakistan	14,383	15·3	49,309	44,412	82,556	11,164
East Pakistan	8,936	17·6	26,349	24,491	40,890	9,950
West Pakistan	5,447	12·7	22,960	19,921	41,666	1,214

(*a*) These figures were worked out for the areas now comprising Pakistan by the Census Commission, in the Census Report 1951.

(*b*) Provisional.


PER CAPITA AVAILABILITY OF
FOOD-GRAINS IN PAKISTAN
OZS.
24
20
16
12
8
4
0
1950-51 TO 1960-61

Population and Development

One implication of the unprecedented rate of population growth in Pakistan is strikingly brought out in the following table :

Per Capita Availability of Foodgrains in Pakistan

Year	Domestic Production (lakh tons)	Allowance for seed, animal feed etc. 10%	Imports (lakh tons)	Exports (lakh tons)	Available for consumption (lakh tons)	Population in lakhs	Per Capita Availability (oz. per day)
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	154.2	15.42	16.29	0.69	154.38	927.93	16

Substantially the whole improvement in grain production over the past 10 years has been absorbed by the increasing number of mouths to be fed. Exports of grain, which were over 3 lakh tons in 1950-51, have been replaced by the net imports of over 16 lakh tons ten years later ; but the *per capita* availability of grain for domestic consumption has increased hardly at all.

Thus we return to the general consideration that were raised at the start of this chapter, and that have a fundamental bearing on the subject matter of the remaining chapters. Standard of living and welfare in Pakistan can be substantially and permanently improved only insofar as the national output of essential goods and services rises farther than population. At present the production and population curves are far too close together. The margin for increasing consumption is very narrow ; and accumulation of capital, a vital requisite for further production increases in future, is even more severely restricted. Checking of population growth should go hand in hand with expansion of production to realize Pakistan's national development goals.

CHAPTER II

NATIONAL INCOME

The purpose of constructing national income accounts is to present in summary form the salient facts regarding the availability and use of material resources for the different sectors of the economy and the various classes of the population. It is an important tool of analysis, to show the accumulation of capital for increasing output in future, the availability of goods for local consumption or exports and the gaps that need to be filled by imports. In short, the level of national income is an index of the economic well-being of a society, and the changes from year to year show the trends in the national economic development and general living standards.

Just as the accounts of a well-run business firm give an accurate indication of its condition and problems, for the guidance of the management and shareholders, so the national accounts, when accurately prepared and properly analysed, are an invaluable aid to the management of the nation's economic affairs.

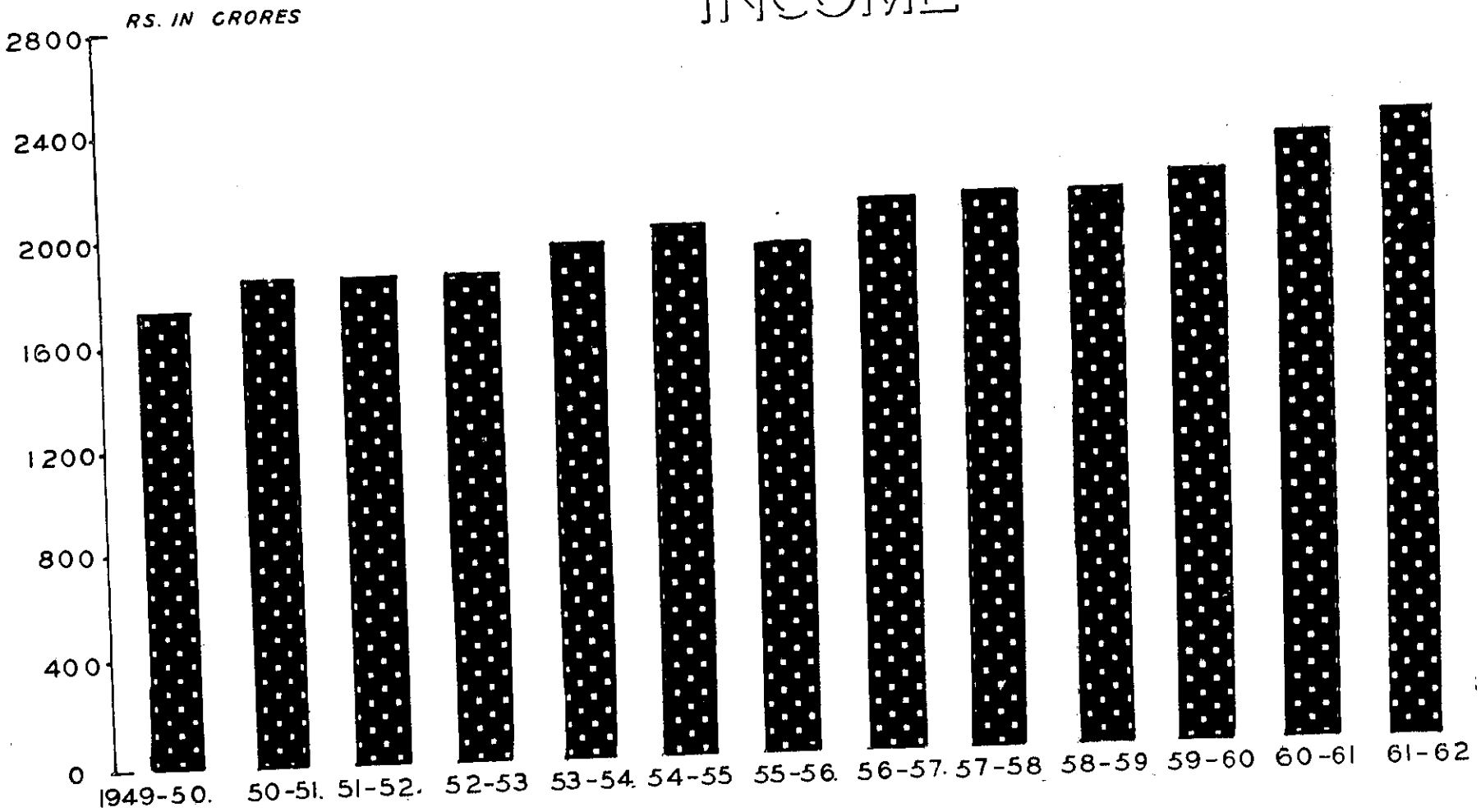
The process of economic development brings about not only an improvement in economic conditions but profound changes in the structure of the economy. The primary producing sectors become relatively less important as secondary and then tertiary production rises. New employment opportunities develop and the real wages of the workers improve.

National income accounts show the market value of all goods and services produced in the country (1) and the amount of consumption expenditure and savings for future investment. They indicate the rate at which an economy is growing. And through analysis of these accounts one gains insight into the economy's operational behaviour. The income classifications point up the inter-relationship of various economic sectors, and permit increasingly precise measurement of changes in these sectors. National income analysis is of great value in explaining economic fluctuations and the processes of economic development. It helps administrators to formulate appropriate fiscal and monetary policies and to decide development priorities, the allocation of resources to various sectors, on national criteria(2)

(1) According to Professor Pigou "Real income in any period consists in the net inflow of goods and services—necessaries and conveniences of life—that accrue during that period". (A.C. Pigou-*Income*. An Introduction to Economics. page 2. Macmillan and Co., London, 1949).

(2) Previously administrators had to rely mainly on arbitrary or impressionistic judgements in formulating economic policy. "Basic policy probably was the laissez-faire philosophy that followed mercantilism—the philosophy that the unrestricted play of natural forces would bring about the best solution". (Richard Ruggles, *An Introduction to National Income Analysis*, page 303, McGraw-Hill Book Co., New York, 1949.

TOTAL NATIONAL INCOME



Methods of Computing National Income

In advanced countries two methods are used for estimating the national income. One is to measure expenditures by consumers and investors, for commodities and services. The flow of commodities can be traced through these expenditures for the purchase of goods, and similar estimates can be made for services. Total expenditures are classified as (i) personal consumption expenditure; (ii) gross private domestic investment; (iii) changes in business inventories; (iv) net foreign investment; and (v) government expenditure.

The second method attempts to measure the remuneration paid to each factor of production. The resulting estimate of the net product of a national economy represents the aggregate value of all commodities produced and services rendered, minus the value of raw materials used and the capital equipment rendered useless in the process of production. In simple terms, four items are included in the national income: (i) rents for and used; (ii) interest charges on capital; (iii) wages of labour; and (iv) profits of entrepreneurs[3]

In under-developed countries, however, it is difficult to assess national income by either of these two methods. The lack of reliable data and the relatively less significance of the commercial and industrial sectors make it hard to derive accurate estimates of consumer expenditure. By the same token, payments made as remuneration for the factors of production cannot be reliably assessed for the important non-monetized sector of under-developed economies. For these countries national income is calculated on the basis of the total contribution of all producers, by deducting from the value of gross output purchases from other producers including imports.

This is the method adopted in Pakistan. Only one table of national income is prepared annually by the Central Statistical Office, in terms of constant prices (by industrial origin). The method used does not correspond completely to that recommended by the United Nations Organization, because of certain statistical difficulties. Each economic sector is treated according to its special circumstances. For instance, the net value of agricultural crops is derived by deducting 5 per cent. for seeds; 3 per cent. for cereal crops and 1 per cent. for other crops for wastage; and 5 per cent. for repairs, maintenance and depreciation charges for farm implements, buildings, etc. For the mining industry, deduction ratios are determined according to the nature of the product and on the basis of advice rendered by the Bureau of Mineral Resources. The *value added*

(3) *See* footnote (2).

data reported by the large-scale manufacturing industries are used as a benchmark and due allowance is made for non-reporting industries. For small-scale industries, calculations are based on the variation in the level of employment. For details readers are advised to refer to various publications of the Central Statistical Office on the subject.

Difficulties in Preparing Correct Accounts

There are many difficulties in the way of preparing correct estimates of national income in Pakistan. Most of the income still originates from agriculture, and the relevant statistics are not collected on scientific lines. Given the small average size of holdings a really accurate system of data collection would be relatively very expensive. Thus, much reliance has to be placed on the revenue statistics, which in turn depend ultimately on the competence of Patwari (revenue accountant) at the bottom of the hierarchy.

Similar difficulties hamper the measurement of income originating in small-scale industries. The small size of factories and the constant variation in their numbers make it impossible to maintain proper statistical records. Therefore, the estimates are rough and far from satisfactory.

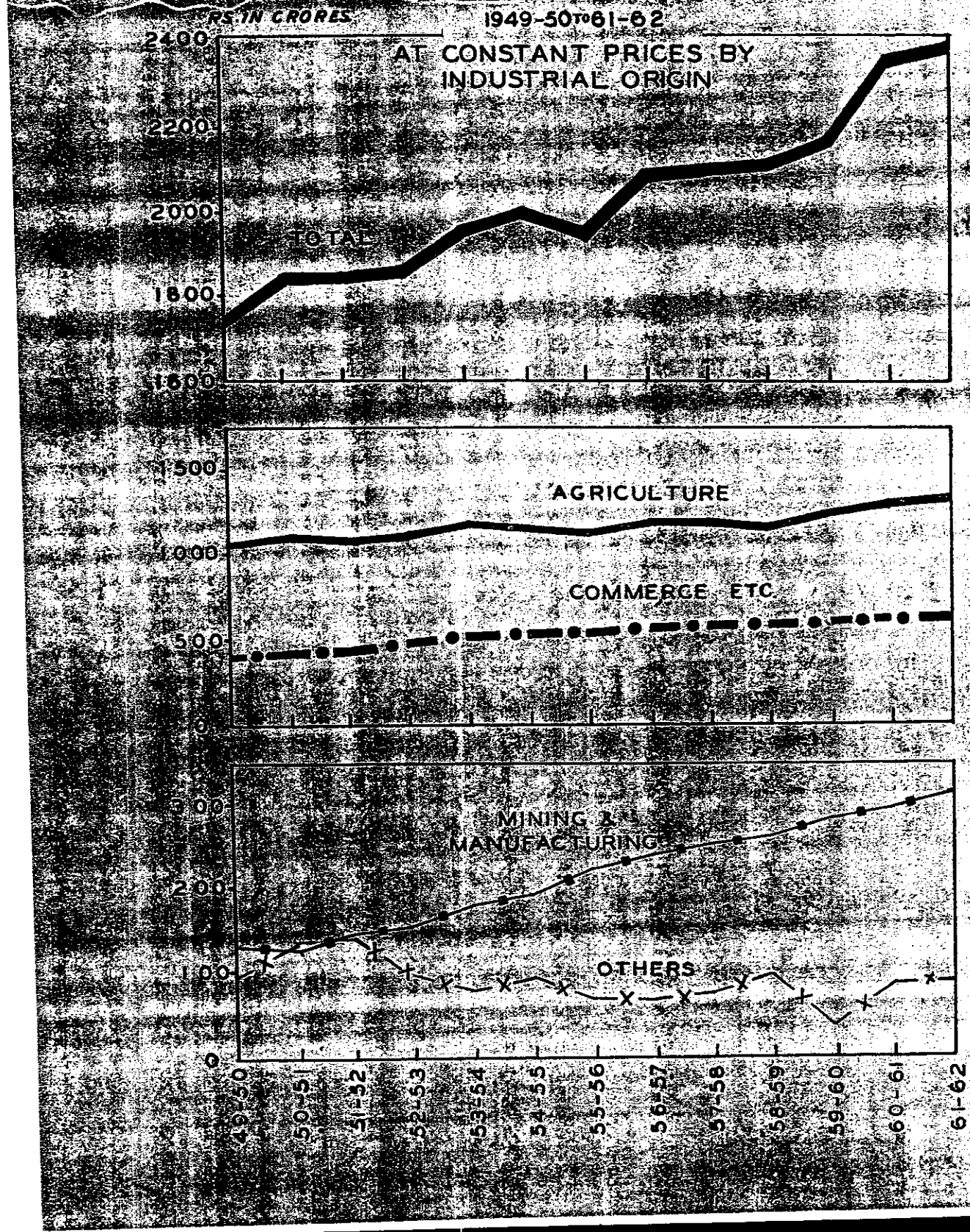
Assessment of *per capita* income is complicated not only by the uncertainty of estimates of total national income, but also by the difficulty of estimating the size and rate of population growth. The 1961 census showed all previous estimates to be misleading (*See* Chapter I, page 5).

In spite of these difficulties, constant efforts are being exerted to make the assessment of national and *per capita* income as accurate as possible. Many sample surveys have been conducted by the statistical authorities in the Provinces to refine the estimates of production in agriculture and allied sectors. The collecting machinery has also been improved to some extent. At the Centre, similar improvements have been made in statistical methods and reporting for the industrial sectors. Statisticians have been and are being trained and more mechanical tabulating equipment is being used. But in spite of the best efforts of the statistical authorities, the national income accounts of the country have to be read with caution.

Some improvements have recently been made in the estimates of national and *per capita* income. These are due to the rationalization of the income statistics and correction of a number of defects in the country's population estimates. Certain income estimates which had previously been repeated from year to year have been devised on the basis of better information; they include the estimates on minor crops, livestock, forestry (all of which come under the main head of agriculture) and small-scale industries.

NATIONAL INCOME OF PAKISTAN

1949-50 TO 61-62



Fluctuations in National Income

According to Jevons' rainfall theory, the national income of an under-developed country is subject to wide fluctuations in income and employment as a result of variations in rainfall, especially during the growing season. Changes in rainfall similarly produce fluctuations in prices and total national income. According to Moore "....rainfall cycles bring fluctuation in yields of raw materials which in turn bring fluctuation in their prices. Bad rainfall means high raw material prices which in turn squeeze profits of manufacturers and lead to a decline in industrial investment and a general downswing (4)

The Pakistani economy is still dominated by agricultural production. Despite the rapid growth of industry since Independence, in 1960-61 agriculture contributed about 57 per cent. of total national income. The extent to which the Javons theory applies is illustrated by the fact that tea production increased by 39 per cent. in one year (1961-62 without any appreciable increase in area under this crop, just because in one year there was a severe drought, while in the other there was good rainfall. Actual fluctuation in Pakistan's national income can be seen from table 4 of the Statistical Section.

Increase in National Income of Pakistan

There was a notable apparent increase in the national income in 1960-61 over 1959-60—from Rs. 2168.3 crores to Rs. 2294.3 crores, or by 5.8 per cent. The following table shows national income figures for the period 1949-50 to 1960-61 (and 1961-62 preliminary)

National Income of Pakistan at Constant Prices, 1949-50 *to* 1961-62
Prices Average 1949-50 *to* 1952-53

Year	National Income (Crores of Rupees)	Percentage Increase over the preceding year
1949-50	1754.2	..
1950-51	1857.5	5
1951-52	1852.2	..
1952-53	1876.1	1.3
1953-54	1972.2	5.2
1954-55	2006.4	1.7
1955-56	1958.6	..
1956-57	2088.2	6.6
1957-58	2101.1	0.6
1958-59	2085.0	..
1959-60	2168.3	4.0
1960-61	2294.3	5.8
1961-62 (Provisional)	2380.2	3.7

(4) Benjamin Higgins *Economic Development*, page 548. W.W. Norton & Co., New York, 19.6.

Per capita income of Rs. 247 in 1960-61 (compared to Rs. 238 in 1959-60) was also a good improvement in spite of the fact that the population has been increasing at a rate of over 2 per cent.

Trend in 1961-62

Final national income figures for the year 1961-62 are not available but preliminary estimates show an increase to Rs. 2380.2 crores or by 3.7 per cent. over 1960-61. The percentage rise is probably less than in the preceding year because of setbacks to certain agricultural crops.

The Central Statistical Office has placed the index of agricultural production for 1961-62 at 128 as compared to 124 in 1960-61 in their preliminary estimates. According to preliminary reports the output of rice in 1961-62 was about the same as 1960-61. In the case of wheat, the area cultivated increased by an estimated 10 per cent. and the condition of the crop was stated to be excellent due to favourable weather and timely rains. The estimated output of Kharif crops (bajra, jowar and maize) increased from 9.58 lakh tons to 10.96 lakh tons or by 14 per cent.

The position with regard to other crops was even more favourable. Production of sugarcane jumped from 154.12 lakh tons in 1960-61 to 174.34 lakh tons, more than 13 per cent. Production of jute, at 70 lakh bales, was the highest since Partition, 56 per cent. more than the 1960-61 output (45 lakhs bales). Cotton production also increased by 3 per cent. in 1961 ; and the output of tea by 39 per cent., to 588 lakh pounds as against 425 lakh pounds in 1960.

On the industrial front also, the position is encouraging. The index of industrial production during 1961 was 212.7 as against 191.6 during 1960, a rise of 11 per cent.

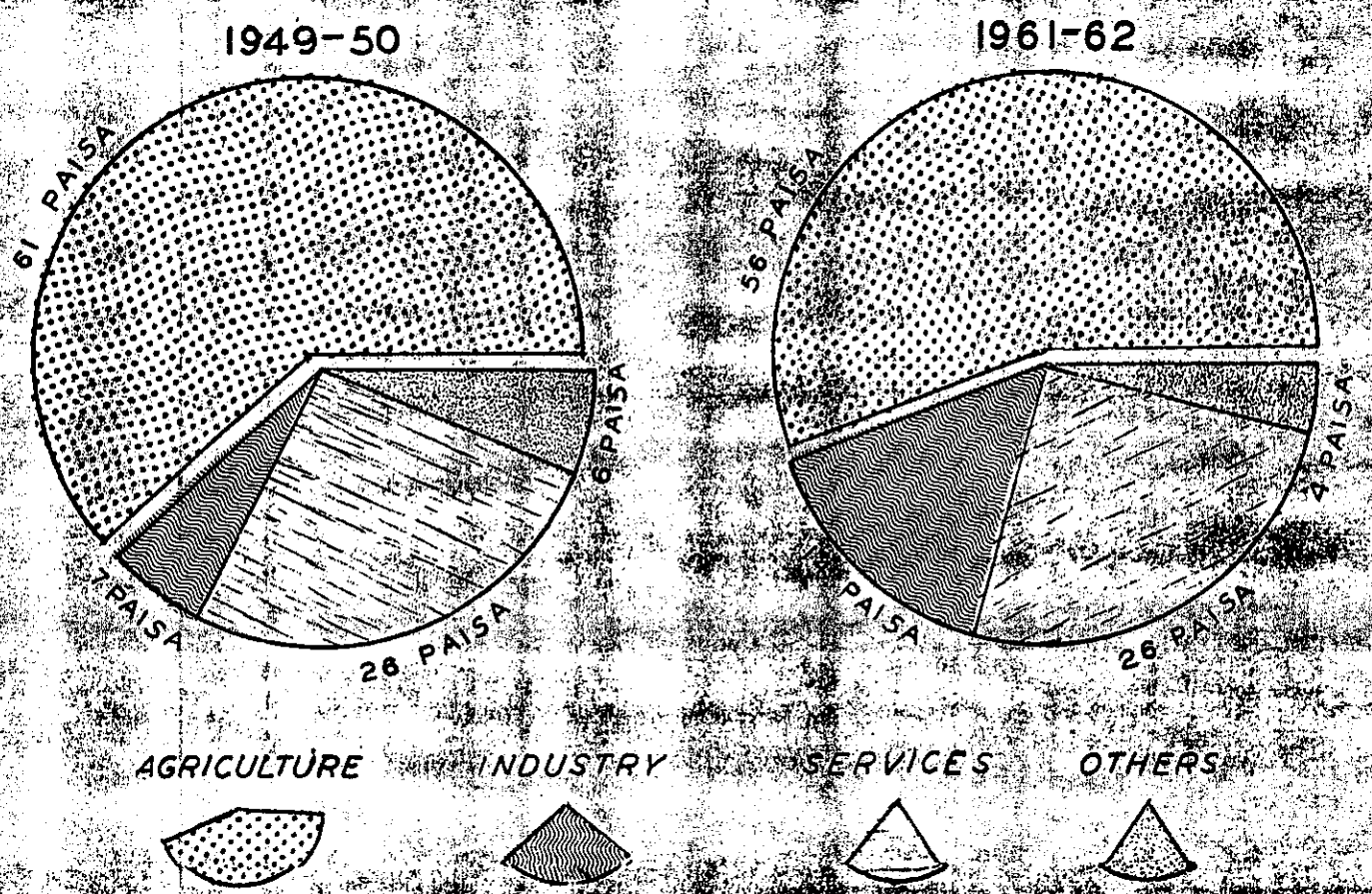
Structural Changes

On reviewing the national income figures for Pakistan over the last 13 years, one notes that there has been a modest structural change. In 1949-50, more than 61 per cent. of the national income originated in agriculture and allied activities. In 1960-61, the agricultural sector's contribution had declined to less than 57 per cent. The process is rather slow but constant, and it should become much more marked upon completion of the Second Five-Year Plan.

As the industrial and commercial sectors assume relatively more importance, fluctuations in national income should be reduced, since variations in rainfall and the price of primary products will be offset to some extent by greater stability in other sectors.

NATIONAL INCOME

PERCENTAGE DISTRIBUTION



CHAPTER III

AGRICULTURAL PRODUCTION AND ORGANISATION

Agricultural Production

Agricultural situation presented a mixed outlook during 1960-61 because of severe drought conditions that prevailed all over the country. This greatly affected wheat and other cereals in West Pakistan and jute and tea crops in East Pakistan. Rice crop, however, was exceptionally good throughout the country, in spite of some damage due to cyclones in East Pakistan, and even surpassed the plan target by 3.6 per cent.

The prospects of agricultural production in regard to most of the crops during 1961-62 are quite bright. This is attributable to the strenuous efforts made by the Ministry of Food and Agriculture and the Departments of Agriculture in the Provinces. Weather conditions were also favourable during sowing and growth period of crops. Rice production is expected to be favourable. Jute, tea and sugarcane have registered bumper crops. Bajra, jowar and maize have made good recoveries, while wheat and other rabi cereals are expected to show promising results. The cotton crop, which received some set-back early due to untimely rains and locust, has also recovered greatly and may reach the figure of about 18.4 lakh bales.

On the whole, progress has been achieved in agricultural production during the last three years. The index of all agricultural crops increased from 117 in 1959-60 to 124 in 1960-61 and to 128 in 1961-62. The index of food crops moved upwards from 117 in 1959-60 to 124 in 1960-61 and to 126 in 1961-62. The index of non-food crops on the basis of provisional data shows an increase from 139 in 1960-61 to 151 in 1961-62; and the index for fibres shows a jump from 109 in 1960-61 to 120 in 1961-62 owing to the larger jute crop. Trends in the field of agricultural production are illustrated in the chart showing the index of agricultural production from 1947-48 to 1961-62 on the opposite page.

Acreage and Production

The following table shows the changes in the acreage and yield of principal crops during the last three years and indicates some notable success in achieving increases in agricultural production.

Acreage and Production of Principal Crops

Crops	Area in '000' Acres				Production in '000' Tons			
	1960-61	1959-60	Increase (+) Decrease (—) in per cent. in 1960-61 over 1959-60	1961-62 (*a*)	1960-61	1959-60	Increase (+) Decrease (—) in per cent. in 1960-61 over 1959-60	1961-62 (*a*)
Rice	24,804	24,125	(+)2.8	23,958	10,533	9,461	(+)11.3	10,502 X
Wheat	11,603	12,193	(—) 4.8	11,856	3,786	3,876	(—) 2.3	3,943
Bajra	1,844	1,990	(—)7.3	2,055	301	324	(—) 7.1	364
Jowar	1,177	1,128	(+) 4.3	1,269	218	229	(—) 4.8	245
Maize	1,207	1,199	(+) 0.7	1,191	439	480	(—) 8.6	487
Barley	536	630	(—) 14.9	525	135	149	(—) 9.4	N.A.
Total Food Grain	41,171	41,265	(—) 0.2	40,854	15,412	14,519	(+) 6.2	..
Gram	2,881	2,954	( )2.5	2,790	636	627	(+) 1.4	N.A.
Total Food Crops	44,052	44,219	(—) 0.4	43,644	16,048	15,146	(+) 6.0	..
Sugarcane	1,238	1,262	(—) 1.9	1,289	15,412	14,105	(+) 9.3	17,434
Rapeseed and Mustard	1,791	1,965	(—) 8.9	1,815	308	318	( ) 3.1	N.A.
Jute	1,518	1,375	(+) 10.4	2,071	795.9 (4,457)	991.8 (5,554)	(—) 19.7	1,244.5 (6,969)
Cotton	3,242	3,370	(—) 3.8	3,489	299.4 (1,711)	290.0 (1,657)	(+) 3.3	322.0 (1,8 0)
Tea	78	78	—	79	18.9 (42.3)	25.4 (57.1)	(—) 25.9	26.3 (58.8)
Tobacco	198	205	(—) 3.4	N.A.	84.4 (189.0)	88.4 (198.1)	(—) 4.6	N.A.
Total Cash Crops ..	8,065	8,255	(—) 2.3	..	16,918.6	15,818.6	(+) 7.0	N.A.
Total All Crops ..	52,117	52,474	(—) 0.7	..	32,966.6	30,964.6	(+) 6.5	..

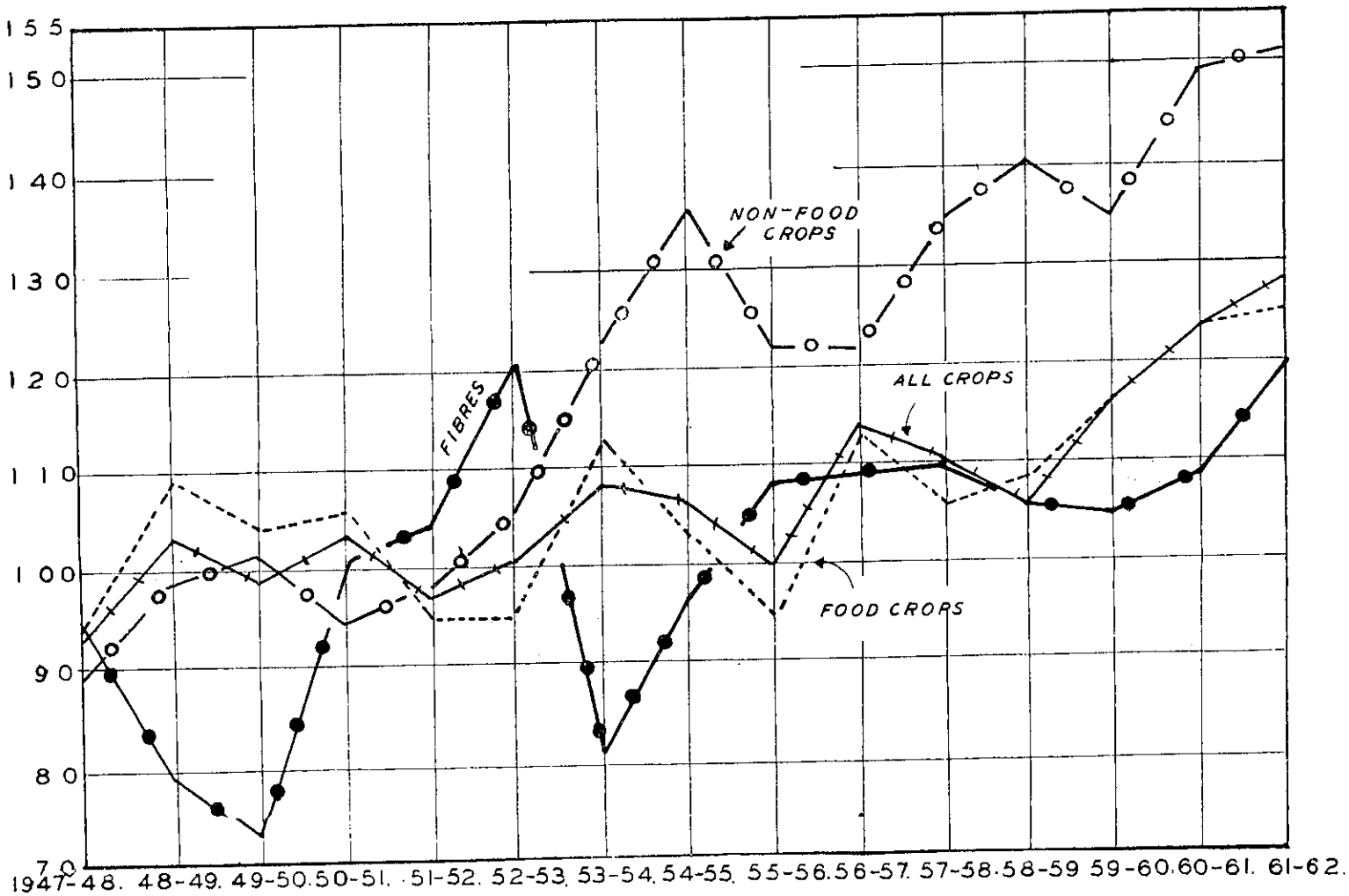
(*a*).—Preliminary except for Bajra, Jowar, Maize, Cotton, Jute and Tea

(X) .—Including three years Average of Boro Crop.

N.B.—Figures in the bracket indicate '000' bales for Jute and Cotton and million lbs. for Tea and Tobacco.

Source :—Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

INDEX OF AGRICULTURAL PRODUCTION



Rice

International Situation

Rice (Paddy) production in the world continued its upward trend in 1960-61, the total rising to 235.6 million tons compared to about 2236 million tons in the previous year. The increase was mainly concentrated in India and other Asian countries. Production in the traditional exporting countries was slightly higher than in the previous season and there were larger stocks available. Import demand was maintained despite the continued growth of production in deficit countries, but supplies of rice for export were smaller because of the shortages in Mainland China, the reduced output in Egypt, and disturbances in Viet-Nam. There was thus some recovery in international prices. The F.A.O. index of export prices (1957—59=100) averaged 94 in 1961 against 88 in the previous year.

In 1961-62, rice crops in a number of countries suffered from unfavourable weather during the growing season, but prospects subsequently improved and it appears that the upward trend in world production will continue unchecked. Production in some exporting countries, particularly Viet-Nam and the United Arab Republic, was more seriously affected, and both these countries have suspended export sales. As a result, export supplies of lower grade rice are probably smaller than in 1961. To tide this over, the U.S. Government have lifted its acreage allotment for 1961-62 rice crop by 10% so as to ensure adequate supplies for export.

Situation in Pakistan

In Pakistan, the area under rice crop in 1960-61 maintained the rising trend for the third year in succession. The acreage under rice registered an all-time high record figure of 248 lakh acres and even surpassed the previous year's figure by 7 lakh acres. The increase in acreage was manly due to favourable weather condition and the Model Scheme launched by the Government in selected areas. The production of rice (clean) also rose in sympathy with increased acreage and showed a marked rising trend. The record 1959-60 crop of 94.6 lakh tons was beaten in 1960-61 by 11.3 per cent. and created a new record of 105.3 lakh tons. This happy position was mainly due to favourable weather condition coupled with use of better seed and fertilizer. The yearly average wholesale price of medium quality rice at Dacca dropped to Rs. 29.74 in 1961 compared to Rs. 31.66 in the previous year.

In Pakistan, the acreage under rice declined in 1961-62, due mainly to increased acreage under jute crop, which competes for land directly with rice crop in East Pakistan, and unfavourable weather condition.

The third estimate of rice crop has put the production figure 2 per cent. less than the corresponding estimate of last year However, the position is expected to improve considerably with the release of *Boro* crop figures.

The Central Government has decided to export 3,05,000 tons of rice during 1962 as against export of 1,15,899 tons last year. The quantity of rice which is expected to be available for export shows that 1,25,000 tons will be of the superior varieties and 1,80,000 of two medium varieties. The medium varieties will be exported this year after a lapse of many years. *Sind Kangni* and *Joshi* rice which used to be supplied to East Pakistan previously is being exported. This has been possible on account of improved food position in East Pakistan and also due to larger imports of rice from Burma. The price of Burma rice is cheaper than the export price of *Sind Kangni* and *Joshi*. Thus, from the foreign exchange earned on the export of Sind rice, it would be possible to import larger quantity of Burma rice for East Pakistan, which is also preferred by the people there. The Government is also encouraging cultivation of *Basmati* rice which is in great demand. Efforts are being made to grow this variety of rice in Hyderabad and Khairpur Divisions. The following figures would show the foreign exchange expenditure and earnings on import and export of foodgrains since 1959-60 :—

Year	Foreign exchange expenditure	Foreign exchange earnings
	Rs.	Rs.
1959-60	209,180,000	47,138,000
1960-61	190,508,000	67,500,000
1961-62 (Estimated)	157,110,000	100,000,000

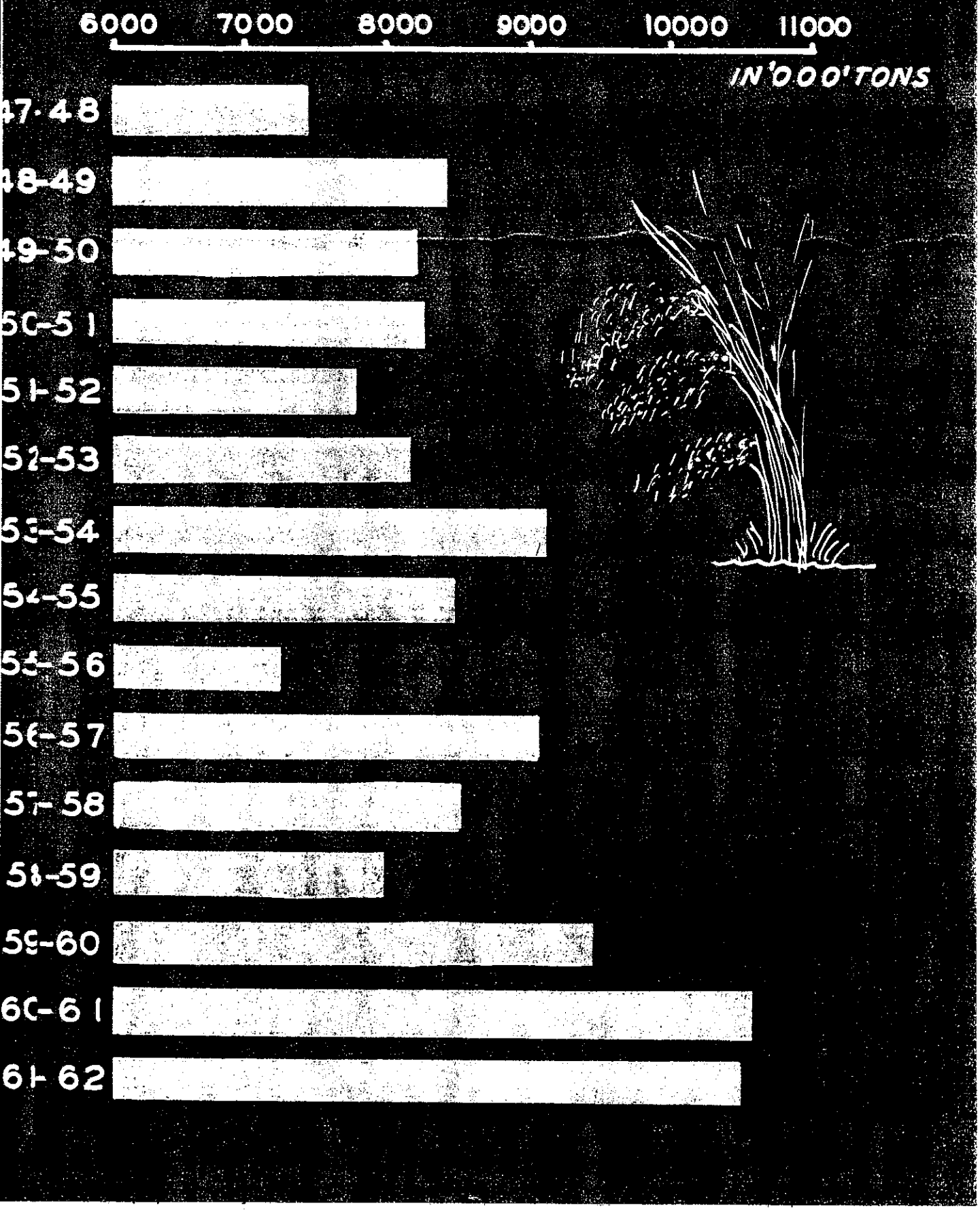
It will be observed that while the expenditure on imports is gradually decreasing from Rs. 20.9 crores in 1959-60 to Rs. 15.7 crores in 1961-62 ; the earnings are increasing from Rs. 4.7 crores to about Rs. 10 crores.

Wheat

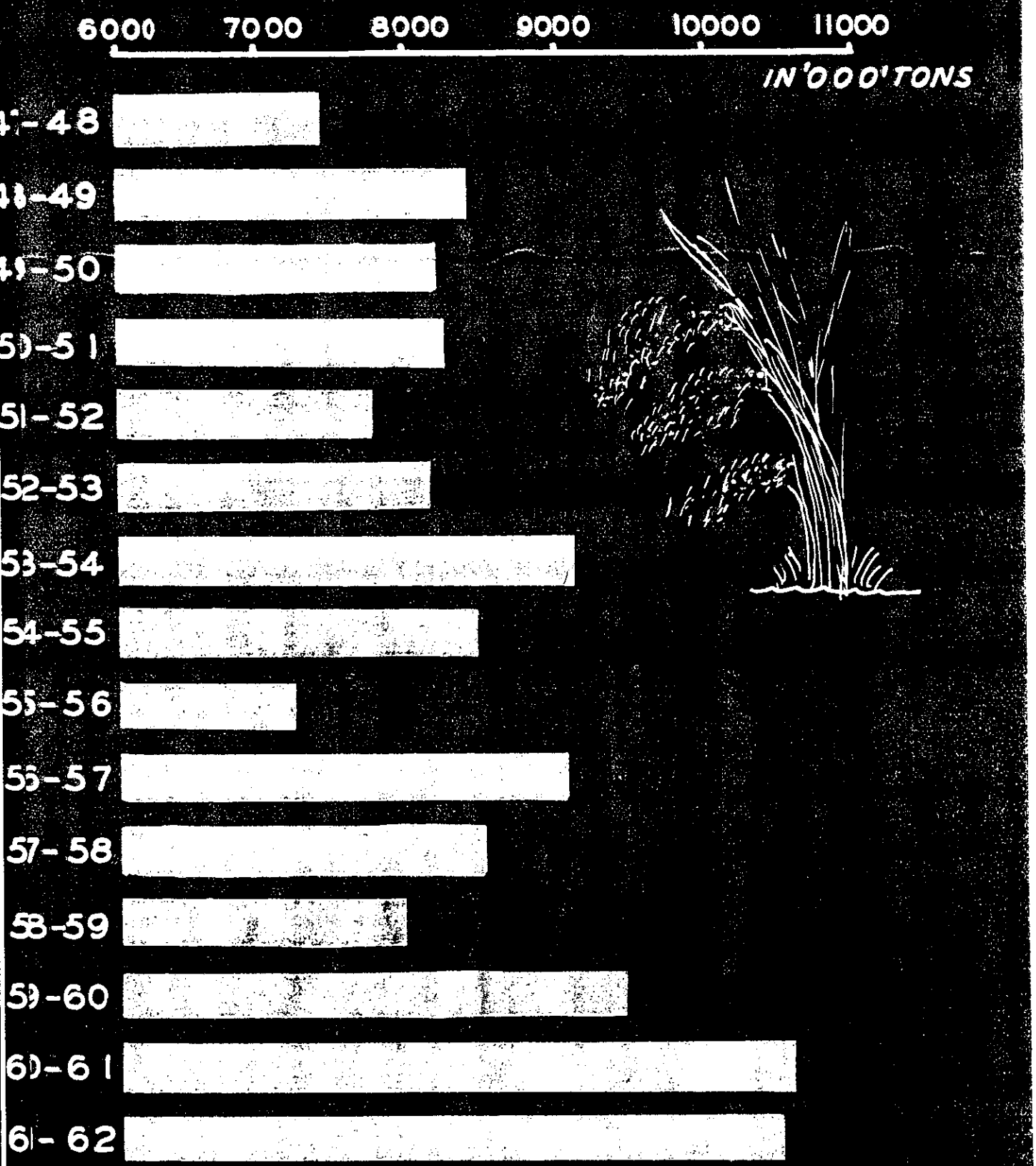
International Situation

World production of wheat fell for the second year in succession to 245.1 million tons in 1960-61 compared with 246.1 million tons in 1959-60 and 252.0 million tons in 1958-59. Some increase in production was reported from Asia and North and Central America. The decreases were chiefly concentrated in South America, U.S.S.R. and

PRODUCTION OF RICE



PRODUCTION OF RICE



Europe. There was an increase of about 6.9 million tons, from 30.5 million tons in 1959-60 to 37.4 million tons in 1960-61, in the world wheat trade. On the export side the major beneficiaries in the increase in world wheat demand were the United States, Canada and Australia. United States exports rose from 13.8 million tons in 1959-60 to 18.0 million tons in 1960-61. In 1960-61, wheat prices continued their downward trend. Support price for wheat in the United States was quoted at $ 1.78 per bushel in 1960-61 compared to $ 1.81 per bushel in 1959-60.

A sharp reduction is expected in the 1961-62 harvest. World production has been estimated at 237.2 million tons in 1961-62 compared to 245.1 million tons in 1960-61. The decrease was largely concentrated in North America and Western Europe. Some production increases occurred in other countries, notably in Argentina, India, Japan and some other Eastern European countries ; but these were not large enough to offset the declines elsewhere. As a result of production declines in the major exporting countries, the exportable surplus during 1961-62 was much lower than in the previous year. Total exportable supplies of wheat in all principal exporting countries were still large enough to meet any foreseeable demand in international markets. According to indications, world trade in wheat in 1961-62 will be at least as high as, and probably higher than, the record volume achieved in 1960-61. As a resut of the decline in world output and the prospects for further expansion of world imports in 1961-62, there was general advance in wheat prices. At the beginning of 1962, the price of No. 1 Manitoba wheat, having risen by about 15 per cent. during the season reached $ 1.89 (Canadian) per bushel.

Situation in Pakistan

In Pakistan, the area under wheat crop decreased from 121.9 lakh acre in 1959-60 to 116.0 lakh acres in 1960-61. The decrease in acreage was mainly due to drought conditions prevailing in the country. Wheat production also registered a decrease of 90 thousand tons and reached the figure of 37.9 lakh tons compared to 38.9 lakh tons in 1959-60.

The index of wholesale price of wheat which stood at about 145 in March, 1961 dropped to 141 in April and then it sharply came down to about 127 in May, with the arrival of new wheat crop in the *Mandis*, and large releases from Government stock. However, towards the end of the season, there was some spurt in prices of indigenous wheat owing to the preference it enjoys with certain classes of consumers. The result was that the price index rose sharply to 143.5 in February, 1962. The West Pakistan Government started the Rabi year 1961-62 with a reserve of about 1,66,000 tons of wheat and is expected to close the year with a reserve of 3,22,000 tons on May 1, 1962.

According to second estimate the area under wheat crop in 1961-62 increased by 2.2 per cent. to 118.6 lakh acres compared to 116.0 lakh acres in the final estimate of last year. This increase is chiefly attributed to adequate rainfall and regular supply of canal water during the sowing period. According to official second estimate, the production of wheat for 1961-62 is 39.4 lakh tons which is 4.1 per cent. higher than the final estimate figure for 1960-61. The price of wheat as on 31st March, 1962 ranged between Rs. 13.75 and Rs. 16 in some selected centres in West Pakistan compared to Rs. 14.50 and Rs. 17 quoted a month earlier.

In order to afford relief to consumers, the Economic Committee of the Cabinet decided to reduce with effect from April 8, 1962 the issue price of imported wheat from Government stocks from Rs. 16 to Rs. 14 per maund in West Pakistan and to Rs. 12.50 in East Pakistan in bags. The price was further reduced by the Government of East Pakistan with effect from April 23, *ex*-godown price being fixed at Rs. 11.50 per maund with bag and retail price at Rs. 12.50 per maund.

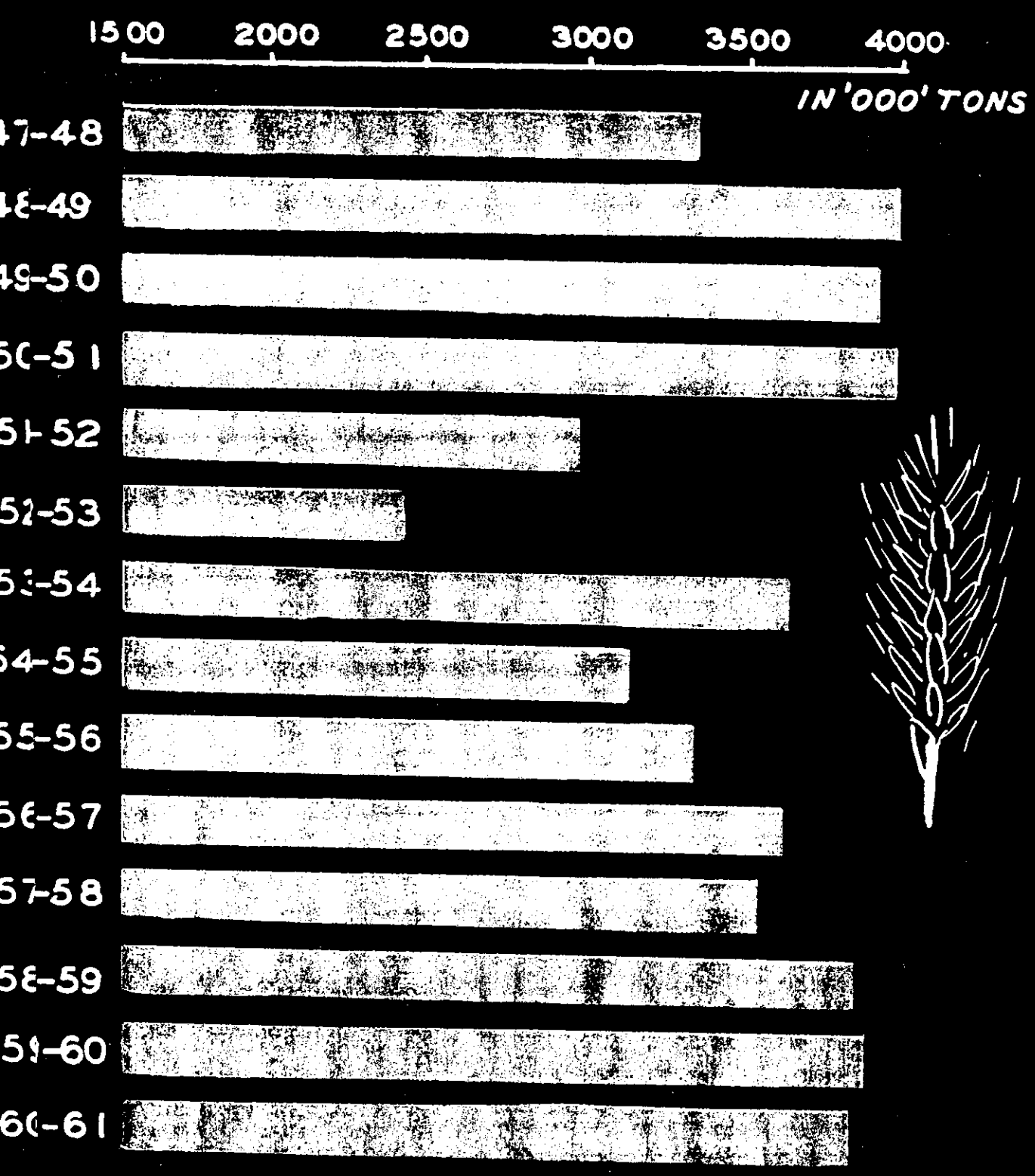
Jute Situation 1960-61

The Jute Regulation Act, 1940 which provided for controlling the acreage for cultivation of jute was lifted for the first time during the season 1960-61, in view of tight supply position of jute. Accordingly, the acreage under jute rose by 10 per cent. to 1,518,000 acres during the season. But the production of jute dropped sharply to 44.6 lakh bales or by 19.8 per cent. owing to severe drought conditions. In India in spite of Government incentives, the area declined to 1,529,000 acres or by 9 per cent. Production in India also dropped by 12.4 per cent. to 40.3 lakh bales. Small crops in Pakistan and India which account for 96 per cent. of world production led to an unprecedented rise in prices. As a result, production of jute goods was curtailed in many countries. The price of Mill Firsts c.i.f. European ports was quoted at 48.5 U.S. cents per kilogram in 1960-61 season compared to 32.2 in 1959-60.

Total supply in Pakistan, including a carry-over of 2.3 lakh bales, was 46.9 lakh bales as compared to 66.6 lakh bales in the previous season. Total exports during the season, including exports to India, dropped from 47.2 to 29.9 lakh bales. Domestic consumption rose to 16.6 lakh bales as compared to 16.2 in the previous season. The carry-over for the season 1961-62 was only forty thousand bales.

The Narayanganj raw jute market opened with a weak undertone in July, 1960 firmed up due to scarcity conditions. Raw jute prices in Narayanganj rose spectacularly between September, 1960 and March, 1961 to reach record level. Average wholesale price at Narayanganj for Jat

PRODUCTION OF WHEAT



Bottom and Habijabi rose from Rs. 36.25 and Rs. 21.50 per maund in August, 1960 to Rs. 78.37 and Rs. 65 per maund respectively in March, 1961. In the last quarter of the season prices tended to fall in expectation of a heavy new crop. Jat Bottomo and Habojabi receded to Rs. 58 and Rs. 49.25 per maund respectively in June, 1961.

Jute Situation 1961-62

World jute production in 1961-62 is a record of 134 lakh bales compared with the exceptionally small crop of 91 lakh bales in 1960-61 and the previous high record crop of 120 lakh bales in 1958-59. Increases were reported from most of the producing countries. In India, the acreage under jute increased to 22.6 lakh acres in 1961-62 from 15.1 lakh acres in the previous year. The production has also reached an all time record of 62.7 lakh bales against 40 lakh bales last year. India is likely to set up an independent Buffer Stock Authority in order to help stabilise raw jute prices and ensure fair return to the growers. Price of Mill Firsts c.i.f. European ports for the first six months of the season ending December, 1961 was quoted at 43.0 U.S. cents per kilogram compared to 48.5 in the 1960-61 season.

In Pakistan, the area under jute registered an increase of 35.8 per cent to 2,061 thousand acres owing to high jute prices in the preceding year, and favourable weather conditions. Production also registered an unprecedented rise in 1961-62 and is estimated at 69.7 lakh bales, 56.4 per cent. higher than the previous year's crop.

Jute arrivals at all baling centres up to March, 1962 amounted to 58.2 lakh bales which is 37.9 per cent. higher than the arrivals in the corresponding period of the last season. Total exports up to the end of March, 1962 amounted to 34.72 lakh bales which are 7.5 lakh bales higher than the exports in the corresponding part of the last season.

The prospects of a bumper crop in 1961-62 brought prices down sharply in the closing months of the previous season. The market was particularly weak in August with large arrivals and insufficient sales. The growers' were dissatisfied with the prices they got and tried to withhold supplies. The index of wholesale prices for jute which was 179 in June, 1961 fell sharply to 123 in October, 1961, but recovered greatly in November, and maintained the steadier trend up to December. The index, however, dropped slightly again in January, 1962 and reached 130 in February and stood at 123.8 in the end of March, 1962.

According to the jute policy announced by the Government of Pakistan for 1961-62, there will be no change in the export duty, which is Rs. 20 per bale for long jute and Rs. 10 per bale for cuttings. The

minimum export prices have been raised and are to be refixed on the basis of £ 100 per ton c.i.f. UK|Continent or £ 89 per ton f.o.b. Chittagong|Chalna for Export Firsts. Government have also decided that the half portion of the bonus earnings from the export of jute goods which was reserved with effect from 1st July, 1961 for import of machinery and equipment for the expansion and modernisation of the jute industry, can also be used for the import of other capital goods into East Pakistan.

Cotton

International Situation

World cotton production broke all previous records during 1960-61 at a figure of 47.4 million bales, compared with 46.7 million bales in 1959-60. Consumption declined from the previous season's record high of 48.2 million bales to 47.8 million bales in 1960-61. The set-back in cotton consumption was mainly due to a reduction of 0.7 million bales in the domestic consumption of cotton in the United States, partly offset by increased consumption in Japan and Western Europe. International trade in cotton during 1960 61, estimated at 15 million bales, was only fractionally less than the 1959-60 record of 15.2 million bales. The free world stock of cotton declined from 17.7 million bales in 1959-60 to 16.8 million bales during 1960-61.

The price policies followed by the United States tend to have a dominating influence on world price levels. The high export subsidy and other artificial measures adopted by the United States led to up-setting export prices and emergence of a dual pricing system. The dual pricing system militated against the stability of cotton prices in the world market and rendered "future" trading ineffective. Notwithstanding the so-called "temporary nature" of these expedients, the increase by the U.S. Government in the export subsidy from 6 cents to 8.5 cents per lb., effective for 1960-61 subject to change without notice, has retarded the hope of an early return to the normal one price pattern of cotton marketing. Prices rose somewhat in 1960-61. The c.i.f. Liverpool price of Mexican, Matamoros S. M. 1-1|32" was quoted at 66.29 U.S. cents per kilogram in 1960-61 compared to 63.73 in 1959-60.

World cotton production for 1961-62 has been estimated at 47.5 million bales which is 0.1 million bales higher than the record 1960-61 crop. Significant decrease in cotton crop this year in Mexico, Egypt and India appears to be about equalled by production increases noticed in Brazil, Sudan, Spain and Greece. Estimated total supply for 1961-62 of 68 million bales which, including carry-over of 20.5 million bales, is unchanged from 1960-61. The over-all prospects for cotton consumption in 1961-62 continue to be favourable with only a 0.1 million bale decrease expected from 1960-61. A 0.6 million bale decrease in major importing

PRODUCTION OF JUTE

countries, including Communist countries, will be offset by an estimated increase in consumption of somewhat more than 0.5 million bales in the United States and some in other exporting countries. The longer term outbok for cotton appears to favour a continued rise in world production and consumption. The U.S.A. policies and programmes will continue to exert a major influence. The average c.i.f. Liverpool price for the first five months of the season ending December, 1961 was quoted at 66.13 U.S. cents compared to 66.29 cents during 1960-61.

Situation in Pakistan

In Pakistan the area under cotton crop in 1960-61 declined by 3.8 per cent. to 32.42 lakh acres compared to 33.70 lakh acres in 1959-60. Production of cotton was officially estimated at 17.11 lakh bales during 1960-61 compared to 16.25 lakh bales estimated by the trade, excluding a carry-over from the previous season of 22 thousand bales.

The total consumption by cotton textile mills in the country stood at about 13 lakh bales, thus leaving only a small exportable surplus during the season. Six lakh additional spindles are being installed and these are expected to go into production by 1963, which will further reduce the exportable surplus unless local production is speeded up.

Exports of raw cotton from Karachi to foreign countries during the season under review totalled 2,46,879 bales (staple cotton 1,47,151 bales and Desi 99,728 bales) as compared to 4,62,641 bales (staple cotton 2,98418 bales and Desi 1,64,223 bales) during 1959-60. The noteworthy feature during the period was the slackening of interest in Pakistan cotton by our traditional buyers in the Far East, notably Japan and Hong Kong. The Communist countries also reduced their imports of cotton from Pakistan during the period under review. The loss of foregn markets is mainly due to reduced export availability of cotton and the consequent inability of the country to assure continuity of supplies of cotton to the foreign buyers. The index of wholesale price (April, 48—March, 49 = 100) which stood at 106 in 1959-60 season rose to about 117 in 1960-61 due mainly to reduced exportable surplus at home coupled with general firmness in international cotton prices.

Export duty on staple and Desi cotton remained unchanged during 1960-61 at Rs. 75 and Rs. 40 per bale respectively. The duty on Comilla cotton was, however, reduced from Rs. 40 to Rs. 20 per bale. The Government in their Cotton Export Policy for 1961-62 reduced export duty on Desi cotton from Rs. 40 to Rs. 25 and the duty on Comilla cotton was abolished. The export duty on staple cotton, however, remained unchanged at Rs. 75 per bale.

In Pakistan the area under cotton crop has increased by 7.6 per cent. to 3,489,000 acres in 1961-62. The production, however, increased by 7.5 per cent. to 18.4 lakh bales according to official estimate in spite of earlier forecast of serious damage to the crop in Hyderabad and Khairpur Divisions, due to rains and locust swarms. The damage, however, later turned out to be quite small.

The Second Five-Year Plan target for cotton is 22.92 lakh bales. The Government in its anxiety to achieve the target in cotton, in order to feed its expanding cotton textile industry and not to hold back exports, has decided to reserve a large area of land in the Guddu Barrage exclusively for the cultivation of cotton, which will go a long way in filling the gap that exists between the existing production figures and the target.

The total availability of cotton including a carry-over of 84,000 bales stood at 17.84 lakh bales in 1961-62 according to trade estimates. With the home consumption of cotton remaining the same, *i.e.* at 13 lakh bales, the quantity available for export is expected to go up to 4.84 lakh bales. Arrivals of cotton by rail up to 28th March, 1962, totalled 8,30,440 bales compared to 7,79,045 bales during the same period last year. Total exports from 1st September 1961 to 28 March, 1962 amounted to 176,987 bales compared to 174,943 last year. The index of wholesale prices for the first seven months of 1961-62 season ending February, 1962 stood at about 110 compared to 114 in the corresponding period last season. The drop in the index is mainly due to large arrivals this year compared to 1960-61.

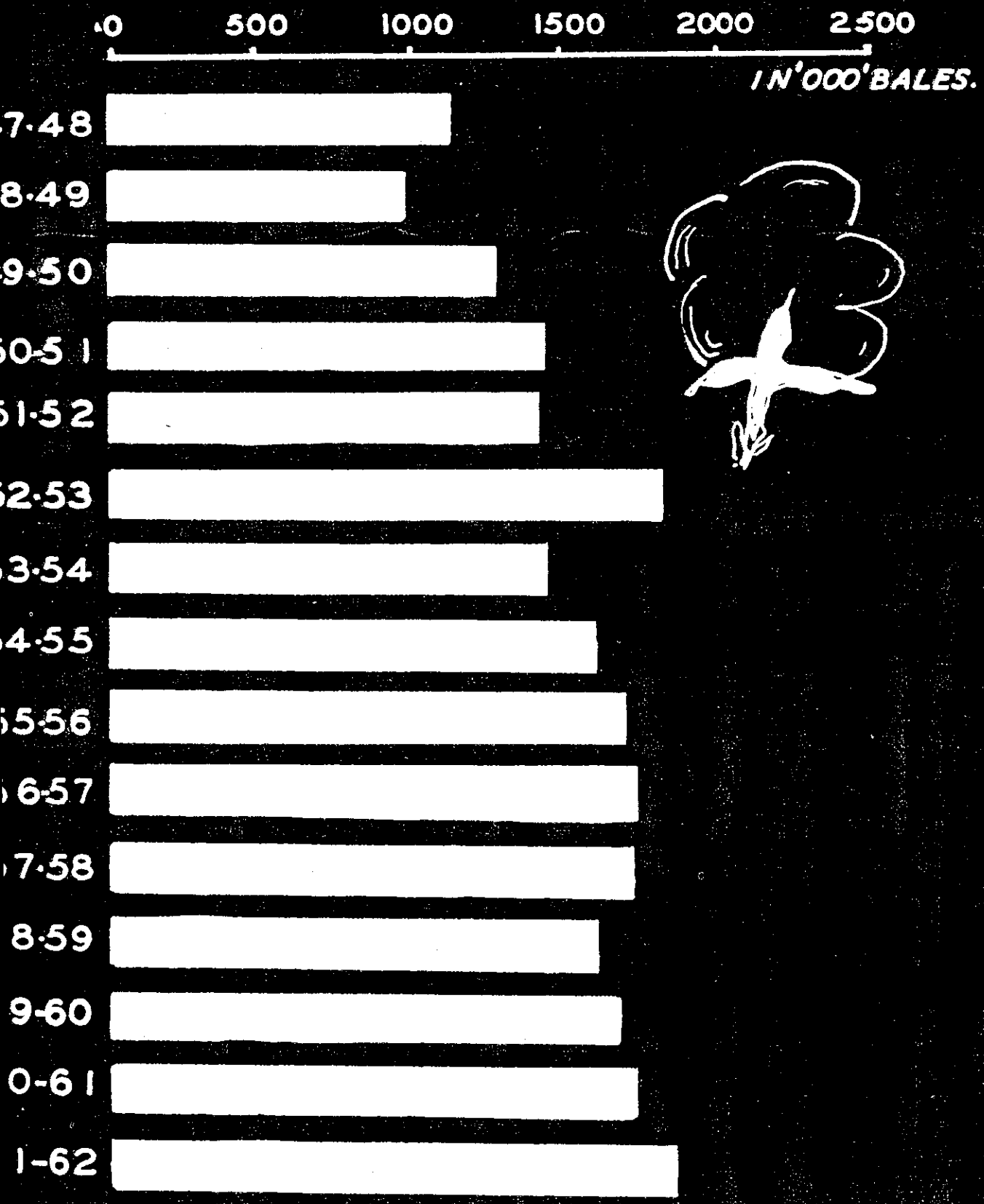
Tea

International Situation

World production of tea during 1960-61 was 2,126.3 million lbs. as against 2,090.3 million ibs. in the preceding season. Production in Northern India and Pakistan was adversely affected by a severe drought, but the short fall was largely offset by better crops in Ceylon, Africa, Mainland China and U.S.S.R. Due to somewhat smaller increase in supplies than demand, prices of various grades, including common teas, moved up. Prices of plain teas in the London auctions which ruled 3s. to 3s. 8d. per lb. in the beginning of July, 1960 advanced gradually to 4s. per lb. towards the end of June, 1961.

In 1961-62 the production continued its upward trend and touched the peak figure of 2,287.2 million lbs. which is 7 per cent. higher than the previous year's crop. There was general increase in the production all over the world except in Mainland China. Exports in 1961-62 increased by 8 per cent. and touched the figure of 1,249.7 million lbs. surpassing the record 1958-59 figure of 1,225.4 million lbs. The largest

PRODUCTION OF COTTON



rise in exports was registered in India and Pakistan. Auction prices were, on average, only slightly below those prevailing in 1960. Buyers had a wider choice, which enabled them to become increasingly selective as the season advanced.

Situation in Pakistan

In Pakistan the area under tea during 1960-61 was 78,000 acres. Production, however, declined by 25.9 per cent. to 42.3 million lbs. due to severe drought conditions in East Pakistan. Owing to short production only 9.49 million lbs. of tea were exported as compared to 15.8 million lbs. during the previous year. Local consumption continued to rise and absorbed 41.5 million lbs. in 1960-61 as against 40.0 million lbs. in the last season. Shortage of supply and increased local demand gave rise to shortage in the internal market. In order to ensure adequate supplies at reasonable prices for domestic consumption the export quota for 1960-61 was reduced from 20 million lbs. to 17 million lbs. in April, 1960 followed by fixation of maximum retail prices in August, 1960. The situation, however, did not show any improvement and export auctions had to be completely suspended in September, 1960.

In Pakistan the area under tea registered an increase of 1.3 per cent. to 79000 acres in 1961-62. Production in Pakistan more than recuperated from the effect of 1960-61 drought and touched the figure of 58.8 million lbs. in 1961-62 which is 39 per cent. higher than the last year's crop. The current year's export quota was fixed at 12.5 million lbs. Up to the end of February, 1962 the quantity of tea shipped abroad is about 10.8 million lbs. including 1.8 million lbs. consigned direct to London for sale.

The average price of tea per lb. fetched at internal and export auctions at Chittagong during the season 1961-62 (up to the end of February, 1962) are Rs. 2.15 and 1.48 respectively as against Rs. 2.40 and Rs. 1.65 respectively during 1960-61.

The current season has been a good one for the tea industry as tea was plentiful and most of the restrictions imposed by the Government on tea trade were removed. Export duty on tea was reduced on 14th September, 1961 from 38 paisa to 25 paisa per lb.

Developments in Agricultural Organization

During the first ten years of Pakistan's existence agriculture did not receive the attention it deserved. Prior to Independence, West Pakistan was the granary of the sub-continent ; but after Independence, it became quite deficient in her food requirements and had to spend substantial amounts of foreign exchange on the import of foodgrains. This state of affairs greatly impeded the progress of the country.

When the present regime took over, agriculture was given its due place in national development plans. Some of the important developments in the field of agricultural organization during 1961 and the early months of 1962 are discussed below.

Establishment of Agricultural Development Corporations

The most important development during the period was the establishment of Agricultural Development Corporations in East and West Pakistan. Their main functions are to organize supplies needed by the farmer and to provide him with technical knowledge which will enable him to change his methods. A clue to the importance of the work assigned to these Corporations is evident from the fact that the country's planners have allocated about one-third of the Government finances in the agriculture sector to the functions covered by these two semi-autonomous bodies. The grants to the Corporations and their allied programmes total Rs. 82.57 crores out of Rs. 251.50 crores allotted to public sector. Another sizeable sum of Rs. 7.02 crores will be directed to the two Corporations when mechanization of agriculture becomes their responsibility.

These Corporations are still passing through organizational stage. A high powered 16-man Co-ordination Board to assist the two Corporations to co-ordinate their activities was set up on 20th January, 1962 by the Government of Pakistan in the wake of reports that the two Corporations were experiencing some difficulties in finding the right type of staff. The activities of the two Corporations during the period are summarised below.

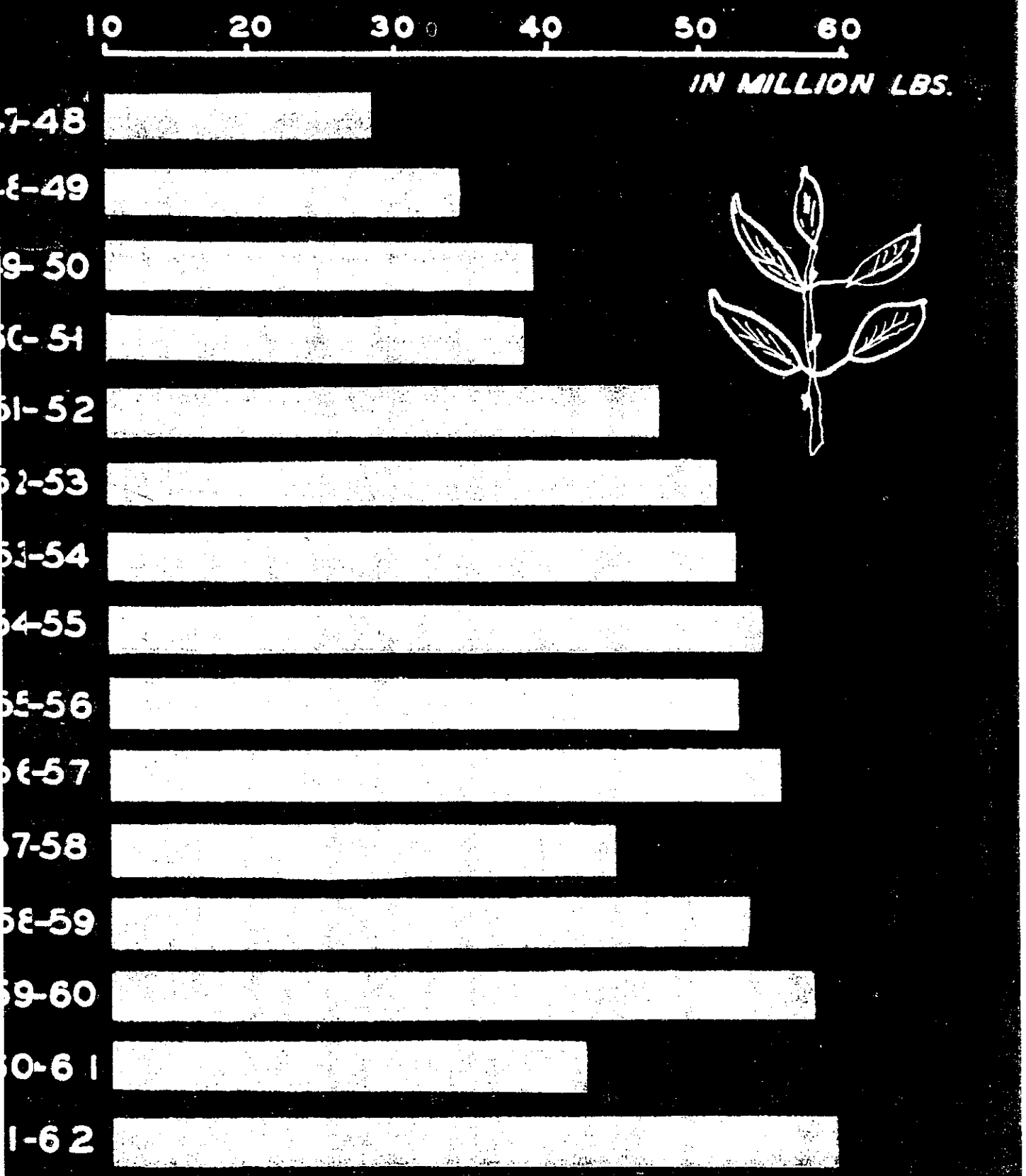
Agricultural Development Corporation—West Pakistan

This was set up on 20th September, 1961. The Supply Wing of the Organization has prepared seed and fertilizer programmes showing quantities and value required for the Second Plan period. The supply of seeds and fertilizers, etc., to the farmers will be made through co-operatives. The area commanded by the G. M. Barrage was declared as Project Area on the 16th December, 1961 according to which the Field Wing of the Organization is to administer all programmes relating to the Departments of Irrigation, Building and Roads, Revenue, Town Planning and Land Disposal. The Small Dams Organization with its headquarters at Rawalpindi was taken over by the Corporation on 1st February, 1962. Survey and planning is being undertaken for erection of small dams on suitable sites in hilly areas.

Agricultural Development Corporation—East Pakistan

This Corporation was set up on 14th October, 1961. The Supply Wing of the Corporation has prepared a scheme for introducing credit

PRODUCTION OF TEA



voucher or supply order system for the farmers. Under the credit voucher system, which would ensure proper use of loan granted to the farner by credit organization, they would be given credit vouchers or the supply orders for their agricultural requirements instead of cash. The Corporation was trying to give fertilizer to every Union through the multipurpose co-operative societies. The Corporation has also prepared a fertilizer compatability chart for the mixture of fertilizers and that they would shortly start mixing fertilizers of different kinds to suit paricular types of soil.

The Corporation has also prepared a Rs. 15.5 crores scheme under which agricultural machinery will be imported from abroad in a period of three years. The scheme calls for the import of 5,000 power pumps, 700 tractors and 300 tubewells. It is estimated that 50,000 power pumps are required for irrigation purposes in the province.

Water-logging and Salinity

Following discussion between President Kennedy and President Ayub, U.S. Scientific Mission, led by Dr. Jerome B. Wiesner, Special Assistant to the President for Science and Technology, studied this problem in Pakstan in September-October, 1961. The Mission also studied WAPDA's Plan for fighting the twin menace.

The Mission has submitted its report which is under the active consderation of the Government.

Magnitude of the Problem

Over 23 million acres of land in West Pakistan is under canal irrigation. All is not well, however, with the agricultural economy built on these resources. The twin evils of water-logging and salinity are the legacy of our defective canal system.

In the former Punjab the deterioration of land due to water-logging and salinity has been going on for decades. Out of 130 lakh acres of canal irrigated land, 13 lakh acres (*i.e.*, 10%) have completely gone out of cultivation due to salinity, 17 lakh acres (*i.e.*, 13%) are in an advanced stage of deterioration ; and a further 50 lakh acres (*i.e.*, 39% are affected in varying degrees. The rate at which land is going out of cultivation due to salinity is estimated at 70,000 acres each year.

Water-logging in this region is also widespread over an area of 14 lakh acres, depth of the water-table is between 0 to 5 feet, and in an area of 34,000 acres water is actually at the ground surface. The water table has not yet stabilised and is continuing to rise.

Sufficient statistical information for Sind region is not available. The situation appears to be worse than the Punjab, as a greater part of the region is deltaic and the soils contain a larger quantity of salts.

History of Action

In the Punjab area water-logging and salinity problem has been engaging the attention of the Government since 1915. The setting up of a Drainage Board (1917), Water-logging Enquiry Committee and Rural Sanitary Board (1925), Water-logging Board (1928), Land Reclamation Board (1940) and Soil Reclamation Board (1952), represented earlier attempts to investigate the causes and effects of water-logging and intensify land reclamation operation. But, for one reason or another, all these attempts proved ineffective.

In 1954, under U.S. aid, a large programme of Ground Water and Soil Salinity Investigations was started for the first time on proper scientific lines in three extensive areas of the Punjab, *viz.* the Rechna Doab, the Chaj Doab and Thal.

With the creation of the Water and Power Development Authority (WAPDA) in West Pakistan in 1958, water-logging and salinity became its responsibility. Based on the results of investigation financed by U.S. aid, WAPDA prepared the first major project for the control of salinity and water-logging in 13 lakh acres of land of the Rechna Doab. This project provided for the sinking of 1,800 tube-wells with the object of depressing the water table. The project has been completed.

In a high-powered conference held at Lahore on 3rd of April, 1961, the President of Pakistan directed the Authority to evaluate the salinity and water-logging programme in West Pakistan and to draw up a comprehensive plan to combat the problem within ten years. The WAPDA accordingly drew up a Plan estimated to cost Rs. 340 crores, with an additional Rs. 250 crores for necessary electric power facilities. Twenty-six projects are proposed in the Reclamation Plan--10 in the northern part of the Indus plain and 16 in the southern area. The programme includes the construction of some 31,500 tube-wells, 7,500 units of major drainage channels, and 25,000 miles of supplementary drains.

Model Scheme

The "Saturation Programme" embodied in the Second Five-Year Plan which assumed the form of Model Scheme (Crash Programme) was originally started in 7 selected districts of West Pakistan and in 7 sub-divisions in 5 districts (later extended to 10 sub-divisions in 8 districts) of East Pakistan.

The essence of the scheme is the imparting of training in respect of and the adoption by the cultivator of improved agricultural practices. It aims at getting the best out of the existing conditions and propose a practical and inexpensive programme of action involving as little foreign exchange as possible.

The scheme aims at increasing agricultural production through adoption of the following three measures :—

(i) Anti-salinity measure.

(ii) Bringing more land under cultivation.

(iii) Increasing the present per acre yield through the adoption of simple agricultural practices.

The scheme is already showing promising results, especially in East Pakistan.

Co-operative Farming

In Pakistan the first experiment in co-operative farming was made in 1948 when a number of co-operative societies were formed for the purpose of resettling displaced persons. The co-operative societies supplied interest-free credit, materials for constructing houses, godowns for the storage of produce and in some cases marketing facilities to their members. Although the First Five-Year Plan did not recommend co-operative farming, the Second Five-Year Plan advocated Co-operative Land Management on the lines of the Punjab experiment.

The problem of low yields in Agriculture has been a cause of constant worry to the planners of agriculture in Pakistan. At the instance of the President, who takes keen interest in agrarian problems of the country, a strong agricultural delegation was sent to Yugoslavia in July, 1961 where co-operative farming has achieved conspicuous success, with a view to study the co-operative and agricultural developments in that country and its possible application in Pakistan.

It was decided at the Governors' Conference at Dacca in February, 1962, to give encouragement to co-operative farming over individual farming by small land-owners. The Government have, in this connection, taken a number of decisions, some of the important ones are described below :—

(1) Small land-holders should be encouraged to form co-operative societies with the help of incentives. These incentives will be in the form of (a) subsidised services such as extension services, fertilisers, insecticides and improved seeds, and (b) subsidised machinery such as tractors, tube-wells, etc.

(2) In the case of small land holders who do not agree to group themselves into co-operative societies even through incentives, dis-incentives in the form of fiscal measure will be adopted such as the penalization for incorrect use of land and water.

(3) One of the conditions of allotment of State land will be that the allotees should, as far as possible, join a co-operative farming society. But this condition will be carefully considered before it is enforced.

(4) In adopting mechanization, its effects upon our surplus man-power problem will be duly taken into consideration and, with this in view, there will be a continual examination of adjustment between machinery and man-power.

(5) In the matter of distribution of available resources, *viz.* tractors, implements, etc., preference will be given to co-operative societies over individual land owner.

(6) Incentives for increased produced will be given even to those who remain outside co-operative societies or till their land without mechanization.

Nearly 2,37,000 acres of virgin land will be disposed of in the Ghulam Mohammad Barrage area under Mechanised Cultivation Scheme. Of this, about 1,36,000 acres of land have so far been disposed of to the people from all over West Pakistan. The remaining 1,01,000 acres have been earmarked for the local population out of which 36,750 acres have been so far disposed of. The price of this land has been fixed at Rs. 250 per acre to be paid in 12 instalments.

About 28,000 acres of Government land in Jacobabad District, under the command of Guddu Barrage will also be disposed under the above scheme. The land has been divided into lots ranging from 64 acres to 265 acres. The offset price of land has been fixed at Rs. 400 per acre. One third of the bid money will be realised at the time of auction and the balance will be recovered in three annual instalments beginning from the third year of auction.

West Pakistan Government has allocated 20,000 acres of land in Ghulam Mohammad Barrage area for co-operative farming purposes. The lands will be given to Haris at 24 to 48 acres per family who become members of the Co-operative Farming Societies. The cultivators will have to undertake that the land will be cultivated through mechanised means.

Another 7,000 acres of land have also been allocated to the Co-operative Department, which will be given to the Haris on temporary

basis at 32 to 64 acres per family but its cultivation through mechanised farning will not be essential.

Agricultural Education and Research

Although agricultural accounted for 57 per cent. of the national income, scientific and precise knowledge in agriculture was lacking in the country, adequately trained personnel for research, teaching and extension services was not available. To tide over this difficulty, the Government set up two Agricultural Universities in the country, one at Lyallpur in West Pakistan and the other at Mymensingh in East Pakistan.

In order to promote research in agriculture and to collect vital statstics, a number of schemes for conducting surveys was sanctioned by the Government. Notable among these being the Economic Studies in Agriculture and Farm Management Survey. The latter Survey was undertaken from April, 1961 and is now in full swing. The object of this project is to compare different farms situated under more or less similar natural conditions with a view to ascertaining why a farm or group of farns makes more money than another farm or a group of farms. This study is expected to yield interesting results on the basis of which future agricultural and economic plans will be prepared. For the present, 4 sectors in West Pakistan and 3 in East Pakistan have been selected for the completion of this survey.

A three-week National Centre on Farm Management under the aegis of the Department of Agricultural Economics and Statistics was organised during March-April, 1962. The F.A.O. deputed four foreign experts to help in the deliberations of the Centre.

OTHER DEVELOPMENTS IN AGRICULTURE

Import of More Tractors

The import of tractors and spare parts has been placed on Open General Licence and types of tractors have been standardised to facilitate better servicing. It has been decided to set up a tractor manufacturing factory at Wah, with a production target of 1,500 tractors at the end of four to five years. This factory will start assembling tractors within a year or so.

Increased use of Fertilisers

Fertiliser is now being supplied in increasing quantity at a fixed price which on the recommendations of the Food and Agriculture Commission will remain the same until 1965. This price involves a subsidy between 40 to 50 per cent. of the total cost. The use of fertiliser has increased from 113 thousand tons in terms of Ammonium Sulphate in 1957-58 to an

estimated 474 thousand tons in 1961-62. The demand is increasing and supplies have to be arranged in larger quantities. Local manufacture of fertiliser is also being increased through the fertiliser factories at Multan, Fenchuganj, Daudkhel and Lyallpur.

Plant Protection

The plant protection services have been strengthened and streamlined. The coverage of treated areas has increased to about 8 per cent. of the total cropped area in 1961 as against 3.3 per cent. during 1957-58.

Pakistan was faced with unprecedented attack by locust swarms during the latter months of 1961 and early months of 1962. In all, 724 swarms invaded the country. Out of those as many as 75 invaded in the month of June alone. These swarms came from the West and started breeding in Tharparkar, Khairpur and Bahawalpur deserts in an area of 10,000 sq. miles. Effective control was organised and about 93,000 hopper bands were killed. Simultaneously, breeding took place in India and escape from that country crossed over to Pakistan in the middle of August. These invading swarms laid eggs in 20,000 sq. miles in the above deserts. Control was again organised and about 412,000 hopper bands destroyed including an area of 554 sq. miles cleared from air. By the end of October, 1961, escapes from some of our inaccessible areas alongwith heavy swarms invasion from India started moving westward. Situation became extremely serious. Army and Air Force were called in on 16th November, 1961. The combined resources of the Army, Air Force and Plant Protection Department sprayed 3.68 lakh acres. These operations were carried out by 6 aeroplanes of the Plant Protection Department, 6 freighters, 4 fury and one SA-16 aircrafts of the Pakistan Air Force and one Army Division assisted by the staff of the Plant Protection Department.

Implementation of Land Reforms

Work on implementation of the recommendations of the West Pakistan Land Reforms Commission was in progress under the excess land surrender programme. Twenty-four lakh acres surrendered by 670 land-owners was resumed by the Government. The compensation bonds for 500 land-owners have been completed and bonds for the remaining 170 claimants were to be issued by April 15, 1962 so that all of them could get their annual interest immediately. The Government would be paying about rupees eight crores as compensation for the resumed land. In addition to this, Rs. 32 lakh would be paid by way of interest every year. The bonds issued for a period of 25 years are not negotiable through or with any bank, but are heritably transferable.

Consolidation of Holdings

An area of 40 lakh acres has been consolidated in former Punjab and N.W.F.P. provinces. Sub-division of holdings below the subsistence level which is 12½ acres for Punjab and 16 acres for former Sind is prohibited.

Increase in Credit

Availability of credit has been substantially increased through the new Agricultural Development Bank and increased use of Taccavi funds. The Agricultural Development Bank came into being on February 18, 1961 It is the result of the merger of Agricultural Development Finance Corporation and the Agricultural Bank of Pakistan, which was proposed in the Report of the Credit Enquiry Commission. At the time of merger, the Bank had 47 branches, 5 sub-branches and 22 Pay Offices, spread all over Pakistan. At present, the Bank has 93 offices of which 51 are located in West Pakistan and 42 in East Pakistan. The success of the new organisation can be gauged from the fact that while in 1959-60, the amount of loans advanced by the former A.D.F.C. and A.B.P. amounted to 7.3 crores, it jumped to 14.2 crores in 1960-61 following the merger of the two organisations. By February, 1962, the progressive loan figure reached Rs. 18.4 crores. The Bank plans to open branches at every tehsi headquarters and commercial towns in due course. More details of ths are given in the chapter on Banking.

CHAPTER IV

INDUSTRY AND MINING

SECTION I

Objectives of Industrial Policy

Within the limit of the country's resources, Government's policy is to expand industrial production by rationalizing existing industries and developing new industries that will generate additional income and provide increased employment. Speedy progress for the less developed areas of Pakistan with a view to achieving balanced national growth, is also a prime objective, and fiscal and other incentives have been provided to this end. Preference is given to the manufacture of products based on indigenous raw materials, with good market prospects at home and abroad; but the early development of heavy industries necessary to the security of the State or for speedy achievement of a sound, balanced economy is also stressed. Industries based on imported raw materials are approved only if they give promise of saving or earning of foreign exchange or producing goods at reasonable prices.

Where industries are engaged in the packing of materials imported in bulk, or in the assembly of imported parts of finished items, they are expected to undertake the basic manufacture of such matetrials or parts progressively within a reasonable period of time or to procure them from indigenous producers.

Allocations in the Second Plan

Industrial sector has been allocated the largest share of Second Plan expenditures—Rs. 512 crores or 23.3 per cent. of the total. Another Rs. 100 crores is allocated to fuel and mineral development. During the First Plan period, actual expenditure on the industry, fuel and minerals sector was Rs. 410 crores as against Rs. 612 crores projected for the Second Plan. The public sector programme for industry in the Second Plan is Rs. 146 crores of which Rs. 86.8 crores (59.5%) is allocated to East Pakistan, Rs. 59 crores to West Pakistan and Rs. 20 lakhs for centrally administered areas. The East Pakistan allocation was substantially raised in the revision of the Second Plan made in May, 1961.

Beside the public investment programme, Government efforts toward industrial development include a wide variety of incentives, concessions and facilities to the private sector which is expected to play the major role in this field. A passing reference to these is made in the following paragraphs and they are treated in more detail later in this chapter.

Industrial Investment Schedule

The increase in industrial production has taken and is taking place through establishment of new units, and also through balancing and

modernisation of existing plants to raise their productivity. The Industrial Investment Schedule is an important instrument of this policy. It sets forth targets, industry by industry, against which individual projects are sanctioned and financing arranged.

During the first 18 months of the Second Plan period (July, 1960—December, 1961), 92.7 per cent. of the Rs. 284 crores specified in the Industrial Investment Schedule have been committed, in the sense that sanctions have been given and foreign exchange earmarked. Provisions for as many as 47 items in the Schedule have been exhausted. However, it must be stressed that there is inevitably a considerable time lag, and the possibility of obstacles and delays, between the sanctioning of a project and the time when its installation is completed. Some of the sanctioned projects may fall by the wayside. To allow for this possibility and to maintain the momentum of industrial development, Government is considering the upward revision of certain portions of the Schedule. In any case, the evidence of industrial enterprise so far is most encouraging.

Industrial Bias to Import Policy

In order to accelerate industrial growth, increasing amounts of foreign exchange are being earmarked for the import of industrial raw materials, rather than for consumer imports except essential items. The import policy for the July—December, 1960 period put 29 raw materials on Automatic Licensing, sufficient to provide 130 specified industries with raw materials for 100 per cent. single shift capacity. In the shipping period for the first half of 1961, 11 items, including several items of industrial use were placed on regular O.G.L. and the Automatic Licensing List was raised to 62 items, 39 of them industrial. In the January—June, 1962, import policy, 48 items were on O.G.L., as against 49 in the previous shipping period; but the policy of linking licensing with export performance in respect of 31 selected industries enabled them to meet their requirements more fully if they did well on the export side. For incentives to production through commercial policies, refer to Chapter VI. The Export Bonus Scheme also enabled industries to meet their requirements of raw materials and spares more fully through use of Bonus Vouchers.

Drawback of Custom Duty

In December, 1961, Government allowed the repayment of a certain percentage of the customs duties paid for the import of specified materials necessary for the manufacture of 66 items, including optical frames, cycle tyres and tubes, fountain pens, torch cells, surgical instruments and footballs.

Maximum Scope to Private Enterprise

A key feature of Government's industrial policy is to give maximum scope to private enterprise. Only the manufacture of arms and ammunition of war, the production of atomic energy and the field of railways, air transport and tele-communication are reserved for exploitation by the Government. There is also no intention or policy to nationalize industries.

Credit Institutions for Industry

To meet the growing requirements for medium and long term credit of the private sector of industry, the Government established the Pakistan Industrial Finance Corporation (since re-constituted as Industrial Development Bank of Pakistan) and the Pakistan Credit and Investment Corporation.

During the twelve years of its operation ending June, 1961, the PIFCO provided accommodation worth over Rs. 27 crores to the private industrial sector of which Rs. 10 crores were in foreign currency. Thereafter, the IDBP in the course of only 8 months of its operations (August, 1961 to March, 1962), provided accommodation to the tune of Rs. 13.35 crores.

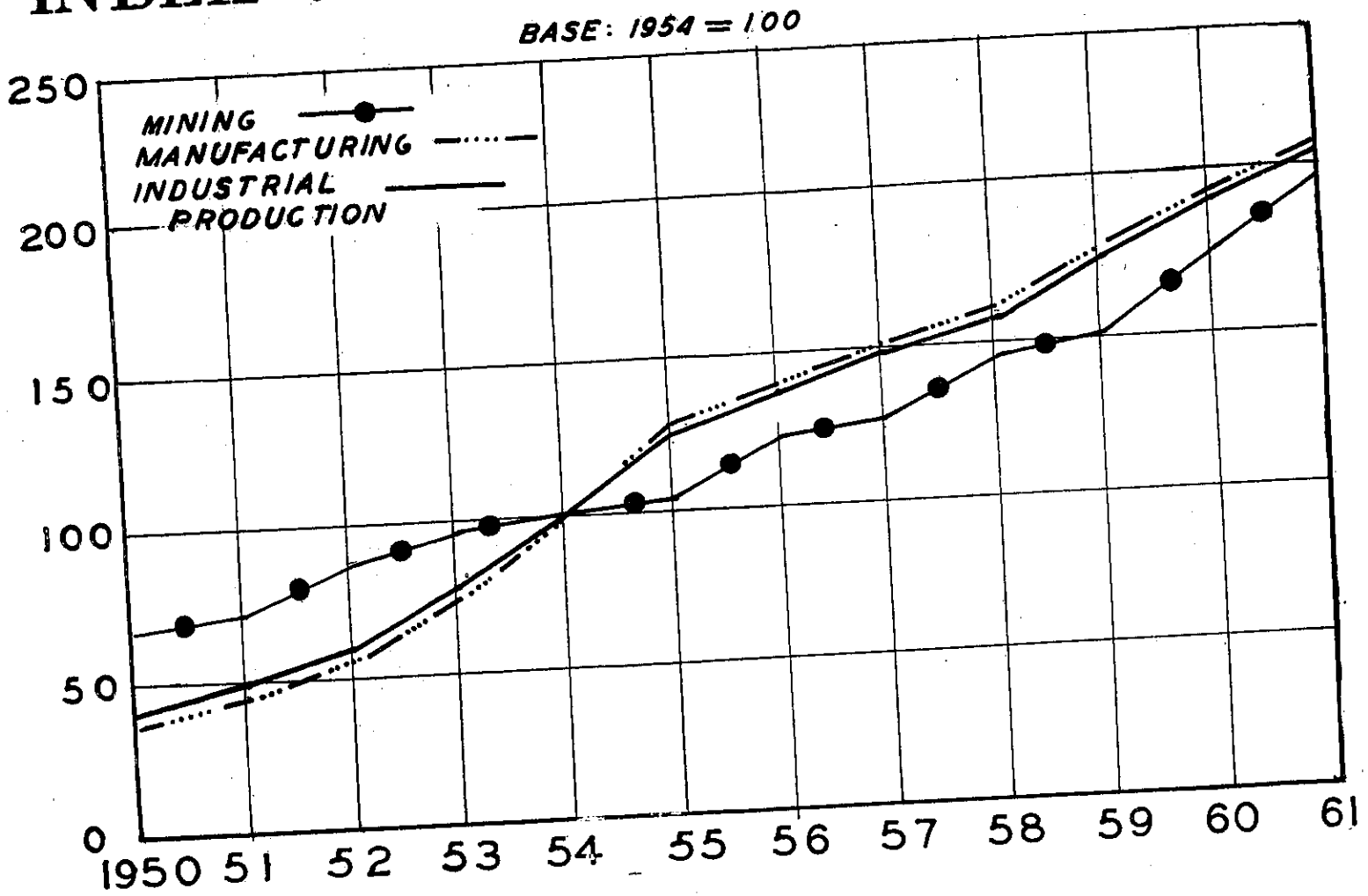
The PICIC, during the years 1958—61, sanctioned 232 loans for a total amount of Rs. 25.75 crores of which the foreign exchange component was Rs. 22.5 crores. A more detailed account of the activities of these Institutions is given in Chapter XI.

Relaxation of Controls

In October, 1958 the foremost task of the present regime was to counter the mounting inflationary pressures which had been generated in earlier years. The Government undertook several measures to check the rising spiral of prices. Price control covering a large number of consumer goods and industrial raw material was introduced under Martial Law Regulation No. 42 of 1958. Under this regulation 88 articles were originally brought under price control, the prices of 15 commodities were fixed by the Controller General of Prices and Supplies and prices of the remaining 73 items were fixed by the trade and industry themselves in accordance with the margin of profits prescribed for each commodity. As a result of these measures prices started falling. The supply position of a large number of articles improved and consequently 61 items were released from price control in 1959.

In accordance with the Government's avowed policy to do away with most of the controls as soon as the shortages were removed, price and distribution controls were further relaxed subsequently. Early in 1961, price control was lifted from 29 items including such essential commodities

INDEX OF INDUSTRIAL PRODUCTION



as cotton yarn and cloth, iron and steel, cement, school and college text books, electric lamps, drugs and medicines, etc. Control on woollen cloth imported against Bonus Vouchers was removed in December, 1961. Control on prices of certain other items like cycles, indigenous woollen and worsted yarn and fabrics has also been lifted recently, leaving only a few items under control.

Investment Promotion Bureau

Foreign private investment has contributed in no small measure to Pakistan's economic development. The Government has offered generous terms to foreign investors, including guarantee against expropriation, facilties for profit remittances and tax concessions (for concessions granted to industries, tables No. 80 and 87 may be consulted). The Investment Promotion Bureau was set up three years ago to attract foreign investment. Sanctions for such investment, issued by the Bureau upto the end of 1961, amounted to Rs. 22.90 crores, in addition to foreign loans worth Rs. 20.94 crores.

Index of Industrial Production

The various measure taken by the Government and the initiative shown by private enterprise have brought about an impressive advance in the industrial sector. The Index of Industrial Production was 180.1 in 1959 (base 1954 = 100), rose to 191.6 in 1960 and to 212.7 (provisional) in 1961. The increase in 1961 over 1960 was 21.1 points and was shared, more or less, equally by the manufacturing and mining sectors. The increases in the case of some items were : tea (41%), tyres and tubes (34.9%), vegetable products (13.9%), paper (18.5%), steel ingots (15.5%), cotton cloth (11%), natural gas (16.2%), crude oil (7%), etc.

Streamlining of Planning and Development Machinery

With a view to expediting the pace of development and economising techrical resources in the country, it was decided in February, 1962, to split the Pakistan Industrial Development Corporation, the principal agent of the Government for directly undertaking industrial development, into separate Corporations for the two wings. A high-powered committee was set up to examine the question of amalgamating the Mineral Development Corporation, the Oil and Gas Corporation, the Small Industries Corporation and the Forest Industries Development Corporation with the Provincial I.I.D.Cs. Further details are given in Chapter XV on Constitutional Developments.

In the following pages, the activities and the performance of various agendes responsible for industrial development are considered.

PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION (1)

The P.I.D.C. is an autonomous organisation, set up under the P.I.D.C. Act of 1950, with an authorised share capital of Rs. 1 crore, of which half has been issued and fully subscribed by the Government of Pakistan. Financing for projects undertaken by the Corporation have come from annual budgetary grants from the Centre, from such private capital as the Corporation is able to attract, from foreign aid and loans and from commercial bank loans for working capital.

For the execution of projects, PIDC hires its own staff and technical consultants, places orders for goods and machinery, supervises the erection and operation of plants, and sells its manufactures in the same way as any private industrial concern. Its operations are limited to 15 industries listed in the schedule to the PIDC Act of 1960—namely, jute, paper-board and newsprint, heavy engineering (including iron and steel), ship-building, heavy chemicals, fertilizers, sugar, cement, textiles, natural gas, chemicals, pharmaceuticals and dyestuffs, development of power from natural gas, petro-chemicals, coal and peat, and the exploitation of marine fisheries.

The Corporation was established primarily to promote enterprises which private industrialists were unable or unwilling to undertake. Its policy is to supplement, not to displace, private enterprise. The Corporation has, therefore, refrained from setting up industries which are receiving adequate attention from private investors such as cotton textile mills, even though they fall within its Charter. Secondly, the emphasis of the Corporation is on promotion, not ownership, of industries. Every effort is made to attract private capital into PIDC projects, and where private participation is not forthcoming at the outset, to transfer the completed projects to private ownership when the conditions laid down for such transfer are fulfilled.

PIDC has had to take the initiative in promoting industries requiring heavy initial capital investment, or a long period of construction, or requiring high degree of technical knowledge and operating experience. To ensure the balanced economic development of the country as a whole, the Corporation has sought to disperse its factories in both East and West Pakistan.

---

(1) Recent changes in the Constitution of the PIDC provide for its bifurcation into two autonomous Corporations, are discussed in Chapter XV.

Up to February, 1962, the PIDC had undertaken the establishment of fifty five projects either on its own account, or in partnership with private enterprise. Among these projects are twelve jute mills ; four paper-board and newsprint mills ; three ship-building and ship-repairing yards ; five sugar mills ; two cement factories ; three fertilizer factories ; four chemical plants ; a penicillin factory ; a dyestuff plant ; three woollen mils ; two cotton textile mills ; gas transmission pipelines from Sui to Karachi and Multan ; gas distribution companies, and development of coal mines. The Corporation has also undertaken surveys and investigations connected with the prospecting of iron ore. Six model cotton ginning factories have also been sponsored by the PIDC along with private enterprise.

Out of the fifty-five industrial projects completed by PIDC by the end of February, 1962, public limited companies have been floated for thirty-seven projects. The total paid-up capital of these companies amounts to Rs. 81.57 crores, wherein PIDC has subscribed Rs. 52.72 crores and the remaining sum has been provided by the private investors. The giant Rs. 24.6 crore Frenchuganj Natural Gas Fertilizer Factory in production, stands at Rs. 73.27 crores in which major portion of investment, *i.e.*, 98% has been made by the PIDC. These include two recently conpleted natural gas fertilizer factories in East and West Pakistan. The giant Rs. 24.6 crore Fenchganj Natural Gas Fertilizer Factory in East Pakistan was inaugurated by the President on 4th February, 1962. Ths is the biggest P.I.D.C. venture and has opened a new chapter in the agricultural and economic progress of East Pakistan. It would produce 1.17 lakh tons of urea equivalent to 2½ lakh tons of ammonium sulphate. Its application increases the yield of rice, potato, sugarcane, jute, etc., by 30 to 50 per cent. The factory was completed with the help of Japanese technicians and American assistance. The Corporation has twelve other projects under construction which are estimated to involve a capital expenditure of over Rs. 17.29 crores. Preliminary work on two more projects, *viz.* Iron and Steel Plant, Chittagong, and Kushtia Sugar Mills is n hand. These involve a capital outlay of Rs. 15 crores. Arrangements are also being finalised for taking up the implementation of a hardboard plant at Khulna, and a white cement plant at Daudkhel.

There has been a marked improvement in the operating results of PIDC's completed projects in recent years. During the year 1960-61, the projects maintained their production level achieved during the previous year when the total value of production of all PIDC projects stood at Rs. 62 crores. Along with the rising production level, export earnings of the PIDC projects showed a significant improvement during

1960-61. The impetus received under the Export Bonus Scheme enabled the projects to earn a sizable foreign exchange amounting to Rs. 33.7 crores in 1960-61 as against Rs. 22.8 crores in the previous year, showing an increase of over 47%. Besides jute manufactures, the commodities that entered the export markets were newsprint, cement and santonin.

In pursuance of Government's disinvestment policy, the PIDC has been able to dispose of certain projects and in certain cases negotiated for the transfer of share holdings. As a result of these efforts, the PIDC expect to refund capital amounting to Rs. 160.27 lakhs in the current financial year and another sum of Rs. 150.59 lakhs during 1962-63. The PIDC expects to pay dividend amounting to Rs. 54.32 lakhs, interest Rs. 4.15 lakhs and premium amounting to Rs. 25.14 lakhs during the current financial year, and dividend amounting to Rs. 82.68 lakhs, interest amounting to Rs. 1.52 lakhs and premium amounting to Rs. 1.89 lakhs in the next financial year (1962-63).

Institute of Personnel Training

To acquaint the business executives with the latest technique of business management, the Institute of Personnel Training of PIDC has been holding courses of short duration in different parts of the country. So far, 19 such courses have been held and a good number of young executives have taken advantage of this facility. The courses cover a wide range such as lectures, case studies, group discussions on major management topics such as human relations, production planning and control, quality control, budgetary control, work simplification, etc.

Present Development Activities

Pakistan Industrial Development Corporation, which has been given a far more important role during the Second Plan period (1960—65), has already accelerated its pace of development work with a view to fulfilling the task assigned to it well in time.

During the first 20 months of the Second Plan period, *i.e.*, upto February, 1962, PIDC took in hand the implementation of five new jute mills (1,500 looms), a pharmaceutical factory, modernisation and expansion of Muslin Cotton Mills, an extension of Zeal-Pak Cement Factory and the development of coal in Central Block Sor-Range. Besides, work on two natural gas fertilizer factories which are now complete, one sugar mill and peat development was already in hand at the beginning of the Second Plan period.

Investment in PIDC Projects

The table below gives the latest figures of investments in projects and companies sponsored by P.I.D.C.

(In Crore Rupees)

PROJECTS	Paid-up Capital	Capital Cost	
	Total	P.I.D.C. Investment (2)	Private Investment (3)
1. COMPLETED PROJECTS			
A. East Pakistan			
(a) Formed into Ltd. Co.	41·73	22·73	19·0
(b) Not Formed into Ltd. Co.	35·19	35·19	—
Total (a+b) ..	76·92	57·92	19.0
B. West Pakistan			
(a Formed into Ltd. Co.	39·85	29·99	9·86
(b Not Formed into Ltd. Co.	38·09	36·68	1·40
Total (a+b) ..	77·94	66·67	11·27
Total—Completed projects East and West Pakistan. ..	154·86	124·59	30·27
2. Projects Under Construction			
(a East Pakistan	13·07	7·94	5·13
(b West Pakistan	4·22	4·22	—
Total East and West Pakistan ..	17·29	12·16	5·13
Grand Total—Completed and under Construction Projects.			
East Pakistan	89·99	65·86	24·13
West Pakistan	82·16	70·89	11·27
Total investment in P.I.D.C. Projects ..	172·15	136·75	35·40

The above table shows that investment in PIDC projects (completed and on-going) is Rs. 90 crores in East Pakistan as against Rs. 82.2 crores in West Pakistan.

(2) Includes aid received from ICA, New Zealand Government and UNICEF.

(3) Includes Rs. 30 lakhs provided by East Pakistan Government for Dock yard and Engineering Works Ltd., Narayanganj.

INDUSTRIAL INVESTMENT SCHEDULE

In order to accelerate the pace of industrial development in the private sector, an Industrial Investment Schedule was drawn up for the period 1st July, 1960 to 30th June, 1965. The progress made in the implementation of the Schedule during 18 months period from 1st July 1960 to 31st December, 1961 showed that as against a total investment provision of Rs. 284.4 crores (Rs. 169.5 crores external financing and Rs. 174.9 crores internal), the amount actually utilised (in the sense of sanctions issued and foreign exchange arranged) during this period was Rs. 263.80 crores (Rs. 159.52 crores external financing and Rs. 104.28 crores internal).

Thus, 92.7% of the Industrial Investment Schedule for the Second Five-Year Plan, has been utilised during the first eighteen months. This is very encouraging. Commitments for new capacity in East Pakistan during these 18 months have been not less than 76.3% of the total provision.

The provision made in the Schedule for new capacity and balancing and modernisation, has been completely utilised. For these kinds of investment, no new sanctions will be given, nor any utilisation of bonus vouchers permitted until further orders.

The satisfactory progress made so far in the implementation of the Industrial Investment Schedule is largely due to the availability of foreign credits from a number of friendly countries and international agencies particulars of which are given at a later stage in this Chapter. These have been supplemented by foreign exchange allocations made by Government from its own cash resources. In order to ensure that industrial units sanctioned under these credits are set-up expeditiously, the Government has set up high powered Facilities Boards in the Provinces.

Balance Between Consumer And Producer Industries

In granting sanctions, attempt has been made to maintain a balance between consumer goods industries and durable goods industries. It is estimated that the investment committed for consumer goods industries during the Second Plan period would be around Rs. 150 crores. Some people are prone to be skeptical of the establishment of consumer goods industries as they include some so called luxuries which, it is alleged the country can ill-afford at its present stage of development. But it should be kept in mind that domestic production must be increased to replace imported consumer goods.

Beginning of Setting up of Larger Units

Most of the industries so far established or in process of establishment, are medium-sized units. With the commencement of the Second Five-Year Plan, a beginning has been made to put up most economical units and sanction has already been accorded to quite a few such plants. These include two steel mills at Karachi and Chittagong ; 4,000 jute looms ; 7,53,000 cotton spindles and 12,993 looms ; 3 units for the manufacture of synthetic fibres ; oil refinery ; 3 petro-chemical units ; 5 sugar mills ; a tractor unit ; 2 G. I. pipe plants ; 4 cement factories including expansion of an existing one, wire and cable manufacturing plant ; bicycle plants ; sewing machine units ; 5 units for the manufacture of caustic soda and soda ash ; a large unit for the manufacture of electric motors, particle board and hardboard units ; extension of the existing newsprint factory, etc.

It is estimated that investment sanctioned in large-size industries during the first two years of the Second Plan period would amount to about Rs. 145 crores.

A brief description of some of the large-scale industries which have been set up and also those which are proposed to be established in the near future is given at a later stage in this Chapter.

A high level conference was held in March, 1962, at Rawalpindi to consider the question of emphasising still further the development of heavy industries in Pakistan's economy.

A Heavy Industries Board has, therefore, been established under the Charmanship of the Deputy Chairman, Planning Commission, to deal with policy matters and to coordinate the activities of the various agencies of Government in this regard.

SMALL INDUSTRIES CORPORATION

The Government has given great importance to the Development of Small and Cottage Industries, to provide employment opportunities to surplus and under-employed labour, and thus raise their standard of living. In order to effectively implement this policy a Small Industries Schedule was published covering the 73 small industries which have been given priority. The Schedule involves an expenditure of Rs. 18 crores of which Rs. 11.55 crores will be in foreign exchange. Some of these industries have already been given foreign exchange by the Provincial Government from such allocations made by the Central Government. Foregn exchange is also being made available for industries covered by the Small Industries Schedule out of the allocations made to the

Industrial Development Bank of Pakistan. Negotiations are under way to obtain a loan from I.D.A. for Small Industrial Estates. Steps have been taken to arrange credit facilities to small industrial units through Pakistan commercial banks. To develop small industries, it is planned to set up 24 Small Industrial Estates (16 in East Pakistan and 8 in West Pakistan) at an estimated cost of Rs. 3.6 crores. Of these, 16 estates have been sanctioned so far (8 in East Pakistan and 8 in West Pakistan) and work is progressing. Technical assistance for these estates is being arranged.

A number of Common Facility Centres have been sanctioned for metals and ceramics, light engineering, textiles, leather and footwear, brass and copper, dolls and toys in West Pakistan and for handlooms in East Pakistan.

An application has been made to the U.N. Special Fund for assistance in the establishment of two light engineering service centres. Besides, services of Japanese experts in doll-making, arts and industrial designing were secured for training the artisans. Pakistan has also joined the Asian Productivity Organisation with a view to increasing industrial productivity through mutual exchange of ideas and technical know-how amongst member countries. A survey of small industries is being undertaken to collect data on items such as capital investment, employment, supply and marketing, etc. in order to formulate a planned and coordinated development programme.

Sales and display centres are being established to purchase and sell the products of small scale industry. The Sales Centres at Karachi Air Port and at the West Wharf, Karachi, have been opened to introduce Pakistan products to foreign visitors. Arrangements have also been made with the I.C.A. authorities to display small industries products in the show cases of their building. The President of Pakistan recently inaugurated the Rawalpindi Handicrafts Display and Sale Centre. In addition, cottage and small industries products are also being exhibited in various international fairs and exhibitions with a view to promoting their export.

INVESTMENT PROMOTION BUREAU

The Investment Promotion Bureau was set up in April, 1959, to attract foreign investment. The Bureau sanctions proposals for the establishment of new industries involving foreign investment, provides guidance to industrialists and serves as a clearing house for problems of foreign investors in procuring land, building materials, water, power, railway sidings, raw materials, etc. To discharge these functions effectively, offices corresponding to the Central Investment Promotion

Bureau have been set up at the headquarters of the two provincial Governments. The Central Bureau maintains active liaison with its provincial counterparts. High powered Facilities Boards were also set up in 1961 by the Government in the provinces and at Karachi to assist industrialists in the establishment of factories.

Since its inception in April, 1959, till the end of 1961, the Investment Promotion Bureau has accorded sanctions to 234 investment proposals comprising 180 projects for new industrial undertakings and 54 projects for expansion of existing industries. The total value of the proposals sanctioned during this period amounted to Rs. 48.37 crores (foreign investment Rs. 22.9 crores), excluding foreign loans amounting to Rs. 20.94 crores. In 1961 alone, investment sanctions worth Rs. 16.55 crores were accorded of which external investment was nearly 50 per cent.

With a view to attracting foreign investment, the Investment Promotion Bureau played host to a large number of foreign delegations during 1961 and explained to them the terms, conditions, and facilities provided by Pakistan to foreign investors and entrepreneurs. The Investment Promotion Bureau also arranged meetings between the members of the various delegations and the Pakistani industrialists to promote joint ventures in industrial undertakings by them.

Some of the senior officers of the Investment Promotion Bureau undertook an extensive tour of the capital exporting countries to establish personal contact with bankers, financiers, technical experts and industrialists to explain Pakistan's investment policy. The desirability of setting up cells of the Investment Promotion Bureau in the principal capital exporting countries is under Government's consideration. One such cell has already been established in the U.K.

In pursuance of the Government's policy of associating private enterprise with the formulation of industrial policy and the working of the Investment Promotion Bureau, the Government set up an Advisory Council which has been meeting frequently.

The Central Permission Committee in the Investment Promotion Bureau has also been re-constituted to make it more representative. The procedure for sanctioning and setting up of industries has been streamlined. Sanctions are now normally being issued within a month of the date of receipt of applications.

Foreign Aid And Loans

Foreign aid, loans and credits received from friendly countries have played a dominant role in the industrial and economic development of the

country. Without this assistance, the phenomenal progress which has been achieved, particularly during the last few years, would not have been possible. A more detailed account of foreign aid and loans received by Pakistan appears in Chapter XIV. In the industrial sector, the following loans have been allocated since the beginning of the Second Plan period, *i.e.*, 1st July, 1960 :

(*i*) From German sources	$	139·62	Million
(*ii*) From Japanese sources	,,	65·30	,,
(*iii*) From U.S. ,, ...	,,	272·90	,,
(*iv*) From U.K.	,,	47·65	,,
(*v*) From France ,, ...	,,	25·96	,,
(*vi*) From Yugoslavia ,, ...	,,	10·00	,,
(*vii*) From World Bank/International Finance Corporation/International Development Association	,,	103·58	,,
(*viii*) From Canada	,,	13·10	,,
Total	$	678·11	,,

These loans will be utilized for the establishment and expansion of a large number of industrial units. A substantial portion of these loans and credits will be channeled to the private sector through PICIC and the Industrial Development Bank of Pakistan.

REVIEW OF IMPORTANT INDUSTRIES(4)

Cotton Textile Industry

The installed capacity of cotton textiles at the end of 1961 stood at 19,98,000 spindles and 30,000 looms as against 19,41,000 spindles and 30,000 looms during 1960. The Second Plan target is 25 lakhs spindles.

During the Second Plan period sanctions have already been issued and foreign exchange arranged for 7,53,170 spindles as under :—

	Total	West Pakistan	East Pakistan
(*i*) First Japanese Credit of $ 20 million ..	3,02,714	96,410	2,06,304
(*ii*) Non-Repatriable foreign investment ..	1,37,500	1,12,500	25,000
(*iii*) Bonus Vouchers	1,87,956	1,66,356	21,600
(*iv*) Recent $ 13 million Japanese Suppliers Credit	1,25,000	37,500	87,500
	7,53,170	4,12,766	3,40,404

(4) For figures of industrial production, please see Table No. 24 of the Statistical Section.

Sanctions have also been issued and foreign exchange arranged for 12,993 looms as under :—

	Total	West Pakistan	East Pakistan
(*i*) First Japanese Credit	5,183	3,183	2,000
(*ii*) Non-Repatriable foreign investment ..	1,800	1,600	200
(*iii*) Recently Proposed $ 13 milion Japanese Suppliers Credit	4,000	..	4,000
(*iv*) Indigenous Looms	2,000	2,000	..
(*v*) Bonus Vouchers	10	10	..
	12,993	6,793	6,200

Foreign exchange from other sources including Germany is being arranged for financing the requirements of newly sanctioned looms for preparatory equipment.

The production of cloth during 1961 increased to 6,990 lakh yards compared with 6,288 lakh yards in the preceding year (+11%). Production of yarn increased from 4,087 lakh lbs. in 1960 to 4,126 lakh lbs. in 1961. This increase would have been more pronounced but for a switch to spinning larger quantities of finer counts of yarn. Fine cloth is in great demand in the market. During the control period, the industry was required to maintain the same quantities of output of coarse and medium and of common varieties as were produced in the year preceding the control. With the removal of this restriction there has been a change in the pattern of production.

The export of cotton cloth and yarn decreased from Rs. 19.05 crores in 1960 to Rs. 6.80 crores in 1961, mainly due to decline in the export of yarns after it was removed from the bonus list. The export of cloth in 1961 was Rs. 4.00 crores as against Rs. 5.3 crores in 1960. Although a 20 per cent. bonus has been maintained for cloth exports, competition in world markets is stiffer. Measures are, however, being taken to increase exports of textiles. Pakistan has concluded an agreement with the United Kingdom for the export of 4.2 crore yards of cloth during 1962. Permissions are also being given for additional looms on the undertakings that the output of these looms will be exported.

Jute Manufactures

The installed capacity for jute mills will be increased from 8,040 looms at the beginning of the Second Five-Year Plan to 9,914 looms in late 1962 or early 1963. Sanctions have been issued for achieving the

targets of 12,000 looms envisaged in the Second Five-Year Plan and it is expected that these will be installed by the end of 1963.

The production of jute manufactures was 250,400 tons in 1961 as against 264,700 tons in 1960. Export during 1961 were, however, valued at Rs. 34.76 crores as against Rs. 24.55 crores in 1960.

Woollen Textiles

There was little change in production during the year over 1960. However, additional capacity of 9,800 worsted spindles has been sanctioned including a unit of 3,500 spindles in East Pakistan. The new units will be in production by the end of 1963. In view of an attractive export market for carpets, additional productive capacity of the woollen industry would help increase exports.

Art Silk Industry

Some 282 factories with 6,896 powerlooms are engaged in the manufacture of art silk fabrics. The import of art silk yarn is now allowed on bonus vouchers and this has eased the supply situation of art silk yarn.

Steel

The Government has recently approved the projects for the Karachi and Chittagong steel mills with an installed capacity of 3.5 lakh tons and 1 lakh ton 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, medium section rails, black and galvanised sheets, tube-strip and tin plates. It will use imported iron ore and coal. The net saving in foreign exchange is estimated at Rs. 10 crores.

The estimated cost of the Chittagong plant is Rs. 12.33 crores (Rs. 7.95 crores in foreign exchange). It will use imported pig iron and steel scrap supplemented by return and other scraps available from within the mill during processing. Though the initial capacity of this mill is small, an attempt has been made to diversify the production within economic limits so as to make East Pakistan self-sufficient in as many products as possible.

Ship Building

The Karachi shipyard has both ship building and ship repair facilities. The shipyard is designed for constructing ships up to 10,000 tons D.W. It can complete one such ship a year. 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 for existing concerns such as Pakistan River Steamers Ltd., East Pakistan WAPDA, etc. The shipyard at

Narayangunj is being modernised and expanded so that it can undertake all kinds of repairs to machinery, including under-water parts of small and medium size vessels. The yard can also undertake new construction of small crafts but to a limited extent ; repairs and maintenance are its primary function. Government is considering ways and means for utilising these installations more effectively for the purpose for which they were established, and for other industrial uses as well.

Machine Tools

Over 60 units with an installed capacity of products valued at about Rs. 2.5 crores worth are manufacturing different kinds of machine tools in West Pakistan. Out of this, there is only one sizable unit manufacturing graded machine tools of limited variety, while the rest are producing simpler types of machine tools. This industry is of vital importance for the rapid industrialisation of the country and there is a pressing need for its development. Wah Industries are, therefore, negotiating with a foreign concern for creating new capacity for modern machine tools.

Paper Industry

The production of newsprint during 1961 was 28,800 tons as against 21,369 tons in 1960 and that of printing paper, 18,651 tons as against 14,755 tons in 1960. A scheme is under implementation at the completion of which the installed capacity of the newsprint unit will increase to 50,000 tons newsprint and mechanical printing paper.

Cement

Production during 1961 increased to 12.23 lakh tons as compared to 11.20 lakh tons produced in the preceding year. The production target of 22 lakh tons will be achieved when the new additional capacity already sanctioned (3 new units at Manghopir, Gharibwal and Hattar and expansion of Wah Cement Factory) comes into operation. The total cost of this expansion is estimated at Rs. 20.3 crores.

In order to meet the shortage of cement in East Pakistan effectively, it was decided that :—

(a) in the first instance 50,000 tons of cement should be allowed to be imported from abroad.

(b) West Pakistan cement should be supplied to East Pakistan both for the public and private sectors at the same price at which the ABC factory at Chhatak sells its cement (*i.e.*, at a subsidy of Rs. 31.85 per ton). A surcharge at the rate of Rs. 7 per ton should be imposed on cement produced in West Pakistan to meet the cost of subsidy to East Pakistan.

Chemicals

Considerable progress has been made towards establishing a heavy chemical industry in the country, a brief account of which is given below :—

(i) *Oil refinery.*—An oil refinery is being set up at Karachi at a cost of Rs. 12 crores with an annual capacity of 15 lakh tons. The establishment of an oil refinery in East Pakistan is also under consideration.

(ii) *Caustic soda, soda ash.*—In June, 1961 the annual capacity for soda ash and caustic soda stood at 3,000 and 20,000 tons respectively. Further capacity has been sanctioned for 43,800 tons of soda ash and 72,800 tons of caustic soda at an estimated cost of Rs. 9.97 crores. The establishment of a soda ash unit in East Pakistan is being considered. It may be mentioned that during 1961 imports of caustic soda amounted to Rs. 52 lakh.

In addition, during the first 18 months of the Second Plan period, sanctions amounting to Rs. 1.52 crores were given for producing other chemicals. At present, sufficient capacity exists for sulphuric acid, nitric acid, hydrochloric acid, citric acid, etc.

Fertilizers

The present installed capacity is 50,000 tons of ammonium sulphate, 13,000 tons of super phosphate, 1,03,000 tons of ammonium nitrate and 1,76,000 tons of urea. The Fenchunganj Natural Gas Fertilizer factory has gone into production during the current financial year and the Multan Factory is nearing completion. The production of ammonium sulphate in 1961 was 50,506 tons against 44,711 tons in the previous year. The production from Fenchunganj and Multan Fertilizer factories during 1961-62 is estimated at 15,000 tons of ammonium nitrate and 56,850 tons of urea. As the demand for fertilizers is increasing, proposals are under consideration for the extension of the existing fertilizer factories.

Petro-chemicals And Synthetic Fibres

A significant feature of industrial progress has been the sanctioning of projects for the production of synthetic fibres and petro-chemicals. This marks a new shift towards industries hitherto regarded as too technologically advanced to contemplate.

Recently, Government sanctioned a complex of petro-chemical industries covering polyacrylonitrite (PAN), polyvinylchloride (PVC) and Acetylene at an estimated cost of Rs. 19.19 crores. Out of the proposed annual production of 4,950 tons from the PAN plant 750 tons will

be utilized to replace 50% of the imported wool tops, 50 tons will replace half of the imports of nylon tissue for fishing nets, 1,000 tons will be processed for the manufacture of Orlon type of fabrics in the unit itself, and 2,000 to 2,500 tons earmarked for exports. The PVC plant will export 750 to 1,000 tons of PVC finished goods in addition to effecting a foregn exchange saving of Rs. 22.4 lakhs by replacing the existing imports. The acetylene plant will feed the two other petro-chemical plants, viz., PAN and PVC.

A polythelene plant has also been sanctioned with an annual installed capacity of 5,000 tons at an estimated cost of Rs. 5.64 crores. When in production, this will result in substantial foreign exchange saving through replacement of existing imports. It will also cater to the growing requirements of the country for such goods.

An acetate rayon plant is being set up in the country with an installed capacity of 10 tons per day at an estimated cost of Rs. 13.63 crores. In addition, a viscose rayon plant has also been recently sanctioned for East Pakistan. The unit is estimated to cost Rs. 7.55 crores. Its installed capacity will be 35 tons of pulps, 10 tons of rayon and 5 tons of cellophane per day. This unit is expected to export 1,000 tons of rayon yarn per year. It will save Rs. 93 lakh per annum through replacement of imports and earn foreign exchange worth Rs. 30 lakhs through exports. The two rayon plants will substantially meet the existing raw material requirements of art silk yarn units.

Sugar

The Second Plan proposed an increase in sugar manufacturing capacity to 3 lakh tons. To achieve this target, sanctions have been issued for the setting up of three new factories in East Pakistan with an installed capacity of 10,000 tons each and two units in West Pakistan with an installed capacity of 15,000 tons each. Proposals for setting up two more units in West Pakistan with an installed capacity of 15,000 tons each are under consideration.

The production of sugar declined from 145,400 tons in 1960 to 123,400 tons 1961, mainly due to short supply of sugarcane occasioned by unfavourable weather conditions. Steps have been taken to increase the supply of sugarcane to the mills and it is expected that the producton of sugar in the current year would increase.

SECTION II—MINING

The mineral resources of Pakistan have not been fully explored in the past, though indications are that fairly rich deposits of minerals exist

both in East and West Pakistan. The Government have, therefore, re-organised the existing Departments dealing will mineral development and to expand them to suit the growing importance of the exploitation of the mineral wealth of the country.

The Bureau of Mineral Resources was set up in June, 1959 by bringing within its fold various departments dealing with the geological survey, development, production etc., of petroleum, natural gas and other minerals so that a co-ordinated policy and procedure could be adopted for the proper development of the mineral resources of the country. The main functions of the Bureau are :

(1) Carrying on geological investigations to locate desposits of minerals, including underground water resources.

(2) Grant of mining concessions, prospecting licences, and mining leases for oil, coal, chromite etc. ; ensuring their proper processing, refining and development and rendering assistance to mine-owners.

(3) Planning imports, distribution and marketing of petroleum products and keeping a watch on their price trends.

(4) Planning of imports of coal and pricing of both indigenous and imported coal.

During the year 1961, mining leases and a large number of prospecting licences were granted for coal covering vast areas.

Large areas in East and West Pakistan were surveyed leading to the discovery of workable deposits of good quality limestone and coal in Sylhet district, of glass-sand in north of Sherpur in Mymensingh district, and concentration of radio active minerals in the sands of Cox's Bazar beach area. Survey for radio active minerals carried out in Chagai and D. G. Khan district showed high and promising radio-activity.

Deposits of known minerals were also investigated at Sor-Range Degari coalfields, Makerwal coalfields, the Jhimpir—Meting Coalfields and iron rich bands of the laterite deposits of Ziarat Area. Detailed survey of Chittagong Hill Tracts for locating gravel deposits and other mineral resources and for providing geological data for dam sites to WAPDA (East Pakistan) was undertaken. A coal resources survey of Khost Sharigh—Harnai region and Lakhra area, and field and laboratory work in connection with the detailed appraisal of the chromite resources of the Khanozai—Hindubagh—Nasai region is also progressing satisfactorily.

A scheme for the expansion of the Geological Survey of Pakistan has lately been approved by the Government. Under this scheme, the strength of the Geological Survey at the end of the Second Five-Year

Plan will increase to 118 geologists, 17 geophysicists, 21 chemists and 43 drilling engineers and 7 photogrammetrists, besides the other supporting staff.

During 1961, total imports of coal were 13.97 lakh tons as against 14.79 lakh tons in 1960. Considering the large amount of foreign exchange spent on the imports of coal, the Government are taking several measures to encourage use of indigenous coal in the country. Some of the measures adopted are banning the use of imported coal for brick burning purposes, encouraging industries to use 25 per cent. indigenous coal and gradually modifying their combustion system to burn indigenous coal etc.

Mining concessions were granted for such non-metallic minerals, *viz.*, asbestos, barytes, bentonite, celestite, chinaclay, dolomite, fireclay, flourite (flourspar) fullers' earth, graphite, gypsum, limestone, mica (vermiculite), silica sand, soap-stone, crude sodium carbonite, slatestone, marble, sulphur etc., and several of these are already being exploited.

Petroleum And Gas Development

Exploration and prospecting licences for oil were granted over large areas to various oil companies in West Pakistan.

Negotiations were conducted with the USSR oil delegation and an agreement was signed in March, 1961 for technical assistance and financing oil exploration in Pakistan. Further discussions regarding supply of machinery, tools and equipment by the USSR for starting the exporation work were conducted later, leading to the signing of a contract in July, 1961, which covers the requirements for the first two years valued at about Rs. 3.97 crores. The technicians and some equipment have arrived in Pakistan and preliminary investigations have started.

Search for oil and natural gas was continued. Four oil companies conducted geological, gravity and siesmic surveys in West Pakistan and one company remained busy in siesmic surveys in East Pakistan. As regards drilling operations, six wells were drilled, five in West Pakistan and one in East Pakistan. Three of these were started during the latter half of 1961, two at Dhulian and Badin in West Pakistan and one at Kaiash Tilla in East Pakistan. Oil was discovered by Pakistan Oilfields in the Jurassic rocks in a well started earlier in Dhulian.

Government investment in various oil exploration projects now totas Rs. 12.50 crores.

The contract for the construction of an oil refinery in Pakistan was awarded to Kellog International Corporation of U.S.A. The work is in progress.

The Sylhet Hydrocarbon Plant of Messrs Pakistan Petroleum Ltd. went into production in July, 1961.

A Pakistan company was allowed to establish an oil marketing company which is taking steps to acquire land and procure a loan in foreign exchange.

Three oil companies established blending plants in Karachi. Two more companies are likely to set up similar plants in West Pakistan and one in East Pakistan.

Natural Gas in commercial quantities was discovered at Rashidpur (District Sylhet). For more details on oil and gas development, Chapter V may be referred to.

Mineral Production

The index of mineral production rose from 178.9 in 1960 to 198.6 in 1961. (For details see Table No. 27 in the Statistical Section).

The figures of mineral production during the last three years show that production of some minor minerals has declined, but otherwise, production has increased. The increase recorded by some minerals is shown in the following table :—

Minerals	1959	1960	1961	% increase in 1961 over 1960
Chromite (000 tons)	16	18	25	38·9
Coal (000 tons)	733	820	901	9·8
Gypsum (000 tons)	85	90	100	1·11
Fuller's Earth (tons)	—	1,480	10,207	589·6
Crude Oil (000 barrels)	2,042	2,307	2,467	7·0
Natural Gas (Million Cu. ft.)	22,611	29,842	34,665	16·2

Source : Bureau of Mineral Resources.

Some of the major future programmes in the field of mining industry are :—

1. Setting up (i) College of Mineral Technology and (ii) Mining Training Institute for training of Mining Engineers, Metallurgists, Oil and Gas Technologists, etc.
2. Setting up of a ferro chrome plant. Five leading mining industrialists have been asked to work out feasibility reports.
3. Setting up of regional offices of the Petroleum and Mineral Development Wing, in East and West Pakistan.
4. Drilling in Rajshahi District (East Pakistan) for Gondwana coal and deep drilling in Sor-Range Degari Coalfields area in collaboration with the U.N. Special Fund.

CHAPTER V

WATER AND POWER DEVELOPMENT

The growth of agriculture and industry is closely linked with the development of water and power resources. In West Pakistan 58 per cent of land under cultivation depends upon irrigation. In East Pakistan, although rainfall is plentiful during certain parts of the year, lack of irrigation facilities during the dry months precludes double cropping over most of the province.

The water and power development programme in the Second Five-Year Plan covers a number of large and expensive projects, as well as numerous small schemes. The objectives of the programme, which should be regarded as a unity, remain broadly the same as in the First Plan, namely :—

(i) to raise the productivity of existing agricultural lands through increased and rational application of water, and the control of salinity and water-logging ;

(ii) to increase farm acreage through irrigation, drainage, and flood regulation, and

(ii) to provide electric power cheaply and abundantly as a basis for agricultural and industrial development.

Several major schemes for irrigation, reclamation, and electric power supply will be completed during the Second Plan period. Large tracts of land will benefit from a multiplicity of small drainage, flood regulation, tube-well and pumping schemes. It is estimated that in the final year of the Plan period, an additional area of 24 lakh acres will be irrigated for the first time and an area of 71 lakh acres will be improved through depression of water tables, salinity control and an assured water supply. The gross installed capacity of electric power will be increased from 905,500 KW to 1,414,000 KW and the energy generated will increase from 3.20 billion units to 5.63 billion units, raising *per capita* consumption of electricity from 30 to 50 units.

During the First Plan period there was substantial general progress in the Water and Power sector but progress in flood abatement and control of water-logging and salinity was quite slow. Comprehensive preparatory work was in many cases lacking owing to the absence of detailed surveys, investigations and statistics. The First Plan recommended the creation in each Province of a statutory semi-autonomous body for water and power development. A Water and Power Development Authority was accordingly created in West Pakistan in April, 1958 and in East Pakistan in January, 1959. The establishment of these authorities is

expected to improve performance in the Second Plan period. The activities of the two WAPDAs are briefly described below.

WATER AND POWER DEVELOPMENT AUTHORITY EAST PAKISTAN

Water Sector

East Pakistan WAPDA is giving urgent attention to the preparation and implementation of the irrigation schemes which are vital to the economy of East Pakistan. Other programmes of works designed to increase agricultural production, such as reclamation of low lying areas, protection of lands in the tidal zone etc., have also been accelerated. Smaller drainage, embankment and flood regulation schemes are also being implemented.

A short review is given below of the major works under implementation by this Authority.

Karnafuli Project

This is the first hydro-electric project in East Pakistan. It was inaugurated by the President on 31st March, 1962. The project includes two generating units of 40,000 KW each. Provision for the installation of third unit has also been made. A loan application for $ 3.97 million was forwarded to DLF (now AID) to cover the foreign exchange expenditure on the third Unit. In addition to electric power, the project is designed to control floods and assist navigation on the Karnafuli river.

Ganges-Kobadak Project (Kushtia Unit)

This is the first irrigation project in East Pakistan. It provides for the pumping of water from the Ganges River below the Harding Bridge. The first unit of the project, known as Kushtia Unit, will irrigate a net area of 350,000 acres in the districts of Kushtia and Jessore. It is estimated to cost Rs. 19.78 crores.

A steam power plant of 8,500 KW to run the pumps has been constructed. Irrigation and drainage channels have been completed for half area of Kushtia Unit. The scheme will come fully into operation soon as three large pumps for which the project was designed, are installed. Meanwhile, in order to avoid delay in supplying water to canals already constructed, EPWAPDA procured a battery of 12 Dutch Pumps of medium capacity.

Teesta Barrage Project (Main)

This is the major irrigation project for the north-western zone of East Pakistan. The project comprises a barrage across the river Teesta at Gaddimari and a system of canals to irrigate an area of 18.5 lakh acres lying in the three districts of Rangpur, Bogra and Dinajpur.

The irrigation system will make up the deficiency of rainfall during the monsoon months and supply water for winter crops. The project is estimated to cost about Rs. 40.27 crores. Preliminary works are in progress for the construction of approach roads, embankments and buildings.

Coastal Embankment Project

The revised scheme for the construction and remodelling of coastal embankments, estimated to cost Rs. 57.69 crores, aims at increasing agriculture products by preventing the ingress of saline water in the coastal regions of Khulna, Bakerganj, Noakhali and Chittagong districts. The project will protect 35 lakh acres of land of which 24 lakh acres are under cultivation. The project is progressing well with about 80,000 labourers employed upon it daily.

Comprehensive Drainage Scheme for Faridpur District

The scheme provides for improvement of 250 miles of rivers and *khals* with necessary locks and sluices for removing the flood congestion of an area of about 600 sq. miles in the northern and central parts of Faridpur district. An annual increased yield of about 22 lakhs maunds of foodgrains is expected to result from the execution of the scheme.

Ground Water Development and Pump Irrigation Project

The project provides for installation of 300 tube-wells for tapping ground water and 80 small low lift pumps of surface water. The revised estimate will cost Rs. 3.62 crores. On the basis of geophysical surveys carried out by German experts, an area for the tube-wells was selected near Dinajpur. A firm of foreign contractors has already been appointed and work is in progress.

Dredging the Gumti River in the District of Comilla

This is a flood control scheme costing Rs. 77.71 lakhs. It aims at increasing the discharge capacity of river Gumti by dredging and straightening its loops. A sum of Rs. 68.04 lakhs was spent up to June, 1961. Budget provision in the current year is Rs. 10 lakhs and for 1962-63 Rs. 2 lakhs. Work will soon be nearing completion.

Old Brahmaputra Project

The project as a whole is estimated to cost about Rs. 97 crores and envisages diversion of water into the old Brahmaputra channel for multi-purpose benefits, such as irrigation, flood control, navigation and generaton of hydro-power. The project is divided into three phases. The 1st phase estimated to cost Rs. 44 crores is now ready.

Tippera-Chittagong Multipurpose Project (1st Phase)

The project provides for opening an all-weather navigation channel connecting Chittagong with Feni, Chandpur, Narayanganj, and Bhairab *via* the Meghna, and also provides for irrigation of about 10 lakh acres of land in the districts of Comilla, Noakhali and Chittagong by pumping water from the Meghna. The 1st phase of the scheme, estimated to cost Rs. 8.46 crores for pump irrigation in Chandpur area has been prepared. This will provide irrigation for 80 per cent of the gross project area of 1,35,320 acres and thus bring under irrigation about 1,09,000 acres of land in Chandpur area. The pumping stations will serve both irrigation and drainage purposes.

Flood Regulation and Drainage Scheme (Small Schemes)

A large number of smaller flood regulation drainage, embankment, navigation and irrigation schemes in all parts of the province are under execution.

POWER SECTOR.

The programme of the year 1962-63 envisages the implementation of six new schemes and the following on-going schemes :—

Dacca Electric Supply

Dacca has been selected as the venue for Subsidiary Capital. Satellite town have already been planned. Many new colonies have sprung up. Many new industries are now being established. Thus the demand for electricity in Dacca is rapidly increasing. There were 10,000 consumers of electricity in 1951, today there are 24,700. Dacca Electric Supply is working in full swing to cope with the load and the work of alteration, modification and augmentation of distribution lines and sub-station is going on at a fast speed.

To improve and expand the Dacca Electric Supply, a scheme was prepared at an estimated cost of Rs. 195 lakhs out of which the foreign exchange component is Rs. 63.10 lakhs.

Electrical Equipment Pool for Small and Medium Size Industrial Consumers

This scheme has been prepared in order to overcome the delay and trouble in obtaining H.T. and L.T. Sub-stations equipment by small and medium size industrial consumers and to avoid the delay in supply of electricity to these consumers.

It is proposed that sufficient electrical equipment in the form of circuit breakers, transformers, switch gears sub-station equipments should be maintained by the department and loaned out on hire on

easy payments or given as outright sale to the consumers. The total cost of this scheme is Rs. 2.5 crores out of which the foreign exchange component is Rs. 2 crores. Japan has already committed an aid of $ 2 million against this project. Efforts are being made to obtain assistance for the outstanding amount of $ 2.2 million.

Goalpara-Bheramara High Voltage Interconnector

Two steam stations of approximately 16,000 KW and 8,000 KW respectively have been established under the Colombo Plan Aid at Goalpara and Bheramara which are 110 miles apart.

As both stations are fuel fired, considerable savings in foreign exchange could be effected by the joint operation of these two stations through an Interconnector.

The estimated cost of this scheme is Rs. 2.12 crores with a foreign exchange component of Rs. 1 crore. Consultants have been appointed for this job and survey work has already been completed.

Comilla-Sylhet Transmission Line

This scheme envisages the laying of 140 miles of 132 K.V. single circuit over-head transmission line from Comilla to Fenchuganj with 33 K.V. single circuit extension to Sylhet in order to cope with the load at Brahmanbaria, Habiganj and Moulvi Bazar along the route of this line and also to supply power to tea gardens, Haor areas and other industrial establishments.

The total cost of the scheme has been estimated at Rs. 3.86 crores out of which the foreign exchange component is estimated at Rs. 1.59 crores. Survey work has already been completed.

Acquisition and|or Supply of Power to Small Undertakings

The scheme consists of two parts :—

(a) Acquisition of electric supply undertakings which are unable to maintain continuous and efficient supply and which have failed to cope with its increased load demand in their respective areas.

(b) To supply power to those places where load demand justifies setting up new electric supply undertaking.

As many as 27 small electric supply concerns have been included under this scheme. EPWAPDA have taken over Faridpur, Cox's Bazar and Barisal electric supply undertakings. Other power stations will be taken over as soon as these are handed over by the Government of East Pakistan.

The total cost of the scheme is Rs. 152.48 lakhs of which the foreign exchange component amounts to Rs. 42.84 lakhs.

Secondary Transmission and Distribution

(a) East of Brahmaputra

(b) West of Brahmaputra

(c) Isolated Generation Stations.

This scheme envisages the laying of 66 KV, 33 KV and 11 KV transmission lines with necessary H. T. substations and L. T. lines in order to supply power where potential load demand exists, particularly in the Eastern and Western Zones of the river Brahmaputra. The scheme is based on a power survey by Messrs. International Engineering Company. The U. K. has already granted a loan of £597,000 and A.I.D. has allocated $8.6 million for the improvement of Electrical Distribution systems in Dacca and Chittagong. Further assistance to the tune of $4.2 million for generation and distribution projects isolated from the main grid has been promised by Canada.

(i) Dacca-Chittagong Interconnector.

(ii) Dacca-Chittagong Addition of second circuit.

(iii) Dacca-Chittagong Extension to Karnafuli.

The above schemes envisage the drawing of 132 KV overhead double circuit, on steel lattice towers from Karnafuli Hydro Electric Project site to Madanhat (Chittagong) and Siddhirganj (Dacca), total route mileage being 170 miles.

Sub-marine cables have been laid across the rivers Lakhya and Meghna for the first time in the Indo-Pakistan Sub-continent for connecting the Karnafuli Hydel Power Project site with Siddhirganj. The line was inaugurated on 27th October, 1961 but still there are some minor works to be completed. This Interconnector will faciliate Kaptai Hydel Power to be delivered to the whole of eastern half of East Pakistan.

The total estimated cost of this scheme is Rs. 4.83 crore out of which foreign aid of 6.7 million dollars has been given by Canada under Colombo Plan Aid, in the shape of machinery, equipment and technical assistance. In addition various new schemes have been projected for 1962-63.

WATER AND POWER DEVELOPMENT AUTHORITY WEST PAKISTAN

WAPDA, West Pakistan is handling over a score of active projects and these can be divided generally into three categories (a) reclamation, (b) replacement and (c) development. To the category of reclamation belong the project relating to the control of salinity and water-logging. The second category covers the projects under the Indus Basin Settlement Plan. The third category includes projects which will help in increasing power facilities or in developing additional water resources to bring new areas under cultivation.

Salinity and Water-logging

One of the first tasks to which the West Wing WAPDA addressed itself soon after it came into existence was the control of salinity and water-logging. Due to spreading of salts and the rising of the ground-water levels, West Pakistan is losing more than 70,000 acres of land every year. A detailed discussion on the magnitude of the problem and steps taken to combat it, has been made in chapter III on Agricultural Production and Organisation.

Indus Basin Projects

Another responsibility of WAPDA which has attracted international interest is the execution of the Indus Basin Plan. The signing of the Indus Water Treaty in September 1960 marked the end of a decade of dispute and negotiations and the beginning of a decade of co-operative constructive work. The Settlement Plan envisaged construction of two dams, a power station, seven link canals and five barrages as well as a tubevell and drainage project to make a start towards controlling water-logging and salinity. In addition, remodelling of some of the existing barrage and links has to be carried out.

Briefly the construction works involved are :—

(i) Mangla Dam on Jhelum River

The height of this Dam will be 370 feet and its length at its crest will be 2 miles. The reservoir formed by this Dam will be 30 miles long and will have a line storage capacity of 47.5 lakh acre feet. A power station with an initial capacity of 300,000 KW will form part of the project.

(ii) Turbela Dam on Indus River

This Dam will also be about 2 miles long at the crest with a maximum height of 350 feet. This will be one of the largest rockfill dams in the world having a total fill of nearly 100 million cubic yards.

(iii) Link Canals

The link canals to be constructed will be nearly 388 miles in length and have an aggregate capacity of about 99,000 cusecs.

(iv) Five New Barrages

The five new barrages to be constructed will have a total length of nearly three and a half miles and will have a water-way designed to pass naximum flow aggregating to nearly 40 lakh cusecs.

(v) Tube-wells

About 2,500 tube-wells will be installed to control water-logging and salinity in irrigated area totalling 25 lakh acres.

The implementation of this plan requires successful handling of many problems.

To meet the requirements of engineers and trained personnel the Government has entered into an agreement with the U.N. Special Fund for assistance worth 2.4 million dollars. Under this, the U.N. Special Fund will provide experts, training facilities and equipment to various engineering colleges and technical institutions in Pakistan for education and training of personnel required for the Indus Basin Plan. To overcome the cement shortage a cement factory is being set up at Gharibwal in Jhelum District. To cope with the heavy burden that would be placed on the communication system, a Rs. 10 crore scheme for the expansion of railways has been approved.

Progress of the Indus Basin Project

Intensive activity has continued with a view to bringing priority projects to contract stage. Contracts for the procurement of sand, gravel and aggregates for use in the construction of link canals and barrage were signed in September, 1961. Another contract for the manufacture of cement for use by contractors in the construction of the Mangla Dam and link canals and barrages was signed in October, 1961.

Upto March 1962, three major construction contracts were awarded. The contract for Mangla Dam was awarded in January, 1962, for Trimmu-Sidhnai Link in February and for Sidhnai Barrage in March, 1962. WAPDA submitted its recommendation to IBRD in February, 1962 for the award of contracts for Sidhnai-Mailsi Link and Flood Warning Radio Network. Tenders for Mailsi Syphon and supply of Fixed Wheel Gates for Trimmu-Sidhnai Link were received in February, 1962 and are being processed. Tender documents were issued for the following projects in February, 1962 and the date of opening of contract has been fixed for May, 1962:—

(i) Gates and Operating Gear for Sidhnai Barrage

(ii) Gates and Operating Gear for Mailsi Syphon

(iii) Mailsi-Bahawal Link

Detailed investigation of the Tarbela Dam Project were completed and the project consultant submitted their report in January, 1962.

Water and Power Sector

While fully engaged on the gigantic Indus Basin projects WAPDA has not lost sight of its statutory responsibility of developing the water and power resources of West Pakistan on a unified basis. Investigations were started two years back for evolving a Master Plan.

The first phase of these investigations are broadly regional in character. Some projects, such as the Gomal Zam Scheme is not in the Plan. The Karachi Irrigation Project on the Hub River and several other smaller tubewell and lift irrigation projects in the areas west of Jhelum River have already been investigated in detail and will be taken up for implementation as soon as funds become available. Other projects are in hand, or have been completed. The Rawal Dam, which will provide municipal waters to Islamabad and Rawalpindi and also irrigate 12,000 acres of agricultural land in the vicinity, has been completed. The main barrage and part of the canal system of Guddu Irrigation Project is also nearing completion.

Another important activity of WAPDA is connected with the Machinery Pool Organisation . This is a semi-autonomous body to undertake the unified and co-ordinated use of all heavy earthmoving and construction equipment belonging to WAPDA and the West Pakistan Irrigation Department. The basic concept of the project was to pool under one agency all such equipment in West Pakistan and to deploy it on civil engineering projects in the most economical manner. Turning to electricity scheme, during the last three years WAPDA has brought into commission additional generation capacity at Chichoki Mallian, Multan, Warsak, Shadiwal, Gujranwala, Hyderabad and several other places in Sind. In the grid zone, that is, the West Pakistan province excluding Hyderabad, Khairpur, Karachi, Quetta and Kalat Divisions, WAPDA has increased generating capacity by 3,25,000 kilowatts. In the southern region (Hyderabad and Khairpur Division) generating capacity has increased by 20,000 kilowatts.

Work is already in hand on 3 more power plants. These power generating projects are at Quetta, where WAPDA is building a 15,000 kilowatt thermal power station based on indigenous coal ; at Sukkur, where a 25,000 kilowatt thermal station will be based on natural gas ; and at Multan where two new units will increase the capacity of the present natural gas station from 1,35,000 kilowatts to 2,65,000 kilowatts. Quetta and Multan Extension Projects are expected to be completed in 1963, and the Sukkur Power Station ealy in 1964.

Before reporting on the progress made by WAPDA in increasing its transmission and distribution facilities, it is necessary to describe briefly the projects under which this is being done. The first project is for the setting up of a primay grid of 650 miles while the second project is for a 4,000 miles network of secondary transmission and distribution lines. This whole system includes also the installation of 10 primary load centres and 45 new distribution centres.

When WAPDA took over the Electricity Department in 1959, the total milage of various KV lines was about 4,700, installed over nearly two decades. In two years WAPDA has increased this mileage by about 50 per cent. On these transmission projects 136 miles of 220 KV lines were installed ; no line of this capacity existed earlier. 685 miles of the 132 KV lines were added to the existing 318 miles. 200 miles of 66 KV were added to the existing 1,200 miles, 27 miles of 33 KV lines were added to the existing 400 miles and 1,200 miles of 11 KV lines was added to the existing 2,800 miles. Before WAPDA took over there were 1,714 sub-stations. To this have been added 703, raising the total number to 2,444.

To complete the present transmission and distribution projects the mileage of different lines yet to be installed is 82 of 33 KV, 860 of 66 KV and 800 of 11 KV. Also another 49 sub-stations of 66 KV and 826 distribution sub-stations have to be installed. This Secondary Transmission and Distribution Scheme is expected to be completed by September, 1963.

WAPDA also electrified 643 villages in the last two years raising the number of electrified villages to 1,346. This is additional to electrification under the Village Electrification Project, which is to cost Rs. 32.4 crores and is to cover 1,500 villages in five years. This project involves the construction of nearly 10,000 miles of primary and 5,000 miles of secondary lines. Work on its implementation will begin as soon as funds are allocated by government.

Power Commission

Power development is not an end in itself, but a means to an end, namely economic development. If power is costly, it will retard economic development ; if it is cheap, it will generate rapid economic progress. With a view to facilitating planning in regard to future power development and to enquire into the grievances of consumers about high power rates in the country, domestic as well as industrial, a Power Commission was set up in May, 1961. The terms of reference of the Power Commission are as follows : —

(a) To determine the power requirements of East and West Pakistan for the next ten years and beyond and to make recommendations regarding sources of generation of power, including nuclear, to meet the requirements.

(b) To conduct a comprehensive examination of the power rates obtaining both in East and West Pakistan for industrial, agricultural, commercial and domestic uses, and to make recommendations regarding their rationalization with particular reference to cheap supply of power to boost production in different parts of the country, taking into consideration the special needs of under-developed areas.

(c) To suggest revision of Electricity Rules, 1937 consistent with reasonable safety requirements to achieve economies in investment in transmission and distribution lines, etc., so as to bring down power costs.

(d) To recommend agencies for generation, transmission and distribution of power in the light of local conditions.

(e) To examine whether there is need for a permanent organisation, preferably one in each province, to supervise matters relating to distribution of power and fixing of power rates.

(f) To consider whether power should be supplied at a low rate in order to encourage industrialisation, and the capital involved amortized through other means, such as taxation of industrial products.

(g) To make any other relevant recommendations.

The Commission is at present busy in making necessary investigations and is expected to submit its report to the Government of Pakistan by June, 1962.

State Enterprise in Oil, Gas and Atomic Energy

Government have invested this year a sum of Rs. 42 lakh in various oil exploration projects raising its total investment from Rs. 11.5 crores to Rs. 12.5 crores till December, 1961 excluding investment in Oil and Gas Development Corporation.

The activities of the oil companies in respect of petroleum prospecting did not produce any worthwhile results. This brought about a decline in their activities. Moreover, the oversupply of crude oil in the world market may have affected the exploration activities considerably. In view of these reasons, the Government of Pakistan found it necessary to supplement the activities of the oil companies by taking up oil exploration as a state activity. Government has set up an Oil and Gas Development Corporation which has started search for oil in the public sector. An oil exploration agreement was signed on the 4th of March, 1961, with the Government of the USSR under which the USSR would provide credit facilities up to Rs. 14 crores for the purchase of machinery and for the services of Soviet technicians required in connection with oil exploration. The Soviet technicians would work in an advisory capacity at the headquarters of the Corporation and would man the field parties along with Pakistanis to undertake geological, geophysical and drilling operations. The positions occupied by the Soviet specialists, in due course, will be filled up by Pakistanis when they gain sufficient experience. Till that time they would work under the Soviet experts, as under-studies.

Offers of assistance in this and allied fields have also been received from a number of other countries like Japan, France, Egypt, Saudi Arabia and Iraq. They are under consideration of the Government.

It has been estimated that in the next five years some Rs. 23 crores will be spent by this Corporation on the search for oil in the two wings of the country. Geological and Geophysical Surveys are being conducted in the Potwar basin in West Pakistan where oil has already been discovered and further work is needed . Six areas—three each in East and West Pakistan—have been selected by the Corporation for intensive search and survey operations.

Atomic Energy

The promotion of peaceful uses of atomic energy has been entrusted to the Pakistan Atomic Energy Commission (PAEC) which is a semi-autonomous body and the Government are giving all support to the programmes launched by the Commission.

The programme of the PAEC, is spread cover two major fields *viz.*,

(i) harnessing of nuclear power ; and

(ii) application of radioisotopes in the field of agriculture, medicine and industry.

A provision of Rs. 4.7 crore has been made in the Second Five-Year Plan, for the projects of the Pakistan Atomic Energy Commission.

As regards the development of nuclear power, the generation of power from the atom is not yet competitive in countries where conventional fuels are cheap. However, the prospects of nuclear power in Pakistan are brighter because of the high cost of local and indigenous fuels. Further, the hydro power potential and resources of coal, oil and gas, as known at present, will not be able to generate enough power for the requirements of the country in the long run. Atomic Energy, therefore, offers an alternative source of power for the future requirements of East and West Pakistan. The Pakistan Atomic Energy Commission are studying the report on the feasibility of nuclear power in both the wings.

The second field of work of the Commission is to discover and promote the uses and application of radioisotopes in the field of agriculture, medicine and industry in Pakistan. This can be done only by conducting research in all these fields on a fairly big scale. For a sound programme of such research and for shouldering the responsibility of running nuclear power stations, when they are established in the country, it is necessary to have a large number of highly trained team of scientists and engineers. The PAEC have, therefore, drawn up a comprehensive programme of intensive training of our young scientists in nuclear sciences technology which aims at the training of 400 scholars in foreign countries under the

various technical training programmes. Already 150 scientists have been trained or are receiving training and 100 more will be sent for training by the end of the year 1962-63. By the end of the 2nd Five-Year Plan, Pakistan will be well on the road to a promising programme of research.

Ultimately as the Laboratories and Centres are established the PAEC will inpart training to the majority of scientists in its own establishments within the country. They have accordingly decided to set up A. E. Centres in the University towns at Lahore and Dacca. The Lahore Centre was inaugurated in October, 1961 and is already training some 50 scientists. The construction of the Dacca Centre is likely to start soon and when finished will be one of the finest scientific establishments in the East with a three million electron volt accelerator as its central facility.

In the field of agriculture, the Commission have decided to set up two Agricultural Research Centres, one at Dacca in East Pakistan and the other at Tando Jam in West Pakistan. The Centre at Dacca has started functioning and that at Tando Jam, will begin functioning in the year 1962-63. In these Centres problems of water-logging and salinity, determination of courses of underground water stream, evolution of better variety of crops, eradication of pests and plant diseases, uptake of fertilizers, etc., will be studied with the help of radioisotopes and radiation sources.

In the field of medicine, the Commission has already established four Medical Radioisotope Centres, one each at Karachi, Lahore, Multan and Dacca.

The most important project of the Commission is the establishment of the Institute of Nuclear Science and Technology near Rawalpindi. It will have a 5 MW Swimming Pool Research Reactor as is central facility. Round the reactor there will be a number of laboratories for training and research in nuclear physics, radiation, chemistry, radiobiology, electronics and other allied subjects. The total cost of the Institute is estimated to be Rs. 4.3 crores, spread over three years.

Substantial progress has been made towards the establishment of the Institute. The architectural design of the Institue has been drawn up the preliminary drawings have been completed and the work on the detailed working drawings of the reactor and the laboratories around it is nearing completion.

Uranium and other radioactive minerals would be needed to feed the research programme. The Geological Survey, with the help of the Commission, has undertaken search for these minerals in the country. They have completed aerial survey of one of the potentially rich areas where radioactive minerals are likely to occur and have made intensive survey of radoactive minerals in another prospective area.

CHAPTER VI

COMMERCIAL POLICY

The primary objectives of Pakistan's commercial policy in recent years have been :

(a) to make goods more freely available in the domestic market, principally by liberalizing imports of raw materials and other requisites for Pakistani industry ;

(b) to streamline administrative procedures and eliminate controls to enable the import trade to function more freely and efficiently ; and

(c) to promote a substantial expansion of export trade, which is necessary to reduce the country's payments deficit and avoid reversion to a system of restrictive imports.

The increasing developmental activity in the country, which must be further accelerated if the requirements of the fast-growing population are to bet met, has led to a sharp increase in the import requirements. Pakistan's foreign exchange earnings are wholly inadequate to meet this rising import bill. In 1960-61, the value of exports covered only 56 per cent. of imports, as compared with nearly 75 per cent. in 1959-60. To maintain a satisfactory pace of development, it is essential that export earnings should also be greatly increased. Achievement of our economic development targets, therefore, necessitates an all-out drive to broaden the range and increase the value of exports from Pakistan.

The Economic Situation Since 1958

The state of the economy when the present regime took over in 1958 is too well known to require discussion here. Briefly the inflationary policies of the Government accompanied by widespread malpractices had resulted in a rise in prices which was fast becoming unbearable for the common man. Foreign exchange reserves had declined to a dangerously low level necessitating drastic restriction of imports of essential consumer goods, industrial raw materials, spare parts and machinery. The situation was critical ; bold and swift action, on several fronts, was evidently required to put the economy on its feet.

In the first stage, emergency measures had to be resorted to in order to cut down imports to stop any further drain on the country's foreign exchange resources. Domestic demand was curbed by the adoption of a strict anti-inflationary policy. These actions inevitably entailed some sacrifices on the part of consumers—which, however, were mitigated by the Martial Law regulations for price control and allocation of goods.

The result was a reduction of the trade deficit from Rs. 62.8 crores in 1957-58 to Rs. 25.3 crores in 1958-59, and an increase in the nation's foreign exchange reserves by Rs. 31.70 crores between October 1958 and June 1959.

This healthier trade and exchange position, together with the increased amount and more certain availability of external aid, made it possible for Government progressively to relax import restrictions and pursue a more expansionist policy in the years 1960—62. One consequence has been the renewed widening of the trade gap, which in 1960-61 amounted to Rs. 138.9 crores. To avoid the necessity of reimposing severe import restrictions, the Government has mounted a vigorous and comprehensive export promotion campaign.

REVIEW OF IMPORT POLICIES SINCE 1960 AND THEIR IMPACT ON THE ECONOMY

As already stated, when the import policy for the first half of 1960 was formulated, the economic situation in the country, including the level of foreign exchange reserves, had considerably improved. It was decided to reduce the shortages of consumer goods and as a first step allocation of foreign exchange for the import of essential goods was substantially increased. The import of drugs and medicines—an item of vital consumer interest about which there were persistent reports of shortages from all parts of the country—was placed on automatic licensing system. This system enabled an importer to seek another licence after he had utilized the first licence. The result was that the supply of drugs and medicines improved to such an extent that by the middle of 1960 all essential drugs could be easily had in the market at much reduced prices.

The process of liberalization of imports was continued in the second half of 1960 and an entirely new pattern of import budget was adopted. For the first time since the cancellation of O.G.L. (Open General Licencing system) in 1952 a major sector of the economy was freed from the rigidity of import control. As many as 28 items were placed on automatic licensing in the same way as drugs and medicines. About 130 industries, including major industries, engaged in the manufacture of consumer goods, were enabled to import 100 per cent. of their requirements of raw materials. The commercial importers also received licences on automatic basis at 100 per cent. of their categories. Certain inessential items were removed from the licensable list and their import was allowed under bonus only.

The import policy for January—June, 1961 represented yet another step toward judicious liberalization. Another 33 items of essential industrial and consumer interest were added to the 29 items already on

automatic licensing, thus raising the total number of items on this list to 62. Of these, 39 items were of industrial requirements and 23 of consumer interest. Automatic licensing facilities for all items of their requirements were extended to 118 industries, while 51 industries were licensed at 100 per cent. of assessed single shift capacity. The remaining industries received licenses at the same level as in the previous shipping period. These facilities enabled about 80 per cent. of the industrial sector in the country to import all items of its requirements of imported raw materials and spare parts.

A list of 12 industries having export potential was drawn up for issue of special licences for import of machinery and capital equipment for replacement, balancing and modernisation to enable them to expand their business.

In March, 1961, another step forward was taken and 11 essential items of industrial and consumer interest were placed on O.G.L.

In the import policy for July—December, 1961, the liberalization of imports was carried further. Forty-nine items were placed on O.G.L. while 14 items continued to remain on the automatic licensing list. Out of a total of 231 industries in the country, 173 industries were licensed for raw materials and spare parts on 'Request Basis' for such amounts as may be asked for by the industrial consumers, according to their own estimates of requirements, on annual basis. These 173 industries covered 75 per cent. of the industrial sector and represented all important industries, including those which had export potential. Of the remaining 58 industries, 19 industries were licensed on automatic basis at 125 per cent. assessed single shift capacity in the first round and 100 per cent. in the subsequent rounds. The remaining industries received licences not below the level applicable to them in the preceding shipping period.

Another group of 12 industries, having export potential, was selected for issue of special import licences for modernisation and balancing of their plants.

During the current shipping period (January—June, 1962), the broad structure of the import policy continues to be the same as was in force during the preceding period. With the exception of one unimportant item, the number of items on O.G.L. has been maintained at 48. Similarly, 14 items continue to be on automatic licensing. Ten items of comparatively inessential nature or for which adequate production capacity exists in the country have been excluded from the licensable list and allowed import exclusively under Bonus Vouchers. In the industrial sector, the licensing of a broad range of industries has been linked with

their export performance. Thirty-one industries having export potential will receive initial licences at 80 per cent. of what they got in July—December 1961, period. Thereafter, they will get licences at 100 per cent of the f.o.b. value of their exports covered by a letter of credit opened by a foreign importer or a bank guarantee certifying firm export orders. The remaining industries in this group numbering 122 will receive licences on the same basis as during July—December, 1961 period subject to a reasonable and responsible request having been made by them. The list of industries on automatic licensing has been expanded to 36 as against 18 in the last shipping period. These industries will get licences at 100 per cent. of assessed single shift capacity for raw material as well as spare parts. The industries not covered by Request Basis or Repeat Licensing facility will receive licences at factors not lower than those obtaining in July—December, 1961 shipping period. Industries other than the 31 industries selected for export performance have also been given an additional incentive for export. In addition to their normal share of raw material licences, they will be entitled to license equal to 40 per cent. of the f.o.b. value of their exports. This will enable the industries to execute export orders without restricting their sales in the home market. These industries have also been allowed to use their licences issued on the basis of their exports for the import of balancing and modernization machinery.

OTHER MEASURES TO IMPROVE TRADE SINCE 1960

Simplification of Licensing Procedure

Priorto 1959, the procedure for licensing was extremely cumbersome and it used to take the licensing authorities four to six months to complete the issue of licences in any shipping period. In 1959, the President issued a directive that the licensing procedure should be simplified. In pursuance of this directive, a completely new system of licensing was worked out. The categories and entitlements of various importers were carefully scrutinised and uneconomic amounts were merged to give individual importers a sizable category in items representing their main lines of business. Government had been trying from 1955 to 1958 to amalgamate and consolidate categories, but without success. It was toward the end of 1959 that the Chief Controller of Imports and Exports succeeded in not only reviewing the categories of all importers, but also amalgamating them on a rational and scientific basis. The revised categories were published in five volumes and it is a matter of great credit that this revision and codification was accepted by the trade. After the categories had been amalgamated and codified, a scientific system was devised to issue licences. The method of writing out individual licences was abandoned and importers were enabled to apply for a licence through their banks. Special licensing counters were established in Karachi

Lahore, Chittagong and subsequently in Rawalpindi. These counters functioned like commercial banks and licence forms presented on behalf of importers by the banks concerned were verified, authenticated and returned to the bank within 24 hours. Trading in licences was reduced to a great extent as the exchange control copy of licences remained lodged with the commercial banks and the importer only received his customs copy for clearance of goods. The new licensing system was hailed throughout the country and the effect of it has been that the issue of licences is now completed during the first 30 days of a shipping period.

Admission of Newcomers

Since the cancellation of O.G.L. in 1952, the import trade in the country had become a close preserve of the *category holders*. In many cases big importers monopolised the import of certain essential items and indulged in unsocial activities. Despite limited foreign exchange resources, Government decided to admit newcomers into the import trade. Since the 1st of January, 1960, newcomers have been admitted for 58 items in different parts of the country. Apart from these newcomers, a sufficient number of importers has come into the import trade for items placed under O.G.L. up to the end of February, 1962. The hold of categorised importers on the import trade has thus been gradually loosened and the number of newcomers is now as large as that of the established importers. A significant feature of the newcomer scheme has been that comparatively under-developed areas of the country have been able to obtain a fair share in the import trade.

Survey of Importers

A Survey Organisation was set up under the Chief Controller of Imports and Exports to carry out physical checking of the import performance of registered importers in order to eliminate inactive and non-existing firms from the import and export trade. The survey carried out by this Organisation has resulted in the elimination of 623 firms holding an aggregate category of Rs. 67.77 lakhs.

Opening of New Licensing Office at Rawalpindi

To cater for the requirements of importers in the north-west regions of West Pakistan, a Licensing Office under the new procedure was established at Rawalpindi from January, 1961.

Effects of Import Policies

The effects of the liberal import policy and of the facilities and incentives provided to the industrial and commercial sectors can be seen in increased production and business activity. Factories whose operations

were previously restricted by lack of raw materials and spares have been able to increase their output to a minimum of 100 per cent. of single-shift capacity, and in many cases to their optimum level of efficiency. The index of industrial production, including manufacturing and mining, rose from 161.4 in 1958 (1954 = 100) to 180.1 in 1959 and 191.6 in 1960. In 1961, it rose further and stood at 212.7. The all-share index, a good measure of business activity and confidence, rose from 192.7 at the end of December, 1960 to 212.12 towards the end of 1961. On 30th March, 1962, it stood at 226[1].

The liberal import policies and incentives to production have had a wholesome effect on the price level, though not to the desired extent. As compared to the July—December, 1960 period, the prices prevailing in July—December, 1961 were substantially lower for earthenware, glassware, drugs and medicines, dyes, chemicals, iron and steel, and a number of other essential items. The availability of such items, as tyres and tubes spare parts for automotive vehicles, infant food, etc., which were chronically short in 1960, has considerably improved and the prevailing prices are lower.

Renoval of Restrictions on Inter-Wing Movement of Goods

In conformity with the Government's desire to promote freer movement of goods between the two wings of the country, with a view to increasing supplies and narrowing the price differential, restrictions on inter-wing shipment of a large number of items were removed in July, 1961. These items included locally manufactured bicycles and parts, chemical dyes, cement, locally manufactured sewing machines and sanitary goods, etc.

EXPORT PROMOTION ACTIVITIES

The basic objectives of Pakistan's export policy is to promote and diversify the export trade of the country. In this connection, a number of incentives have been provided by the Government to the private exporters|manufacturers. The following are the important measures which have been adopted.

Lifting of Export Control

Export control has been lifted from almost all Pakistani products except a small number of items considered essential for the economy and security of the country.

Export Bonus Scheme

The Export Bonus Scheme was introduced on 15th January, 1959, with a view to stimulating exports—especially of products other than the

(1) For details see Chapter XII on Stock Exchange.

traditional primary materials. The scheme applies to all commodities and manufactured goods of Pakistan whose export may be permitted from time to time except the following : raw jute ; raw cotton ; hides and skins (including lamb skins but excluding furs and reptile skins) ; wool ; tea and rice (except for specified varieties—*basmati, permal* and *begmi* allowed to be exported with effect from 15th February, 1959).

The following scale of bonus has been prescribed :—

(a) 40 per cent.of f.o.b. value earned by the export of all manufactures except jute and cotton manufactures ;

(b) 20 per cent. of f.o.b. value earned by the export of all other items, including jute and cotton manufactures, except cotton yarns ;[2]

(c) 20 per cent. of net foreign exchange earned by the following service industries :—aircraft repairs, salvage operations, ship repairs, and shipping.

Rates of bonus admissible for over 650 items have been specified.

The Bonus Vouchers earned through exports, at the rates specified above, can be converted into a license to import any one or more of the items on a specified list. The Vouchers themselves are traded freely and quoted on the stock exchange.[3]

The eligible list of bonus imports originally comprised 219 items, and was subsequently expanded to 263 items. Generally, items either of an inessential nature, or for which adequate production capacity is available in the country, have been transferred from commercial licensing (where exchange is provided by the State Bank of Pakistan) to the Bonus Import List ; for the latter, importers, must earn Bonus Vouchers or purchase them in the market. Changes in the Bonus Import List naturally cause changes in the market quotation for Bonus Vouchers.

Thus the addition of art-silk yarn on 30th August, 1961, and or sugar on 30th November, 1961, produced a sharp rise in the price of the Vouchers. This had the effect of providing a greater incentive to exports ; and at the same time the increased importation of these items, which are in great demand, served to reduce their inflated price.

(2) Bonus on cotton yarn (mill-made) was reduced from 20 per cent. to 10 per cent. of fob value with effect from 22nd January, 1960 and abolished from 31st January, 1961.

(3) It was decided on 1st July, 1961, that 50 per cent. of the bonus earnings from the export of goods should be reserved for the import of machinery for balancing and modernisation of jute industry and also raw materials required by it. Since early August, 1961, other capital goods, including cotton textiles machinery, can also be imported in East Pakistan against the said 50 per cent. bonus earnings.

In view of the success of the Export Bonus Scheme in encouraging exports, Government announced on 23rd June, 1961, that the scheme would be continued throughout the Second Plan period until 30th June, 1965. This has helped to create greater confidence in the scheme and has put it on a more stable footing.

The export of items covered by the scheme amounted to Rs. 72.16 crores in 1961 and constituted 37.9 per cent. of total exports as against Rs. 69.5 crores (37.1 per cent.) in 1960. In 1959, bonus exports were valued at Rs. 56.57 crores only. The comparatively small increase in 1961 over 1960 resulted from withdrawal of cotton yarn from the Bonus Import List in January, 1961, causing exports of this item to fall from Rs. 13.7 crores in 1960 to Rs. 2.8 crores in 1961. This step, however, was deemed necessary to meet the yarn requirement of the domestic handloom industry which provides employment to a large number of workers.

The position of availability of bonus earnings and the import licences issued were as follows :—

Year	Availability of bonus (Rs. Crores)	Import licence issued (Rs. Crores)
1959	9·58	7·27
1960	13·80	14·34
1961	15·12	15·52
1962 (Jan. March)	3·82	4·32

Export Credits Guarantee Scheme

The introduction of the Export Credits Guarantee Scheme in March, 1962, is a major addition to Pakistan's trade promotion measures. Its purpose is to provide protection to Pakistan exporters against defaulting importers in other countries. The Pakistan Insurance Corporation will underwrite specified risks, not normally covered by insurance guarantees, on behalf of these exporters.

Under the scheme an exporter may insure his entire annual exports, except for raw jute, jute manufactures, raw wool and raw cotton and also those commodities where payment is due before exportation or against confirmed irrevocable letter of credit. Insurance may be obtained for exports to all markets ; where cover for selected markets only is needed, the rate of premium is higher than for general coverage.

The percentage of loss which the Insurance Corporation covers under the scheme is 75 per cent. for commercial risks and 85 per cent. for political risks, the balance being borne by the exporter. The requirement that he bears part of the risk is designed to ensure that the exporter exercises due care in the selection of the buyer and takes all necessary measures for the recovery of the amount due.

Issuing of Licences for Bonded Warehouses

In order to facilitate exports of excisable goods by the non-manufacturing exporters, the system of issuing licences for bonded warehouses to such exporters has been introduced. Under the schemes, they can now purchase excisable goods, such as jute manufactures, cloth, matches, paints, varnishes, tanned leather, salt, etc., without payment of excise duties and hold them in their bonded warehouses till they are exported.

Freeing Exports from Letter of Credit Requirements

Almost all exports from Pakistan have been made free from letter of credit requirefents. The exceptions are (i) foodgrains exported to all destinations, (ii) raw jute and perishables when exported to India, and (iii) exports of all commodities to Brazil. In other words, except in cases mentioned above, exporters are free to export from Pakistan without insisting on advance payment or a letter of credit from overseas buyers, which was the case until recently.

The export proceeds are, however, required to be realised within three months in the case of exports to India and four months in the case of exports to other countries. Moreover, larger credit facilities can also be granted on special request.

Other Trade Promotion Measures

A number of other measures, designed to increase exports and to improve the effectiveness of commercial services in the country, have also been taken. For example, the conclusion of general and special trade agreements, the sending of delegations to foreign markets, participation in international fairs and exhibitions, allowance of special foreign exchange quotas to encourage business travel abroad, provision of commercial intelligence and trade promotion services both at home and abroad, re-organisation and strengthening of Chambers of Commerce Councils, permitting of most exports to be effected without requiring advance payment or letter of credit, reduction through the efforts of

Inland Freight Committee in rates of freight of such items as rock salt, ores and minerals, cottage industries goods, etc.

Increasing Exports Depend Mainly on Exporters

The Government's policies provide substantial incentives and facilities for selling abroad ; but the task of actually realizing the nation's export potential devolves on businessmen and industrialists. And it requires a different kind and level of effort from that required to sell within the country. The domestic consumer may buy shoddy goods at high prices, when he has no choice. But foreign buyers can choose the goods they like from a wide range of sources. Pakistani businessmen can compete successfully in foreign markets only if they become thoroughly acquainted with consumer preferences, offer products to suit each particular outlet at the right price, and strictly observe quality standards. Above all, they must strive constantly to reduce their costs of production by increasing productive efficiency. Various Government sponsored programmes and facilities, for example, the Pakistan Industrial Technical Assistance Centres, training programs in business administration, etc., may provide substantial help, but the primary responsibility rests on the business community and on individual businessmen. If they measure up to this challenge, they can expect to reap rich rewards—for the nation as well as for themselves.

INCREASE IN SHIPPING FREIGHT

In October, 1961, an event of potentially grave effect on Pakistan's import-export trade occurred when the UK—Continent Conference Lines, which handle the bulk of Pakistan's foreign trade, increased the freight on East-bound cargo by 10 per cent. It agreed, however, to hold in abeyance a proposed 12.5 per cent. increase on West-bound cargoes.

This unilateral action on the part of the shipping group has caused understandbable concern in official and commercial circles. The increases—both already imposed and that held in abeyance—are disproportonately high. Since 1948, the rates have been more than doubled. As most of Pakistan's imports are from Western countries, the increase in East-bound freight adds to the cost of imports and development expenditure. The rise in West-bound freight would similarly make our exports less competitive in overseas markets.

Negotiations are in progress with the Conference Lines to seek a mutually satisfactory solution. In March, 1962, an official delegation headed by the Secretary, Ministry of Transport and Communications went to Europe to hold exploratory talks with the Conference Lines.

TRADE AGREEMENTS

To promote trade with foreign countries, Pakistan has entered into a large number of trade agreements and also concluded Treaties of Friendship and Commerce with some countries. Efforts are continuing to conclude more such treaties and establish closer commercial ties by sending official and non-official delegations to foreign countries and playing host to foreign delegations. A brief account of efforts in this regard is given below.

Treaty of Friendship and Commerce between Pakistan and U.S.A.

The Treaty of Friendship and Commerce between Pakistan and U.S.A. which came into force from February, 1961, is the first treaty of its kind to be concluded by Pakistan. The Treaty covers a wide scope of economic and commercial association between the two countries. It defines the status, rights and obligations of nationals and firms of either country when engaged in commercial activities within the territory of the other. The Treaty specially provides for certain guarantees and inducements to American nationals for investment in Pakistan. It is expected that this Treaty would increase the flow of American capital into Pakistan.

Trade Agreement with Italy

A Pakistan trade delegation visited Italy in January 1961 and concluded a general goodwill agreement with that country. Italy had been an important buyer of Pakistan cotton till 1956 ; but thereafter, Pakistani cotton was not faring well due to competition from various countries. To reintroduce Pakistan cotton in Italian market, a Special Payments Arrangement was concluded with an Italian firm, under which Italy agreed to buy raw cotton from Pakistan worth Rs. 2.38 crores and the sale proceeds of cotton are utilised for import of specified items by Pakistan from Italy. The agreement is valid up to 1962. This arrangement has improved the offtake of Pakistani cotton to Italy.

Trade Agreement with France

A limited trade agreement for the import of certain specified goods against export of Pakistani goods to the extent of £ 70,000 was concluded with France in January, 1961. Under the agreement, France would import from Pakistan items like carpets, sports goods, handicrafts, etc., the import of which is restricted in France. Pakistani exporters of these items were feeling difficulty in the French market. Under the agreement, Pakistan agreed to import from France such items as dyes and tanning products, motor-cars, accessories and bicycles, etc.

Trade Agreement with U.A.R.

An agreement was signed in April, 1960 and was automatically

reneved for 1961. It provides for the grant of most favoured nation treatnent to each other in respect of Commerce. It also provides for the holding of exhibitions and trade fairs. Although the Agreement is of a general nature, it provides for the conclusion of such special arrangements for exchange of commodities and promotion of trade as may be consilered necessary from time to time by the two Governments.

Trade Agreements with Other Countries

Pakistan has trade agreements with Burma, Ceylon, Indonesia and Philippines. A treaty of Friendship and Commerce between Pakistan and Japan, which was signed by the President at Tokyo in December, 1960, during his State visit to Japan, was ratified on the 20th July, 1961 and vill remain valid initially for a period of 5 years to be automatically reneved until either party gives one year's notice of its termination to the other.

Moreover, Pakistan has current trade agreements with Australia, Bulgaria, Czechoslovakia, Hungary, Poland, USSR and Yugoslavia. All these Agreements are of general goodwill nature and do not involve any commitments for import or export of any commodities in any specific quantities or values. The agreement with USSR provides for special payments arrangement. These agreements are valid for one year each but contain permissive clauses automatically extending them for further periols of one year each unless either side has given three months previous notice of termination.

An agreement for the purchase of rice from Burma was signed in early 1962 ; while trade agreements with Thailand and Morocco are in the ofing. A trade agreement and an Agreement on Domicile, Commerce and Transit with Iran is under consideration of the Government.

Promotion of trade and strengthening bonds of friendship with the Midde Eastern and African countries has been a prominent feature of Pakistan's trade policy. With this end in view, a non-official Trade Delegation was sent in December, 1961, to Lebanon, Jordan, Saudi Arabia, Somalia, Sudan, U.A.R. and Iraq. The delegation's tour was very successful irasmuch as it aroused considerable interest for Pakistani goods in these countries and the delegation established necessary contacts.

Pakistan also played host to quite a large number of trade delegations and economic missions from various countries, such as Rumania, Nigeria, Yugoslavia, etc.

GATT POLICIES AND THEIR EFFECTS ON PAKISTAN

Important Development Under The GATT During 1961

The General Agreement on Tariff and Trade (GATT) is the only instrument as present which provides a set 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 GATT now stands at 40 ; besides, 9 more countries are associated with it under special arrangement. The membership of GATT covers more than 85 per cent. of the trade of the Free World. The main objectives of the GATT are to help raise standards of living, to achieve full employment, to develop the resources of the world, to expand production and exchange of goods and to promote economic development. In order to achieve these objectives, the main policies followed by the GATT have been as under :

It imposes an obligation to extend unconditionally *most favoured nations treatment* to all members. This ensures fair and equal treatment to the imports and exports of each member and enables Pakistan to compete in her trade with others on equal terms.

The general prohibition on the use of quantitative restrictions on imports—besides, the rule of non-discrimination is one of the basic principles of the General Agreement. The main exception is the use of quantitative restrictions to safeguard the balance of payments and monetary reserves. This provision is advantageous to countries like Pakistan as industrially and economically advanced countries who are not in balance of payments difficulties are required to remove quantitative restrictions on import of commodities and goods, while the developing countries always with high pressure on their foreign exchange resources, are in a position to impose quantitative restrictions even on a discriminatory basis.

The reduction of tariffs, laid down in the General Agreement, is one of the principal means of attaining expansion of international trade and other broad objectives of the GATT. As a result of the various tariff conferences held under the auspices of the GATT since its inception in 1947, tariff rates for thousands of items entering into world commerce have been reduced or bound against increase. GATT has been able to maintain the stability of tariffs covering a very large percentage of world trade. This has contributed to the unprecedented expansion of trade which has taken place since the end of the Second World War. Though criticism has been levelled that stability and reduction of tariffs have been of benefit mainly to the industrialised countries as it has mainly encouraged the exporters of the industrial goods, it cannot be denied that trade in agricultural primary products has also benefited from the effects of tariff stability in general.

Pakistan is vitally interested in the trade of primary commodities and the annual reviews by GATT of the trade and suggestion for improving

the value and the terms of trade of these commodities. Of these, the prevalence of agricultural protection through restrictive measures in international trade and 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 of considerable importance to Pakistan.

GATT has also been one of the most important forums to consider the adverse effects of developments like the European Economic Community (EEC) and the European Free Trade Association (EFTA) on the present and future Trade of third countries. This organisation has examined the effects of the levels of the common tariff, *vis-a-vis,* the obligations of the Six under the GATT. This aspect is also of for-reaching significance to Pakistan, particularly as a result of possible entry of the U.K. into the European Common Market. This aspect is dealt with later in this Chapter.

Pakistan has successfully participated in the GATT Tariff Negotiations and secured withdrawal of a number of tariff concessions previously given, which were no longer considered to be consistent with the present plan for economic and industrial development of the country. Fresh tariff concessions were also obtained from the European Economic Community (EEC) and other Contracting Parties on items of export interest to Pakistan on processed goods and simpler manufactures exported by Pakistan.

The Autumn Section of the GATT held in November-December, 1961 was of special significance because of the presence of Trade Ministers of leading nations and other members who reviewed the progress made with the GATT programme of expansion of trade and the results of tariff negotiations.

The Pakistan delegation played a vital role in this session. Under its leadership, 19 developing countries drew up a "Programme of Action" which was presented to the Ministers. The sponsoring countries unaninously elected the leader of the Pakistan delegation to present the case of the less-developed countries at the Ministerial Meeting.

PAKISTAN AND THE EUROPEAN COMMON MARKET

The projected entry of the United Kingdom into the European Common Market may pose serious problems for Pakistan's foreign trade. At present, some of the country's major exports of raw materials enjoy duty free entry both to the U.K. and the six Common Market countries.

These materials include raw jute, oil cakes and meal, sheep and lamb skin, goat and kid skin. Other raw materials, such as raw kapok, cotton linters and cotton waste, are expected to be bound at free entry. To this extent our position would not change. But, under the Commonwealth Preference System, all our exports have had preferential treatment in the U.K. over goods from non-Commonwealth countries. Entry of the U.K. into the Common Market would probably eliminate this preference.

Moreover, some other important Pakistani exports, which are presently allowed free entry into the U.K., are subject to fairly stiff tariffs in the Common Market countries. Most of these items are also produced in the Sixteen African territories that have lately been associated with the ECM ; they are given tariff preference, which would place Pakistan's exports at a disadvantage. The present ECM tariff for some of these commodities is : tea 18 per cent., cotton piece-goods 17 per cent. to 19 per cent., jute manufacturers 10 per cent. to 23 per cent. and sports goods 19 per cent. to 21 per cent.

Unless trade concessions can be obtained in the U.K. and|or the ECM, that fully compensate for these potential losses, Pakistan's export trade could suffer severely. Vigorous action is being taken to forestall such a situation. The Government has apprised the British Government of its views and is in constant touch both with London and the Common Market countries with a view to obtaining adequate safeguards. Pakistan has accredited its Ambassador in West Germany to the ECM Secretariat and look toward the Commonwealth Prime Minister's Conference scheduled for September, 1962, as the forum for decisive talks on the matter.

CHAPTER VII

REGIONAL AND INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

Secton I—Regional Trade

The geographic separation between East and West Pakistan and the complimentary character of their economies, has led to the development of a flourishing and increasingly inter-regional or coastal trade. Climatically and topographically they differ from each other and produce some commodities which are needed by both. Tea, forestry products, paper, pulp and timber, jute and jute goods, poultry, betelnuts, spices and condiments and matches from East Pakistan find a good market in the West Wing. Similarly, West Pakistan produces some commodities needed in East Pakistan, such as cement, rice, wheat, gram, oilseeds, salt, drugs, cotton and cotton manufactures and other industrial products including some capital goods.

Advantages of Regional Trade

Such inter-regional trade enables producers of both the provinces to specalize in the products for which they have a natural advantage and to sell their surplus to the other province on advantageous terms. In so doing, they do not have to contend with tariffs, exchange restrictions or the other obstacles that inhibit sales to foreign countries. Thus the inter-wing trade encourages the efficient use of resources that otherwise would remain unemployed and has contributed to the rapid growth of certain industries in both provinces. Development of the demand for tea and paper products in West Pakistan and for cotton textiles in the East Wing are examples of this mutual benefit. In 1961 West Pakistan imported tea worth Rs. 12.96 crores and paper and cardboard worth Rs. 3.95 crores from East Pakistan, while the East Wing imported cotton manufactures worth Rs. 31.6 crores from the West.

Urbanization and industrialisation are advancing rapidly in both provnces. This process will increase the advantages and variety of trade contacts between them. These contacts in turn will promote greater mobiity of capital and a more efficient division of labour between the two Wings, and help to strengthen the national unity.

Promotion of Regional Trade

The Government of Pakistan has taken numerous steps to promote inter-regional trade :

(i) Imports from other countries of goods which are produced in Pakistan in adequate quantities to meet the total domestic

demand have been banned, and tariff protection granted in several cases. This has given the exports of each province an advantage in the other.

(ii) Pakistan's merchant marine has been expanded to handle the increasing coastal trade. In 1961, the total dead weight tonnage of our merchant fleet reached 271,000 tons as compared to 295,000 tons in 1960 and only 18,267 tons in 1947. All coastal trade is now handled by our own ships. During the period of shortage of shipping space, some shipping was specifically earmarked to transport goods between the two provinces.

(iii) Urgent attention is being given to improving means of transport within the provinces, particularly in East Pakistan, to lessen the cost of moving goods to and from the ports. More adequate handling and storage facilities in the port areas are also being provided.

(iv) The few remaining restrictions on movement of goods between the two provinces are being progressively removed. In July, 1961, restrictions were lifted for 11 important items of trade, including cycles and spare parts, chemical dyes, cigarettes, electrical goods, cement, sewing machines and text-books.

Volume of Coastal Trade

As a result of such measures and the progress of economic development, the volume of coastal trade has increased steadily, as is shown in the table below. Table No. 32 in the Statistical Section gives more details.

Index Number of Value of Inter-Wing 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

In the record year of 1961, East Pakistan sent Rs. 39.01 crores worth of goods to West Pakistan, while Rs. 87.39 crores worth moved in the opposite direction.

The rise in value of inter-wing trade since 1949 has been of the order of 53 per cent, and the increase has been especially marked in the last few years, as the above table shows. In the three years from 1958 to 1961, shipments from East to West rose by 49 per cent. and from West to East by 37 per cent. The main reason seems to be the accelerating industrial growth in both provinces and with the expected continuance of this process coastal trade is likely to grow at a still faster rate. Preliminary estimates for January—March, 1962, indicate that trade in both the directions was about at the same level as last year. Exports from East Pakistan to West Pakistan were valued at Rs. 8.6 crores, as compared to Rs. 9.22 crores last year. Exports from West to East totaled Rs. 21.30 crores as compared to Rs. 25.27 crores during the same period of 1961.

Composition of Trade

In the beginning, foodgrains, other food items and oilseeds were the most important exports of West to East Pakistan and tea from East to West. The more varied present composition of this trade is shown in the following table :—

Coastal Trade—1961

(In Crore Rupees)

East to West Pakistan		West to East Pakistan	
Matches	2·74	Rice	5·08
Paper, paste board and card board	3·95	Drugs	2·62
Betelnuts	1·24	Oilseeds	8·32
Tea	12·96	Raw cotton ..	8·70
Jute goods	8·38	Cotton manufactures	31·64
Others	9·74	Others	31·03
Total ..	39·01	Total ..	87·39

For the first three months of 1962, tea (Rs. 3.21 crores), paper and card board (Rs. 1.55 crores), jute goods (Rs. 1.19 crores) and matches (Rs. 30 lakhs) again constituted the main traffic from East to West and cotton cloth (Rs. 4.77 crores), raw cotton (Rs. 3.40 crores), cotton twist and yarn (Rs. 2.55 crores) and unmanufactured tobacco (Rs. 69 lakhs) were the main items from West to East.

Section II—Foreign Trade

A consistently unfavourable balance of trade and inflow of capital are normal features of a developing economy. The foreign trade problems of a semi-industrial country, in process of industrializing are in fact more serious than those either of an industrial or a wholly non-industrial country. Exports rise relatively slowly while imports gather momentum at a faster rate. The industrializing economy has heavy requirements of capital which it is not yet in a position to produce at home ; greater amounts of fuel and raw materials are also needed, some of which must be imported. The monetary sector of the economy is expanding rapidly, increasing the demand for imported goods or absorbing local products that might otherwise be exported. New industrial plants take a while to get into full production ; thus inevitably the increased demand runs ahead of the increased output. In the early stages of economic development, therefore, its unfavourable effects on foreign trade generally outweigh the stimulating effects.

As import requirements rise quickly, it is difficult to achieve a comparable rise in exports. Production in the traditional primary sector develops relatively slowly and is subject to great fluctuation. Fluctuations in world demand also have a disproportionate impact on production and export earnings since the trade of most underdeveloped economies is heavily dependent on one or a very few commodities. These countries generally have a relatively weak bargaining position in relation to the industrialized nations, and may be adversely affected by policy decisions of the latter. The effect of certain European Common Market decisions discussed in Chapter VI is an example. Technological innovations, such as the production of synthetic fibres, economies in the use of scarce materials and bulk shipment of staple commodities in advanced countries, may also effect adversely the exports of underdeveloped countries.

As a result of these factors, there appears to be a long-run tendency for the terms of trade to run against primary commodities in favour of manufactured goods. By the same token, manufactured consumers goods tend to lose ground in relation to capital goods and machinery ; the former form an important share of underdeveloped countries[1] ; exports, while the latter are the monopoly of the older industrialized countries.

According to GATT*, Pakistan is included in the list of countries defined as " semi-industrialized ", and its foreign trade shows all the unfavourable features cited above. The trend of its balance of trade has

[1] G.A.A.T. Trends in International Trade (A Report by a Panel of Experts) Geneva 1958, page 130.

been constantly adverse for the last six years, except for a brief upturn in 1958-59 ; and during the two years, 1960 and 1961, this unfavourable trend was very pronounced.

The experience of countries that have moved from an underdeveloped to a relatively modern economy, suggest that at a certain stage the trend may be reversed partly through replacement of imports by domestic production but mainly by rapid expansion of exports. This is not likely, however, to occur automatically ; it will require the most vigorous efforts by Pakistani businessmen, assisted by Government to enter and succeed in foreign market (See Chapter VI).

Trends in Foreign Trade

In 1961, Pakistan's International Trade showed a slight improvement over 1960, although the overall position remained far from satisfactory. Exports rose from Rs. 187.32 crores in 1960 to Rs. 190.50 crores in 1961, a nominal rise of 1.7 per cent, while imports declined from Rs. 311.20 crores to Rs. 305.63 crores or a decrease of 1.8 per cent. As a result, the trade gap for 1961 was 7 per cent. less than in 1960, but still amounted to Rs. 115.13 crores ; exports covered only 62 per cent. of our imports as against 60 per cent. in the previous year.

Still, the 1961 export figures do give some cause for satisfaction. Their total value was second only to the peak of Rs. 252.5 crores reached in 1951, under the very abnormal conditions of the Korean war boom. It may be hoped that the slight upward trend in 1961 represents a sounder growth of exports.

The preliminary data for the first quarter of 1962 show the value of exports at Rs. 48.23 crores and of imports at Rs. 81.97 crores, as compared with Rs. 53.3 crores and Rs. 74 crores respectively for the corresponding period of last year. The period is too brief to be taken as indicating a trend, but the deterioration from last year's comparable figures emphasizes the need for a redoubled export drive.

The main items of export in 1961 were rice (up 83 per cent. over 1960), tea (16 per cent), cotton waste (22 per cent), jute raw (11 per cent), wool raw (3 per cent), jute manufactures (42 per cent) and other exports (25 per cent). On the other hand, raw cotton exports fell by 51 per cent, hides and skins by 11 per cent, cotton-twist and yarn by 80

per cent. and cotton piece-goods by 25 per cent. The table below shows the value of major exports in 1960 and 1961 and the percentage variation.

Exports of Major Commodities in 1960 *and* 1961 *and Percentage Change*

(In Thousand Rupees)

Commodities	1960	1961	Percentage Change
Total	187,2984	1,904,999	+ 1·7
Fish	56,217	56,872	+ 1·2
Rice	52,091	95,221	+82·8
Sugar unrefined	45,42	175	—96·1
Tea	95,86	11,131	+16·1
Hides & skins	69,499	61,694	—11·2
Cotton raw	211,152	103,695	—50·9
Cotton waste	17,774	21,633	+21·7
Jute raw	806,283	895,245	+11·0
Wool raw	77,375	79,469	+ 2·7
Cotton twist & yarn	137,180	27,966	—79·6
Cotton piece-goods	53,341	40,003	—25·0
Jute manufactures	245,510	347,554	+41·6
Sports goods	11,322	13,343	+17·9
Others	121,112	150,998	+24·7

Efforts were made to reduce imports of various items by increasing domestic production. The imports of fruits and vegetables declined by 32 per cent. ; grains, pulses and flour by 8 per cent.; coal by 24 per cent.; oil by 26 per cent.; chemicals, drugs and medicines by 36 per cent.; electrical instruments by 10 per cent.; machinery by 22 per cent.; paper board and stationery by 27 per cent ; rubber manufactures by 9 per cent and textiles by 29 per cent.

Other commodities, however, were imported in much larger amounts, in line with the requirements of the country's rapid economic growth. Imports of wood and timber rose by 22 per cent.; of cutlery, hardware and instruments by 76 per cent.; of iron and steel and their

manufactures by 25 per cent.; of non-ferrous metals by 78 per cent.; of vehicles by 16 percent. and of other items by 38 per cent. The following table shows major imports in 1960 and 1961.

IMPORTS OF MAJOR COMMODITIES AND PERCENTAGE CHANGE IN 1960 AND 1961

(In Thousand Rupees)

Commodities	1960	1961	Percentage Changes
Total ..	31,11,992	30,56,317	—1·8 per cent.
Fruts and vegetables ..	33,044	22,447	— 32·1
Gran, pulses and flour ..	5,14,031	4,75,396	— 7·5
Coa	60,847	46,232	—24·0
Oils	3,65,991	2,69,529	— 26·4
Word and timber	27,915	34,059	+22·0
Chenicals, drugs and medicines	1,92,625	1,23,853	— 35·7
Cutery, hardware and instruments	52,825	92,773	+75·6
Elecrical instruments ..	91,017	81,522	—10·4
Machinery	6,28,609	4,88,256	— 22·3
Ironand steel and manufactures thereof	3,32,672	4,15,027	+24·8
Nonferrous metals	56,451	1,00,293	+77·7
Paper, board and stationery ..	32,954	23,954	— 27·3
Rubber manufactures ..	41,804	37,704	— 9·2
Vehicles	2,06,143	2,39,068	+16·1
Textles	73,934	52,642	—28·8
Others	4,01,130	5,53,571	+38·0

As was stated earlier, the ratio of imports to national income in Pakistan, as in similarly developing countries, has tended to rise and that of exports to decline. This has become more notable in recent

years. The following table shows the ratio of imports and exports to national income between 1949-50 and 1960-61.

Imports and Exports in relation to National Income

Year	National income	Imports	Percentage of National Income	Exports	Percentage of National Income
1949-50	1754·2	129·71	7·4	119·41	6·8
1950-51	1857·5	162·00	8·7	255·35	13·7
1951-52	1852·2	223·73	12·1	200·86	10·8
1952-53	1876·1	138·36	7·4	150·99	8·0
1953-54	1972·7	111·80	5·7	128·60	6·5
1954-55	2006·4	110·33	5·5	122·30	6·1
1955-56	1958·6	132·51	6·8	178·37	9·1
1956-57	2088·2	233·45	11·2	160·76	7·8
1957-58	2101·1	205·00	9·8	142·17	6·8
1958-59	2085·0	157·84	7·6	132·53	6·4
1959-60	2168·3	246·10	11·3	184·27	8·5
1960-61	2294·3	318·76	13·9	179·94	7·8

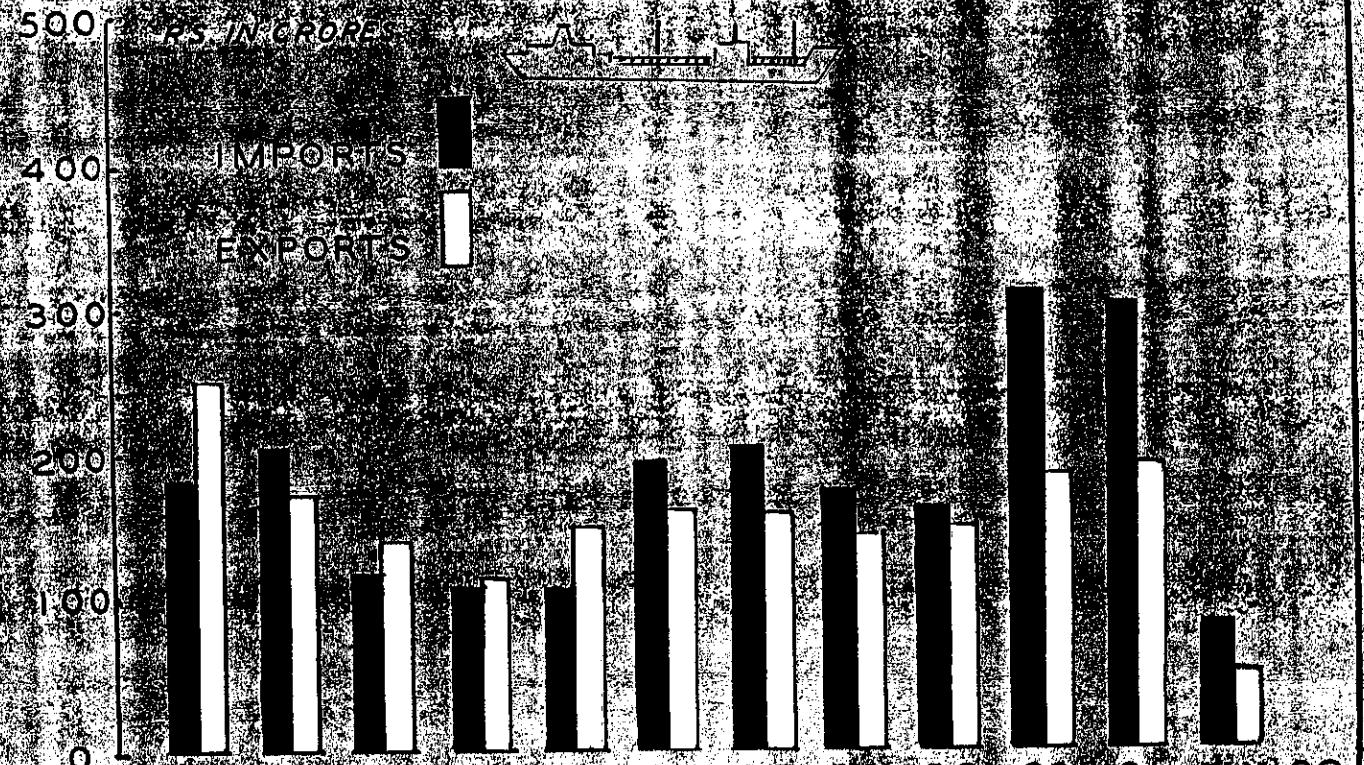
Composition of Trade

During the last 10 years the composition of Pakistan's imports and exports has changed considerably. In 1951, most of our imports consisted of consumer goods, raw materials and fuels. Capital goods were less than 9 per cent. of the total, while consumer goods exceeded 63 per cent. Industrial raw materials were less than 28 per cent. In 1961, the ratio of capital goods to total imports had increased to over 20 per cent. and of industrial raw materials to about 40 per cent. The percentage of consumer goods had come down below 40 per cent. The following table shows the imports of capital goods, industrial raw materials and consumer goods in 1951 and 1961, respectively.

Class of goods	Imports (Rupees in Crores)			
	1951	Percentage of total	1961	Percentage of total
Capital goods	14·08	8·98	63·10	20·65
Industrial raw materials ..	43·60	27·80	121·76	39·83
Consumer goods	99·18	63·22	120·77	39·52
	156·86	100·00	305·63	100·00

Another major change was the rise in exports of manufactures. In 1951, 92 per cent. of Pakistani exports were primary products. In 1961, the proportion was less than 70 per cent., jute and cotton manufactures made up 22 per cent. and other manufactures the remainder.

TOTAL IMPORTS AND EXPORTS



Direction of Trade

This changing pattern of foreign trade has naturally produced radical changes in the relative importance of Pakistan's trading partners. In 195., India was our most important customer, accounting for 24 per cent. of total exports. England followed with 12.5 per cent. and Japan with slightly over 10 per cent. Other importers of Pakistani goods were France (8.4 per cent.), Italy (6.1 per cent.), China (6 per cent.), West Germany (5.6 per cent.), Hong Kong (4.5 per cent) and United States of America (4.2 per cent.). By 1961, the United Kingdom had taken over first place among Pakistan's customers, taking 14 per cent. of our total exports; the USA had moved up to second position with about 10 per cent., Japan accounted for 6.2 per cent., India 6 per cent., Belgium and Luxembourg 5.6 per cent., West, Germany 5.4 per cent., Union of South Africa 4.4 per cent., and France 4.1 per cent.

Imports in 1951 were obtained 22.8 per cent. from Japan, 21 per cent. from United Kingdm, 12.8 per cent. from India, 5.9 per cent. from the USA, 5.5 per cent. from Italy, 3.5 per cent. from China and 2.9 per cent. from West Germany.

The position of various suppliers in 1961 was as follows: USA up to 24.7 per cent., United Kingdom, slightly less than 20 per cent., West Germany 8.8 per cent., Japan 8.2 per cent., India 4 per cent., Iran 3.9 per cent., and Italy 3.4 per cent. For details *see* Table No. 36 in the Statistical Section. A main season for this shift, of course, is that Pakistan is heavily dependent on foreign aid and credits to finance her imports, so that her principal suppliers are those who provide such assistance.

The index of terms of trade improved considerably in 1960-61 as compared to the preceding year, averaging 82.3 as against 52.2. The trend was upward throughout the year, standing at 63.0, 76.0, 91.5 and 98.6 respectively in the four quarters. The first quarter of 1961-62, however showed a decline to 79.1 and in the second to 65.9. Major reasons for these changes in the trend were the variations in unit values of jute and tea.

The basic reason for frequent fluctuations in the terms of trade of Pakistan is that her main export earnings are still agricultural products either in raw or semi-processed form. In their international markets, the normal trend of prices is downwards for primary commodities and upward for manufactures including capital goods which are Pakistan's major imports. Another reason is the protectionist policy and resultant high tariff rates on imports in developed countries for agricultural products and semi-processed goods from under-developed countries. To check this, Pakistan is already trying her level best to industrialise the country and diversify her foreign trade.

Section III—Balance of Payments

It is difficult to balance the foreign exchange budget of a developing country without foreign capital. Very few countries in the world have succeeded in developing their economies without such assistance. England was a borrower of capital from Holland during the 17th and 18th Centuries. The United States of America was also an importer of capital until the First World War; though today she is the most important exporter capital in the world.

Pakistan needs foreign aid and investment, to finance imports of capital equipment required for her development programmes. It is difficult for an under-developed country to manufacture the heavier and more complex kinds of equipment, such as the bulldozers, electric generators, machine tools etc., needed in development projects. These items have, therefore, to be imported from overseas. Such imports could be financed by Pakistan out of its own resources, were these large enough; but they are not. In consequence, it is necessary to rely largely on foreign aid and loans to meet its requirements of imported capital goods under the Second Plan.

Again, the country is not yet well-placed in respect of food supplies and has to import food, particularly wheat. This deficiency is covered by foreign aid, principally from the U.S., and if it was not so covered, it would place a serious strain on the country's balance of payments.

In addition, the country lacks domestic sources of raw materials and fuel needed for the industry, either because the required mineral deposits are lacking, or because they are not yet fully exploited. To keep the industry working to capacity, large amounts of raw materials, fuel, and spare parts have to be imported. Though the country can pay for some of these out of its own exchange earnings, it cannot pay for all, and has to rely on commodity aid to cover the balance.

Pakistan Economy—its Balance of Payments Problem

The difficulties of balance of payments of a developing country, described in the preceding paragraphs, are largely applicable to Pakistan. Considering the heavy odds it had to face during its short life, it has no doubt accomplished much by way of building up the infra-structure and the social over-heads which are basic to accelerated economic growth. But much hard work still lies ahead before the economy could be considered viable. Therefore, it is inevitable that the country will continue to face balance of payments problem, for some years to come.

Balance of Payments Position

The payments position remained under serious pressure during 1961 with the result that the current Account surplus of Rs. 2.91 crores in 1960

was converted into a large deficit of Rs. 21.96 crores in 1961. Some details of balance of payments position on Current Account for 1960 and 1961 are given below ; while for detailed breakdown, Table No. 41 in the Statistical Section may be referred.

Pakistan's Balance of Payments on Current Account for 1960 and 1961

(In crore Rupees)

	1960			1961		
	Credits	Debits	Net	Credits	Debits	Net
A. *Goods and Services* :						
1. Merchandise F.O.B. ..	186.02	279·25	—93·23	188·08	310·87	—122·79
Import on Private A/c. ..	..	103·71	..	..	134·61	..
Import on Government A/c.	..	57·67	..	..	57·23	..
Aid Financed Imports ..	..	112·87	..	..	119·04	..
2. Non-Monetary Gold (Net) ..	0·96	..	+0·96	0·27	..	+0·27
3. Foreign Travel	0·47	3·34	—2·87	0·83	3·76	—2·93
4. Transportation & Insurance	8·14	24·22	—16·08	8·52	28·49	—19·97
5. Investment Income ..	4·10	7·58	—3·48	4·91	7·57	—2·67
6. Government Expenditure (n.e.i.)	8·32	9·52	—1·20	9·95	9·82	+0·13
7. Miscellaneous	14·44	10·55	+3·89	15·99	11·57	+4·42
8. Total Goods and Services ..	222·45	334·45	—111·99	228·53	372·10	—143·57
B. *Donations* :						
9. Total Donations	118·62	3·72	+114·90	125·06	3·47	+121·59
Total Current Account (A+B)	341·07	338·17	+2·91	353·59	375·55	—21·96

The adverse swing in the country's external payments position stemmed primarily from larger deficit in balance of trade (including aid-financed imports) which widened from Rs. 93.23 crores in 1960 to Rs. 122.79 crores in 1961, reflecting entirely an increase in imports. Imports on Private Account alone increased by Rs. 25.90 crores from Rs. 108.71 crores in 1960 to Rs. 134.61 crores in 1961. Aid-financed imports were also higher by Rs. 6.17 crores to stand at Rs. 119.04 crores. The increase in private and aid-financed imports more than offset a decline of Rs. 0.44 crore in Government imports and a rise of Rs. 2.06 crores in export receipts.

The increase in the volume of imports, as explained in the foregoing paragraphs, is a characteristic feature of a growing economy. The tempo of industrial development has gained considerable momentum since the beginning of the Second Plan, which has necessitated imports, in an increasing measure, not only of new plants but also of raw materials and spares for the existing units with a view to ensuring fuller utilisation of the existing capacity. The liberalisation of the import policy, and the removal of controls from all but a few items, has largely contributed to this adverse trend in the country's payments position. Viewed

from this angle, the problem does not appear so serious as after some time they help to build up export potential.

Exports (f.o.b.) at Rs. 188.08 crores in 1961 showed a marginal rise of Rs. 2.06 crores as compared to 1960. The rise in earnings from raw jute (of Rs. 2.53 crores to Rs. 87.32 crores) and jute manufactures (of Rs. 13.62 crores to Rs. 37.68 crores) was accompanied by a decline in the exports of raw cotton and cotton manufactures. The earnings from raw cotton fell from Rs. 21.97 crores in 1960 to Rs. 13.35 crores in 1961 mainly due to increasing domestic consumption ; while that of cotton manufactures declined sharply from Rs. 18.59 crores in 1960 to Rs. 6.48 crores in 1961 due mainly to the removal of cotton yarn from the Export Bonus Scheme in January, 1961.

The invisible account (including donations) showed a surplus of Rs. 100.83 crores as compared to a surplus of Rs. 96.16 crores in 1960. On the receipt side there was a notable increase of Rs. 6.44 crores in donations in 1961 as compared to the preceding year. Relatively small increases were also recorded under Foreign Travel, Transportation and Insurance, Investment Income, Government Expenditure and Miscellaneous heads. These increases more than offset the rise in payments under almost all the items, particularly Transportation and Insurance (+Rs. 4.27 crores) and Miscellanous (+Rs. 1.02 crores).

As a consequence, gold and foreign exchange reserve fell from Rs. 129.40 crores at the end of December, 1960 to Rs. 113.30 crores at the end of December, 1961. At the end of March, 1962, the reserves stood at Rs. 114.84 crores. The decline in reserves was less than the current Account deficit of Rs. 21.96 crores reflecting substantial inflow of foreign capital. The balances with the Bank of England, the main component of our reserves, declined from Rs. 77.11 crores on December 29th 1961 to Rs. 75.54 crores on April 2nd 1962, reflecting a decline of Rs. 1.57 crores over the period.

CHAPTER VIII

PRICES AND PRICE TRENDS

The problem of prices has received the close and continuous attention of Government. It may be worthwhile to review the situation since September, 1958, when the present Government took over. They inherited an inflation-ridden economy plagued with serious shortages of goods and rapidly falling foreign exchange reserves. The Government believed in tackling economic problems through economic measures and to avoid physical controls. However, as a short range necessity, prices were fixed for goods in short supply, and regulations were enforced to deal with blackmarketing and hoarding.

In the earlier days of Martial Law, these measures had a sobering effect. Hoarded stocks were brought into the open, and prices fell substantially. The cost of living index in Karachi dropped from 128 in September, 1958 to 112 in January, 1959.

It was, however, quite apparent that after the hoarded stocks were consumed, they would have to be replaced. But such replacement of stocks would require additional expenditure of foreign exchange on imported goods, which the country could not afford at the time, owing to the low level of exchange reserves. The replenishment of stocks of consumer goods had therefore, to be postponed until exchange reserves were rebuilt to a safe level. The rebuilding of exchange reserve actually implied increasing the scarcity of supplies for the home market, as it could be done only by restricting imports very severely. The Government quickly realised that in the absence of availability of more goods, it was not possible to administer effectively the blanket controls which were introduced as an emergency measure in the early days of Martial Law. Consequently, it was decided that except for the most essential items controls should be removed and prices should be left to find their own level. As a result of this policy, the prices began to rise rapidly and the cost of living index for Karachi (which had fallen to 112 in January, 1959) began to rise and reached the pre-Martial Law figure of 128 in January, 1960.

This was also the period in which the foreign exchange reserves increased from Rs. 72.62 crores in September, 1958 to Rs. 125.83 crores in January, 1960.

At this stage it was felt that the financial situation had been considerably stabilized and foreign confidence and local trust had been restored

and it was time to stabilise the price level and bring relief to the consumers. In order to achieve this end it was planned :

(a) To keep money supply in check ;

(b) To utilize foreign exchange reserves ;

(c) To import essential raw materials, spare parts and consumer goods ;

(d) To allow maximum possible freedom to economic forces to find their own equilibrium ; and

(e) To make a frontal attack on the problem of increasing agricultural production.

As a result we find that since 1960 there has been a considerable stability in the general price level.

Despite an increase in industrial production and a more liberal import policy, unsatisfied demand continued to exert pressure on prices during 1960 and the system of price and distribution control came under considerable strain. Decisions were taken in 1961 to increase supplies still further, in order to meet this pent up demand. Controls were lifted from a large number of commodities, additional items were placed on O.G.L., automatic licensing was extended and other restrictions on trade were relaxed.

The country, as a whole, has considerably gained from the policy of decontrol. Since decontrol, the supply of goods which were previously scarce has improved very considerably and free market prices in the early months of 1962 were, in most cases, considerably lower than what consumers had to pay previously in black markets. Declines were more pronounced in the case of imported goods. In sympathy with this, some home produced goods, specially sugar, also registered a substantial decline in price. Prices of some varieties of cotton cloth had also declined appreciably during the period under review.

These price reductions were the result of larger imports and accelerated industrial production on the one hand, and a decline in the rate of monetary expansion on the other. The index of industrial production in 1961 stood at 212.7 compared to 191.6 during 1960. Money supply rose by only Rs. 8.84 crores during April, 1961—March, 1962 as against the rise of Rs. 27.12 crores during April, 1960—March, 1961.

Nevertheless, the prices of the daily necessities of life have shown, in many cases, tendencies to rise. This is specially true of meat, fish and poultry, fruits, vegetables and pulses. It is only recently that prices of refined sugar and its substitutes have declined.

Wheat

The price and distribution control was lifted from wheat in West Pakstan in May, 1960. This resulted in higher prices of wheat in West Pakstan during the crop year 1960-61. The wholesale price of average qualty wheat at Lyallpur opening at Rs. 12.50 per maund in January, 1960 advanced to Rs. 17.81 by the end of the year, 1960.

The rise in the prices of wheat was initiated by decontrol which was further accentuated by prolonged drought in West Pakistan. Apprehension of a bad crop due to drought gave rise to speculative tendencies and prices recorded an upward trend during the last two months of 1960. The whoesale price of wheat at Lyallpur rose to the maximum of Rs. 18.60 per naund in January, 1961. To keep the market steady and prevent any increase in prices, the Provincial Government released imported wheat from its godown on a generous scale. This measure, coupled with the expected arrival of new wheat in the market, brought down the price of wheat at Lyallpur to Rs. 16.72 per maund in March, 1961.

The food position in the province remained easy during April, 1961—March, 1962 even when the production of wheat harvested in April—May, 1961 was somewhat less than the previous year. The fall in the price of wheat can largely be attributed to heavy imports of American wheat under commodity aid. The wholesale price of wheat at Lyallpur which started declning in May, 1961 came down to Rs. 14.87 per maund in October, 1961 on account of conclusion of commodity agreement under which Pakstan would receive wheat worth $ 621.6 million during 1961-62 to 1964-65.

Due to the preference on the part of certain classes of consumers for indigenous wheat, the quotation of fair average quality wheat rose to Rs. 16.15 per maund at Lyallpur in December, 1961. The quotation, however declined to Rs. 15.83 in the month of March, 1962 compared to Rs. 16.72 in the same month last year. This was the result of the Government decision to sell imported wheat at Rs. 13.92 per maund in Karachi including bag and Rs. 14.00 in other parts of West Pakistan. A good wheat crop is also expected this year and this might have contributed to the declining tendency.

On the whole, the price of wheat during April, 1961—March, 1962 remained below the level obtaining during April, 1960—March, 1961. This is borne out by the monthly average Wholesale Price Index of wheat which was 133.9 in the former period and 138.8 in the latter period.

Rice

Although East Pakistan was hit by two cyclones, production of '*Aman*' (main crop) harvested in December, 1960—January, 1961 was

at a record level. The increased local production of rice in East Pakistan continued to be supplemented by despatches from West Pakistan and substantial imports from abroad. These factors contributed to keep the price of rice at a lower level during 1961 compared to 1960. At the end of March 1962, the price of medium quality rice was Rs. 25 per maund at Chittagong.

Sugar

Till November, 1961, supply of white sugar in the market was much short of requirements, and consumers were reported to be purchasing white sugar at black market rates ranging between Rs. 2.50 and Rs. 3 per seer. Similarly, *gur* and *Khandsari* which are poor substitutes for refined sugar were sold in the open market at prohibitive prices.

In order to provide relief to the consumers, Government announced on 30th November, 1961 that sugar could be imported under bonus vouchers. Government also allowed local mills to sell that quantity of sugar in the free market which exceeded the average of previous four years' production. As a result of these measures, prices of white sugar, Khandsari and gur have fallen sharply. The wholesale price of refined sugar fell to Rs. 56.00 per maund in Karachi on 15th March, 1962 compared to Rs. 80.00 per maund on 2nd December, 1961. Wholesale prices of gur fell to about Rs. 18 per maund and that of *Khandsari* to about Rs. 34 per maund on 15th March, 1962 compared to Rs. 35 and Rs. 80 per maund respectively on 18th November, 1961.

Cotton Textiles

Control on cotton textiles was withdrawn with effect from 31st January, 1961. This permitted an increase in the prices of cotton cloth. This initial increase was, however, followed by subsequent decreases. During the period from February, 1961 to March, 1962 prices of different varieties of cloth have declined appreciably on the whole. Besides, supply position has also been improved since decontrol.

Fluctuations of prices of some popular varieties of cloth are reflected in the table below.

Wholesale Textile Prices at Karachi

Variety of cloth	Unit	Prices prevailing on			
		25-1-61	7-3-61	30-9-61	31-3-62
Long Cloth					
Cock-Dawood ..	40 Yds.	59·25	64·50	59·00	59·00
15000—Colony ..	40 Yds.	68·25	75·00	65·50	67·00
Poplin					
H 401 Husein ..	Yds.	1·75	1·60	1·66	1·56
Grey Cloth					
4822 Sutlej—42 ..	Yds	1·08	..	1·08	1·08
Malatia					
Gul 2026	Yds	1·19	1·15	1·25	1·20
Drill					
Khaki A—51 Adamjee..	Yds	1·98	2·19	1·90	1·93

It will appear from the table above that except for 4822-Sutlej grey cloth and 2026-Malatia Gul, the prices of other varieties have gone down.

Cotton Yarn

The maximum *ex*-mill price of yarn (20 Counts) was fixed at Rs. 19.56 per bundle of 10 lbs. for the period from 4th January to 20th May, 1960. On the recommendation of the Textile Enquiry Commission which examined the cost of production of yarn, the maximum *ex*-mill price was reduced to Rs. 17.53 per bundle. This period coincided with a very large increase in the export of yarn with the result that the home market was under-supplied. The result was the re-appearance of the tendency of business mal-practices in the transactions. It is reported that the prices of yarn in the black market ranged in the neighbourdhood of Rs. 20 to 28 per bundle of 10 lbs. of 20 counts of yarn.

With the twin steps of decontrol of price and abolition of bonus on 31st January, 1961 the prices of yarn came down tumbling and were in the neighbourhood of Rs. 21 per bundle of 20 counts of yarn at the end of March, 1962. The prices of important varieties of yarn on 31st March, 1962 are shown below :—

Prices of Yarn at Karachi

20/1 Cotton Yarn	Prices per Bundle of 10 lbs.
	Rs.
Dawood (Camel Cart)	20·87
Kohinoor (Telephone)	21·25
Star (Two Feathers)	20·75

Oils

Prices of Oil during the period under review showed mixed trends Price of Mustard Oil at Karachi rose slightly from Rs. 81.25 per maund in January, 1961 to Rs. 82 per maund in February, 1962. The wholesale prices of Coconut Oil (imported) declined from Rs. 137.50 per maund in January, 1961 to Rs. 102.50 per maund in February, 1962.

Kerosene Oil

The price of kerosene oil at Karachi remained unchanged at Rs. 1.58 per gallon throughout the period.

Firewood

The price of firewood (babul) in Karachi fell from Rs. 3.75 per maund in January, 1961 to Rs. 3.59 per maund during the week ending 17th March, 1962.

Decline in Prices of Consumer Goods

There are a large variety of consumer goods where prices have declined substantially, as a result of the liberal import facilities. Table 50 in the Statistical Section shows the prices of some imported goods prevailing during July—December, 1960 and 1961. The table reveals that the prices of items like earthenware, glassware, drugs and medicines, iron and steel, and a number of other essential articles have registered a substantial decline. For example, mild steel bars were sold at about Rs. 1,200 per ton in July—December, 1960 and the price was around Rs. 800 per ton at the end of 1961. Prices of C. I. Sheets (24 gauge) also declined from Rs. 1,900 to Rs. 1,600 per ton and that of corrugated sheet from Rs. 2,400 to Rs. 1,700 per ton in the same period.

In the Drugs and Medicines group, price of Terramycin (8 capsules) declined from Rs. 16.05 in December, 1961 to Rs. 12.35 in February, 1962. Prices of Chloromycetin (Park Davis) also went down to Rs. 12 in February, 1962 from Rs. 12.94 in December, 1961.

Among dyes, Sky Blue (Poland) was sold at Rs. 9 per pound in July—December, 1960, while it was selling at Rs. 5 per pound at the end of 1961. Price of caustic soda (U.K.), was brought down to Rs. 32.59 per cwt. at the end of March, 1962 from Rs. 50 per cwt. during July—December, 1960.

Cost of Living

In spite of all efforts of the Government to bring down the cost of living, the cost of living index for industrial workers has in fact increased.

The following table shows changes in the cost of living indices for industrial workers at two centres during March, 1960—March, 1962.

Cost of Living Indices for Industrial Workers

(Base : April, 1948—March, 1949-100)

Centre	March 1960	January 1961	March 1961	June 1961	Sept. 1961	Dec. 1961	March 1962
Karachi ..	127	127	128	129	133	129	131
Narayanganj ..	122	120	121	131	128	124	128

It will appear from the table that the cost of living index at Karachi rose by 3 points or 2.3 per cent. to 131 during the period April, 1961—March, 1962 compared with a rise of one point during April, 1960—March, 1961. The rise in the cost of living index at Karachi resulted from upward movement of 2.9 per cent. in the sub-index of food prices and of 1.4 per cent. in the sub-index of Fuel and Lighting, offset partly by decline of 0.9 per cent. in the sub-index for Miscellaneous items. The sub-index for clothing and footwear group, however, showed no change (1).

At Narayanganj, all group indices rose, except that of clothing group which registered a fall of 6.4 per cent. The sub-index for food went up by 5.3 per cent, Fuel and Lighting by 8 per cent and Miscellaneous by 26.3 per cent. The net effect of these changes was that the cost of living index at Narayanganj increased to 128 in March, 1962 from 121 in March, 1961.

Consumers' Price Index

In sympathy with the rise in the cost of living index, Consumers' Price Index in Karachi moved up by 2 points to 117 in March, 1962 as compared to March, 1961. Details are given in the table below :—

Consumer's Price Index at Karachi

Base : 1956 = 100

Year Month	General	Food	Clothing and Footwear	Housing and Household operation	Miscellaneous
March, 1960	113	121	131	101	100
January, 1961	113	125	122	100	96
March, 1961	115	128	126	102	96
June, 1961	117	133	123	102	96
September, 1961 ..	118	136	119	101	97
December, 1961 ..	117	133	122	102	95
March, 1962	117	133	123	102	97

(1) The cost of Living indices since April has shown a declining trend which will be discussed in our next issue.

It appears from the above table that the sub-index for Food at 133 in March, 1962, registered an increase of 5 points or 3.9 per cent. over that in March, 1961. While the sub-index for housing and household operation remained unchanged at 102, the sub-index for clothing and footwear declined by 2.4 per cent during April, 1961 to March, 1962. Sub-index for Miscellaneous items, however, went up by 1.0 per cent. in the same period.

If the sub-indices, under Cost of Living Index and Consumer's Price Index are scrutinised, it would appear that as both the indices are compiled for people of low income brackets, the sub-index for food, therefore, plays a dominant role in the indices.

Government has decided, as mentioned earlier, to sell imported wheat at Rs. 13.92 per maund in Karachi including bag, Rs. 14 per maund in other parts of West Pakistan and Rs. 11.50 in East Pakistan. This will help to reduce the cost of living, particularly for the lower income groups.

CHAPTER IX

COMMUNICATIONS AND TRANSPORT

The importance of developing communications and transport was recognsed both in the First and Second Five-Year Plans, as it is a pre-requisite for economic growth. There is a close relationship between the volume of transport and the level of economic activity, each being dependent on the other.

The transport patterns of East and West Pakistan differ greatly. West Pakistan has a fairly well developed railway system supplemented increasngly by road transport. But in East Pakistan, the primary means of communications are railways and inland waterways. In fact, inland waterways is the back-bone of the transport system, carrying about three-fourth of total internal traffic. The road system in the Province needs further development to evolve a well-integrated pattern of transport to meet the economic needs of the country.

At Independence, only about 16 per cent of the total railway track mileage and 10 per cent. of the surface roads in the Sub-continent fell within Pakistan, and these were in poor shape because of the strains of the Second world war. The railways had huge arrears in track and rolling stock renewals; roads needed immediate repairs and extensive improvement; much of the inland waterways in East Pakistan had silted up, and was in need of navigational facilities.

Sone of the important developments in the field of transport are given below.

Roads

Palistan inherited 16,425 miles of roads, of which only 5,706 miles were high type all-weather motorable roads while the remaining 10,719 miles consisted of fair weather roads and tracks. This meant 7 miles of roads per one lakh of population, as compared to 66 miles in India, 364 miles in the U.K. and 2,016 miles in the U. S. A. By the end of the Second Five-Year Plan period (1960—65), the average is likely to rise to 14.5 miles per one lakh of population. The Second Five-Year Plan envisages a development expenditure of Rs. 123.9 crores for the development of roads and road transport. Of this, Rs. 56.9 crores was allocated for roads in the public sector while a sum of Rs. 67 crores would be spent for road transport such as buses etc. As a result of these expenditures the mileage of high type roads would be increased by 35 per cent. from 10,775 miles in 1959-60 to 14,520 miles in 1964-65. Number of transport buses would go up by 30 per cent. and trucks in operation by 50 per cent.—from 9,000 to 12,000 and 16,000 to 24,000 rsepectively.

It is hoped to obtain assistance from certain international bodies outside the Plan for the construction of certain important roads.

Special emphasis has been laid on the construction and improvement of roads in East Pakistan. Under the First Five-Year Plan, 650 miles of hard surfaced roads and 150 miles of shingle roads were completed. Under the Second Plan, an expenditure of Rs. 25 crores has been envisaged for 1,392 miles of roads. During the first year of the Plan, 200 miles of roads were constructed and a sum of Rs. 4.5 crores was earmarked for 1961-62 for completing 150 miles of roads and 4,000 feet of bridges.

The A. I. D. have recently undertaken a comprehensive survey of transportation in both wings of the country. The Survey Report for East Pakistan has been received, while that for West Pakistan is expected to be received shortly. There is also sitting at present a high-powered Road Policy Committee. On receipt of the two Reports, a more rational plan for the development of the various modes of transport in the country will be prepared.

Road Transport

Road transport plays a very important part in the economy of a country particularly an agricultural country like Pakistan. It has, however, been in a bad way due largely to import restrictions and the absence of suitable organisations to operate road transport services. Except for certain areas in West Pakistan, where passenger road transport was nationalized in 1951, road services have always been in the hands of private operators. The experience has been that the operators themselves did not take any effective steps to improve their services or even to provide minimum repair and maintenance facilities for their fleet. In line with the Government's policy to help the private sector as far as possible and at the same time to provide an efficient and economical road transport in the country, it has been decided that henceforth route permits will be given only to such individuals or companies who can provide the minimum number of the right type of vehicles and maintenance facilities and have also the necessary financial backing. Steps are also being taken to help the private operators in getting internal and foreign loans as also technical advice. The development programme both in the public as well as the private sectors in the field of road transport is given below.

PUBLIC SECTOR

West Pakistan Road Transport Board

The West Pakistan Road Transport Board operates about one-third of the entire passenger road transport services in West Pakistan. Government have decided that the Board should continue to operate their

existing services and even to augment them due to the rising needs of the population from their own resources but should not expand on any new routes without specific permission. The idea is that on new routes, the first option to provide services will be given to companies of private operators and only if they fail to provide such services will the Board be asked to come in. The Board will continue to have a monopoly on city routes. On inter district routes, at present operated by the Board, fair competition will be introduced by allowing the private operators' companies to come on those routes provided the need can be established.

The Board has a scheme of rehabilitating and augmenting their city routes during the Second Five-Year Plan period by importing 1,221 buses along with spare parts, machinery etc. at an estimated cost of Rs. 626 lakhs. In addition, the Board will also be augmenting some of their existing inter district services for which plans are under way. To meet the foreign exchange component of their development schemes, the Board has been sanctioned a loan of £75,000 against the 5th U.K. credit aid another loan of D. Marks 10 million has been agreed to in principle. It is expected that these two loans will be able to cover most of the Board's requirements of buses etc. upto the end of the next financial year.

East Pakistan Road Transport Corporation

The Corporation was formed with a view to providing efficient bus services in the cities of Dacca and Chittagong and their suburbs. The Corporation was given 48 buses from the quota of the Karachi Road Transport Corporation to help them come on the road . Since then, the Corporation has obtained another 100 buses and it is expected that the remaining 51 buses, to complete their fleet of 200 buses in the two cities, would be in position by October, 1962. The Corporation has been helped by the A.I.D. who provided rupees from their local funds to meet the cost of their local expenditure in connection with the establishment of the Corporation.

Karachi Road Transport Corporation

The Karachi Road Transport Corporation was formed in 1959 with a view to putting bus transport in Karachi on a sound basis. The authorised capital of the Corporation is Rs. 700 lakhs and the subscribed capital is Rs. 300 lakhs to be provided by the Central Government and the public at the rate of 51% and 49% respectively. Initially the subscribed capital was limited to Rs. 170 lakhs. The response from the public was not very encouraging and only a little over Rs. 34 lakhs was subscribed with the result that the Government had to under-write the unsubscribed shares and also to give two loans to the Corporation worth

Rs. 67 lakhs. The Corporation was helped in the initial stages by A.I.D. who provided $ 3.5 million for the procurement and operation of 504 buses in Karachi. As mentioned earlier, 48 out of these were diverted to East Pakistan. The remaining 456 along with 24 double deckers, ordered by the Corporation from their own resources, are being operated in Karachi. During the first year of operation, the Corporation declared a dividend of 7½% and it is expected that a similar dividend will be declared for the year 1960-61 when the accounts of the Corporation have been audited. In the meantime, Government have set up a Committee to go into the affairs of the Corporation and to suggest improvements therein, the aim being to transfer the management of the Corporation to reliable and efficient private investors. The Committee is likely to submit its report shortly. The Corporation have prepared a development scheme costing Rs. 824 lakhs. Further action on this will depend on whether the Corporation remains under the administrative control of Government or transferred to private parties.

Private Sector

The Second Five-Year Plan envisages an expenditure of Rs. 55 crores on development of road transport in the private sector. Out of this, Rs. 37 crores is estimated to be invested in West Pakistan including Karachi and Rs. 18 crores in East Pakistan. The Provincial Governments have since prepared schemes in this regard. At the same time efforts are being made to obtain foreign loans to be advanced to private operators. A loan of D. Marks 5 million for development of road transport in the private sector in East Pakistan has already been agreed to. On the other hand, it is expected that D. L. F. would be providing loans to enable an increase in the assembly capacity of the two plants in Pakistan by which it is expected that the requirements of the private sector till the end of 1962-63 will be met.

Imports of Commercial Vehicles Against Own Foreign Exchange

Government have allowed the import of buses, trucks and taxis from abroad against the foreign exchange earnings of Pakistani nationals under certain conditions. To date, 16 permits have been issued to 16 parties for 148 taxis, 32 buses and 73 trucks along with spare parts etc. estimated to cost Rs. 26 lakhs.

Railways

Railways plays a vital role in the economic and commercial development of the country. With the growth of agriculture, industries and trade, traffic on the railways also increases. This is borne out by the fact that the traffic carried by Pakistan Railways during the year 1961

was almost double the traffic which was being carried at the time of Independence.

The development of traffic on Pakistan Railways since Independence has been considerable. But the actual availability of passenger coaches, wagons and other rolling stock has not increased to the same extent due to the reason that a large number of over age coaches etc., had to be replaced. The deficiency has, however, been made up, as far as practicable, by making more intensive use of wagons and coaches, increasing their load and other improvements in the operating efficiency of the railways.

In regard to working results, the Pakistan Eastern Railway is less profitable to operate than the Pakistan Western Railway, the reason being that the peculiar terrain of the country in the East Wing necessitates maintenance of numerous major bridges, *ghats*, transhipment points and high banks. This is reflected in the financial results obtained for the two Railways.

The Pakistan Western Railway has a route mileage of 5,326 miles and the Pakistan Eastern Railway of 1,714 miles, giving a total mileage of 7,040 miles for the country. But development expenditure on the Pakistan Eastern Railway was, until the end of the First Five-Year Plan, of the order of Rs. 30.40 crores as against Rs. 23.34 crores on the Pakistan Western Railway.

The actual expenditure on the rehabilitation of Pakistan Railways has been increasing progressively over the years since Independence. During the First Five-Year Plan period, *i.e.*, 1955-60, about Rs. 84 crores were spent which is nearly 50 per cent. more than the expenditure incurred in the first eight years after Independence. Even this expenditure was insufficient to meet the needs of the Railways. The present regime realising the vital role which the Railways have to play in a developing economy have increased the allocation for Railways during the Second Five-Year Plan period (1960—65) to Rs. 140 crores.

Railway Budget

To enable the railways to function on a proper commercial basis, and carry out a continuous policy based on making a definite return to General Revenues on money expended by the State on Railways, the Government of Pakistan has separated the Railway finance from the General finance from the financial year 1961-62 in accordance with the following convention :—

(1) The railways will pay to the General Revenues a fixed return of 4 per cent. on Government investment in Railways (which will include investment on strategic lines) at the close of the

preceding financial year. The balance of their surpluses will be retained for credit to such funds and reserves as may be considered necessary.

(2) The interest free loan advanced to the Railways towards meeting the deficit in the Depreciation Reserve Fund (estimated to be Rs. 31.97 crores on 30th June, 1961) will be written off and a sum of Rs. 21.78 crores will be added to the Capital-at-Charge of the Railways.

(3) The Railways will pay actual interest charges on all foreign loans including existing foreign loans obtained for them. They will also be responsible for repayment of the foreign loans required for rehabilitation and replacement of their assets. The General Revenues will be responsible for the repayment of foreign loans raised for additions and development of the Railways. As and when an instalment towards repayment of loan is paid by the General Revenues, the Railways will cease to pay interest on the loan to that extent and the amount of the instalment will be added to the Government's investment in Railways and will qualify for 4 per cent. return in accordance with Clause (1) above.

For the year 1961-62, the total revenue receipts had been estimated at Rs. 70 crores 61 lakhs, showing an improvement of about 4.9 per cent. on the Revised Estimates for 1960-61. The Revised Estimates for 1960-61 placed the receipts at Rs. 67 crores 28 lakhs. Ordinary working expenses were placed at Rs. 44.36 crores in 1961-62 ; while the Revised Estimates for ordinary working expenses in 1960-61 were Rs. 43 crores 21 lakhs. Increased expenditure was being incurred mainly for operating staff and fuel required to carry additional traffic and also in consequence of the decision to create Railways' own Stores Purchase Organisation.

"To ensure that adequate amounts are available for expenditure on replacements and renewals, it is necessary to abandon the old formula of calculating the contribution to Depreciation Reserve Fund at 1/30th of Capital at Charge. Pending the evolution of a new formula, an *ad hoc* contribution of Rs. 12 crores 22 lakhs was proposed. Rs. 5 lakhs 32 thousand were required for payment to the Worked Lines. The Gross Working Expenses were thus estimated at Rs. 56 crores 64 lakhs.

After providing for interest charges and repayment of loans, etc., the profit of the Railways was estimated to be Rs. 9 crores 49 lakhs. Of this, Rs. 7 crores 24 lakhs would be paid to the General Revenues as Railway's contribution under the Separation Convention.

Out of the modest balance of Rs. 2 crores 25 lakhs, a sum of Rs. 75 lakhs would be contributed to the Improvement Fund. This would be in addition to an estimated amount of Rs. 147 lakhs of Development Surcharge levied on passenger fares with effect from 1st April, 1958 for credit to the Improvement Fund. This fund finances amenities to lower class passengers, staff welfare works and un-remunerative works on the Ralways. A Railway Reserve Fund was proposed to be started with a contribution of Rs. 1.5 crores for securing payment of contribution to the General Revenues in lean years, providing for arrears of depreciation, writing down or writing off Capital and for strengthening the financial position of Railways in order that the services rendered to the public may be improved and rates may be reduced."

Decentralization of Railways

The 100-year Central control of the railways will come to an end from 1st July, 1962, when the railways administration will be transferred to the provinces. The decision was reached by the Presidential Cabinet on 22nd February, 1962. This decision has also been incorporated in the new Constitution.

It is expected that the transfer of railways' administration to provinces will lead to greater and coordinated development of means of transport in both wings of the country, specially in East Pakistan. Besides, it will also have a healthy effect on the development of railways.

PAKISTAN INTERNATIONAL AIRLINES

The geographical separation of the Eastern and Western Wings of Pakistan by over 1,000 miles and a foreign territory lying in between has created unusual transportation requirements between the two Wings of Pakistan. The distance from Karachi to Peshawar, for example, is 1,045 miles. Pakistan International Airlines, therefore, plays a vital role in securing the integration of the people of Pakistan and in the commercial life of the country. Even the functioning of the Federal Government machinery from Rawalpindi would not be as successful as it is, if Pakistan International Airlines were not there to move Government officials from one principal city of Pakistan to another in the shortest possible time.

Pakistan International Airlines has grown enormously since its inauguration in March, 1955. Compared with the first year of operation, capacity is now four times that of the first year and revenues have grown

to over five times those of 1955-56. The growth of capacity and traffic from 1958-59 to 1960-61 are given in the table below.

Growth of Pakistan International Airlines Capacity and Traffic

	1958-59	1959-60	1960-61
Capacity ton-miles ('000's)	36,173	44,325	62,357
Passenger ton-miles ('000's)	12,093	15,766	22,594
Available Seat-miles ('000's)	264,243	282,053	422,124
Revenue passenger miles ('000's)	150,345	190,667	266,205
Passengers carried ('000's)	209	240	325
Pounds of cargo and excess baggage carried .. ('000's).	15,948	24,205	30,225

With the growth of passenger traffic, there was an appreciable increase in revenue also. Total operating revenues for the year 1960-61 were 11.43 crores (40.5 per cent more than the previous year), producing an operating profit of Rs. 92.3 lakhs.

The overall operational results of Pakistan International Airlines for the seven months (July, 1961—January, 1962) of the current financial year, 1961-62, recorded an appreciable progress over 1960-61. With the addition, to Pakistan International Airlines total fleet, of a Boeing 720B and five F-27 during the year, the airline was able to provide additional services to its domestic and international network and operate new routes in both the wings of Pakistan. The introduction of cheap daily Night Coach service between Karachi and Lahore ; a daily direct service between Karachi and Rawalpindi ; and air-bus operation in East Pakistan on the Dacca—Ishurdi, Dacca—Sylhet—Shamshernagar—Chittagong, Chittagong—Cox's Bazar and Dacca—Comilla—Chittagong routes are the salient features of its expansion during the current year.

The number of passengers carried per month rose to 37,000 an increase of 37 per cent and average monthly revenue passenger-miles flown increased to 2.9 crores or 31 per cent higher than in 1960-61. Cargo and excess baggage also increased to 11 lakh ton-miles per month or 12 per cent more than in any month of the preceding financial year.

During the current year, monthly averages of 61.8 lakh capacity ton-miles and 38.4 lakh revenue ton-miles recorded an increase of 19 per cent and 26 per cent respectively over the monthly averages of the previous year, reflecting the progress in traffic during the current year.

The financial results of Pakistan International Airlines operation too have shown a further increase in its operating profits. In the current year, there has been a 26.3 per cent increase over the last year's monthly operating revenues. The profit has increased from Rs. 7 lakh per month in 1960-61 to Rs. 7.4 lakh per month during the current year. Pakistan International Airlines has already made up all of its losses and the future profits will add to its strength.

Pakistan International Airlines foreign operations are now earning and saving 80 per cent of all the foreign exchange used by Pakistan International Airlines on its internal, inter-wing and foreign routes. This position will be further improved with additional services.

Expansion of Pakistan International Airlines fleet has necessitated corresponding enlargement of the repair and the overhaul facility at the main Karachi base. Full A.R.B. and F.A.A. approval has been given for all classes of work. The repair and overhaul requirements of light aircraft as well as of those of airline types can be met. Thus PIA's maintenance and overhaul base at Karachi is a self contained unit set up to deal with modern fleet of aircraft.

Inland Water Transport, East Pakistan

In a land of rivers, water transport, for geographical reasons, plays a predominant part in the communications system. East Pakistan is served by an excellent waterways system of 2,700 miles extending upto 4,000 miles during monsoons, comprising the lower reaches of the Ganges, Brahmaputra and Meghna rivers, one of the world's largest deltas. Mechanised river transport plying on these rivers consists of 177 steamers, 747 motor vessels, 458 passenger launches and 696 dumb craft with a total carrying capacity of 92,053 passengers and 1,54,000 tons of cargo. The fleet is owned by 270 operators of whom the largest has a gross annual revenue of about Rs. 3½ crores. The total traffic handled by mechanised craft is about 80 crores ton miles of cargo, of which 2|3rd is international transit traffic and 1|3rd local traffic ; and 84 crores passenger miles, of which about 15 per cent is accounted for by steamers and the other 85 per cent by launches. In addition, there are some 3 lakh country boats with a carrying capacity of about 14 lakh passengers and 12 lakh tons of cargo, which is about 5 times the traffic handled by mechanised transport. These river "bullock carts" are vital to the movement of goods and passengers from the marketing centres and villages to towns and river stations.

Notwithstanding its great potentialities, the inland water transport system has been neglected for many decades, mainly owing to the fact that it has been, unlike other media of transport, entirely in the hands of private sector. Another cause, perhaps a major one, was the division of authority over inland navigation and inland water transport operation . In November, 1958, the Government sought to centralise authority, by the establishment of Inland Water Transport Authority. The Authority started from scratch without any engineering or statistical data on which to base its development programme. Another serious difficulty was the acute shortage of trained technical personnel at all levels to look after its waterways, ports, conservancy pilotage, marine, traffic and other allied departments.

For their economy no substantial progress could be achieved in the last 20 months of the First Five-Year Plan. For the Second Five-Year Plan, however, the Authority has prepared schemes totalling Rs. 23 crores, of which schemes costing Rs. 9 crores relate to the semi-public sector, the remaining being in the private sector. Approved schemes in the public sector costing Rs. 8.75 crores are already under implementation and will be completed for the most part within the next two years. For the rest of the programme, engineering and feasibility studies supported by field surveys and investigations are being carried out. Foreign loans from DLF, IDA, the UK and Germany are being utilised for these projects, while more aid is being sought from the Consortium countries for both public and private sectors.

The effectiveness of the developments in the public sector works of IWTA would be limited unless supported by a complementary programme of fleet rehabilitation and augmentation of IWT in the private sector. The private sector programme has, therefore, been treated as an essential component of its integrated Five-Year Plan. The private sector programme covers modernisation, replacement, and augmentation of the existing fleet of steamers, motor vessels, and dumb craft with parallel developments in shipyard, ship repairs and shipway facilities.

The Authority has continuously assisted the private operators to achieve substantial gain both in capacity and tonnages handled by the Inland Water Transport despite increasing competition from the railways, high fuel costs, inadequate storage and clearance arrangements at the terminals and slow turn-round, paucity of facilities for ship purchase, construction and repairs, excessive repairs bills and unusually long delivery and repair schedules, and inadequate facilities at inland ports. In spite of these difficulties, the private operators can boast of an increase of 28 per cent in cargo capacity of the registered tonnages within a short period of three years.

An important feature of this substantial increase in capacity is the emergence of small and medium groups of launch operators who have expanded their business to the remote and neglected corners of the Province. Another is the gradual diminution of the passenger capacity of the steamers which have lost ground to the motor launches which are relatively cheap and more convenient to run than the bulky and costly coal consuming steamers.

These increases in overall capacity indicate an additional investment of Rs. 5 crores by the private sector. This increasing tempo in investment reflects close adherence to the increasing traffic envisaged in the Plan period. The following tables show the progress of the Inland Water Transport fleet in the private sector since IWTA came into existence (1958-61).

GROWTH OF FLEET IN NUMBERS

Type of Craft	Number					Percentage increase over 1958		
	Dec. 1958	Dec. 1959	Dec. 1960	Nov. 1961	Increase	1959	1960	1961
Steaners	170	166	177	177	7	—2·4	+4·1	+4·1
Motor Vessels ..	542	606	744	747	205	+12	+19	+38
Passenger Launches ..	(331)	(362)	(377)	(458)	127	+9	+14	+38
Barges and other Dumb Craft	620	658	696	696	76	+6	+12·3	+12·3

GROWTH OF PASSENGER CAPACITY

Type of Craft	Number				Percentage increase over 1958		
	1958	1959	1960	1961	1959	1960	1961
Steaners	34,233	33,078	33,570	33,570	—3·3	—2	—2
Motor Vessels	37,804	42,505	47,266	58,483	+12·4	+25	+54·7

GROWTH OF CARGO CAPACITY

Type of Craft	Tons				Percentage increase over 1958		
	1958	1959	1960	1961	1959	1960	1961
Steaners	10,568	8,522	8,779	8,779	—19	—17	—17
Motor Vessels	2,138	3,312	3,888	4,737	+55	+81.7	+121·5
Barges and Other Dumb Craft ..	120,241	139,391	140,152	140,152	+15·9	+16·5	+16·5

To rehabilitate the inland water transport fleet of East Pakistan, the IWT Authority is negotiating a consolidated loan of Rs. 5 crores on behalf of the inland water transport industry, thereby, assisting in the expansion and modernisation of the inland water transport fleet by a co-ordinated development of the inland water transport in public and private sectors on the one hand and the other modes of transport, *viz.*, railways and highways, etc., on the other. The injection of capital in the fleet rehabilitation of inland water transport will result in the emergence of a healthy economic pattern of transport in the province. This in turn will satisfy the demand arising out of massive industrial and agricultural development at present underway in the Province:

Together with fleet rehabilitation and modernisation, a programme of developing ancillary industries to serve inland water transport will be undertaken. This will include the modernisation of smaller dockyard equipment to make them efficient economic units with appurtenant workshops. The loan will also cater for smaller inland water transport operators who would otherwise not be eligible for loans direct from DLF on an equity ratio.

PORTS AND SHIPPING

Ports

Chalna Anchorage

The pace of development since 1958 has quickened. Two development schemes costing Rs. 328 lakh were approved by the Government to meet the growing requirements of the port. Works requiring little or no foreign exchange like construction of residential buildings, water supply arrangements and provision of electricity are already under execution. However, a loan of $ 40 lakh is being negotiated with the Development Loan Fund to cover the purchase of craft and equipment.

The handling capacity of the Port has increased from 7.61 lakh tons in 1957-58 to 9.07 lakh tons in 1960-61. These figures will increase as more traffic is diverted from Chittagong in an effort to rationalize the imbalance between the two ports.

It was during the present regime that a firm decision as to the site was arrived at. In 1960, it was decided that the anchorage should be at Mangla with main port facilities at Khulna. This bifurcation is unavoidable as the larger sea-going ships cannot reach Khulna and as on the other hand the railway-head cannot be brought down to Mangla.

Chittagong Port

Chittagong Port, though it suffered the terrible calamity of the October, 1960 cyclone relied and has made steady progress since.

The prime achievement of the present regime has been the unification of the Port administration under the Chittagong Port Trust. The previous bifurcation of authority between Port Railways and Port Commission resulted in lack of proper co-ordination.

Another great achievement for the Port achieved in December 1961, was the introduction of night navigation in the Karnaphuli river at a cost of Rs. 14 lakhs. This facilitates utilization of favourable night tides which results in an increased turn round.

Chittagong was the first port in Pakistan to be equipped with a modern Radio Telephonic system. This enables a more efficient control over the distant units like tugs and pilot vessels resulting in savings in time as maximum utilization is made of facilities available.

Karachi Port

Karachi Port is the only port serving West Pakistan and in addition has to cater to the needs of Azad Kashmir and land-locked Afghanistan, when relations between the two countries are normal. The strain on the port facilities continues to increase and until today the port is functioning well over its planned capacity.

A major change in the administration of the port directly attributable to the new regime is the revision of the Port Trust Act, carried out in April, 1960. This has had the effect of doing away with a number of bottlenecks, which tended to hold up progress. The immediate result of this has been that a large number of budgeted works could be taken in hand and completed during the year 1960-61 and 1961-62. Where sanction for budgeted works lay within the competency of the Board of Trustees, these were for the greater part completed during the course of the year.

With regard to development works for the port, these under direction of the Government are required to be dovetailed within the provisions of the Second Five-Year Plan. Currently the Port Administration is busy with putting the finishing touches to the scheme for the Replacement of East Wharves berths. This work is scheduled to be completed in December, 1962 and cover the renewal of 13 berths, which will include provision of modern handling facilities like increased capacity cranes, and locomotive shunting of railway wagons.

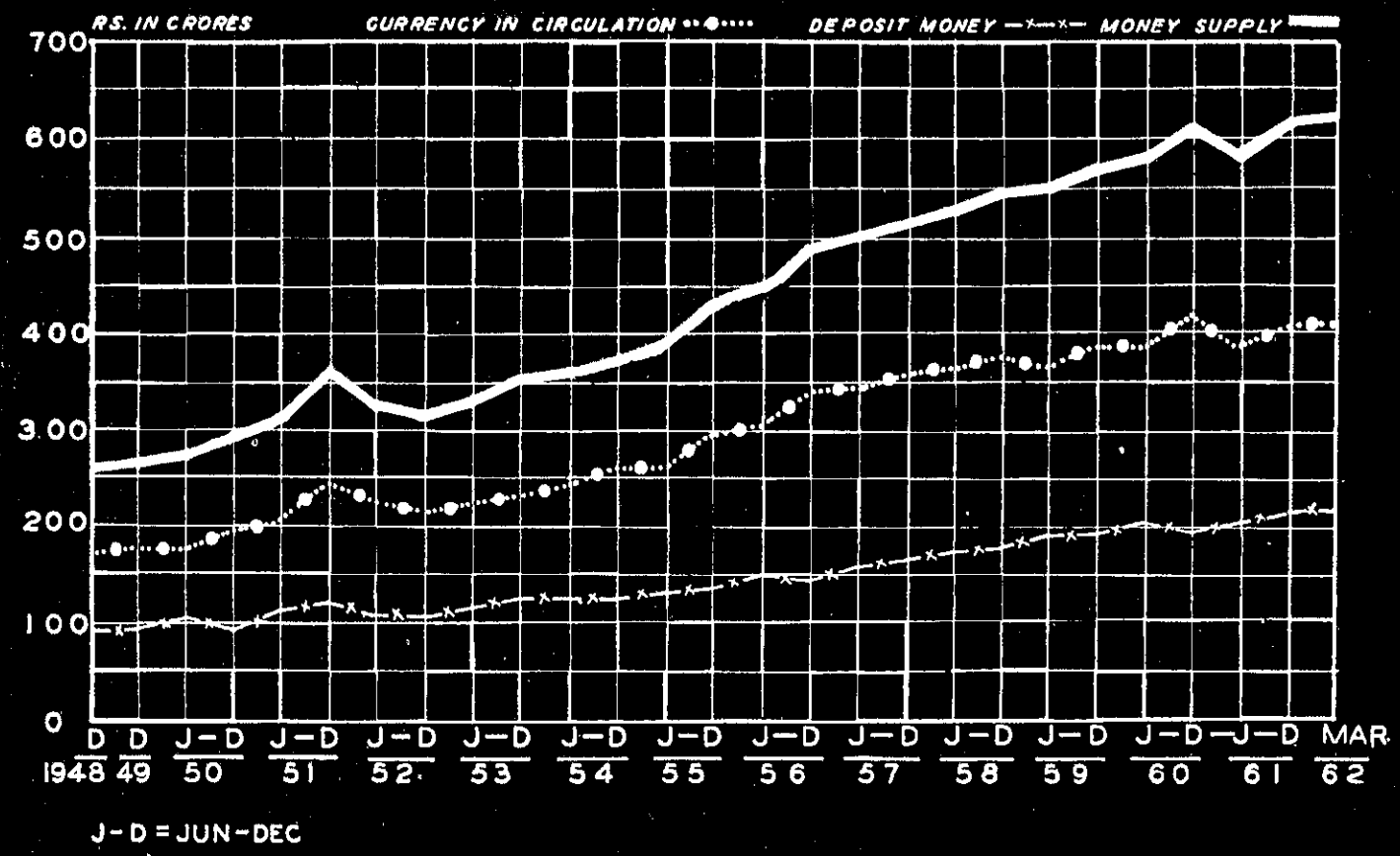
The port handled 38 lakh tons, both export and import in 1958-59, 45 lakh tons in 1959-60 and 49 lakh tons in 1960-61.

Shipping

The strength of the Merchant Fleet was increased during the year by the addition of three ships. One of the three ships was a passenger ship intended mainly for the carriage of Haj pilgrims from East Pakistan. The second was a cargo-*cum*-passenger vessel which has opened up the Karachi-Mekran Coast on which there was no regular service previously. The third was a tanker which was chartered out to an oil company for transport of oil in bulk. With the addition of these three ships, the strength of the Merchant Fleet stood at 42 ships, the composition of which is three passenger ships, one cargo-*cum*-passenger ship, two tankers and the rest cargo ships.

In order to streamline the administration of ports and shipping, the Directorate-General of Ports and Shipping was set up during the year.

MONEY SUPPLY



CHAPTER X

MONETARY AND CREDIT SITUATION

Currency Circulation

There are doubtless, some people in Pakistan, as in other countries, who believe that the Government can create any amount of currency it desires. The facts are quite different. The notes issued by the State Bank of Pakistan constitute by far the largest portion of the currency in circulation, the other components being one-rupee notes, rupee coins and subsidiary coins. Section 30 of the State Bank Act, 1956 stipulates that the assets of the Issue Department of the Bank should, at no time, fall short of its total liabilities *viz.* total notes issued. Of the total amount of the assests of the Issue Department, at least 30 per cent. must consist of gold coin, gold bullion, silver bullion and approved foreign exchange. At the end of December, 1961, these specified assets amounted to 35 per cent. of the total assets of the Issue Department.

There are no gold or silver mines in the country so that additional gold or silver could be obtained. It can be had only by purchase from abroad against foreign exchange but this would yield no net gain for our reserves. The other alternative is the accumulation of more foreign exchange. A country which is faced with a heavy programme of development can ill afford to accumulate foreign exchange reserves except to the generally accepted norm as a safeguard for its currency. During the last twelve months, heavy calls have been made on the accumulated reserves to import essential goods with the result that these are now at a fairly low ebb. It is thus evident that the scope of currency creation by the Government is very limited, unless the reserve requirements are lowered, which may create some misgivings. But quite apart from the legal bases of currency and credit expansion, such expansion may not be desirable from the economic point of view. If carried too far, it might lead to " too much money chasing too few goods " with the resulting inflationary consequences which the Government is so keen to avoid.

Money Supply

Money supply in Pakistan consists of currency in circulation, demand deposits (general) with the scheduled banks and some other special deposits, which are repayable on demand. The table below shows the fluctuations in money supply from December, 1956 to March, 1962 :—

Money Supply—1956—1962 (March) (In Crore Rupees)

Month/Year Last Friday	Currency in Circulation	Demand Deposits (General)	Other Deposits with S.B.P.(1)	Money Supply
December, 1956	346.41	142.97	2.69	492.07
December, 1957	358.31	156.21	8.85	523.37

Month/Year Last Friday	Currency in Circulation	Demand Deposits (General)	Other Deposits with S.B.P. (1)	Money Supply
December, 1958	374.21	170.86	5.14	550.21
December, 1959	384.44	187.13	4.62	576.19
March,1960	394.39	189.22	5.02	588.63
June, 1960	381.50	199.71	4.37	585.58
September, 1960	365.57	203.91	4.62	574.10
December, 1960	417.93	193.28	4.70	615.91
March, 1961	406.21	203.45	5.79	615.45
June, 1961	384.57	199.07	4.51	588.15
September, 1961	371.19	201.88	4.81	577.88
December, 1961	405.42	210.00	5.12	620.54
March, 1962	404.93	215.93	4.12	624.98*

Source : State Bank of Pakistan.

(1) Excluding IMF Account No. 1, U. S. Counterpart Funds and I.B.R.D. Indus Account.
* Provisional.

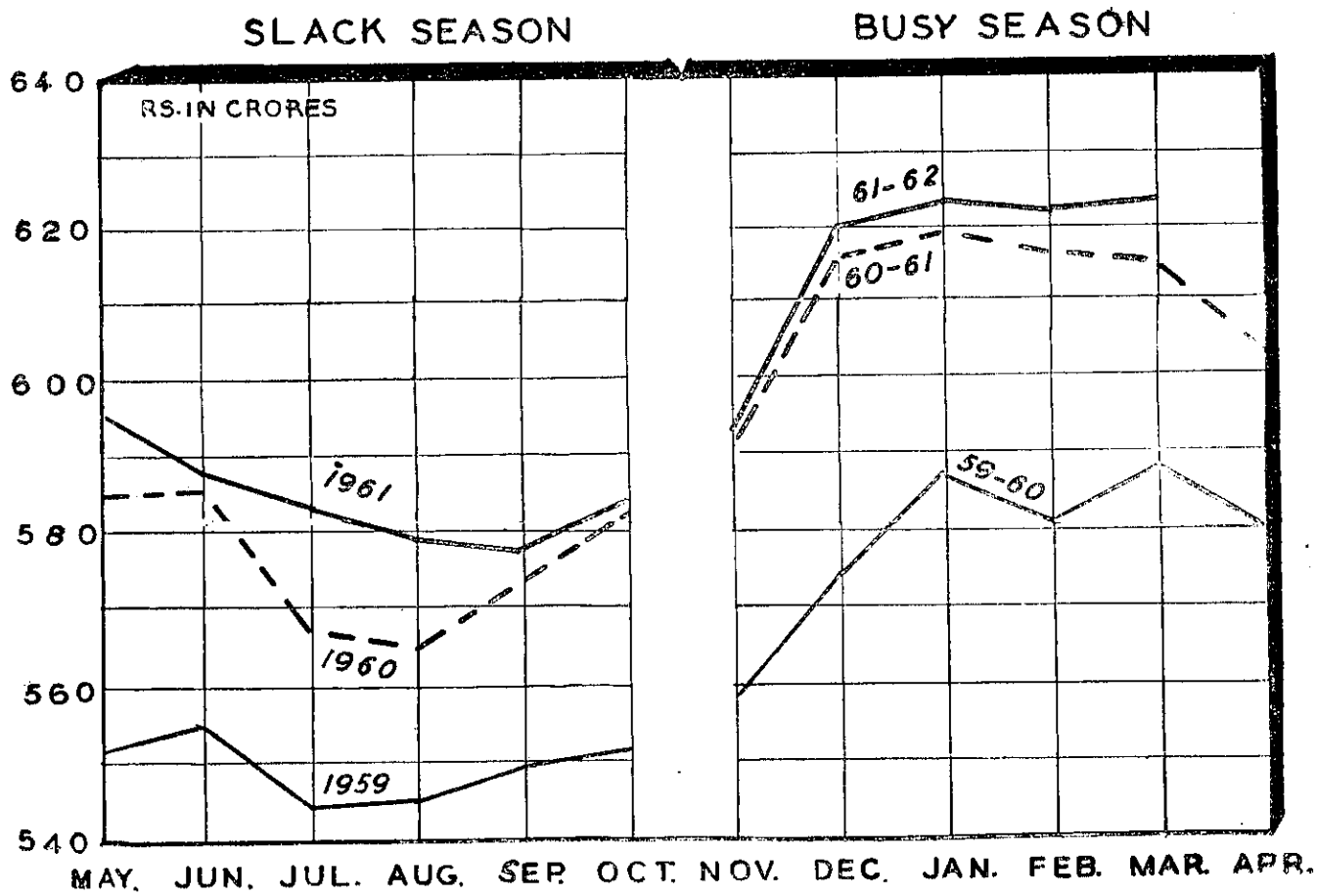
Slow Monetary Expansion During 1961

The pace of increase in money supply slowed down considerably during 1961. The strict budgetary policy of the Government and adverse swing in the balance of payments are among the factors responsible for slow monetary expansion during the year under review. It is important to note here that the monetary expansion was slower despite a larger increase in bank credit.

During 1961, money supply increased by Rs. 4.63 crores compared to an increase of Rs. 39.72 crores in 1960 and Rs. 25.98 crores in 1959. At the end of December 1961, total money supply stood at Rs. 620.54 crores as compared to Rs. 615.91 crores in 1960 and Rs. 576.19 crores in 1959. The expansion in money supply during 1961 was due mainly to an increase of Rs. 16.72 crores in demand deposits which rose from Rs. 193.28 crores in December, 1960 to Rs. 210 crores in December, 1961. 'Other deposits' with the State Bank also increased by Rs. 0.42 crore from Rs. 4.70 crores to Rs. 5.12 crores over the same period. These increases were partly offset by the decline of Rs. 12.51 crores in currency circulation from Rs. 417.93 crores to Rs. 405.42 crores. In 1960, currency in circulation had increased by Rs. 33.49 crores from Rs. 384.44 crores to Rs. 417.93 crores.

During the first quarter of 1962 (January—March) money supply advanced further by Rs. 4.44 crores to Rs. 624.98 crores due mainly to seasonal influences, compared to the fall of Rs. 0.46 crore in the first quarter of 1961.

SEASONAL BREAK UP OF MONEY SUPPLY



Seasonal Analysis

Money supply in Pakistan generally expands or contracts in accordance with the seasonal increase or decrease in economic activity. As is generally known, the country has two distinct seasons, *viz.*, the busy season, extending generally from November to March and the slack season extending from April to October.

A seasonal analysis of money supply shows that during the busy season of 1960-61 (November, 1960—March, 1961) money supply increased by Rs. 33.78 crores as compared with the increase of Rs. 35.71 crores in the corresponding period of 1959-60. The busy season expansion of 1960-61 is accounted for by an expansion of Rs. 31.49 crores in currency circulation and of Rs. 2.29 crores in deposit money.

In the following slack season (April—October, 1961), money supply showed a decline of Rs. 31.75 crores as compared to the fall of Rs. 6.96 crores in the same period of 1960 and a rise of Rs. 8.26 crores a year earlier. The contraction occurred mainly in currency circulation which fell by Rs. 30.32 crores, deposit money recording a small decline of Rs. 1.43 crores.

During the busy season of 1961-62 (November, 1961—March, 1962), money supply expanded by Rs. 41.28 crores as compared with the expansion of Rs. 33.78 crores in the 1960-61 busy season.

The table below gives the seasonal variations in money supply during the last three years :

Seasonal Break-up of Money Supply

(In Crore Rupees)

Month	Slack Season			Month	Busy Season		
	1959	1960	1961		1959-60	1960-61	1961-62
April ..	549.98	580.13	602.72	November	559.66	591.37	594.92
May ..	551.12	584.38	595.75	December	576.19	615.91	620.54
June ..	555.98	585.58	588.15	January	588.83	619.72	623.54
July ..	544.06	567.87	583.68	February	581.49	616.23	622.80
August ..	546.12	565.16	579.93	March	588.63	615.45	624.98*
September ..	549.56	574.10	577.88				
October ..	552.92	581.67	583.70				

*Provisional.

Causative Factors

An analysis of causative factors of money supply reveals that during 1961, the expansionary influence of the domestic private sector slowed down due to larger accumulation of time deposits. The private sector was expansionary to the extent of Rs. 26.72 crores as against Rs. 31.38 crores in 1960. The Government sector was expansionary to the extent of Rs. 16.20 crores after taking into account the decline of Rs. 11.18 crores in counterpart funds. The foreign sector which in earlier years was expansionary, exerted contractionary influence of Rs. Rs. 18 crores as against the expansionary influence of Rs. 4.01 crores in 1960 and of Rs. 41.35 crores in 1959. The table below gives the details of causative analysis of changes in money supply since 1959 :

Money Supply—Causative Factors

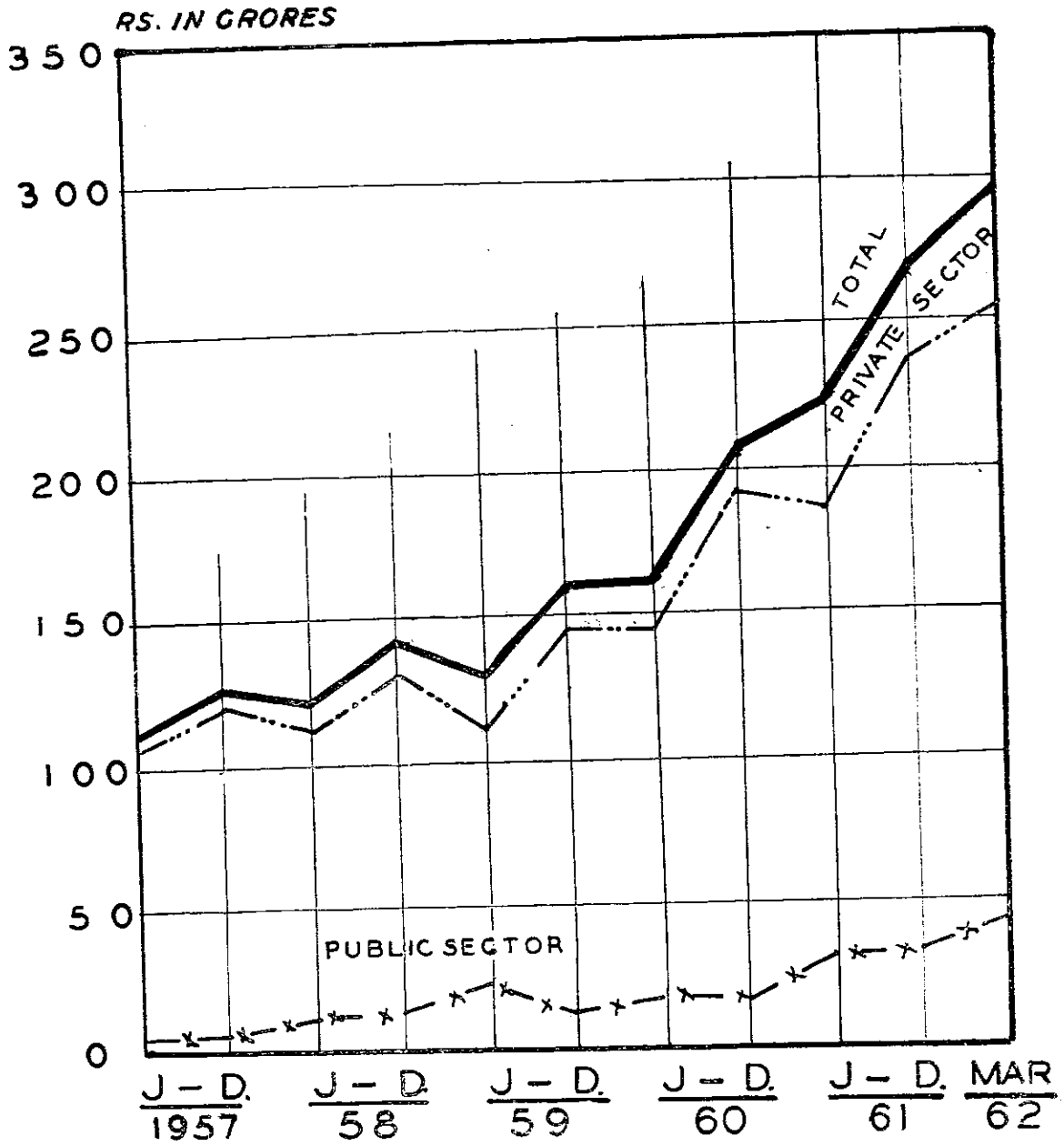
(In Crore Rupees)

Causative Factors	1959	1960	1961
Changes in Money Supply .. .. Expansion (+) Contraction (—)	+25.98	+39.72	+ 4.63
1. Domestic Private Sector	+15.77	+44.95	+45.90
Adjustment for Shift to Time Deposits	—26.28	—13.57	—19.18
	—10.51	+31.38	+26.72
2. Government Sector	— 5.22	+39.74	+ 5.02
Adjustment for Accumulation of Counterpart Funds ..	+ 5.41	—27.38	+11.18
	+ 0.19	+12.36	+16.20
3. Foreign Sector	+41.35	+ 4.01	—18.00
4. Other Factors	— 5.05	— 8.03	—20.29
Total Causative Factors ..	+25.98	+39.72	+ 4.63

Bank Credit

The year 1961 witnessed a marked expansion of credit by commercial banks to various sectors of the economy. In fact, the credit expansion during 1961 was the highest so far. Despite this fact, some sections of trade and commerce have complained that the expansion of credit has not kept pace with the expansion of economic activity in the country. It is also said that the distribution of credit as between different sectors of the economy is disproportionate. On closer examination, this criticism does not appear to be valid.

BANK CREDIT-PUBLIC AND PRIVATE SECTOR



J = JUNE
D = DECEMBER

Credit situation is being constantly watched and reviewed. In determining its credit policy, the State Bank of Pakistan is always concerned that the economy should not suffer due to paucity of credit. On the other hand, it is equally concerned that there should not be an excess of credit which would lead to hoarding and stock-piling and rise in prices. To safeguard against such eventualities, the State Bank's policy has always been to make credit more selective and restrictions on unnecessary exparsion of credit have been imposed from time to time. Efforts are, however, made to ensure that the genuine need of credit does not suffer as a result of such restrictions.

The unusually large expansion of credit during 1961 was due to a number of factors. The Government removed price and distribution controls from a number of essential consumer goods. The food trade was largely freed, from the Government control and was placed in the hands of private sector. The impact of Government's liberal commercial policy was felt during 1961. A large number of items were placed on open general licensing and the scope of automatic licensing was extended. The volume of trade increased considerably during the last two years. Total foreign trade in 1961 stood at Rs. 497 crores compared to Rs. 321 crores in 1959.

During 1961, total bank credit provided to private and public sectors expanded by Rs. 63.98 crores from Rs. 208.48 crores in December, 1960 to Rs. 272.46 crores in December, 1961. Bank credit at the end of 1961 was 68 percent. higher as compared to the end of 1959. The increase during the year was reflected largely in advances which rose by Rs. 60.42 crores to Rs. 245.90 crores while inland and foreign bills purchased and discounted registered a small rise of Rs. 3.56 crores.

During the first quarter of 1962 bank credit rose further and at end of March, 1962 it stood at Rs. 296.78 crores compared to Rs. 220.71 crores in March 1961 and Rs. 178.59 crores in the corresponding month of 1960. Of Rs. 296.78 crores in March 1962, Rs. 270.05 crores was in advances and Rs. 26.73 crores in inland and foreign bills purchased and discounted as against Rs. 199.46 crores and Rs. 21.25 crores respectively in March, 1961.

Private and Public Sectors

The sector-wise break-up reveals that the increase in bank credit took place in the private as well as in the public sector. In the private sector, it increased by Rs. 45.87 crores from Rs. 192.65 crores in December, 1960 to Rs. 238.52 crores in December, 1961 compared to an increase of Rs. 44.19 crores in the previous year. In the public sector, there was an

increase of Rs. 18.11 crores from Rs. 15.83 crores in December, 1960 to Rs. 33.94 crores in December 1961 as against an increase of Rs. 1.61 crores in 1960. The increase in credit to the Government sector is accounted for by a fresh loan of Rs. 5.46 crores to the Central Government and larger advances of Rs. 5.75 crores and Rs. 6.90 crores to the West and East Pakistan Governments respectively for financing foodgrains procurement.

There was a further increase of bank credit in both these sectors during the first three months of 1962. In the private sector, bank credit rose by Rs. 13.78 crores to Rs. 252.30 crores while in the public sector, it increased by Rs. 10.54 crores to Rs. 44.48 crores. Table below gives the details of bank credit to the public and private sectors.

Bank Credit to Public and Private Sectors

(1957-62) (In Crore Rupees)

Month/Year	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
March, 1962	44·48	252·30	296·78

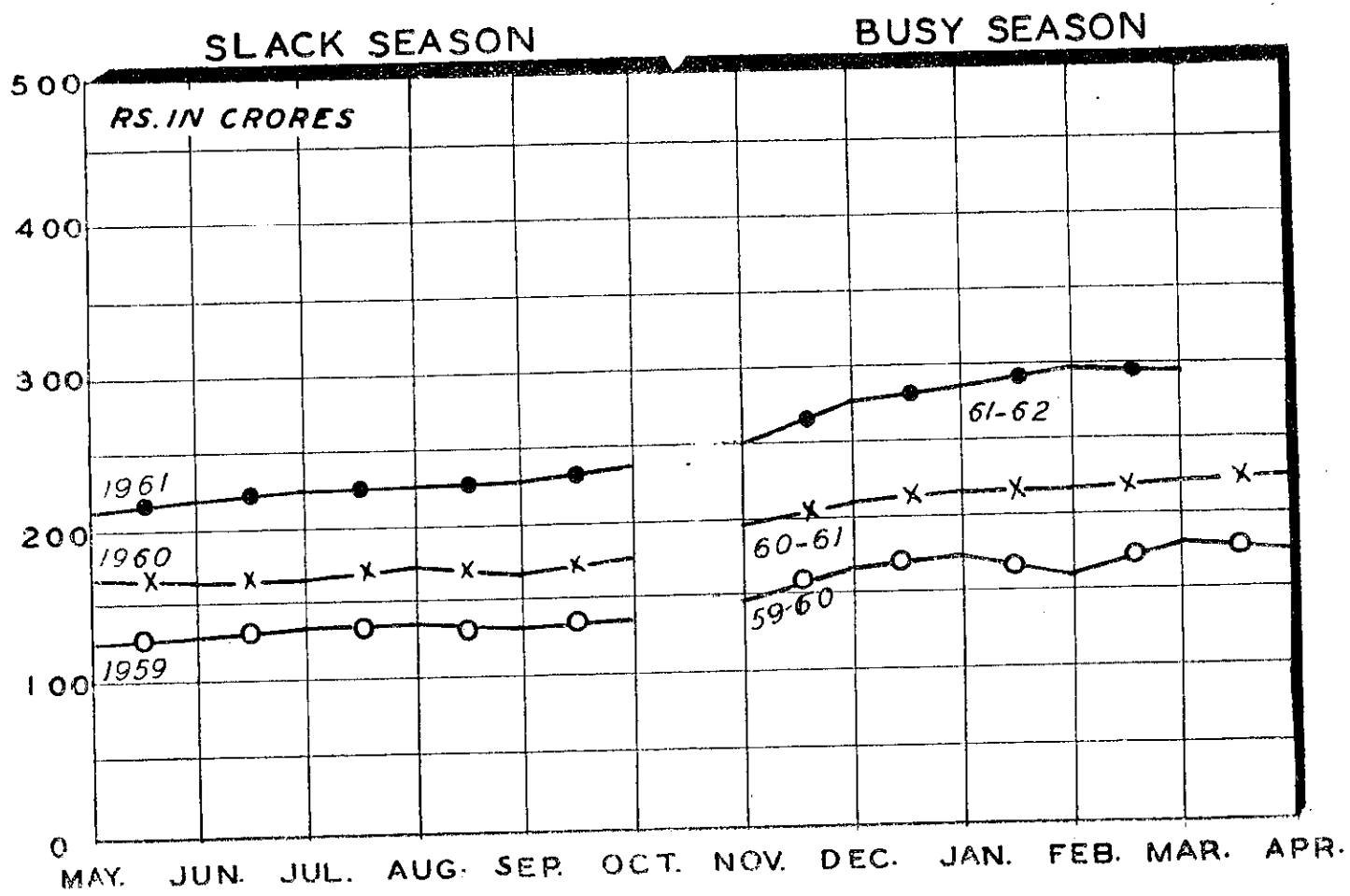
Seasonal Analysis

The expansion in bank credit during the 1960-61 busy season (November, 1960-March, 1961) was slightly lower as compared with the expansion during the same period of 1959-60. During 1960-61 busy season, bank credit expanded by Rs. 41.71 crores as compared with the busy season expansion of Rs. 44.96 crores in 1959-60.

It is significant that even in the following slack season (April—October, 1961) bank credit increased by Rs. 19.11 crores as compared with a small rise of Rs. 0.41 crore during the same period a year earlier.

With the onset of the busy season bank credit started rising at a faster rate, and it rose sharply by Rs. 56.96 crores during November 1961—March 1962, as compared with the rise of Rs. 41.71 crores in the same period a year earlier. The increase during 1961-62 busy season

SEASONAL BREAK UP OF BANK CREDIT



occurred largely in bank credit to the private sector which went up by Rs. 49.36 crores to Rs. 252.30 crores. Bank advances to the Government sector during the same period rose by Rs. 7.60 crores to Rs. 44.48 crores. The following table gives the seasonal break-up of bank credit for the last three years.

Seasonal Break-up of Bank Credit

(In Crore Rupees)

Month	Slack Season			Month	Busy Season		
	1959	1960	1961		1959-60	1960-61	1961-62
April	133.03	174.78	221.91	November ..	145.83	194.22	250.85
May	124.07	167.85	213.49	December ..	161.98	208.48	272.46
June	130.20	161.74	220.28	January ..	170.78	216.80	282.15
July	133.81	165.40	226.37	February ..	169.15	214.82	289.60
August	136.78	171.28	226.99	March ..	178.59	220.71	296.87
September	132.35	166.20	227.55				
October	133.63	179.00	239.82				

Analysis By Economic Groups

The distribution of bank credit among various economic groups reveals that the largest amount of credit was provided to commercial sector followed by manufacturing, services and agricultural groups. The share of commercial sector rose steadily from Rs. 52.35 crores in June, 1959 to Rs. 98.03 crores in December, 1960 and to Rs. 114.29 crores in December, 1961. Credit advanced to manufacturing sector amounted to Rs. 78.05 crores in December, 1961, compared to Rs. 61.58 crores in December, 1960 and Rs. 39.30 crores in June, 1959. The share of agricultural group though comparatively small has grown steadily in 1961. It amounted to Rs. 4.96 crores only in June, 1959 but rose to Rs. 21.28 crores in December, 1961. Credit provided to the services group rose to Rs. 20.14 crores in December 1961, as compared to Rs. 15.83 crores in the previous year. The share of 'construction' group on the other hand registered a decline in December, 1961 over the previous year.

Credit Control

The State Bank's vigilance over credit situation continued during the period under review. Restrictions imposed on certain categories of advances remained in force with slight modifications. These restrictions include ; (i) margin requirement of 40 per cent. on advances against shares of already established companies (withdrawn in August, 1961) and of 50 per cent. on advances against shares of newly floated companies (effective 19th January, 1960) ; (ii) restrictions to the maximum period of six months for which advances can be made against stocks of wheat and rice (effective 16th February, 1960) and (iii) 40 per cent. margin requirement on advances against imported manufactured goods (other than industrial machinery, iron and steel) and cotton yarn (except for export) and the ceiling of Rs. 50,000 per party for unsecured advances and advances secured by guarantee (effective 24th March, 1960), Advances against imported manufactured goods and cotton yarn upto Rs. 25,000 to any one party were, however, exempted from restrictions regarding maintenance of 40 per cent. margin. The above restrictions were partially relaxed for East Pakistan with effect from 27th April, 1961 as follows : (i) reduction in the margin requirement on advances against imported manufactured goods and cotton yarn from 40 per cent. to 20 per cent., (ii) raising of the exemption limit in respect of margin requirement on advances against imported manufactured goods 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 40 per cent. margin restriction on advances against imported goods will henceforth be applicable to iron and steel (except for those imported under industrial licences) as well and that with regard to the stocks already held by them, the 40 per cent. margin restrictions will be effective one month after the date of the order. The State Bank also directed the authorised dealers not to open letters of credit for imports of certain categories unless a margin of 25 to 30% was deposited. This was done to ensure that these goods did not remain pledged with the banks thereby interrupting flow of goods in the market. This is dealt with in greater detail in Chapter 6.

In February 1961, the State Bank of Pakistan urged the scheduled banks to make vigorous efforts to mobilise resources and to cut down undue dependence for loans upon the State Bank of Pakistan. 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 judgment with a view to avoiding hardships for small borrovers.

Bank Deposits

The deposit resources of the scheduled banks showed a marked rise during 1961 although the pace of increase was slow as compared to the rise in bank credit. At the end of 1961, total bank deposits (general) stood at Rs. 338.51 crores which is 11.86 per cent. higher than the previous year. The bank credit during the same period rose by 30.65 per cent. The rise in bank deposits during 1961 was accounted for by both demand and time deposits, the former rising by Rs. 16.72 crores from Rs. 193.28 crores in December, 1960 to Rs. 210 crores in December, 1961 and the latter by Rs. 19.18 crores from Rs. 109.33 crores to Rs. 128.51 crores.

The deposits rose further during the first quarter of 1962 (January-March) and stood at Rs. 352.03 crores at the end of March, 1962 as compared with Rs. 318.76 crores at the same time a year earlier.

It is significant to note that the growth of deposits during 1961 was more than in proportion to the monetary expansion in the country. While money supply increased nominally by 0.8 per cent., bank deposits registered a rise of 11.86 per cent. The continued expansion in deposit resources is attributable, *inter alia*, to the opening of a large number of new bank offices as also to the increase in deposit rates offered by the scheduled banks. The scheduled banks' 3-year deposit rates went up from 1½-3½ per cent. at the end of December 1959 to 1½-4 per cent. in December, 1960 and 1½-4¼ per cent. in December, 1961.

An analysis of seasonal fluctuations reveals that bank deposits increased by Rs. 12 crores during the busy season (November, 1960-March, 1961) as compared with the rise of Rs. 12.34 crores in the same period of 1959-60.

During the slack season of 1961 (April—October) bank deposits rose by Rs. 10.23 crores as compared with the increase of Rs. 16.79 crores in 1960 slack season and of Rs. 34.14 crores in 1959. The increase of Rs. 10.23 crores during 1961 slack season was due entirely to the rise of Rs. 10.94 crores in time deposits, demand deposits recording a small decline of Rs. 0.71 crores.

During the busy season of 1961-62 (November, 1961-March, 1962) bank deposits rose further by Rs. 23.04 crores as compared with the rise of Rs. 12 crores in 1960-61 busy season.

It is interesting to note here that the creation of credit in Pakistan dose not lead to a proportionate increase in deposits due to large leakage caused by the non-banking habits of the people. This is borne out by the fact, as stated earlier, that during the year 1961 bank credit rose by 30.65 per cent. while bank deposits showed an increase of 11.86 per cent. only. This is contrary to the situation prevalent in advanced countries where creation of credit is followed by an increase in deposits.

Borrowings

Scheduled banks borrowed heavily from the State Bank during 1961 as their deposits did not increase proportionately as compared to credits advanced. Their borrowings at the end of 1961 stood at Rs. 49.8 crores compared to Rs. 41.17 crores in the previous year and Rs. 9.75 crores in 1959. Scheduled Banks' balances with the State Bank during 1961 rose by Rs. 1.41 crores. By March 1962, the borrowings of the Scheduled banks stood at the high level of Rs. 72.39 crores and their balances at Rs. 19.40 crores.

Investments

The investments of the scheduled banks in Central and Provincial Governments' and other securities fell by Rs. 8.32 crores from Rs. 133.90 crores in 1960 to Rs. 125.58 crores in 1961. Investment in Central Government securities declined from Rs. 111.26 crores to Rs. 104.20 crores, Provincial Government securities from Rs. 19.46 crores to Rs. 18.17 crores which was not counterbalanced by the marginal increase in investments in other securities which rose from Rs. 3.18 crores to Rs. 3.21 crores. The fall in scheduled banks' investments in Government securities implies lesser borrowing by the Government from the commercial banks.

At the end of March 1962, total investments increased to Rs. 128.32 crores—Rs. 106.80 crores in Central Government securities, Rs. 18.25 crores in Provincial Government securities and Rs. 3.27 crores in other securities.

Money Market

During the year 1961, the money market remained generally tight. The year opened with stringent condition prevailing in the short-term money market. The inter-bank call money rate at Karachi ruled between $3\frac{3}{4}\%$ and $4\frac{3}{4}\%$ during the first three months of 1961 as compared to $3\frac{1}{2}\%$ to 4% during the corresponding period of 1960. The stringency during the period is accounted for by increased busy season activity wich called for more funds for financing trade and commerce.

The stringency in the money market eased slightly during the subsequent months when under the slack season influence, the short-term call money rates declined to 3¼%—3½% in May, 1961. Thereafter, the rates rose to 3¾% and continued more or less at that level till the end of November, 1961. The table below gives the inter-bank call money rates at Karachi.

Inter-Bank Call Money Rate (Karachi)

Last Friday	1960	1961	1962
January	3½—3¾%	4¼%	4%
February	3¾%	4¼—4½%	3¾%- 4%
March	4%	3¾—4%	3¾—4%
April	4½%	3¾%	..
May	2¾—3¼%	3¼—3½%	..
June	2—2¼%	3½—2¾%	..
July	1½%	3¾%	..
August	3½%	3¾%	..
September	3¼%	3½—3¾%	..
October	4½%	3¾%	..
November	4%	3¾%	..
December	3¾—4½%	4%	..

It is significant to note here that the slack season call money rates during the current year were substantially higher than the corresponding period of last year when the rate dipped to as low as 1½% in July, 1960. Money market again turned stringent since December with the onset of busy season and at the end of March 1962, the rates were qouted between 3¾%-4%.

CHAPTER XI

DEVELOPMENTS IN BANKING

Banking system in Pakistan is more or less on the pattern of British banking system. There are a few large banks with a network of branches playing a dominant role in the economy.

The banks in Pakistan may be divided into two categories : (a) Scheduled banks and (b) Non-scheduled banks. The term scheduled bank owes its origin to the Reserve Bank of India Act where the banks having paid up capital and reserves amounting to not less than Rs. 5 lakhs had certain privileges and obligations and were mentioned in a Schedule to the Act. All other banks with a paid-up capital of less than Rs. 5 lakhs were not mentioned and came to be called non-scheduled banks.

Scheduled banks can be divided into three groups—foreign banks, earlier known as Exchange Banks, Indian banks and Pakistani banks. Exchange banks and Indian banks handle a substantial part of the country's foreign trade while the Pakistani banks are engaged primarily in internal financing in which non-Pakistani banks also have some share. Pakistani banks, of late, have been taking an increasing share of the country's foreign trade by opening offices abroad.

It would be of interest to trace out briefly the history of commercial banking in Pakistan. In the wake of Partition, the banking system in Pakistan had virtually collapsed owing to the exodus of non-Muslims who started these institutions. Out of 13 scheduled banks which had their head offices in areas comprising Pakistan, 12 owned and run by non-Muslims transferred their head offices to India while only one Muslim-owned Scheduled bank moved its head office from India to Pakistan. Over night, the number of bank offices fell from 631 to 213. The situation in West Pakistan was proportionately worse than in the country as a whole as only 69 bank offices remained behind out of the 487 that flourished before. The task of re-organising the banking structure was taken up in earnest. The establishment of the State Bank of Pakistan in July, 1948 was a historical event. Under the able guidance of the State Bank, the banking system that has emerged today is powerful, cohesive and national in character.

During the year 1961 and the first quarter of 1962, there was general progress in the activities of the scheduled banks. The number of scheduled banks increased from 29 at the end of 1960 to 31 at the end of 1961 and to 33 at the end of March, 1962. Five new banks were added to the list during the period under review. These are : (1) Bank of America, National Trust and Saving Association, (2) First National City Bank of New York, (3) Industrial Development Bank of

Pakistan, (4) Deutsch Asiatische Bank and (5) Lahore Commercial Bank. But the net addition was only four due to the merger of Lloyds Bank branches with the National and Grindlays Bank. The position of scheduled banks was further strengthened with the opening of new branch offices in and outside the country. The total number of scheduled bank offices increased from 473 in December, 1960 to 630 in December, 1961 and 674 at the end of March, 1962. Of 674 offices, 465 were located in West Pakistan and 209 in East Pakistan.

The continued strength of the Pakistani 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. 8.09 crores at the end of 1959 increased to Rs. 10.55 crores in 1960 and further to Rs. 18.80 crores at the end of 1961. The reserves improved to Rs. 6.70 crores at the end of 1961 from Rs. 3.90 crores and Rs. 5.10 crores at the end of 1959 and 1960 respectively A detailed account of the deposits, credits advanced and investments of the scheduled banks has been given in the previous chapter.

Role of Credit Institutions

The credit institutions like the Industrial Development Bank of Pakistan (IDBP), Pakistan Industrial Credit and Investment Corporation (PICIC), Agricultural Development Bank (ADB) and the House Building Finance Corporation (HBFC) have been playing an increasingly important role in the field of credit. Of these, the IDBP and the ADB have already been enlisted as scheduled banks and functioning as such.

A brief review of the activities of these institutions is given below.

INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN

The Pakistan Industrial Finance Corporation was set up in early 1949 to meet the needs of the industrial sector, for medium and long-term loans During the 12 years of its operations ending June 1961, the accommodation provided by the Corporation to the industries amounted to over Rs. 27 crores. Although the Corporation's advances were distributed over a wide range of industries, the textile industry accounted for the bulk of the advances.

The Corporation, however, suffered from certain inherent weaknesses. It did not accept deposits, nor could it finance the establishment of new industries and grant loan against prospective assets. Besides, it was unable to provide foreign exchange to any industrial project. The activities of the Corporation suffered a major setback during the late fifties, because of the restrictions imposed on the imports of capital goods and its inability to provide foreign exchange to its clients.

In spite of the various drawbacks, the Corporation continued to fulfil a very useful purpose and the total amount of its advances went on

increasing. There was a phenomenal rise in its activities during 1960-61 when it was entrusted with the responsibility of administering foreign credits on behalf of the Government.

An enquiry into existing credit structure of the country by the Credit Enquiry Commission in 1959 revealed the inadequacy of the existing institutional arrangements for industrial finance, particularly in the field of long-term finance for the medium and small-scale industries.

Following the recommendations of the Credit Enquiry Commission, the Government of Pakistan promulgated an Ordinance on July 29, 1961, establishing the Industrial Development Bank of Pakistan. In fact, the Bank is re-organisation of the former PIFCO, but with enlarged functions.

The Bank has a paid-up capital of Rs. 3 crores divided into 3 lakh fully paid-up shares of Rs. 100 each. Fifty-one per cent. of the share capital has been subscribed by the Government and the rest by the public.

The Bank is primarily concerned with providing long-term credit to the medium and small-scale industries which its predecessor could not do. The present lending limit of the Bank is Rs. 10 lakhs in case of limited companies and Rs. 5 lakhs in the case of other concerns except with the approval of the Government. This restriction does not apply to mining, jute, cotton, inland transport, and such other industries as are specified by the Government from time to time. The lending limit in the case of foreign exchange loans is at present Rs. 5 lakhs. The Bank is also engaged in administering several foreign credits on behalf of the Government. It is also negotiating directly with various international agencies for long-term credits.

The Bank finances the establishment of new industries, as well as balancing and modernisation of existing units. The list of industries eligible for assistance has been extended to include road transport, film exhibitions, hotels, industrial trading estates and organisations engaged in testing and research.

The development of the under-developed regions of the country will also be the responsibility of the Bank. For these areas, the Bank is prepared to give loans on more liberal terms. Also those sectors of the industry, including mining, which have faced difficulties owing to lack of credit, will receive particular attention.

The following figures give an indication of the activities of PIFCO and the IDBP since inception.

Loans Sanctioned by PIFCO and IDBP

Particulars	Amount in Rupees
LOANSSANCTIONED BY PIFCO :	
Rupee Loans	17,42,24,000
Foreign Currency Loans	9,89,54,241
	27,31,78,241
LOANSSANCTIONED BY IDBP FROM 1-8-1961 to 31-3-1962 :	
Rupee Loans	3,45,63,200
Foreign Currency Loans	9,89,15,829
	13,34,79,029
No. of Cases :	
Local Currency Loans	97
Foreign Currency Loans	108
	205

The above figures show that the Bank's activities has greatly increased. The relending credits from various countries, such as the United Kingdom, Germany, France, Japan, Yugoslavia etc., has enabled it to give loans in foreign exchange. The Bank is also negotiating loans with various international agencies.

In order to avoid unnecessary delays in the processing of applications, the Bank is encouraging decentralization in its set-up. By forming a Technical Advisory Committee for each of the three Regional Offices, it has become possible to process applications more speedily.

PAKISTAN INDUSTRIAL CREDIT AND INVESTMENT CORPORATION

The Pakistan Industrial Credit and Investment Corporation (PICIC) was established in October, 1957, to supplement the existing facilities for long and medium-term credit to private industries. The actual operation of the Corporation started in November, 1957. The Corporation has authorised share capital of Rs. 15 crores, of which Rs. 3 crores are paid-up. Forty per cent. of the share capital is subscribed by private share-holders in the U.S.A., the U.K., Canada, Japan and West Germany and 60 per cent.

by the Pakistani private investors. The Corporation which is authorised to borrow up to three times its capital, reserves and Government advances, recently approached its borrowing limits, and the share capital was, therefore, raised by Rs. 1 crore to Rs. 3 crores in 1961.

The Corporation is authorised to provide long and medium-term loans generally (7 to 12 years maturity) in foreign and local currency, in addition to direct equity participation and arranging local and external finance from private and institutional sources. 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 interest. From 1960, the Corporation started underwriting of shares as a part of its programme to assist the development of the capital market. It has so far agreed with four companies for underwriting shares of the nominal value of Rs. 151 lakhs.

PICIC's financial resources are derived only partly from the paid-up capital. It has received two long-term loans totalling Rs. 6 crores from the Central Government out of which Rs. 5 crores have been drawn so far. These loans are subordinated to all its liabilities and the share capital, and hence count as equity for all practical purposes. It has received several lines of credit in foreign currencies amounting to $ 73.8 million from the World Bank (IBRD), U.S. Agency for International Development (AID) and some friendly countries as shown below.

Foreign Funds Received by PICIC

Agency/Country	(Million $)
IBRD	29.4
AID	29.4
West Germany	5.0
Japan	5.0
France	5.0
Total ..	73.8

During the period 1958—61, it sanctioned 232 loans for a total of Rs. 25.75 crores of which Rs. 22.48 crores were in foreign currencies and Rs. 3.27 crores in local currency. This together with matching entrepreneurial investment estimated at Rs. 26.52 crores, has meant an effective capital formation of Rs. 52.27 crores. In addition, it has entered into four underwriting commitments for public issue of shares aggregating

Rs. 1.51 crores. All these 4 issues have since been made and PICIC had to take up shares for Rs. 3,48,220 only. A region-wise break-up of PICIC's loan operation is given below :

Regional Distribution of PICIC Loans
1958—61

(In crore Rupees)

Region	No.	Local	Foreign	Total
Karachi	65	0.59	5.31	5.90
West Pakistan	104	0.82	12.13	12.95
East Pakistan	63	1.86	5.04	6.90
Total ..	232	3.27	22.48	25.75

During the year 1961, loan agreements were entered totalling Rs. 7.28 crores of which the equivalent of Rs. 7.02 crores were in foreign currencies and Rs. 26.50 lakhs in local currency. Total commitments since the incepton of the Corporation up to the end of 1961 amounted to Rs. 20.20 crores in respect of 202 projects of which the equivalent of Rs. 16.94 crores were in foreign currencies and Rs. 3.08 crores in local currency. In addition to the above, loans aggregating Rs. 5.73 crores for 30 more projects had been sanctioned but loan agreements had not been signed as of 31st December, 1961.

The amount disbursed during the year 1961 totalled Rs. 3.43 crores bringing total disbursements since the Corporation commenced business to Rs. 10.14 crores. In addition, letters of credit for an amount of Rs. 3.49 crores were outstanding as at the close of 1961. Repayments during the year amounted to Rs. 95 lakhs bringing total figure of repayments to Rs. 1.60 crore since the establishment of the Corporation.

The demand for PICIC's financial assistance has grown with the tempo of industrial progress in the country. Starting with total effective loans of Rs. 3.68 crores in 1958, the volume of its loans has grown progressively until it stood at Rs. 11.05 crores for the calendar year 1961. Loans have been provided for new projects as well as for balancing and modernisation of existing industrial units. Out of 232 projects which have been financed, 119 are new units and 113 were assisted for balancing and modernization. The loan operations are well diversified covering a wide range of industries, numbering 57, which have availed of its facilities. By broad industrial groups for 1958—61 period as a whole, the textile industry has received the largest amount, *i.e.*, Rs. 7.79 crores. Others in order of importance are food products and processing (Rs. 7.04 crores), engineering (Rs. 3.02 crores), cement, clay, ceramics and glass (Rs. 2.78 crores, chemicals (Rs. 2.32 crores), paper and paper products (Rs. 1.29 crores and miscellaneous industries (Rs. 1.51 crore).

The rate of interest charged by PICIC is 7½—8½ per cent. It may be of interest to note that PICIC itself pays 5½ to 6 per cent. interest on its own foreign borrowings.

PICIC has been given a significant role to play in the implementation of the Second Five-Year Plan. The Industrial Investment Schedule formulated for the private sector of industries serves is the guide for its investment. Out of the target investment of Rs. 308 crores under the Second Plan in the private industrial sector, PICIC is expected to provide foreign currency loans of Rs. 75 crores. This together with matching private investment of an equivalent amount would account for about half of the total. To fulfil its investment target, it proposes to raise $ 157 million from abroad, out of which $ 45 million has already been obtained.

In addition, PICIC also investigates the possibilities of investments in new and untapped fields for the convenience of prospective investors. A notable example of this is its survey of cement industry in Pakistan.

PICIC has endeavoured to broaden the capital market by often requiring in the case of larger enterprises conversion of private companies into public joint stock companies. As a result, 17 new public limited companies have come into existence and duly listed on the stock exchange. This has preceptibly widened investment field for the public.

AGRICULTURAL DEVELOPMENT BANK

This Bank was established on February 18, 1961, under the Agricultural Development Bank of Pakistan Ordinance of 1961 by the merger of the former Agricultural Development Finance Corporation (ADFC) established in 1952 and the Agricultural Bank of Pakistan (ABP) established in 1957. The merger followed on the recommendations of the Credit Enquiry Commission. Before this merger, both the ADFC and the ABP were providing agricultural credit in areas allocated to them by the Government. The ADFC was functioning in half of the districts of both West and East Pakistan and the other half of the districts in the two Provinces were under the jurisdiction of the ABP. Although both organisations were providing the same kind of credit facilities, since they were under different managements, their policies and procedures differed in several important respect. Even the rate of interest charged by them was not quite uniform. As the functions of both organisations were similar, and both were working with capital provided by the Government, it was felt desirable to merge them into one organization, in order to have a uniform policy and procedure in the provision of credit facilities to agriculturists all over the country, and also to economise overhead expenses.

On February 18, 1961, the paid-up share capital of the former Agricultural Development Finance Corporation was Rs. 5 crores, all subscribed by the Central Government, and of the Agricultural Bank of Pakistan Rs. 3.25 crores—of which a sum of Rs. 2.25 crores was subscribed by the Central Government and Rs. 50 lakhs each by the Governments of West and East Pakistan.

The merged organisation, therefore, started with a paid-up share capita of Rs. 8.25 crores. A sum of Rs. 1.75 crores was subscribed towards the share capital of the Bank during the year 1961-62. The paid-up share capital of the Bank has thus been raised to Rs. 10 crores.

In order to augment its resources, for loan operations, the Bank has been authorised to borrow money against the security of its assets or othervise and also to accept money on deposits. The Bank provides fixed deposit and saving bank facilities in rural areas on attractive terms.

The Bank provides credit both in cash and in kind for agricultural purposes and also for cottage industries.

The definition of "agriculture" includes raising of crops, horticulture, forestry, fisheries, animal husbandry, poultry farming, dairying, bee-keeping and sericulture. Besides individuals, public and private limited companies engaged in agriculture or in the development of agriculture are also eligible for loans from the Bank.

The loans are advanced for short, medium and long terms. Short term loans are generally given for 18 months, medium term loans for periods not exceeding 5 years and long term loans for periods exceeding 5 years. The bank charges interest at the rate of 7 per cent on loans up to 5 years, and 6 per cent. on loans for periods exceeding 5 years. The Bank also charges an additional interest of 1|2 per cent in the case of defaut in the repayment of loans from the date of default.

There has been a steady increase in the loan operations of the Bank as is shown in the following table.

Progressive Figures of Loans Advanced by ADB from 1952-53 *upto* 1961-62

(In Thousand Rupees)

Upto he end of	East Pakistan	West Pakistan	Total
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 (1)	9,81,37	9,42,12	19,23,49

(1) Up to March, 1962

It will be seen that upto the end of March 1962, the Bank had advanced loans amounting to Rs. 19.23 crores. The average amount of loans in East Pakistan is Rs. 350 per borrower and in West Pakistan, Rs. 2,000 per borrower. A study of the distribution of loans according to the size of holdings indicates that there is a heavy preponderance of borrowers possessing small holdings both in East and West Pakistan. While in East Pakistan, 93 per cent of the borrowers are small land holders, in West Pakistan 68 per cent of the borrowers belong to this category. Figures of loans sanctioned, as compared to those actually advanced, show a slightly different distribution. In East Pakistan, 76 per cent of total loans sanctioned were to small holders of land while in West Pakistan only 23 per cent of the total loans were sanctioned to this category of loanees.

During the calendar year 1961, the Agricultural Development Bank advanced loans amounting to Rs. 6.85 crores as compared to Rs. 6.02 crores in 1960 and Rs. 2.19 crores in 1959. During the first three months of 1962, a sum of Rs. 2.23 crores were advanced.

At the time of merger, the Bank had 47 branches, 5 sub-branches and 22 Pay Offices spread all over the country. After the merger, the existing branches, sub-branches and pay offices were reorganised. At present, it has 93 offices of which 51 are located in West Pakistan and 42 in East Pakistan.

The Bank also advances loans for specialised purposes. The Bank has recently arranged, wherever possible, to advance loans exclusively for development of certain cash and food crops against the hypothecation of the crops to be grown by the growers. For example, loans are advanced on short-term basis for the cultivation and marketing of tea crop, besides loans for the development of tea estates. The Tea Development Committee has made arrangements with the Agricultural Development Bank for financing the loans to the tea estates.

Similarly, credit is being provided to cash crops such as sugarcane, cultivated in the vicinity of sugar mills, and cotton crops cultivated in the neighbourhood of ginning factories. Paddy cultivation is also receiving special attention, and loans are advanced for cultivation of this crop in East Pakistan. In the case of all these specialised loans, arrangements have been made with the marketing agencies to ensure that the produce of the cultivator is delivered either to a broker (for tea), or ginning factories (for cotton) or sugar factories (for sugarcane) or the Department of Food, Government of East Pakistan (for paddy). The loans against hypothecation of crops are also helpful to those agriculturists who have no other property to offer as security. Such loans are also sanctioned quickly as they do not involve execution or registration of a mortgage.

The table below shows the amount of loans advanced against hypothecation of crops.

Loans Advanced against Hypothecation of Crops since inception upto March, 1962

(In Rupees)

Crop	Against Mortgage	Against Hypothecation
Tea	5,24,603*	36,12,188*
Paddy	—	29,71,231*
Sugarcane	—	58,85,573*
Cotton	—	10,41,697*

*Provisional

Besides, the Bank advanced loans amounting to Rs. 2.06 crores in the areas covered by the Model Scheme known as the Crash Programme. Of his, Rs. 1.61 crore was paid in the Crash Programme areas of East Pakstan and Rs. 0.45 crore in West Pakistan. A sum of Rs. 34.64 lakhs was also given for the development of marine fisheries and Rs. 2.90 lakhs in cyclone affected areas in East Pakistan.

The dues of the Bank are recovered in suitable instalments which are fixel 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 1962, is 78 per cent. In the case of East Pakistan, the recovery percentage is 80 per cent while in West Pakistan it is 75 per cent. The season of recoveries starts from January and continues upto April.

HOUSE BUILDING FINANCE CORPORATION

The construction of new houses was relatively neglected in the Indo-Pakstan Sub-continent during the war years. The demand for housing facilities, on the other hand, continued to grow rapidly during this period on account of increasing population, war-time inflationary pressure and accelerated urbanization. While rent control acts adopted in various big cities provided relief to middle class urban dwellers, little incentive was left for new construction or even for proper maintenance.

On Partition, the uprooting and immigration of millions of refugees intensified the housing problem. Not all the refugees could be settled on land and not all from rural areas were willing to go back to the traditional way of life. There were opportunities in the cities caused by the exodus of Hindu traders and middlemen which attracted fresh immigrants from the villages. Moreover, Muslims from all the big cities of India flocked to the new urban centres in Pakistan. The process of

economic development and industrialization inevitably leads to urbanization. In Pakistan the rate of progress was accelerated sharply in the decade following Independence.

Government spent huge sums of money on the development of waste lands adjoining the cities and towns in West Pakistan and East Pakistan where the influx of refugees was the largest, *i.e.*, Karachi, Lahore, Layallpur Hyderabad, Multan, Sialkot, Sargodha, Rawalpindi, Dacca and Chittagong and though every effort was made by Government towards the problem of housing shortage by building refugee colonies and satellite towns out of budgetary resources, it was felt that the problem could not be solved unless adequate steps were taken to encourage private construction activity. Finance constituted a major obstacle to the expansion of private construction since the existing agencies and institutions were not providing finance for house construction.

In order to relieve the shortage of housing accommodation and for providing financial assistance in the shape of long term loans to persons intending to construct houses in urban areas of the country, Government set up a House Building Finance Corporation under an Act known as the House Building Finance Corporation Act, 1952 (Act No. XXIV of 1952). The Act came into force on November 10, 1952, and the Corporation started functioning with a nucleus staff from that date.

The first Board of Directors was formed by the Central Government in February, 1953. The Corporation started granting loans in May, 1953. Subject to such direction on matters of policy as might be given by the Central Government, the general direction and administration of the Corporation and its affairs is vested in a duly constituted Board of Directors which, exercises all powers and performs all acts which are required to be done by the Corporation under the House Building Finance Corporation Act. The Corporation is to act on commercial considerations subject to such directions as may be given by the Central Government from time to time.

Besides its Head Office at Karachi (1), the Corporation has its regional offices at Rawalpindi and Lahore in West Pakistan and Dacca in East Pakistan. There are four Sub-Regional Offices in West Pakistan at Lyallpur, Peshawar, Multan and Hyderabad and three in East Pakistan at Chittagong, Khulna and Rajshahi. The Corporation has so far extended credit facilities to 37 cities in West Pakistan and 33 cities in East Pakistan. The facilities are progressively being extended as the demand for loans are received from other towns and cities.

The authorised share capital of the Corporation is Rs. 5 crores which has fully been subscribed by the Government. The Corporation pays 2

(1) To be shifted soon to Dacca. *See* Chapter XV.

per cent interest on this to the Government. The Corporation can increase its working capital by issue of bonds and debentures which are guaranteed by the Central Government both in regard to principal and interest.

The maximum amount of loan that can be given by the Corporation to an individual is Rs. 40,000. In the beginning the minimum amount of loan was kept at Rs. 4,000 but later on, the Act was amended and the limit was reduced to Rs. 2,000 to enable persons of small income groups to take advantage of the loan. In the case of Co-operative Societies, the amount of loan that can be granted is upto Rs. 10 lakhs. The maximum period of repayment of loan prescribed in the Act is 20 years but as a working arrangement the period of repayment has been fixed at 15 years. Loans are advanced against the mortgage of movable or immovable properties of the borrowers or their sureties and also against the securities of plots of land and houses to be constructed thereon. The rate of interest chargeable has been changing from time to time and the present rate is 6¼ per cent. This rate compares favourably with the rates charged on house building loans in 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 thereon, 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 is to get his building insured against fire and|or earthquake risks before the last instalment is drawn.

In West and East Pakistan, all mortgages on loans upto Rs. 20,000 are exempt from stamp duty. No registration fee is charged for loans upto Rs. 10,000 in East Pakistan.

By the end of March 1962, loans amounting to about Rs. 12.59 crores were sanctioned for the construction of 6,975 houses. During the period from 1st January, 1961 to the end of March, 1962 loans amounting to Rs. 2.95 crores were sanctioned for the construction of 1,506 houses. The zonal distribution of application received and loans sanctioned during this period is shown below:

Zone	Applications received from 1-1-61 to 31-3-62		Loans sanctioned excluding cancellations from 1-1-61 to 31-3-62	
	No.	Amount	No.	Amount
		Rs.		Rs.
Karachi	1,044	1,90,14,000	688	1,19,36,000
West Pakistan	784	1,61,11,000	575	1,08,19,000
East Pakistan	309	86,85,000	243	66,40,000
Total ..	2,137	4,38,10,000	1,506	2,93,95,000

The Corporation has been making profits. The net profit for the year 1960-61 was Rs. 14,20,841 subject to taxation. Besides this, the Corporation has established Reserve Fund of Rs. 17,86,413 and a reserve for bad and doubtful debts amounting to Rs. 2,25,000.

Co-operative Credit

Besides these institutions, credit is also provided by the co-operatives. In order to strengthen the co-operative credit structure in 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 which was transferred to Reserve Fund in 1960 pending creation of a Rural Credit Fund, was accordingly transferred to the Rural Credit Fund. The size of the Fund was increased by another Rs. 1 crore by appropriation from 1960-61 profits of the State Bank bringing the total amount to Rs. 2 crores.

The State Bank also continued to grant loans to co-operatives and specialised agencies for financing seasonal agricultural operations and marketing of crops. The Bank made available Rs. 17.22 crores through the Provincial Co-operative Banks and statutory agricultural credit agencies in both wings. In East Pakistan a biginning was also made in financing Fisherman's Co-operatives.

Drive to Popularise Banking

The State Bank of Pakistan in collaboration with the commercial banks launched a nation-wide publicity campaign to popularise banking habit and savings among the people. A Banking Publicity Board was set up at Karachi for this purpose with six regional committees, ten local committees and fifty district centres in East and West Pakistan. The State Bank undertook to bear expenditure of the secretariat of the Publicity Board as well as one third of the expenditure to be incurred for conducting the campaign. The rest of the expenditure was to be shared by the scheduled banks in proportion to their deposits.

CHAPTER XII

STOCK MARKET

The improvement in the all-shares index from 190.77 on 30th June, 1961, to 226 on 30th March, 1962 is evidence of the success of the financial policy during 1961-62, and of the confidence it has engendered in the investing community.

The stock market remained under bearish influence for the first eight months of 1961. The index of all shares, which stood at 194.45 on 6th January, 1961, gradually declined to 187.02 during the week ended 11th August, 1961. This downward trend may be attributed to monetary stringency resulting from the transfer of foodgrain trade to private hands and import liberalization measures which increased the amount of money locked up in imported goods. The liberal import policy for industrial raw materials and some consumer goods also pushed down prices, which naturally affected the inflated share values of concerns manufacturing such goods.

The textile section, generally regarded as the leader of the Stock Exchange, remained dull as a consequence of the mills' limited earnings under the textile price controls that prevailed until January, 1961. Removals of controls, however, failed to revive the market immediately; share values declined to their low point in the week ended 11th August. The jute, insurance, and miscellaneous shares averages showed a proportonately greater decline. Bank shares, however, denoted a slight gain (See table on the following page).

Thereafter, the market turned buoyant under the influence of a number of favourable factors :—

(i) An amendment in the Insurance Act effected on 8th August, 1961, allowing insurance companies to invest 60% of their life funds in " approved investments " as against the old limit of 40%.

(ii) Abolition of credit restrictions by State Bank of Pakistan against shares of existing companies with effect from 15th August, 1961, and

(iii) Declaration of favourable working results by a number of companies.

The index of all shares rose sharply from 187.02 during the week ended 11th August to 205.57 points during the week ended 3rd November, 1961. Trading was active, partly on investment account and partly short covering by speculators in the forward section. All groups except Insurance participated in this gain.

From 4th November, 1961, to 1st December, 1961, the stock market showed signs of fatigue after its upward drive. The rising tendency stopped as buying fervour abated. The focus of trading shifted to Bonus Vouchers. The all-shares index declined fractionally in November from 205.57 to 205.38 in the week ended 1st December, 1961.

During December, however, the stock market continued to gather strength. The all-shares index advanced to 212.12 on December 28, 1961. The advance was mainly in Insurance and Textiles. The sharp rise in Bonus Vouchers prices and the Government's decision to allow import of cotton textile machinery in East Pakistan under vouchers, including the vouchers from the 50 per cent that had hitherto been reserved for the import requirements of the jute industry, lent support to the market sentiment.

Continuous rise in the prices of bonus vouchers and the growing feeling that industries would be expected to increase production considerably in 1962, gave a bullish tendency to the shares market. By 2nd February, 1962, the index of all shares had risen by 19.25 points to 231.37 ; the advance was led by the Insurance group.

Share prices, however, reacted sharply during the week ended 8th February, 1962 ; the all-shares index registered a loss of about 4 points to 227.27.

The next four weeks ended 7th March, witnessed a continuous improvement in the stock marnket and the all-shares index moved up to 232.98. All groups except jute made gains.

From 8th till 30th March, 1962, the market slackened and the all-shares index went down to 226—a net loss of 6.98 points over the three weeks. Every group registered some loss during the period. This recession may be attributed to general liquidation by short-term investors wanting to invest in new shares flotations.

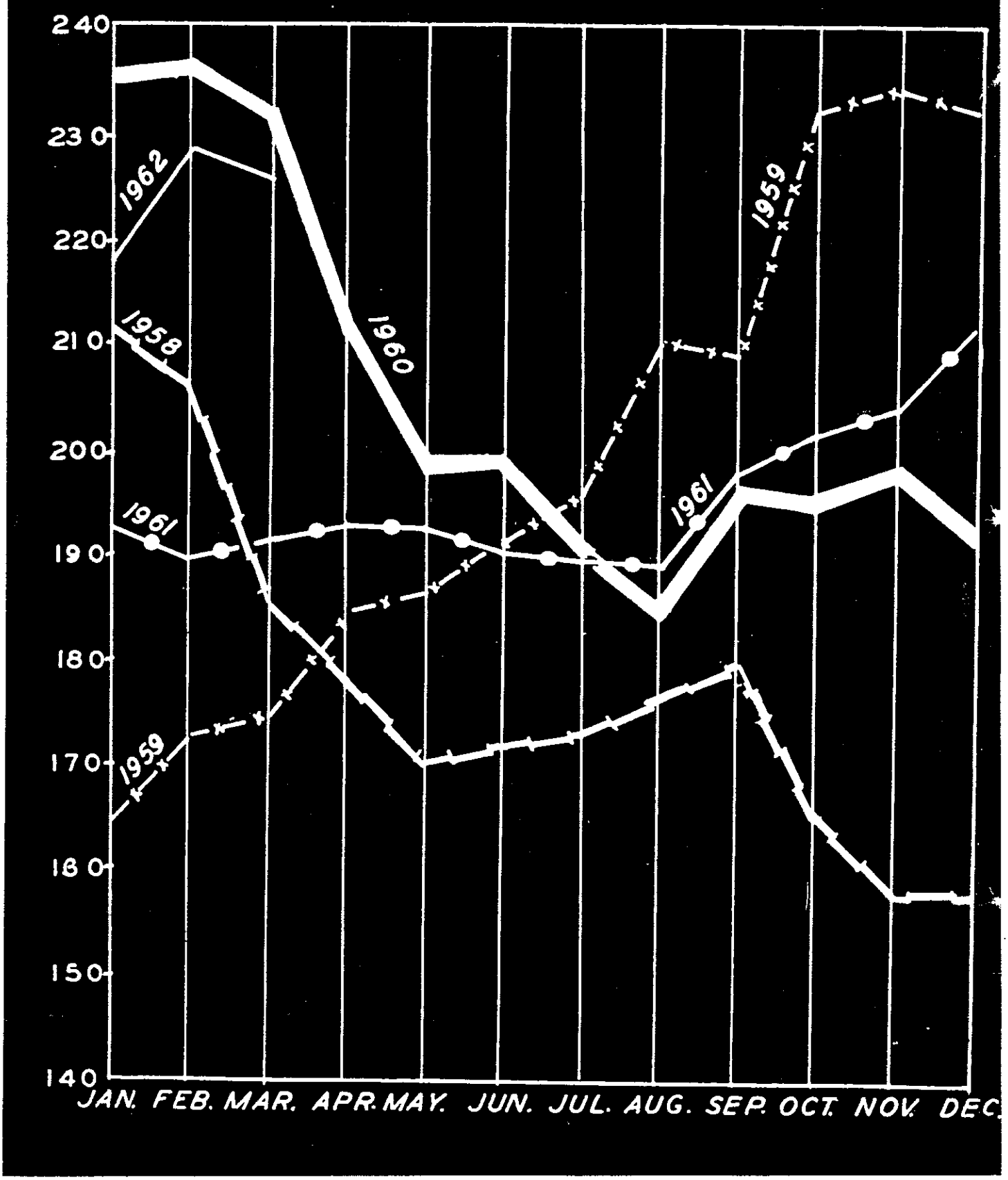
The major movements in share values from 30th December, 1960, to 30th March, 1962, are reflected in the averages of shares shown in the table below. More details are given in Table 70 in the Statistical Section.

Averages of Share Values at Karachi

(All shares converted to the paid value of Rs. 100)

Group	30-12-60	11-8-61	3-11-61	28-12-61	2-2-62	8-2-62	7-3-62	30-3-62
Banks	189·25	193·75	210·65	219·00	242·17	231·50	240·46	37·67
Insurance	214·69	206·00	205·40	238·75	285·50	292·30	300·90	296·25
Textiles	244·84	241·65	283·31	294·66	319·07	311·08	320·89	311·44
Jute	145·42	134·63	145·20	139·17	148·43	143·93	147·33	147·13
Miscellaneous ..	16·15	154·03	166·37	162·93	170·20	168·44	169·41	159·50
All Shares (Index) ..	192·70	187·02	205·57	212·12	231·37	227·27	232.98	226·00

INDICES OF SHARE VALUES
(ALL SHARES)
MONTH-END QUOTATIONS



A graph on the opposite page shows the overall trend in shares since January, 1958.

Bonus Vouchers

The Export Bonus Scheme was introduced in January, 1959. During the following two years the home market was highly protected, imports were tightly restricted and there was a large unsatisfied demand for many types of goods. Imports, therefore, were highly profitable. In consequence, bonus vouchers commanded a high premium during 1959 and 1960.

As a result of the reduced supply of vouchers after the cut in the percentage under yarn export from 20 to 10 per cent. and the possibility that sale of vouchers from the jute industry might be restricted, the ready quotation rose as high as Rs. 185 during the week ended 12th February, 1960. Good enquiry for the import of motor vehicles was reportedly responsible for the spurt. Thereafter, quotations began to decline on report of some sale of vouchers by jute mills. The ready quotation fluctuated between Rs. 150 and Rs. 142 during the week ended 3rd June, 1960.

Later on, a few sensitive items like crockery, earthenware and glassware, which were being marketed at high prices, were eliminated from the bonus import list. Import policy was also liberalized for the shipping period July—December, 1960. As a result, enthusiasm to acquire vouchers slackened and the ready quotation fell to a range of Rs. 137.50 to Rs. 118.50 in the month of December, 1960.

The year 1961 started with a quotation of Rs. 135. During the first two months, prices showed an upward trend due to increased buying by the textile mills, presumably for expansion and modernisation. Ready vouchers were quoted at Rs. 139 on 28th February, 1961. Thereafter, they began to decline, due presumably to the apprehension of a sharp fal in the prices of goods placed under O. G. L. by the Government in March 1961. This coupled with the inclusion of more export items under the Bonus Scheme created a bearish tendency and led to large offerings of Vouchers in the market. The main buyers had already blocked their working capital in goods imported under Vouchers. All these factors brought a crash in the bonus market. The ready quotation sagged to Rs. 89.50 on 8th August, 1961, although 33 items were added to the import list of the Bonus Scheme on 30th June ; these additions were not regarded by traders as attractive items.

Recovery started from early August, 1961, which was mainly attributable to the restrictions placed by the Government on the sale of bonus vouchers by the jute industry to 50% of their bonus earnings. The

inclusion of art silk yarn on the Import Schedule of Export Bonus Scheme with effect from 30th August, 1961, give rise to buying pressure in the face of restricted supply and the price rose to Rs. 125 on 1st September. However, the vouchers soon started losing ground, and by 29th September the ready quotation had slumped to Rs. 103.

The price of Bonus Vouchers improved during October, 1961, as the supply was scarce as a result of reduced exports of rice and jute goods. Increased demand pushed up the ready quotation to Rs. 110.50 on 28th October. The expectations that sugar imports would be allowed under Bonus Vouchers led to heavy buying of vouchers and the ready quotation went up by Rs. 5.50 to close at Rs. 116 on 31st October.

Afterwards, rumours and counter-roumours governed the trade. For example, expectation of additions to importable items was offset by the rumours that cotton yarn exports were going to be allowed to earn vouchers. Their prices fluctuated but the trend remained upward during November, 1961.

After 27th November, trading activity was hectic and prices rose in expectation of a Government declaration permitting import of sugar against Bonus Vouchers; this was announced on 30th November, and prices spurted sharply from Rs. 135 on 29th November, to Rs. 146 on 1st December. The ready quotation touched Rs. 163 on 9th December, as the sugar traders sought to exploit the demand for that commodity. As they expanded their commitments and sugar prices began to ease, the market for Bonus Vouchers weakened. The year-end quotation on 30th December 1961 was Rs. 158.

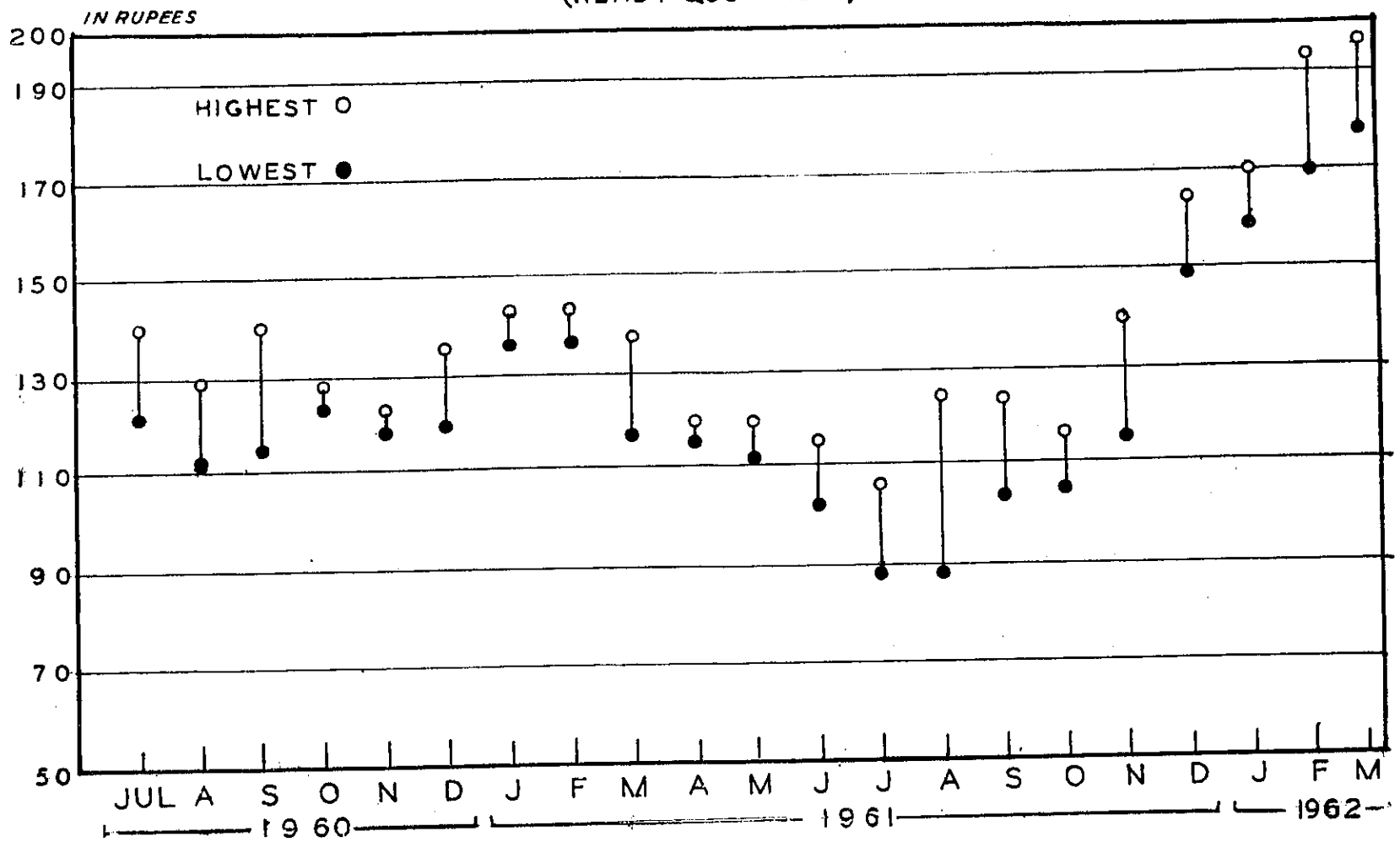
The first month of 1962 witnessed a bullish trend. Vouchers were in demand from sugar and art silk importers and rumours were afloat that changes would be made in the bonus scheme, including the addition of certain attractive items to the import list. Speculative purchase of Vouchers occurred and some sellers of future contracts failed to hedge their commitments. All these factors produced a temporarily enhanced demand. The ready quotation for Bonus Vouchers, which was Rs. 158.50 on 1st January, 962, rose to Rs. 171 on 16th Januaury. In the latter half of January, the market quotations ranged between Rs. 166 and Rs. 170.

In the first week of February, the market became highly bullish due to speculation; on 8th February, the quotation rose to Rs. 185, and to Rs. 190.50 on 14th February.

Thereafter, the Bonus market eased somewhat, as tenders of 40,000 tons of rice were announced and reports were heard of possible alterations of the items under the Scheme. The ready quotation slumped

PRICES OF BONUS VOUCHERS AT KARACHI

(READY QUOTATIONS)



to Rs. 186 on 21st February. The downward drift stopped at Rs. 180.50 for Vouchers in the ready section on 28th February. The price rose subsequently to Rs. 184 on 7th March, 1962.

During the second week of March, the ready quotation established a new record of Rs. 196 but the week closed at Rs. 192.50. Heavy buying from the sugar trade was stimulated by rumours that the Government might stop further imports of sugar; speculators anticipated a sharp rise in sugar prices—if this occurred, they wished to act their orders in under the wire.

Thereafter a sagging tendency developed on rumours of the Government's acceptance of rice tenders, and in view of lack of buying interest on the part of sugar and art silk yarn importers. The ready quotation declined to Rs. 190 on 22nd March, and to Rs. 181.25 on the 31st March.

The graph on the opposite page shows the trend of ready quotations of Bonus Vouchers since July, 1960. For more details, *see* Table 71 in the Statistical Section.

CHAPTER XIII

PUBLIC FINANCE

Budget of the Central Government

Pakistan has a federal system of government. The constituent units, called provinces, have separate budgets[1], Since July 1961, Railways also have a budget of their own.

The Central Budget has two main parts : (a) the Ordinary Budget, comprising revenues received from taxation, fees and public utilities, and the normal expenditures of Government ; and (b) the Capital Budget, which includes non-revenue income—from loans, state trading operations, foreign aid, etc.—and expenditure involving loans to Provincial Governments and for development programmes and capital equipment.

Capital Budget

The Capital Budget covers expenditures intended to create assets of a lasting character. It is the policy of Government to keep normal administrative expenditure within the bounds of revenue receipts ; and the Ordinary Budget has regularly shown a surplus. But to allow our meager ordinary revenues, which are themselves an index of economic under-development, to set the limits for the country's economic progress would slow that progress to a snail's pace. Capital expenditures of the Central and Provincial Governments are financed in the main from internal borrowings and from aid and credits.

In recent years foreign assistance has come to play a major role in financing the development programme. In 1961-62, Rs. 70.5 crores derived from external loans and Rs. 76.5 crores from foreign aid, a total of Rs. 147 crores as against Rs. 69.1 crores from these sources in 1959-60, formed a part of development expenditure.

Central Government Budgets, 1959—62

(In Lakh Rupees)

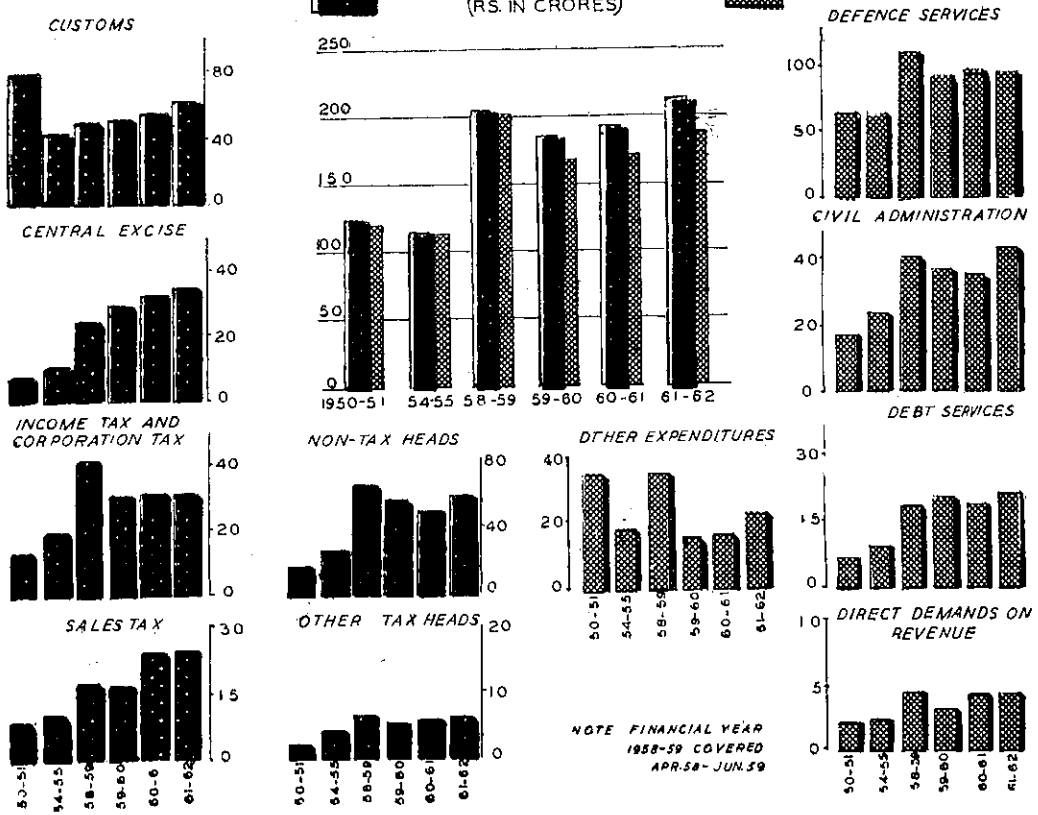
	1959-60 Accounts	1960-61 Revised Estimates	1961-62 Budget
Revenue Expenditure	173,38	174,21	191,90
Capital Outlay on Development	157,79	183,30	232,76
Non-Development Capital Outlay	18,98	25,06	12,18
	350,15	382,57	436,84
Likely shortfall in captial outlay on development ..	..	(—)4,50	(—)15,00
TOTAL EXPENDITURE	350,15	378,07	421,84

[1] The apportionment of Financial Resources between the Centre and the Provinces are discussed in the final Section of this Chapter.

BUDGETS OF THE CENTRAL GOVERNMENT OF PAKISTAN

REVENUE EXPENDITURE

(RS. IN CRORES)



(In Lakh Rupees)

	1959-60 Accounts	1960-61 Revised Estimates	1961-62 Budget Estimates
Financed by :			
(i) Revenue Receipts..	188,77	196,74	214,41
(ii) Permanent Debt (External)	27,75	39,44	70,50
(iii) Foreign Aid Fund	41,36	53,56	76,48
(iv) Unfunded Debt (Net)	9,38	8,43	9,50
(v) Floating Debt	55	5,58	(—)31
(vi) Accretion to Reserve Funds	15,43	22,97	34,52
(vii) Loans and Advances Account	10,71	3,02	4,24
(viii) Deposits and Remittances	21,01	6,50	9,00
(ix) Miscellaneous Capital Receipts	3,79	3,72	5,06
(x) Internal Permanent Debt	21,20	14,29	7,00
(xi) *Ad hoc* Treasury Bills	(—)10,00	7,00	(—)7,00
(xii) Drawings on Cash Balances	20,20	16,82	(—)1,56
TOTAL FINANCING ITEMS	350,15	378,07	421,84

Orlinary Budget

The growth of ordinary revenue and expenditure is shown in the folowing table .

Ordinary Revenue and Expenditure of the Central Government

(In Lakh Rupees)

	Actuals			Revised Estimate 1960-61	Budget Estimate 1961-62
	1950-51	1955-56	(2) 1959-60		
Revenue	1,27,32	1,43,58	1,88,77	1,96,74	2,14,41
Expenditure	1,26,62	1,43,34	1,73,38	1,74,21	1,91,90
Suplus (+) or Deficit(—)	70	24	15,39	22,53	22,51

Table 72 in the Statistical Section shows details of government revenue and expenditure. The largest single revenue source is custom duties, followed by income tax, central excise, and sales tax. These four

(2) The fiscal year of Pakistan was from April to March until 1959, when it was changed to July—June.

taxes accounted for 67.05 per cent. of Government revenue in 1959-60, the latest year for which actual accounts are available. Of ordinary expenditure in that year the defence services took 55.36 per cent. Civil administration and debt service accounted for another 33.27 per cent, leaving only 11.37 per cent. for all other items of expenditure. Table 73 in the Statistical Section shows the percentage breakdown of revenue and expenditure by major categories.

1961-62 Budgetary Position

The budget for the financial year 1961-62, presented on 30th June, 1961 reflected the improvement in the country's financial condition over the previous three years. For the first time in the history of Pakistan the budget was balanced both on the revenue and the capital side. For the first time also there were no new taxes, except for some marginal adjustments.

This improved financial condition is highlighted by a comparison of the original budget estimates for the previous year 1960-61, with the revised estimates for that year. Revenue, budgeted at Rs. 178.32 crores, was raised to Rs. 196.74 crores in the revised estimates ; expenditure increased only from Rs. 169.86 crores to Rs. 174.21 crores ; thus there was a net increase of Rs. 14.07 crores in the budgeted revenue surplus for 1960-61.

Revenue Receipts and Expenditures

Estimated revenue receipts for 1961-62 were set at Rs. 214.41 crores, Rs. 17.67 crores over the revised estimates for 1960-61. Leaving out the extraordinary receipt of Rs. 9.25 crores, from the accumulated proceeds of the development surcharge on petroleum products, the balance of Rs. 8.42 crores chiefly reflected the expectation of greater receipts from customs, central excise duties, sales tax and income and corporation taxes.

Revenue expenditure for 1961-62 was projected at Rs. 191.90 crores, an increase of Rs. 17.69 crores over the 1960-61 revised estimates. Of this Rs. 9.25 crores, corresponding to the accumulated proceeds of development surcharge on petroleum products, was transferred to Capital Account. Of the remaining Rs. 8.44 crores, Rs. 1.95 crores represented increased development expenditure ; most of the balance was assigned to additional debt service and other non-development expenditures associated with rising development outlays (including the maintenance and operational costs of completed development projects).

From all indications, it appear certain that actual revenues for 1961-62 will be larger than those budgeted.

Captal Receipts and Expenditures

Capital receipts for 1961-62, at Rs. 238.51 crores, were higher than the 1960-61 revised estimate by Rs. 58.46 crores. Internal resources were increased by the higher revenue surplus, greater accretions to Reserve Funds and the recovery of the balance of advances made to West Pakistan WAPDA. Local currency releases from the counterpart of U.S. aid were estimated to rise from Rs. 57.22 crores in 1960-61 to Rs. 70 crores in 1961-62, and expanded imports of foodstuffs under PL-480 were budgeted to yield further sum of Rs. 10 crores. An increase in the amount of foregn exchange credits for development was also projected.

Capital expenditure was budgeted at Rs. 229.94 crores, a rise of Rs. 26.08 crores over 1960-61 revised estimates. The development expenditure portion was Rs. 49.46 crores higher and non-development expenditure Rs. 12.88 crores lower. Of the increased development expenditure assistance by the Centre to the Provinces accounted for Rs. 20.26 crores ; and direct Central Government outlays for Rs. 29.22 crores, including Rs. 14.23 crores for Railway, Rs. 6.95 crores for irrigation (Indus Works), Rs. 2 crores for the new Federal Capital and Rs. 1.44 crores for agricultural improvement and research.

The excess of capital receipts over capital expenditure, amounting to Rs. 8.56 crores, was to be utilised mainly for retiring Rs. 7 crores of *ad hoc* Treasury bills.

Taxation

The three major objectives of tax policy—to increase the availability of goods in the country by encouraging industrial and commercial activity, to create a fiscal climate attractive to local and foreign investors and to rationalize and simplify the tax structure—remained unchanged. No fresh taxes were levied, however. The comprehensive tax reforms introduced in the previous two years' budgets had effectively broadened the tax base, reduced tax evasion and generally improved yields. The substantially increased revenue receipts expected as a result of high economic activity enabled the Government to offer some tax concessions, which are outlined below.

Direct Taxes

The highest marginal rate of personal income tax was reduced from 80 per cent. to 75 per cent ; this rate would apply to taxable income in excess of Rs. 60,000. If in the case of partners of registered firms their proportionate share of the super-tax on partnerships, combined with their personal tax liability, should exceed 75 per cent. of their income, the

former proviso that total tax should not exceed 75 per cent. of income would continue to apply.

An additional investment allowance for taking out life insurance policies was also given, to the extent of 10 per cent. of income, making the total investment allowance 30 per cent. of income with an unchanged maximum of Rs. 12,000. The additional 10 per cent. allowance is available only for paying life insurance premia, whereas the previously existing 20 per cent. allowance could be used either for insurance or for other eligible investments, at the tax payer's option.

Inter-corporate profits (*i.e.*, divided income received by one company from another) had been taxed at the rate of 15 per cent. for industrial profits and 20 per cent. for others. The 1961-62 budget reduced the rate for industrial profits to 10 per cent. on dividends received from a subsidiary company in which the parent firm held not less than one-third of the voting shares.

The scope of tax holiday for new industries was further extended to favour less developed regions of the country. Three categories of regions were defined, according to the level of development they had attained; and the allowable tax holiday was set at four years for industries located in the more advanced areas, and six or eight years in the others. Generally speaking, all of East Pakistan except four urban areas, and most of the areas west of the Rivers Jhelum and Indus in West Pakistan, were given the benefit of the eight year tax holiday. Use of the 60 per cent. reserve created during the period of tax holiday for the issue of bonus shares was also permitted, and the tax payable on bonus shares (at the rate of 12½ per cent) would be waived in that case. If a company could not utilize the special reserve for its own expansion, it might freely invest this sum in any industry listed in the Industrial Investment Schedule without obtaining prior Government approval. The benefit of exemptions under the tax holiday provisions of the Income Tax Act were made applicable to companies with a minimum share capital of Rs. 50,000 instead of Rs. 2 lakhs.

Income from residential houses with an annual rental up to Rs. 3,000 had previously been exempted from tax for a period of two years. This concession, scheduled to expire on 30th June, 1961, was extended for four years more, and the exemption limit was raised to Rs. 6,000. Subject to certain conditions regarding ownership, size and rent, Housing Estates building small houses were accorded a six-year tax holiday. Middle Income Housing Estates were also exempted from income tax for six years provided the annual rent did not exceed 7½ per cent. of the investment

or Rs. 500 per month for each unit; the minimum number of units required for such a Housing Estate to be eligible for the tax holiday was reduced from 100 to 25.

The mining industry was given the option of claiming either (a) the special concessions previously granted to that industry, or (b) a tax holiday of eight years. If a mine-owner chose the former alternative, he coud charge off losses incurred in mining against his income from other sources, provided the mining enterprise and the other business were owned by the same taxable entity. Similarly, irrespective of which option he chose for the taxation of mining profits as such, the mine-owner could take advantage of the tax holiday for his profits from refining or concentrating minerals in Pakistan; or alternatively could opt for the existing concession exempting from income tax profits of such operations up to 5 per cent. of the capital employed therein for a period of 5 years.

The initial depreciation allowance for the shipping industry was raised from 25 to 40 per cent.

Foreign technicians employed in approved undertakings were also granted a tax concession.

Section 23 A of the Income Tax Act, under which private companies were required to distribute a prescribed proportion of their profits to their shareholders, was made inapplicable to industrial profits.

The provision for an additional depreciation allowance on plant and machinery for the first five years of their operation, which had been due to expire in 1961, was extended to 30th June, 1965.

Indirect Taxation

A number of commodities of everyday use were exempted from sales tax. These included cycles manufactured or assembled in Pakistan, sewing machines manufactured or assembled in Pakistan, saltpetre, insecticides and pesticides (and their ingredients) used for agricultural purposes, ginger, locks, hurricane lamps, gas mantles and braids, hand-water pumps, and plastic and glass crockery made in Pakistan.

Certain concessions were also given to the ship-building industry. Ocean-going vessels, barges, steamers, launches etc., and the raw materials used in their manufacture were exempted from sales tax.

A general exemption was given to all goods exported from Pakistan and to raw materials used in the manufacture of such goods.

The statutory sales tax exemption limit of Rs. 36,000 for cottage industries was removed.

Other Highlights of Budget

Other highlights of the Central Budget for 1961-62 were :

(a) The customs duty on machinery and spare parts imported into East Pakistan was reduced from 12½ to 7½ per cent.

(b) All exciseable commodities produced in the special areas of the North-West Frontier areas of West Pakistan and in the Chittagong Hill Tracts were exempted from excise duty.

(c) The customs duty on liquors was reduced from Rs. 187.50 per proof gallon to Rs. 150.

(d) The duty on films imported from abroad was reduced from 25 Paisa to 15 Paisa per linear foot.

(e) All articles manufactured in Pakistan would be exempted from sales tax when exported.

(f) Salt manufactured in East Pakistan was exempted from excise duty.

(g) The rate of excise duty on sugar produced by power operated Khandsari factories increased 50 Paisas per cwt. to Rs. 2 per cwt.

Railway Budget

To enable the Railways to function on a proper commercial basis, the Railway Budget was separated from the General Budget in 1961-62.

The Railways budget for that year estimated revenue receipts at Rs. 70.61 crores and revenue expenditure at Rs. 61.12 crores. Rs. 7.24 crores was earmarked for the Railways contribution to the General Revenues corresponding to interest on the Government investment in the Railways. The estimated surplus, therefore, was Rs. 2.25 crores as against 0.75 crores in 1960-61. Details of this budget are discussed in the chapter on Communications.

Budgetary Position of West Pakistan

The growth of revenue receipts and expenditure in West Pakistan is shown in the table below.

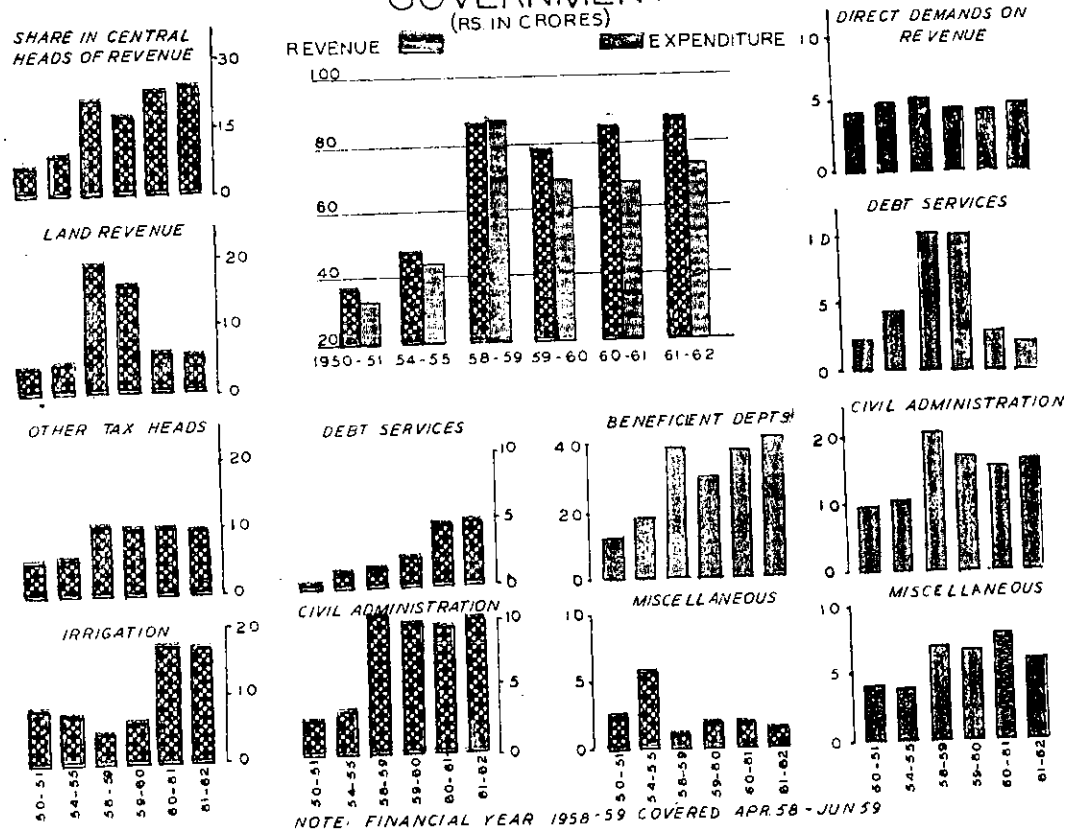
Growth of Revenue and Expenditure of the Government of West Pakistan

(Rupees in Lakhs)

	Actuals			Revised Estimates 1960-61	Budget Estimates 1961-62
	1950-51	1955-56	1959-60		
Revenue	35,98	51,06	77,39	84,41	85,38
Expenditure	33,34	46,66	69,44	67,73	72,77
Surplus (+) Deficit (—) ..	+2,64	+3,40	+7,95	+16,68	+12,61

BUDGET OF THE WEST PAKISTAN GOVERNMENT

(RS. IN CRORES)



1960-61 Budget

Revenue receipts of West Pakistan in 1960-61 were budgeted at Rs 79.83 crores, but rose to Rs. 84.41 crores in the revised estimate for that year. On the other hand, revenue expenditures were budgeted at Rs 70.95 crores but the revised estimate was only Rs. 67.73 crores. The financial condition of the province thus strengthened markedly in 1960-61. The Development Budget amounted to Rs. 70 crores in the revised estimate.

1961-62 Estimates

The provincial budget estimates for 1961-62 showed a surplus of Rs. 12.61 crores. Total Revenue Receipts of the province were estimated at Rs. 85.38 crores and Revenue expenditures at Rs. 72.77 crores.

The total provincial expenditure on development was projected at Rs. 81 crores for 1961-62, including an allocation of Rs. 60 crores from the Central Government. The remaining Rs. 21 crores would have to be found from the Province's own resources. Of the Rs. 81 crores budgeted for development, Rs. 13 crores would be spent on revenue account and the balance would be spent on Capital Account by the Provincial Government. Of the total development expenditure, Rs. 43 crores were allotted to irrigation and power projects—about Rs. 33.5 crores for WAPDA (Power) projects and the remainder for irrigation.

Nearly Rs. 5 crores were provided for the development programme in Education, including about Rs. 2.5 crores for construction of buildings and the rest for equipment, scholarships and grants-in-aid to private institutions.

The programme of the Health Department showed considerable expansion. For its developmental activities nearly Rs. 3.5 crores were provided in 1961-62 as against Rs. 2 crores during 1960-61.

Budget Highlights

Some of the highlights of the West Pakistan Budget for 1961-62 were as folows :

(a) No new tax was levied, but the temporary taxes levied during 1960-61 were continued.

(b) Provision of Rs. 3 crores was made for setting up an Agricultural Development Corporation.

(c) Rs. 24 lakhs were provided for improvement of agricultural research facilities.

(d) As an anti-salinity measure, surface drainage work would be undertaken to combat salinity, involving expenditure of Rs. 1.5 crores during 1961-62.

(e) The lion's share of revenue expenditure Rs. 16.5 crores went to the Education Department.

(f) Rs. 7 crores were budgeted for Health.

(g) The most spectacular rise in revenue expenditure was in the Agriculture sector ; Rs. 15 crores was budgeted for 1961-62 as against about Rs. 4.5 crores at the time of integration in 1955.

(h) Rs. 87 lakhs were provided for grants-in-aid to the Basic Democracies.

(j) A provision of Rs. 6 crores was included for construction of roads in the Province.

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

(Rs. in Lakhs)

	Actuals			Revised Estimates 1960-61	Budget Estimates 1961-62
	1950-51	1955-56	1959-60		
Revenue	18,20	28,83	39,79	56,08	58,06
Expenditure ..	1 ,03	28,51	37,89	49,55	52,29
Surplus (+) Deficit (—) ..	—.83	+32	+1,90	+6,53	+6,77

1960-61 Budget

The financial condition of the province improved considerably in 1960-61, as reflected in the comparison of the original budget estimates and the revised estimates for that year. Revenue was initially projected at Rs. 51.26 crores, but rose to Rs. 56.08 crores ; the expenditure estimate rose by Rs. 36 lakhs to Rs. 49.55 crores. Expenditure on capital account amounted to Rs. 57.52 crores in the revised estimate.

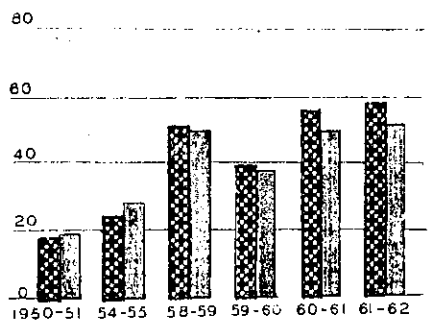
1961-62 Estimates

Revenue Receipts for 1961-62 were estimated at Rs. 58.06 crores, Rs. 1.98 crores higher than the revised estimates for the preceding year. The improvement was expected mainly from Customs (+Rs. 1.00 crores), Land Revenue (+Rs 0.62 crores), Agriculture (+Rs. 0.45 crores) and Debt Service (+Rs 074 crores). These increases were expected to be offset by reduced receipts under Civil Administration (—Rs. 1.12 crores), Agricultural Income Tax (—Rs. 0.15 crore), other Provincial Heads of Revenue (—Rs. 0.10 crores) and Miscellaneous (—Rs. 0.07 crores).

BUDGET OF THE EAST PAKISTAN GOVERNMENT

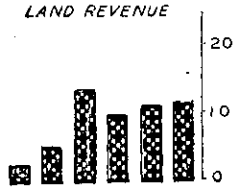
(RS. IN CRORES)

REVENUE — EXPENDITURE

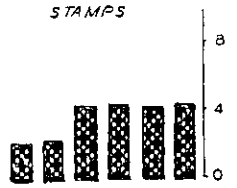


SHARE IN CENTRAL HEADS OF REVENUE

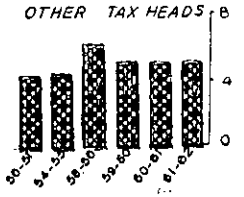
LAND REVENUE



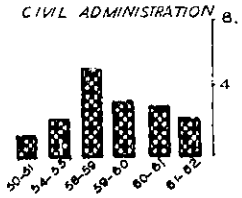
STAMPS



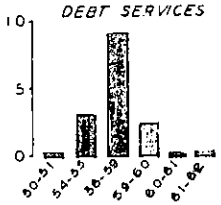
OTHER TAX HEADS



CIVIL ADMINISTRATION

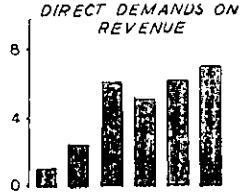


DEBT SERVICES



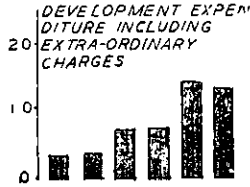
NOTE: FINANCIAL YEAR 1958-59 COVERED APR-58 – JUN-59.

DIRECT DEMANDS ON REVENUE

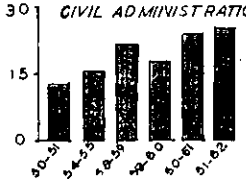


MISCELLANEOUS

DEVELOPMENT EXPENDITURE INCLUDING EXTRA-ORDINARY CHARGES



CIVIL ADMINISTRATION



Revenue expenditure was projected at Rs. 51.29 crores. The Rs. 1.74 crores increase was mainly under Direct Demand on Revenue (+Rs. 1.27 crores), Debt Service (+Rs. 0.19 crores), Civil Administration (+Rs. 0.29 crores) and Education (+Rs. 0.44 crores). It was partly counterbalanced by a decline in Miscellaneous expenditure (—Rs. 1.51 crores).

Total expenditure on capital account for the year 1961-62 was estimated at Rs. 50.04 crores as against Rs. 57.52 crores in the revised 1960-61 estimate. The decline resulted from a fall of Rs. 19.44 crores in expenditure under State Trading Schemes, partly offset by increases of Rs. 8.12 crores and Rs. 3.84 crores respectively under Loans and Advances by the Provincial Government and Direct Capital Outlay. The increased Loans and Advances largely reflected larger allocations to WAPDA, IWTA, Small Industries Corporation and Provincial Co-operative Societies and new allocations to East Pakistan Fisheries Development Corporation and for development of fishermen's co-operatives. The increased Direct Capital expenditure was for Development (+Rs. 1.56 crores), Civil Works not charged to Revenue (+Rs. 1.10 crores), Industries (+Rs. 0.58 crores), Improvement of Public Health (+Rs. 0.41 crores) and Forests (Rs. 0.22 crores).

The capital budget would be financed largely by loans from the Central Government, amounting to Rs. 43.15 crores (as against Rs. 33.69 crores in the revised estimate for 1960-61). Net receipts under Permanent Debt could be Rs. 1 crore and under Provident Fund Rs. 0.62 crore. State Trading Schemes would contribute Rs. 19.33 crores. Receipts under these items would be partly offset by net payments of Rs. 11 crores and Rs. 8.69 crores respectively on account of Floating Debt and Deposits and Advances. Net receipts on capital account, including surplus from revenue account aggregating Rs. 51.18 crores, would thus exceed capital expenditure by Rs. 1.14 crores. The cash balance of the Provincial Government would therefore increase from Rs. 0.50 crore to Rs. 1.64 crores by the end of fiscal year 1961-62.

Budget Highlights

Some highlights of the East Pakistan Budget 1961-62 are the following :

(a) To remedy the acute shortage of pure drinking water in rural areas, provision was made for sinking 25,000 tube-wells during 1961-62, including 5,000 in the coastal areas hit by cyclones and tidal bores.

(b) Rs. 60 lakhs were provided for establishment of an Agricultural University at Mymensingh.

(c) Rs. 1 crore were provided to start the Agricultural Development Corporation for East Pakistan.

(d) Rs. 2.52 crores would be spent on the construction of 5,000 nucleus houses in urban areas, for Government employees and displaced persons.

(e) Provision of Rs. 4.5 crores was made for improvement of road communications.

(f) Another fleet of 152 buses was to be acquired and put into service in the Dacca and Chittagong areas.

(g) As an attraction to tourists a National Park was to be established in the Madhpur forests, at an estimated cost of Rs. 16.36 lakhs.

(h) in the social welfare sector, the 1961-62 Budget was about 600 per cent higher than the Budget for 1960-61.

APPORTIONMENT OF FINANCIAL RESOURCES BETWEEN THE CENTRE AND THE PROVINCES

Historical Background

Before 1871 all financial powers in British India were vested in the Government of India, which controlled provincial expenditure to the smallest details. All revenues were paid to the account of the Central Government and the provinces were allotted fixed amounts to meet their expenses. This led to extravagance, rigidity and friction in provincial finances and to uncertainty in Central finance. A measure of financial decentralization was therefore introduced in 1871—the system of 'Provincial Settlements' under which certain heads of local expenditure were handed over to the provinces, and to finance these, the provinces were given annual fixed grants. However, this system failed to provide the provinces with adequate revenues or any incentive to economy; and remedial adjustment had to be made from time to time.

The Reforms of 1919 contemplated a policy of responsible government in the provinces, which could be meaningful only if the provincial Governments were provided with adequate resources since they were responsible for nation-building activities. Specific allocations of financial resources to the provinces on an appreciable scale, were first made in 1919, when a clear line of demarcation was drawn between the revenue resources of the Centre and of the Provincial Governments. While these arrangements substantially augmented the latter's financial resources, the industrial provinces, like Bombay and Bengal, complained that the Central Government had taken for itself the expanding sources of revenue, such as income tax and customs, leaving the provinces with inelastic and stagnant sources like land revenue and excise, this despite the fact that

the provincial Governments were responsible for nation-building departments, such as education, medical relief, and agriculture, were fast increasing.

The 1919 allocations were revised under the Government of India Act of 1935, which introduced a system of provincial autonomy in the Indo-Pakistan Sub-continent. This Act classified revenues into three categories :

(1) purely Provincial sources of revenue ;

(2) purely Federal sources of Revenue ; and

(3) sources to be administered by the Central Government, but the revenue receipts therefrom to be shared with the Provincial Governments.

In the third category were included income tax, salt duty, Central excise and export duties, duties in respect of succession to property other than agricultural land, stamp duties mentioned in the Federal Legislative List, terminal taxes on goods and passengers carried by railway and taxes on railway fares and freight. Sir Otto Niemeyer, then Director of the Bank of England, was appointed by the Secretary of State to examine how these taxes should be shared between the Centre and the Provinces. He recommended *inter alia* as follows :—

(1) *Income Tax.*—50 per cent of net receipts (excluding the receipts from Chief Commissioner's Provinces and the tax on Federal emoluments) to be distributed among the provinces according to fixed percentages. The share specified for the provinces was, however, to be reached progressively over a ten year period.

(2) *Export Duty on Jute.*—62½ per cent to be assigned to the jute-growing provinces.

(3) *Subventions.*—In addition to these allocations, certain specific subventions to the deficit provinces.

(4) *Provincial Debts.*—The decentralised public debt of certain provinces to be written off.

Sir Otto's recommendations were in the form of an Award and were accepted by the Government of India and the Provinces. This financial arrangement continued upto the time of partition of the sub-continent.

Situation after Partition

Immediately after Independence, the Government of Pakistan was faced with a difficult financial situation. The Central Government decided

for the time being to discontinue sharing income tax with the provinces. The sales tax, which had been a provincial source of revenue, was also centralised, but each province was allowed 50 per cent of net collections made within its area, subject to a guaranteed minimum for East Pakistan. Half the sales tax receipts of Karachi Area were divided among the various provinces and other units of West Pakistan. The Central Government took over the Estate Duty on agricultural land, which had been a provincial source of revenue and amended the Government of India Act, 1935, so as to delete the provision that the Estate Duty was to be shared with the provinces.

Existing Financial Arrangements

These changes were necessarily temporary and the provinces pressed for a review of the financial arrangements. In 1951, Sir Jeremy Raisman, who had been Finance Member, Executive Council of the Governor-General of India, was appointed by the Government of Pakistan to examine the allocation of revenues between the Centre and the Provinces and to recommend changes to ensure their more equitable distribution. His recommendations were accepted by the Central and Provincial Governments as an Award and formed the basis of the financial arrangements until change introduced by the Constitution of 1962. According to these recommendations :

(1) 50 per cent of the net proceeds of income tax (other than those pertaining to the Federal Capital and Federal emoluments) were to be distributed as follows :—

East Pakistan	..	45 per cent
Punjab	..	27 per cent
Sind	..	12 per cent
N. W. F. P.	..	8 per cent
Bahawalpur	..	4 per cent.

The remaining 4 per cent. was meant for Baluchistan and other States which might accede in respect of income tax.

(2) Sales Tax was to remain centrally administered, but the provinces to receive half of net collections in their area. Half of the collections in Karachi Area were allocated to the various Units in West Pakistan as under :—

Punjab	..	54 per cent
Sind	..	16 per cent
N. W. F. P.	..	10 per cent
Bahawalpur	..	4 per cent
Karachi	..	6 per cent
Baluchistan	..	2 per cent
Tribal Area and Other States		8 per cent.

(3) 50 per cent. of the net proceeds of the Central excise duties on tobacco, betelnuts and tea were to be divided among the various units in accordance with the percentage recommended for distribution of income-tax receipts.

(4) East Pakistan was allocated 62½ per cent. of the basic jute duty and 10 per cent of any additional duty.

(5) The subvention for N.-W.F.P. was raised from Rs. 100 lakhs to Rs. 125 lakhs.

These arrangements have been continued since then, with the changes as necessitated by the integration of West Pakistan in 1955. After integration, the share of income tax for West Pakistan was fixed at 55 per cent, with the balance remaining with East Pakistan. The Central excise duties on tobacco, betelnuts and tea were divided in the same ratio. Actually, West Pakistan has received a somewhat smaller share of the allocation, which has been compensated through grants-in-aid. Half the sales tax receipts of Karachi were allocated to West Pakistan after retaining 6 per cent. for the Karachi Area.

The above position remained unchanged until the promulgation of the late Constitution of 1955. The Constitution provided for setting up a National Finance Commission to review these arrangements. The Commission was constituted in 1958, but before it could make any recommendations, the Constitution was abrogated and the Commission dissolved.

Effects of Implementation of the Raisman Award

The Raisman Award produced a substantial increase in the revenues of the provinces and the states. Sir Jeremy Raisman had estimated that for the first year, 1952-53, an additional amount of nearly Rs. 7 crores would be transferred from the Central to the Provincial and State Governments. Including this anticipated increase, the total allocations from the Central Government to the Provincial Governments were Rs. 18.88 crores in 1952-53. Since then, these allocations have increased to Rs. 39.44 crores budgeted for 1961-62.

Although the revenue budgets of both the Centre and Provinces have apparently been comfortable during the last several years, the real position of the provinces was far from satisfactory. Their budget surpluses do not take account of the repayment of foreign or internal loans granted to them by the Central Governments. Moreover, the Central Government has been making large grants-in-aid to the provinces, a substantial portion of which is reflected in their surpluses.

Need for change in the Existing Arrangements

Since the Raisman Award nearly a decade ago the national economy and consequently the revenue structure has undergone considerable change. Some sources of revenue, such as the sales tax which were comparatively unimportant have expanded greatly, while export duties on raw cotton have fallen drastically.

Moreover the increasingly important role of planning and development requires that internal and external resources should be so distributed as to facilitate development in the country as a whole. Since the provincial government are mainly responsible for the economic development in their regions, it was felt that greater resources should be placed at their disposal.

The prevailing system, by which the Central Government gave large development loans and grants-in-aid to the provincial governments was also considered defective in many ways.

Zahir Committee

To remedy this situation, the Cabinet in May 1961 set up a Committee with Mr. Zahiruddin Ahmad, Joint Secretary, Ministry of Finance, as convener, and the Provincial Finance Secretaries and two other officials as members, to review the workings of the existing arrangements for apportionment of revenues between the Centre and the Provinces and to suggest changes, if necessary. The Committee submitted its report to Government in August, 1961.

One of the important recommendations of this Committee was that a Finance Commission be set up after promulgation of the new Constitution, to make recommendations regarding the allocation of revenues.

The Finance Commission

The Government decided that it would be better for such a Commission to be appointed before the new Constitution was in force and accordingly on 19th December, 1961, set up a high powered Commission with Mr. H. A. Majid, Secretary, Ministry of Finance (Economic Affairs Division) as its chairman and nine other members, with the following terms of reference :

(a) The allocation of sources of revenue between the Centre and the Provinces, indicating specifically the taxes and duties which should be collected and administered by the Centre and the Provinces respectively and which of the taxes and duties collected and administered by the Centre should be divided between the Centre and the Provinces ;

(b) the distribution between the Centre and the Provinces of the net proceeds of the taxes and duties which may be raised by the Centre but may be divisible between the Centre and the Provinces and the apportionment between the two provinces, of the Provincial shares of such proceeds ;

(c) the principles which should govern the allocation to the Provinces of resources at the disposal of the Centre, including the making of grants-in-aid to the Provinces, keeping particularly in view the requirements of planned economic development ;

(d) whether any modification is required in the terms of repayment of the debt liability of the Provinces to the Centre and of the Centre to the State Bank ;

(e) what should be the borrowing powers of the Provinces—internal and external—under the new Constitution ; and

(f) any other allied matter referred to the Commission by the President.

The Commission submitted its report in January, 1962. Most of the recommendations of the Commission were accepted by Government, while sone were accepted with modifications. The Presidential order called 'The Distribution of Revenues and Consolidation and Payment of Loans Order, 1962' giving effect to them is being issued.

The main provisions of this order, which will come into force from 1st July, 1962, are :—

(i) The Provinces shall be assigned in each year beginning on and after the first day of July, 1962, a share of the net proceeds of the following taxes and duties levied and collected by the Central Government in that year calculated according to the percentage specified hereunder :—

(a) Taxes on income	.. 50 per cent
(b) Sales tax	.. 60 per cent
(c) Federal excise duties on tea, betel nuts and tobacco (manufactured and unmanufactured)	.. 60 per cent
(d) Export duties on jute and cotton	.. 100 per cent

(ii) The sums assigned to the Provinces above shall not form part of the Federal Consolidated Fund and shall be distributed between the Provinces in the following manner, namely :

(a) Sales Tax ;

(1) of the 30 per cent. of the sum assigned in each year, each province shall receive an amount bearing to the said 30 per cent. the same proportion as the collection in that Province in that year bear to the total collections ; and

(2) of the balance of 70 per cent. of the sum so assigned in each year, East Pakistan shall receive 54 per cent. and West Pakistan 46 per cent.

(b) *Estate and Succession duties* in respect of agricultural lands—

(c) *Other Taxes and Duties*—

Of the sum so assigned in each year, East Pakistan shall receive 54¼ per cent and West Pakistan 55¾ per cent.

(iii) 'Taxes on income' includes corporation tax but do not include taxes payable in respect of Federal emoluments and any surcharge levied and collected by the Central Government for Federal purposes.

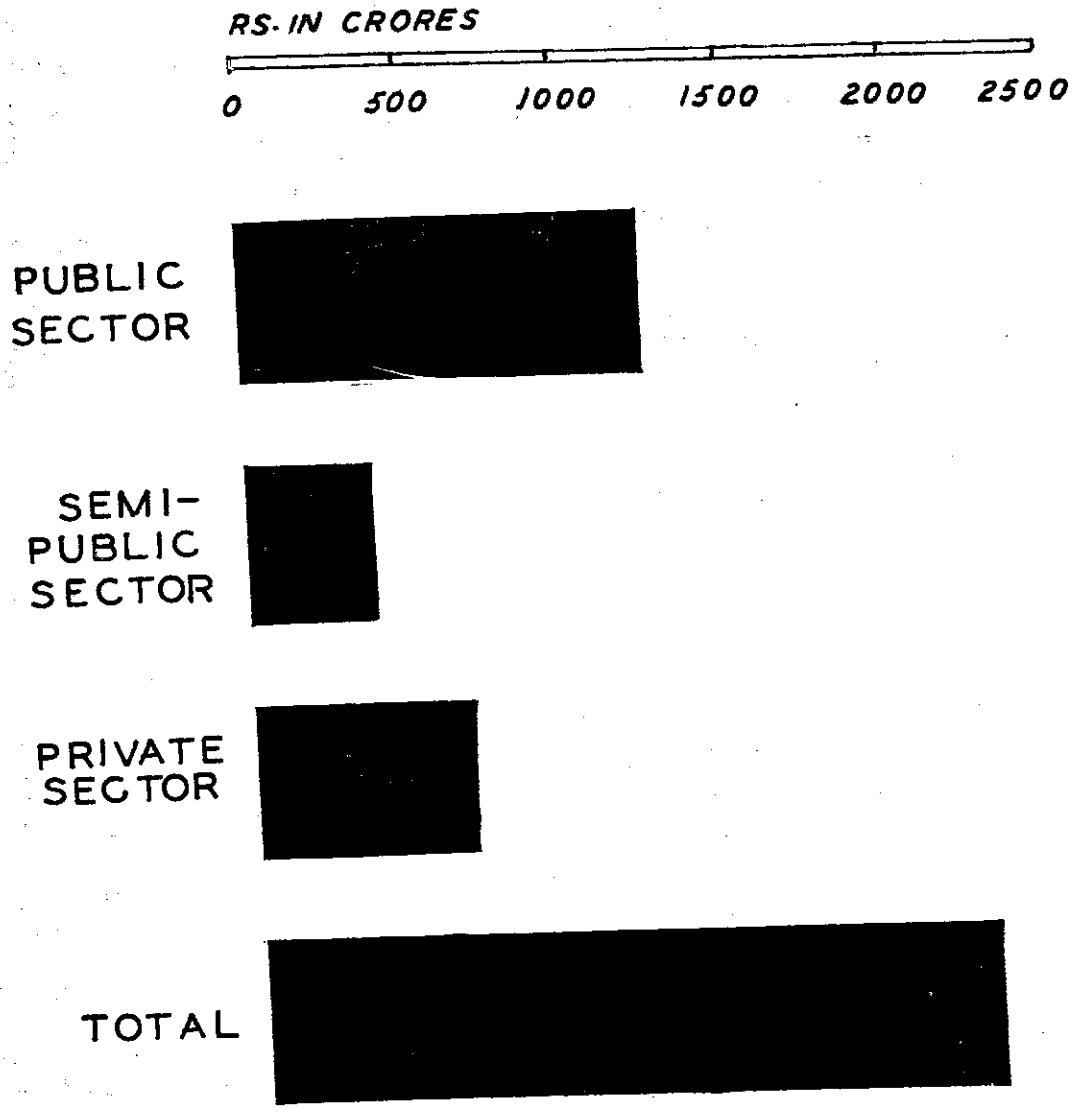
These shall be charged upon the Federal Consolidated Fund and paid in each year to the Province of West Pakistan sum of Rs. 227 lakhs as a grant-in-aid.

(iv) All loans made by the Central Government to the Provinces after the fourteenth day of August, 1947 (other than foreign loans including rupees) and outstanding on the thirtieth day of June, 1961 shall be written down by fifty per cent. and converted into two loans each of which shall bear interest at the rate of 3½ per cent. and shall be repayable by the Province concerned to the Central Government over a period of twentyfive years commencing on the first day of July, 1961.

(v) For the purposes of the preceding paragraph 'loans' excludes such loans which the Central Government obtained from foreign agencies for the Provinces.

It is calculated that on the basis of the 1961-62 budget, about Rs. 30.5 crores would be transferred to each of the provinces out of the revenues collected by the Centre. This would mean that East Pakistan would gain nearly Rs. 11 crores and West Pakistan about Rs. 2 crores over the shares they receive on the existing basis.

SIZE OF THE SECOND PLAN



CHAPTER XIV

THE SECOND FIVE-YEAR PLAN

Planning and Foreign Aid

The Second Five-Year Plan covering the period July, 1960 to June, 1965, was approved by the Economic Council on June 21, 1960. It envisaged a development expenditure of Rs. 1,900 crores—Rs. 975 crores in the public sector, Rs. 600 crores in the private sector and Rs. 325 crores in a newly defined category, the semi-public sector. The Plan was to be financed to the extent of Rs. 1,100 crores from domestic savings and Rs. 800 crores from abroad, through foreign aid, loans and private investment.

Following a more intensive review of certain Plan targets and costs, the Planning Commission, in April, 1961, announced an upward revision of the financial requirements to Rs. 2,300 crores, an increase of 21 per cent over the original cost. The estimate of foreign exchange investment was raised by 30 per cent, from Rs. 650 crores to Rs. 845 crores: the "maintenance support" required to balance the current foreign exchange account was increased from Rs. 150 crores to Rs. 250 crores; and the local currency component registered an increse of about 10 per cent to Rs. 1,205 crores. The Economic Council accorded its general approval to the revised Plan on June 19, 1961, and stated that the revised figures of the financial size of Rs. 2,300 crores will be regarded as firm and final.

The main reasons for the increase in cost were:

(i) increases in internal and external prices since 1959;

(ii) underestimation of costs of several projects in the original Plan, as revealed by later engineering reports and surveys; and

(iii) some expansion of the physical size of the Plan as a result of a better estimation of requirements in certain sectors of the economy.

Of the increased cost, 31 per cent is explained by under provision of physical inputs, 43 per cent by price increase and 26 per cent by increase in physical targets. Thus it results mainly from re-costing of the original Plan rather than a significant expansion of its physical size.

Of the Rs. 2,300 crores, Rs. 1,240 crores are to be spent in the public sector, Rs. 380 crores in the semi-public sector and Rs. 680 crores in the

private sector. The table below shows the allocation of expenditure projected under the Second Plan.

Sectoral Allocation of Expenditure

(In Crore Rs.)

Sectors	Allocation	Percentage of Total Allocation
Agriculture	342.0	14.9
Water and Power	439.0	19.1
Industry	512.0	22.3
Fuel and Minerals	100.0	4.3
Transport and Communications	405.0	17.6
Housing and Settlement	341.0	14.8
Education and Training	105.5	4.6
Health	42.0	1.8
Social Services	10.0	0.4
Manpower and Equipment	3.5	0.2
Total ..	2,300.0	100.0

The principal goals of the Second Plan are to increase Gross National Product by 24 per cent. and *per capita* income by 13 per cent; to expand foodgrains production by 21 per cent, industrial production by about 50 per cent and exports by 15 per cent; to achieve substantial progress towards the target of 3 million new job opportunities; and to raise domestic savings from 6 per cent to 9 per cent. Other important objectives include bringing about a better distribution of incomes among various income groups of the country, and acceleration of economic growth in the relatively less developed areas of Pakistan.

Total allocations in the revised Second Plan are substantially higher (73 per cent) than actual expenditure under the First Plan. But the increase in various sectors differs according to the needs of the country. The share of agriculture increased from 11 to 15 per cent; that of water and power from 17 to 19 per cent; and of education and training from 3 to 5 per cent. On the other hand, industry including fuels and minerals, has been reduced from 31 to 27 per cent of total expenditure, and the housing and settlement sector from 19 to 15 per cent. The relative shares of other sectors are more or less the same as in the First Plan. The revised Second Plan thus lays strong emphasis on agriculture and education which lagged behind under the First Plan. Development outlays in agriculture are planned to increase by 138 per cent over those

achieved in the First Plan ; education and training by 157 per cent, health by 200 per cent ; and manpower, employment and social welfare by 170 per cent. These large increases are partly the result of shortfalls in physical implementation of the First Plan programme. Of the Rs. 2,300 crores of resources required under the revised Plan, Rs. 1,095 crores will be raised from external sources by way of foreign aid, loans and investments and Rs. 1,205 crores internally. Mobilization of this latter sum will require determined efforts from the entire nation. Additional taxation and a higher level of savings will be needed to raise additional resources and economies in non-development expenditure will have to be effected.

Accelerated Development in East Pakistan

An important object of the Second Plan is to narrow the existing disparities between the two provinces and between different areas in the provinces.

In order to reduce the gap in levels of income and development between East and West Pakistan, the Second Plan would greatly increase public investment in the East Wing. Of the Rs. 1,462 crores Government-financed programme, Rs. 639 crores (about 44 per cent) is allocated to East Pakistan. Increased revenues have also been made available to East Pakistan under the recently announced Finance Commission Recommendations (See Chapter XIII), and greater facilities are being allowed for imports to the East Wing.

In order to further the industrial development in East Pakistan, the Governors' Conference held in February, 1962, decided to bifurcate the PIDC and create an Industrial Development Corporation for each Wing. It was also decided to transfer the headquarters of the House Building Finance Corporation from Karachi to Dacca. The same Conference further directed that the Deputy Chairman of the Planning Commission hold frequent meetings with the additional Chief Secretaries (Development) to consider problems of implementing development schemes and that the Commission move as a body to Dacca once in a quarter and stay for two to three weeks at a time.

The new Constitution lays down that the future economic plans be so formulated as " to ensure that disparities between the provinces, and between different areas within a province, in relation to income per capita, are removed and that the resources of Pakistan (including resources in foreign exchange) are used and allocated in such manner as to achieve that object in the shortest possible time ". The Constitution provides for the creation of a National Economic Council which will look after this function. A Finance Commission is required to be set up not later than six months before expiration of the Plan period to report on the

progress achieved in removing economic disparity between the provinces and between different areas within a province, and to recommend how this object might be furthered in the succeeding plan periods.

Reorganization of the Ministry of Finance

In February 1962, the Finance Ministry was reorganized. The Economic Affairs Division was separated and made a Division of the President's Secretariat, where the Planning Commission is also located. This was designed to permit better co-ordination between the Planning Commission and the Economic Affairs Division in the administration of foreign economic aid.

An Economic Policy Co-ordination Committee was set up in April, 1962, to co-ordinate the economic policies of the Central Government. The Committee will keep the current economic situation under constant review, deal with day to day economic problems and watch over the implementation of the economic policies laid down by the Cabinet and the Economic Council.

Foreign Aid in the Second Plan

The foreign aid, loans and investments required for the Plan amount to Rs. 1,095 crores, Rs. 845 crores to meet the foreign exchange costs of development schemes in the Plan and Rs. 250 crores of balance of payments support, to permit increased imports of raw materials and spare parts needed for effective employment of the country's industrial capacity. Of this amount, Rs. 685 crores are estimated to be needed for projects, Rs. 350 crores for commodity aid and Rs. 60 crores of foreign private investment.

During the five years 1960—65, foreign exchange earnings are projected at Rs. 1,125 crores, while total foreign exchange expenditures are estimated at Rs. 2,220 crores. The projected foreign exchange gap during the Plan period is given in the table below.

Foreign Exchange Gap in the Second Plan

	(In Crore Rs.)
(*a*) Foreign Exchange Earnings	1,125
(*b*) Non-development Foreign Exchange Expenditure	1,375
(*c*) Maintenance Support (*b*—*a*)	250
(*d*) Foreign Exchange Component of the Plan	845
(*e*) Foreign Exchange Gap (*c*+*d*)	1,095

World Bank Consortium (First and Second Meetings)

Recognising the importance of the Second Five-Year Plan for raising the general standard of living in Pakistan, and the need to provide adequate foreign assistance for doing so, the World Bank acceded to Pakistan's request that it organize a Consortium of countries to assist Pakistan's development efforts. The first meeting of the Consortium was held in October, 1960. The members generally reviewed the Second Plan and agreed on the need and desirability of providing substantial financial support to its objectives.

At the request of the Consortium members, the World Bank sent a mission to Pakistan early in 1961 to assess the merits and requirements of the Plan in greater detail, and report to the Second Meeting, held in Washington on June 5—7, 1961. The Meeting was attended by representatives of Canada, France, the Federal Republic of Germany, the United Kingdom, the United States, the World and the International Development Association. The Governments of Denmark, Norway and Sweden and the International Monetary Fund sent observers.

Pakistan had asked for development aid amounting to $ 945 million for the years 1961-62 and 1962-63 as shown below.

Commitments Requested for 1961-62 *and* 1962-63 *at Consortium Meeting in June,* 1961

(In Crore Rupees)

Particulars	June 30, 1961	1961-62	1962-63	June 30, 1963	Total
1. Payment Requirements ..	..	228.9	251.5	..	480.4
(*a*) Development	..	174.9	197.4	..	372.3
(*b*) Maintenance	..	54.0	54.1	..	108.1
2. Aid Pipeline	229.1	..	..	222.0	—7.1
(*a*) Project	173.5	..	..	200.0	+26.5
(*b*) Commodity	55.6	..	..	22.0	—33.6
3. Foreign Private Investment ..	..	—11.0	—12.0	..	—23.0
Commitment Requested ..					Rs. 450.4 Crores or $ 945 Million

The report of the World Bank, however, expressed certain reservations as to the status, scale and content of the development programme embodied in the Revised Second Plan, and it indicated some uncertainty about the size of the total economic effort contemplated by the Government of Pakistan. Among the uncertain elements in the Bank's view, were the prospects for an expanded PL-480 programme then under discussion with the United States; the Pakistan Government's intentions regarding the Master Plan for waterlogging and salinity; and the absence of provision for implementing the recommendations of the Food and

Agriculture Commission and of the Transport Survey Teams. It recommended, however, that the Consortium make substantial new commitments to Pakistan, to maintain the momentum of development pending the resolution of these various uncertainties.

The Consortium agreed to make available $ 320 million only for the year 1961-62, with the proviso that a further meeting should be held later in the year to determine how much additional aid would be needed for the second and third years of the Plan. The break-up of these interim aid commitment is given below.

(In Million $)

Country/Agency	Already Committed	Commitments for 1961-62	Total
Canada	19.8	18.0	37.8
France	..	10.0	10.0
West Germany	37.5	25.0	62.5
Japan	20.0	20.0	40.0
United Kingdom	22.4	19.6	42.0
United States	129.6	150.0	279.6
World Bank and IDA	..	77.4	77.4
Total ..	229.3	320.0	549.3

Although the overall outcome of the June meeting was rather unsatisfactory, the Consortium did approve, on the recommendation of the World Bank, the increased requirement for maintenance support, from $ 315 million (Rs. 150 crores) to $ 525 million (Rs. 250 crores). Substantial progress was made also in improving terms on which credits were made available. Much of the assistance from the United States and Canada was to be in the form of grants, and the balance of US aid, as well as the loans from the International Development Association, would be repayable over a very long term and at nominal rate of interest. Some extension of the term of loans from Germany, the United Kingdom and Japan was also achieved, though their rate of interest would be higher than for those provided by the United States and the International Development Association.

President's Visit to the USA

President Mohammad Ayub paid a visit to the USA in July 1961, and discussed Pakistan's economic plans and needs with President Kennedy. He made a strong plea for mutual Pak-American assistance in all fields and stressed that " by giving us strength you will yourselves get strength ". The discussions dealt extensively with such specific problems as water-logging and salinity, which President Ayub called

"Pakistan's Enemy Number One". The US President recognized the gravity of the menace and undertook to send a team of experts from his Science Advisory Committee to discuss with the Pakistan Government how it night be dealt with and what foreign aid would be required for doing so. President Ayub was also assured of "firm United States interest in finding of funds" to carry out Pakistan's Second Five-Year Plan.

Third Consortium Meeting

As decided at the June, 1961 Consortium meeting, a third meeting was held in Washington on January 24 and 25, 1962, to consider the balance of Pakistan's aid requirement amounting to $ 625 million. Representatives of the Governments of Canada, France, West Germany, Japan, the United Kingdom, the USA, and of the World Bank and IDA attended. Belgium and the IMF sent observers. The World Bank, in the meanwhile, had examined further the revised cost of the Second Plan and the reasons therefor. The Government of Pakistan, on its part, had modified or classified its approach to a number of issues about which doubt had previously been expressed. As a result, in its report to the Consortium, in December 1961, the Bank observed that "in the last report (May, 1961), the Mission expressed misgivings regarding some of the proposals which were incorporated in the May revision (of the Second Plan) and about the feasibility of implementing a Plan of significantly increased physical size, in view of the additional strain that would be placed upon technical and administrative resources. Developments since then have reduced these misgivings". In effect, the Bank gave its blessings to the revised Second Plan.

Members of the Consortium then agreed to provide the balance of $ 625 million requested, bringing to $ 945 million their commitment for the second and third years of the Plan. Individual additional commitments agreed to by members are given below.

Canada	$ 20 million
France	$ 15 million
West Germany	$ 55 million
Japan	$ 25 million
United Kingdom	$ 28 million
United States	$ 350 million
World Bank and IDA	$ 132 million
Total ..	$ 625 million

The major part of these commitments including most of the funds subscribed by Canada and the USA and all the IDA credits—are either grants or loans on exceptionally easy repayment terms. All except the World Bank and IDA credit and most of the German loans are tied to

procurement in the respective countries, but the Consortium members agreed to allow a larger proportion of their assistance to be used for general commodity imports rather than tying it to specified investment projects.

Foreign Loans During 1961-62

During the period January 1961, to March 1962, a number of loan agreements were signed with various countries and agencies as shown below.

1.	IBRD Loan to PICIC	$ 15.0 million
2.	IDA Credit for Dacca-Demra-Narayanganj Irrigation Project	$ 1·0 million
3.	IDA Credit for East Pakistan Inland Ports	$ 2.0 million
4.	4th U.K. Credit for Pakistan Railways	$ 8.4 million
5.	5th U.K. Credit	$ 19.6 million
6.	2nd Japanese Credit	$ 20.0 million
7.	2nd German Credit	$ 37.0 million
8.	Export-Import Bank Loan for Textile Machinery	$ 6.4 million
	Total	$ 109.4 million

Surplus Agricultural Commodities Agreement

Pakistan and the United States entered into a $ 621.55 million commodity agreement on 14th October, 1961. Under the agreement, the US Government undertook to finance the sale of surplus agricultural commodities to purchasers authorised by the Government of Pakistan. The agreement extends over a period of four years, *viz.*, for the fiscal years 1961-62 to 1964-65.

The agreement covers the following commodities.

	Commodity	Value in Million Dollars
1.	Wheat and Wheat Products	341.1
2.	Other foodgrains	23.6
3.	Cotton (extra long-staple)	9.6
4.	Cotton (upland)	6.3
5.	Tobacco	8.0
6.	Cotton seed and/or Soyabean Oil	127.65
7.	Non-fat dry-skim milk	1.8
8.	Dried eggs	0.6
9.	Poultry (frozen)	0.4
10.	Tallow (inedible)	16.0
11.	Ocean Transportation	86.5
		621.55

The Government of Pakistan have been authorised to procure the following amounts of each items (in addition to transportation charges) during 1961-62.

Commodities	Value in Million Dollars
1. Wheat	108.0
2. Foodgrains	5.9
3. Tobacco	2.4
4. Cotton seed and/or soyabean oil	28.7
5. Non-fat dry milk	0.45
6. Eggs (dried)	0.125
7. Poultry	0.4
8. Tallow	4.0
	149.975

The amount for subsequent years will be determined on the basis of annual review to be made by the two Governments prior to the beginning of each United States fiscal year from 1962 through 1964.

The rupees accruing to the Government of the United States as a consequence of sales made pursuant to this Agreement will be used for the following purposes :—

Items	Expenditure in per cent
1. For expenses by the U.S. Embassy in Pakistan	
2. For loans to be made in Pakistan by and the administrative expenses of, the Export-Import Bank of Washington	6
3. For grants in partial payment of the U.S. obligation under the Indus Basin Development Fund Agreement	19
4. For grants to the Government of Pakistan for financing projects to promote balanced economic development	50
5. For loans to the Government of Pakistan for financing development projects and for projects not hitherto included in the Plan	20
	100

Since the promulgation of its Public Law 480 in 1954, the United States has sold to Pakistan, for Pakistani currency, nearly $ 500 million worth of foodgrains, edible oils, tobacco and raw cottan ; and the bulk of the rupee proceeds from the sales has been returned to Pakistan in the form of loans and grants for economic development purposes.

CHAPTER XV

CONSTITUTIONAL DEVELOPMENTS

On the 8th October, 1958, when the present Government came to power, the President, Field Marshal Mohammad Ayub Khan, told the nation in his first radio talk : "Let me announce in unequivocal terms that our ultimate aim is to restore democracy, but of the type that people can understand and work. When the time comes, your opinion will be freely asked".

Constitution Commission

To implement this promise, the President, on the 17th February, 1960, appointed a Constitution Commission with the former Chief Justice of the Supreme Court, Justice Shahabuddin, as its Chairman and ten other eminent members from different walks of life. This Commission was to advise how best to secure a democracy based on the Islamic principles of justice, equality and tolerance and also adaptable to changing circumstances ; the consolidation of national unity ; and a firm and stable system of government.

The Commission circulated a questionnaire in English, Urdu and Bengali. After examining 6,269 replies and interviewing 565 persons in both Wings of the country, they submitted their report on the 6th May, 1961.

Consideration by Cabinet

This report was examined and discussed exhaustively by several Cabinet Sub-Committees and by the Cabinet as a whole before the principles of the new Constitution were defined. It thus embodies as far as (humanly) possible ; the results of mature and honest reflection on the lessons of our past, on the experience of the last three and half years and on the requirements of the foreseeable future. An eminent Australian jurist was associated in drafting the Constitution. In presenting it to the Nation on March 1st, 1962, the President stated :

> "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. There will be a President, a Central Legislature and a Legislature in each Province, headed by an appointed Governor. Their normal term will be five years. But for the coming elections the term will be only three years as recommended by the Constitution

Commission. 'The above will be elected by an electoral college consisting of the elected members of Basic Democracies, who in turn will be elected by universal adult franchise'. The system of Basic Democracies introduced in 1959 in Pakistan is probably unique. It is already breeding pride, hope, sense of participation and responsibility in large numbers of people and laying a real base for a democratic society. We should do all we can to nurse it. In addition, the elected members from amongst them will be called upon to act as an electoral college. In other words, the broad masses of people elect the electoral college, who in turn elect National and Provincial institutions. The reason for this is simple. We are recognizing an obvious truth that the ballot can only produce a true answer if those exercising it are asked questions on a level with their horizon and knowledge".

Outine of Main Features

General Provisions—The new constitution will come fully into force early in June 1962 when the new Parliament meets. It envisages a Federal, Presidential form of Government for the Republic of Pakistan. Among other things it lays down that :

There shall be a Central Legislature and a Provincial Legislature in each of the two provinces, all unicameral. There is special reservation of seats for women. There will be Provincial Ministries appointed by the Governor with the concurrence of the President. The Dacca capital area shall be "the principal seat of the Central Legislature" and the Islamabad Capital area "the principal seat of the Central Government". The two national languages shall be Bengali and Urdu. Bills passed by the Assembly will require the assent of the President. The President's veto can, however, be overridden by a two-third majority of the Assembly, unless the President refers the matter to a referendum. The Constitution may be amended if two-third of the National Assembly and the President agree. A three-fourths majority of the House can override the President's veto of an amendment, unless he refers the matter to a referendum or dissolves the Assembly and also seeks re-election himself.

Dissolution of the National Assembly by the President will also call for fresh election for the office of President within 120 days of the dissolution.

The President can be impeached by the National Assembly by three-fourths majority of the total members of the National Assembly.

New taxation shall not be levied without the consent of the National Assembly but budgets once sanctioned by the National Assembly will not be altered without permission of the President. The legislatures shall be responsible to ensure that no law is made in contravention or violation of the fundamental rights enumerated as "Principles of Lawmaking in the present Constitution".

Principles of Lawmaking

These principles may be summarized as follows :—

The supremacy of the will of the people is guaranteed by conferring on the Central and Provincial Legislatures composed of the people's elected representatives, absolute legislative powers within their own spheres, including determination of the limits of their powers, formulation of their rules of procedure and regulation of the conduct of their members.

No court or other authority shall challenge the competence of the legislature or the validity of a law on the ground that it considers that the legislature has no power under the Constitution to make such a law.

The fields reserved for Central legislation are defined in the Third Schedule to the Constitution. With respect to matters not enumerated in that Schedule, the residuary powers are vested in the Provincial legislatures which may even amend or repeal an Act previously adopted by the Central Legislature at the request of the Provincial Assembly. Otherwise, where a Provincial law is inconsistent with a Central law, the latter shall prevail and the former shall be invalid but only to the extent of the inconsistency.

The President and the National Assembly have been empowered, with the consent of a Provincial Government, to entrust to that Government or to any officer or authority of that Government, functions relating to any matter coming under the executive authority of the Republic. No bill to amend the Constitution, which would have the effect of altering the limits of a Province, may be passed by the National Assembly unless it has been approved by a resolution of the Provincial Assembly passed by the votes of not less than two-thirds of the total number of members.

The judicial power is vested in the Supreme Court in the Centre and the High Courts of the two Provinces. There is one list of subjects of national character, which are the exclusive concern of the Centre. All other subjects are left to the Provinces, but the Centre may legislate in

the Provincial fields for matters relating to Security, Coordination of Economic Development and Coordination between the two Provinces. Such occasions should be rare and even in these cases execution will rest with the Provinces. The underlying theme is that whatever can be done on a Provincial basis ought to be done on that basis.

Certain principles of policy have been included in the Constitution. They include such matters as enabling Muslims to lead their lives according to the teachings of Islam, safeguarding the rights of minorities, prompting the interests of backward areas, attaining balanced development of all parts of Pakistan, observing parity between the two Provinces. By and large, they are similar to the Directive Principles in the previous Constitution. Responsibility for observing them rests upon each organ of the State and on each individual discharging any function on behalf of the State, so far as they concern him.

In this Survey it is not possible to discuss, even summarily, all the provisions of the Constitution. But its financial aspects are of special relevance to the country's economic situation and its prospects.

A great deal of thought has gone into the financial and economic provisions of the new Constitution. They must be considered in the context of the whole document ; which sets up a delicate but harmonious system of checks and balances. They derive from the recommendations of the numerous Commissions and expert Committees—on land-reform, agriculture, education, finance, credit and prices, and so on—which were appointed by the present regime to advise on the deep seated economic problems which faced it upon its accession to power, to recommend policies and measures for far-reaching economic reform.

Central and Provincial Revenues

At the time of Independence, the Centre had very meagre financial resources but had to assume broad responsibilities. Perforce it took over important Provincial activities and revenues, reduced their autonomy and left them only limited and inelastic resources.

The new Constitution radically alters the financial relations between the Provinces and the Centre, greatly enlarging the economic scope of the former. The list of subjects exclusively reserved for the Centre is now restricted to Defence, Finance, Foreign Relations, Banking and Currency, Economic Planning and a few other limited spheres. This consitute a significant accession to the strength and autonomy of the Provinces.

For example, the Railways, which throughout their history in the Indo-Pakistan sub-Continent, have been controlled by the Centre will be

entrusted to the Provinces from the 1st of July, 1962. The Pakistan Industrial Development Corporation is being bifurcated into two Provincial Corporations with the special object of accelerating the tempo of industrialisation in East Pakistan.

In order to provide more funds to the Provinces, the sources of Provincial finances have been increased by the President, on recommendations made by the Finance Commission set up in December, 1961, which are reflected in the new Constitution.

Financial Procedure

Of particular significance is Chapter 4 of the Constitution, which deals with financial procedures of the Centre.

The basic principle of 'No taxation without representation' is confirmed by the provision that no tax can be levied without the express approval and authority of the Legislature. That new taxes will be needed to meet the needs of our developing economy cannot be denied, but their amount and incidence must be determined by the Legislature.

The Legislature will not be able, however, to stop existing expenditure ; they will have the right to discuss it but not to vote. This may seem a severe limitation on legislative rights, but the experience of the past counsels the need for some safeguard against a deadlock. It is essential that normal administrative and other commitments be honoured, otherwise the whole machinery of Government is put in jeopardy.

The financial provisions in the Constitution provide for decentralization and aim at introducing financial stability.

In short, economic and financial provisions in the Constitution have introduced measures which will exert a powerful influence on the pattern of production, consumption, distribution, investment, savings and inter-provincial and international trade.

The spirit of the Constitution is to move away from an extensive use of direct controls, which has tended to retard the pace of development, and rely mainly on fiscal and monetary measures to regulate the economy.

Decentralisation of Central Institutions

The new Constitution has given far reaching powers to the Provincial Governments in several sections of the economy, it was also felt that the position of Central Institutions which provide funds or assist in development should also be reviewed with a view to find out the possibilities of decentralising these.

A Committee, headed by the Cabinet Secretary, was appointed on the orders of the President to investigate immediately the decentralisation of

powers of all institutions which provide funds or assist in development such as the State Bank, the Pakistan Industrial Credit and Investment Corporation, the Agricultural Development Bank, the Pakistan Industrial Development Corporation, etc.

The President desired that the Dacca and Lahore branches of these insttutions should have full powers to sanction funds locally, so that the medum and small customers did not have to travel to Karachi. He also directed examination of the question if the headquarters of these institutions could be located in East Pakistan.

The Report of the Committee on Decentralisation of Institutions and the Government's decisions thereon were announced on March 21, 1962.

The Committee came to the conclusion that "only such functions should be retained at the head office as cannot be pushed down to the provncial or regional branches without serious deteriment to the working of the organisation. All other functions should be decentralised. Even in respect of functions retained at the head office, the Committee recommended maximum delegation of powers to the regional offices for meeting the day-to-day needs and requirements of the people in such matters as the processing of their loan applications, administrative control over staff, appraisal of schemes and projects and so on".

The Committee also made proposals regarding the organisational readjustments that would be required to equip regional offices for their enlarged responsibilities. The question of shifting the headquarters of the institutions or of their bifurcation in provincial bodies has also been considered for each institution.

The Committee was able to reach a substantial measure of agreement in respect of most of the institutions. The only exceptions were the Pakistan Industrial Development Corporation and the Industrial Development Bank, in respect of which the members held divergent views. The opinion in the Committee being divided between irreconcilable points of view, the Committee observed "it has not been possible for us to make a unanimous recommendation in regard to either of these two institutions. We have, however, discussed the different points of view in some details so that a decision could be taken by the Government in the light of relevant factors".

(1) *State Bank of Pakistan*—In the case of the State Bank, the Committee recommended that the Headquarters of the Bank should remain at Karachi which is the most suitable place, being the most important centre of business and commerce in the country and the hub of the market.

The Committee suggested that as soon as a set-up for the coordination of economic research had been created by the Government, preparation and publication of economic and fiscal data on a regional basis should be entrusted to this organisation.

As regards the further delegation of powers in the different departments of the State Bank of Pakistan to its regional offices in East and West Pakistan, the report says that in some matters " pertaining to the banking control department, the State Bank has, at our request made suggestions for further delegation of powers to the regional offices in respect of such items as approval of the parties for sanction of limits under the bills rediscounting scheme, issue of licences for opening of offices by (scheduled and non-scheduled) banks and grant of permission to them to open an account with the State Bank, disposal of movable and immovable property, and so on ".

The Report further says : " They have also recommended the strengthening of the inspection units in the provinces by appointing a Deputy Chief Officer at Lahore, an additional Deputy Chief Officer at Dacca and the grant of larger discretion to them in the consideration of inspection reports. The Deputy Governor, Dacca, will have full powers to take decisions on reports in respect of banks having their principal office in East Pakistan ".

(2) *P. I. C. I. C.*—In regard to the Pakistan Industrial Credit and Investment Corporation, the Committee found themselves generally in agreement with the reasons advanced by PICIC for retaining its headquarters at Karachi, and, therefore, did not suggest any change. Briefly, the reasons were that Karachi is the country's commercial business and financial centre.

As regards the strengthening of its regional offices in Dacca and Lahore, the Committee recommended that these offices should be strengthened by increase of staff as proposed by PICIC and that further additions to the staff could be made later if increase in the work-load justified it.

It further recommended that the export appraisal staff at the head office should pay regular visits to the Dacca and Lahore offices for advice and guidance and the frequency of these visits should be laid down for the benefit of the prospective investors.

(3) *Agricultural Development Bank*—As regards the Agricultural Development Bank, the Committee emphasised that the proposal to appoint a general manager of the Bank at Dacca, having wide administrative powers and the powers of sanctioning loans up to Rs. one lakh

to individuals and Rs. 2.5 lakhs to corporate bodies should be implemented quickly to meet the requirements of East Pakistan.

The Committee also considered it necessary that the headquarters of the Bank should remain in Karachi because it is the country's main money market; and also because of the administrative difficulties of effecting a move elsewhere.

(4) *Investment Promotion Bureau*—On the question of shifting the headquarters of the Investment Promotion Bureau, demand to this effect was made by the Provincial representatives. The Committee remarked that apart from the suitability of Karachi from the point of foreign investment, the Director General had to be in constant touch with the PICIC, the Central Government and other agencies located in Karachi. It, therefore, recommended that the Headquarters of the Bureau should be retained in Karachi.

The Committee emphasised in its report that the promotional activity of the Bureau should be stepped up in East Pakistan and felt that this could be realised only by interesting the foreign investor in specific projects. The Committee considered that investment promotion could not be done in a vacuum ; it had to be related to projects and clear guide-lines must, therefore, be made available to the foreign investor in the form of a portfolio of schemes to serve as a kind of ready reference for him.

The Committee noted that the Central Government had appointed a committee to go into the matter and this committee had been asked to suggest the organisation that should be created, to prepare a portfolio of projects for prospective foreign investor.

The report suggested that the concrete lines on which the promotional activity of the Bureau might be stepped up in East Pakistan should be considered in the light of the recommendations made by that Committee.

The Committee felt that there should be greater coordination in the working of the agencies operating on the Industrial Investment Schedule, *i.e.*, the Central permission committee, the Provincial permission committee, PICIC and Industrial Development Bank, apart from operations through bonus vouchers. The Committee considered the most practical way of ensuring this coordination would be through the Director-General, Investment Promotion Bureau, who is associated with the working of all the agencies. The Committee, therefore, recommended

that the Investment Promotion Bureau should undertake the responsibility of furnishing information on a regular basis to all concerned, including the provincial Governments, in respect of sanctioned schemes for this purpose.

(5) *National Small Industries Corporation*—As regards the National Small Industries Corporation the Report suggested that its headquarters should be retained in Karachi and its charter should be revised in order to define clearly its export and other functions, as distinguished from the responsibility for " development " which should be fully entrusted to the provincial corporations for small industries. In respect of the staff position at its head office, it is recommended that it should be re-examined and posts of officers working in the development, planning and projects divisions should be reduced.

It further recommended that in its export operations the Corporation should aim at supplementing and not displacing the arrangements already set up in the foreign markerts by well-established exporters in the provinces. As a corollary, the provincial corporations should be free to go to the foreign markets themselves where this is more convenient.

The Committee also recommended that the quota of foreign exchange for the import of raw materials given to the Corporation should be distributed entirely between the provincial corporations and no part of this allocation retained by the National Small Industries Corporation.

(6) *Council of Scientific and Industrial Research*—In the case of the Council of Scientific and Industrial Research, the Committee suggested that its headquarters should be retained in Karachi and the functions of policy, planning and coordination in the field of scientific research should continue to be performed by its head office to avoid duplication and overlapping. It further recommended that new draft constitution of the Council should be sent to the Provincial Governments for their comments before it is finalised.

(7) *Central Technical Assistance Centre*—In the case of the Central Technical Assistance Centre, the Report says that the reorganisation proposal which had been submitted to the Ministry of Industries should be quickly implemented in order to meet more fully the requirements of the provinces. Under this proposal, the project director will be the Chief Administrative Head concerned with laying down of national policies, watching of progress and issue of general directions. The Field Directors will be given the powers currently enjoyed by the Project Director and their present powers will be delegated to the Deputy Directors at Karachi and Dacca.

The Committee urged that greater publicity should be arranged for the services provided by this Centre by bringing out suitable pamphlets and brochures and by other means.

(8) *Pakistan Insurance Corporation*—As regards the Pakistan Insurance Corporation, the Committee was of the view that its functions did not admit of much decentralisation because of the fact that it did not deal direct with the members of the public as its business was primarily with insurance companies. In the opinion of the Committee, however, some steps could be taken to secure for the provinces greater benefit from the business handled by the Corporations. For this purpose the functions of the Corporation were considered under five-head namely treaty and compulsory re-insurance; administration of national co-insurance scheme; promotion of new insurance companies; faculative reinsurance and training facilities for insurance personnel.

In respect of treaty and compulsory re-insurance the Committee recommended that the insurance companies should submit their periodical returns to the head office through the local office of PIC.

In regard to the national co-insurance scheme weightage should be given to smaller companies subject to their financial soundness. In order to spread the benefits of business handled by PIC to the provinces it was recommended that the Corporation should invest more funds from its available surplus in institutions providing credit for medium and small-scale industries; subject to an adequate return not below the bank rate. The Committee remarked that for this purpose the Corporation's investment portfolio should be re-examined and the present rules and instructions modified, where necessary.

As regards the headquarters of the Corporation the Cimmittee recommended that this should remain at Karachi because:

> "The most important function of the Corporation being re-insurance; its location in Karachi would ensure the best facilities for this purpose at reasonable rates and maintain for it a position of strength in concluding re-insurance treaties in the international market".

Planning Commission—Finally, the Committee dealt with the Panning Commission. In the opinion of the Committee, the functions of the Central Planning Authority of the country cannot be the subject of much decentralisation. The preparation of periodical plans and of the annual development programmes within their frame-work will have to be done by a central organisation fully equipped to handle this high responsibility. The Committee, therefore, expressed the opinion that

it would not serve any useful purpose to create a cell of the Commission in Dacca and that instead, it would be more useful to develop two-way traffic between the Commission and the Planning and Development Departments in the Provinces.

According to the Committee, two fold action will be required for this purpose, namely ;

(a) to strengthen the existing machinery for planning in the provincial governments ; and

(b) to establish a more purposeful relationship between this machinery and the Commission.

As regards the first requirement, the report says that the set-up in East Pakistan is already organised on the lines of the Central set-up. The Planning and Development Department is divided into a Planning Division (with one Chief Economist, and Deputy and four Assistant Chief Economists and four Research Officers) and a Projects Division (with one Project Director, assisted by a Joint Director and six Progress Officers).

In West Pakistan, the Report observes, the Planning and Development Department has a much smaller set-up. The Committee stated "we understand that the Provincial Reorganisation Committee has already recommended that the West Pakistan set-up should be reorganised on the lines of the East Pakistan set-up". In the opinion of the Committee this was necessary if the Provincial Governments were to do an effective job in the planning field.

The Committee remarked that this job will now have to be far more than the mere collection and packaging of un-coordinated schemes. It should increasingly be the conversion of these schemes into integrated and internally consistent programmes, their effective processing and progress evaluation, which, taken together, constitute effective planning on a continuing basis.

As regards the second requirement ; namely, the establishment of a more purposeful relationship between the existing machinery in the provinces and the Commission, the Committee suggested the following steps :

(a) The Planning Commission should hold a quarterly meeting with the Provincial Additional Chief Secretaries (Development) to consider problems of planning and implementation of development schemes ;

(b) The Commission should move as a body to Dacca once a quarter for an extended stay of two to three weeks at a time ;

(c) The Chiefs of Economic and other sections should pay regular visit to Dacca according to a prescribed frequency ; and

(d) The proposal to attach suitable officers of the Provincial Governments to the Commission for training in the concepts and techniques of planning should be quickly implemented.

Government's Decision—The report of the Committee was considered by the Governors' Conference. The Governors' Conference accepted the recommendations of the Committee, subject to the following remarks :—

"*Industrial Development Bank*"—The headquarters of the Industrial Development Bank should remain in Karachi for the time being.

"*House Building Finance Corporation*"—There should not be two corporations as recommended by the Committee but the headquarters of the House Building Finance Corporation should be transferred to Dacca.

"*Pakistan Industrial Development Corporation*"—The PIDC should be bifurcated into two Provincial Corporations each with a separate charter and board of Directors.

"It was further decided that in order to economise in technical manpower and resources the amalgamation of the Mineral Development Corporation, the Oil and Gas Corporation (proposed), the Small Scale Industries Corporation and the Forest Industries Development Corporation with the provincial PIDC should be examined urgently by a Committee consisting of the Secretary, Ministry of Industries, the Secretary, Ministry of Finance, and the Additional Chief Secretaries of the two Provinces.

"*Planning Commission*"—"The Planning Departments in the Provinces should be further reinforced to enable more effective planning in the provinces. If the services of foreign experts are required by the Provincial Governments the necessary foreign exchange will be provided by the Central Government."

APPENDICES

APPENDIX 'A'

Important Changes in Foreign Exchange Regulations from April, 1961 to March, 1962

1. Import of Pakistan Currency Notes

The limit for bringing in Pakistan Currency Notes by travellers entering Pakistan (other than persons travelling on category 'A' visa, members of the crew of ships, aircrafts and railways and captains of vessels and aircrafts), has been reduced from Rs. 5,000 to Rs. 80. Import of currency notes of the Government of Pakistan and State Bank of Pakistan notes of the denomination of Rs. 100 has been completely banned. These instructions became effective from 24th May, 1961.

2. Exchange Quota for travel to India, Burma and Portuguese Territories in India

In accordance with our policy of liberalising release of foreign exchange for private travel Authorised Dealers have been delegated powers to release foreign exchange to Pakistani travellers going to India, Burma and Portuguese territories in India once in two calendar years at the following scale :

(a) For adults travelling by Air or Sea or Train. Rs. 50 per person

(b) For children up to 15 years of age travelling by Air, by Sea or by train. Rs. 25 per child.

3. Restiction on Rupee Usance Bills Withdrawn

The restriction imposed on discounting of rupee usance bills has been withdrawn with effect from the 21st December, 1961. Authorised Dealers can now purchase and discount Rupee Usance bills which are drawn in Pakistan Rupees under Letters of Credit opened by non-resident banks to finance exports from Pakistan without prior reference to State Bank.

4. Margin Against Imports

Authorised Dealers have been directed not to open letters of credit covering imports of certain specified items unless a marginal deposit upto the prescribed extent is made with them for the amount of credit. Letters of Credit against licences issued to Industrial consumers and marked as such are exempt from these requirements. These instructions are also not applicable to letters of credit for imports by all departments of Central and Provincial Governments as well as Semi-Government Agencies.

APPENDIX 'B'

CHRONOLOGY OF IMPORTANT ECONOMIC EVENTS

JAN.—DEC. 1961

JAN.—MAR. 1962

Date	Event	Brief Description
	CHAPTER I.— *Growth of Population*	
12-1-61	Second Census of Pakistan ..	The census operations started on 12th January, 1961.
20-1-61	First detailed data collected for tribal areas	Detailed data regarding tribal areas were collected during this census for the first time in history.
3-3-61	Preliminary census figures announced.	—
3-9-61	Final figures announced	—
14-1-62	Conference at Dacca	First Conference of Indian Ocean Region of the International Planned Parenthood Federation opened at Dacca on 14th January, 1962. The President emphasised the importance of birth control in his message to the Conference.
24-1-62	Demographic Survey of East Pakistan	First round completed. Survey sponsored by the Population Council of New York in cooperation with the Dacca University.

Date	Event	Brief Description
	CHAPTER III—*Trends in Agricultural Production and Organisation.*	
1-2-61	Mechanised Farming	Ghulam Mohammad Barrage area to include 350,000 acre for mechanised farming by competent farmers. This is in addition to 50,000 acres already earmarked.
18-2-61	Agriculture Development Bank	Ordinance promulgated.
27-2-61	Mechanised cultivation on co-operative basis	Cooperative Farming Society Union, Sukkur chalked out a comprehensive programme to bring 150,000 acres in Guddu Barrage area under mechanised cultivation.
14-3-61	26 lakh acres for afforestation ..	About 26 lakh acres of state land are being taken over for scientific afforestation in Hyderabad Division.
20-3-61	Rural Credit Bank for every Tehsi	The West Pakistan Cooperative Department decided to organise a Cooperative Rural Bank at every Tehsil H. Q.
25-3-61	2 years tax holiday for agriculturists	The Government of West Pakistan decided to allow tax holiday for 2 years to such agriculturists as will bring virgin lands under cultivation in the Province.
17-5-61	Cabinet approves Rs. 590 crore plan for fighting water-logging and salinity	The Cabinet approved the plan in principle which would be implemented as and when resources are available. 26 projects would cost Rs. 340 crores in addation to Rs. 250 crores for generation and transmission of power to run tubewells.
1-8-61	Land revenue cut by 25 per cent in Hyderabad and Khairpur Divisions	The President agereed to reduce land revenue assessment in Hyderabad and Khairpur Divisions by 25 per cent from the Kharif of 1961-62 with a view to providing incentive for higher agricultural production in the fast developing areas. The loss to the Provincial exchequer would be to the tune of Rs. 1 crore.
4-8-61	Sugar for production requirements—seven industries granted import permission	Following industries can import sugar against bonus vouchers :—. 1. Pharmaceuticals. 2. Unani Dawakhanas. 3. Fruit preservation. 4. Biscuit manufacturing. 5. Ice cream. 6. Bakery. 7. Confectionary and drinks.
7-8-61	Wasteland utilization	Commitee set up for implementation.
19-8-61	Agricultural University for East Wing. To be located at Mymensingh	East Pakistan Governor promulgated the Ordinance.
28-8-61	Price of ammonium sulphate reduced	From Rs. 7.50 to Rs. 7.0 per bag in the seven selected districts of West Pakistan to boost up food production.
28-8-61	Agricultural Census	Preliminary Report published.

Date	Event	Brief Description
1-9-61	Agricultural Development Corporation in the Provinces	Setting up approved by Cabinet.
13-9-61	Government of East Pakistan placed 6,300 acres at the disposal of the Tea Development Committee	For opening new tea estates.
13-9-61	Scheme for construction of grain silos-*cum*-elevators	Sanctioned for Chittagong and Karachi.
21-9-61	West Pakistan Agricultural Development Corporation set up	Ordinance issued. Object : to increase agricultural production.
30-9-61	Ganges-Kobadak project ..	Power house inaugurated by the Governor of East Pakistan.
14-10-61	East Pakistan Agricultural Development Corporation	Ordinance promulgated.
15-10-61	Land Consolidation in East Pakistan	A pilot scheme launched.
1-11-61	Agricultural University at Lyallpur	Ordinance promulgated.
1-12-61	Mechanised Cooperative farming in West Wing plan approved by the Provincial Government.	1. 10,000 cultivators to benefit. 2. 125,000 acres to be covered.
4-12-61	Milk plant for Lahore	Agreement with UNICEF and FAO signed Pasteurised milk will be sold to public at 47 paisa a seer.
28-12-61	Agricultural Economic Conference at Lyallpur	———
12-1-62	Quality Rice—Export Target ..	Target Fixed :— Parmal .. .. 25,000 tons Begmi .. .. 25,000 ,,
13-1-62	Prizes for highest yields per acre ..	Total value of awards Rs. 470,000 to be given to growers of wheat, sugarcane and cotton in case of highest yields per acre.
13-1-62	Central Cooperative Fund ..	To augment the financial resources of cooperatives in West Pakistan. Central and Provincial Governments and big cooperatives to subscribe.
13-1-62	Borrowings from agricultural credit bodies.	Maximum limits raised to Rs. 2,000 against land mortgage and to Rs. 1,000 against personal sureties.
21-1-62	Coordination Board	Set up to assist the Agricultural Development Corporations of East and West Pakistan.
22-1-62	Cooperative Training Institute for Rawalpindi	Scheme approved by the Development Working Party.
1-2-62	Governors' Conference at Dacca ..	Decided to (*i*) encourage cooperative farming and (*ii*) give agricultural bias to education.
6-2-62	Movement of rice from West Pakistan to Karachi	Restricted to 5 seers except for valid permits.
13-2-62	Cooperative Farming	20,000 acres allocated in the Ghulam Mohammad Barrage area by the West Pakistan Government.
15-3-62	Agricultural Research Institute at Tejgaon.	Rs. 1.48 crores granted by the Central Government for establishment.
21-3-62	Marketing Loans for Agriculturists	Agricultural Development Bank would provide loans against paddy and other crops.

Date	Event	Brief Description
	CHAPTER IV.—*Industry and Mining*	
31-1-61	Additional 275,000 spindles allocated	*Allocation.*—East Pakistan 150,000—West Pakistan 125,000.
31-1-61	Foreign Exchange for the development of medium sized and small scale industries in East Pakistan	Number of units —Medium 86 Small 75 Government to deal direct with 86 units. Small Scale Industrial Corporation to deal with 75 units. Total allocation of foreign exchange Rs. 2 crores placed by the Centre at the disposal of East Pakistan. Rs. 12 lakhs for balancing of existing units.
16-2-61	Implementation of Industrial Investment Schedule	27 Industries in West Pakistan met Second Plan targets in about 7 months.
16-2-61	German Loan for the Development of Small Scale Industries	The Industries Minister announced that bulk of 150 million Mark German loan would be used for the development of small scale and medium industries.
28-2-61	Facilities for industrialists in West Pakistan.	A high powered board was constituted for West Pakistan to assist the prospective industrialists in the procurement of land, building material, electric power, railway siding and water requirements.
28-2-61	Imports of textile printing machines under bonus vouchers restricted.	The present printing capacity is adequate. Unrestricted imports stopped. Imports allowed for replacement purposes only.
4-3-61	Oil exploration agreement with Russia signed.	Loan amount, $30 million—repayment in Pakistan currency in 12 years. Rate of interest 2½ per cent.
6-3-61	Pakistan Industrial Development Corporation to provide consultation facilities to industrialists.	Decided by Pakistan Industrial Development Corporation to provide projects preparation facilities.
13-3-61	Oil exploration-separate Directorate set up in the Bureau of Mineral Resources.	To deal with Soviet Oil Experts.
11-5-61	Rs. 10 crores acetate rayon mill to be set up at Lyallpur.	This mill was sanctioned in favour of Kohinoor Rayon Mills, Lyallpur, Foreign Exchange component of the expenditure would be met out of West German credit.
17-5-61	Pakistan Ordnance Factories Board set up.	A three-member Board set up by the Government. *Functions.*—(1) to run the industries on sound commercial lines and to meet the needs of defence during peace and war, (*ii*) To utilize the surplus capacity to meet the needs of the civilian population.
15-6-61	Development of small industries in Karachi.	Rs. 51.13 lakh foreign exchange sanctioned for 1961-62.
15-6-61	Rs. 2 crores foreign exchange for West Pakistan.	Allocated for the development of medium sized industries.

Dae	Event	Brief Description
3-7-61	Oil contract with Russia	Oil contract in detail with Russia signed.
9-9-61	Rs. 37 crores invested by 24 countries in the private industrial sector.	In the last 26 months :— Foreign .. 37,28,68,121 Local .. 19,87,56,018.
18-9-61	Investment in jute industry ..	Facilities provided to East Pakistanis. Any East Pakistani who is willing to invest Rs. 26 lakhs can own a mill worth Rs. 1.50 crores. On the recommendations of the Jute Panel it was decided to encourage East Pakistanis to participate in the Jute Industry. On investing Rs. 26 lakhs, an East Pakistani would get a loan of Rs. 1 crore in foreign exchange from the Central Government and Rs. 24 lakhs as loan from the P.I.D.C.
20-9-61	Oil and Gas Corporation set up ..	3 to 5 members. One representative from Ministry of Finance. Capital Rs. 5 crores including Rs. 1 crore in the first instance. The Corporation would carry out geological, geophysical and other surveys for exploration of oil and gas and carrying out drilling and other prospecting operations. In addition, it would undertake and encourage production, refining and sale of oil and gas.
28-9-61	Sugar partially decontrolled ..	Mills producing sugar above a certain limit would be eligible to sell it in the free market
5-10-61	Speedy development of minerals—Panel set up for revision of Laws.	A Committee appointed for the revision of mining laws to ensure a speedy development of mineral resources. Terms of reference ; (*a*) To review the Regulation of Mine and Oil Fields and Mineral Development (Federal Control) Act, 1949 and; (*b*) Pakistan Mining Concessions Rules, 1960 and suggest amendments.
26-10-61	Pakistan Industrial Development Corporation to exploit marine fisheries.	The Government of Pakistan charged the Pakistan Industrial Development Corporation with the responsibility of exploitation of marine fisheries.
9-11-61	Tax Holiday for tea manufacturers	New Units set up between July 1, 1961—June 30, 1965 :—period of tax holiday 8 years Minimum capital Rs. 50,000, Registered in Pakistan.
18-11-61	Industrial Investment Schedule ..	Progress between 1st July, 1960 and 30th September, 1961 released.
30-11-61	Commercial bank loans to small industries.	Government to bear risks upto 75%. These provisions would apply to units sponsored by the Provincial Small Industries Corporations.
30-11-61	East Wing to have 6,000 more looms (jute industry) in next 4 years.	Total to go upto 14,000 looms.

Date	Event	Brief Description
2-1-62	Tax Holiday for Tea Gardens ..	Provincial Government of East Pakistan decided to grant tax holiday to new garden owners for 8 years.
18-1-62	Jute Mills in East Pakistan ..	Contract signed by the Pakistan Industrial Development Corporation with an English firm to supply machinery for 4 new units.
23-1-62	Iron and Steel Works, Chittagong (First Phase).	The Government approved in principle the scheme of setting up of an iron and steel plant at Chittagong at an estimated cost of Rs. 12.33 crores over a 3-year period, subject to certain conditions.
23-1-62	Streptomycin Factory in East Pakistan.	Government approved the scheme at an estimated cost of Rs. 2.14 crores with maximum association of private capital.
31-1-62	Imports of Indian Films banned; ..	To protect local film industry.
13-2-62	College of Mineral Technology at Quetta.	Government approved the scheme at an estimated cost of Rs. 1.04 crores.
28-3-62	Jute Mills in East Pakistan ..	Qaumi Jute Mills would be set up at Serajgunj in which common people are participating would go into production by end of 1962

Date	Event	Brief Description
	CHAPTER V.— *Water and Power*	
22-1-61	Shadiwal Hydel Project	Shadiwal Hydel Project opened.
27-1-61	Warsak Project	Warsak Project opened by the President.
16-3-61	Division of Ganges Water between India and Pakistan.	The President of Pakistan met the Prime Minister of India in London and discussed the division of Ganges Water.
12-5-61	Development of Power resources ..	Power Commission appointed.
27-9-61	Water-logging and Salinity ..	U. S. Scientific Mission arrived in Karachi to study water-logging and salinity problems.
21-10-61	Atomic Energy	The President inaugurated Atomic Energy Centre at Lahore.
30-11-61	Power House in East Pakistan ..	Ganges Kobadak Power House inaugurated.
4-1-62	Oil team for Middle East ..	Members (1) Secretary, Fuel, Power and Natural Resources (2) Director General, Mineral Resources, and (3) one Director, Oil and Gas Corporation. Objects to study prices, production and export aspects of oil in Middle East.
10-1-62	Ganges-Kobadak Project ..	First phase completed.
22-1-62	Aid from U.S.A. for implementation of major electrification projects.	Agreement signed by Pakistan and U.S.A. representatives. U.S.A.'s share Rs. 202.50 lakhs, Pakistan's share Rs. 151.45 lakhs.
15-2-62	Power Supply in East Pakistan ..	To reinforce the power supply in East Pakistan WAPDA of that Province proposed to lay the gas filled submarine/cables across the Ganges.
16-2-62	Oil Refinery Karachi	Foundation stone laid.
16-2-62	Power Survey in three Divisions of West Pakistan.	Completed by West Pakistan WAPDA in Quetta, Hyderabad and Khairpur Divisions.
16-2-62	Oil Exploration	Equipment received from Russia left Karachi for Potwar.
22-2-62	More Gas found	Found at Kailas Tila in Sylhet district.
21-3-62	Electricity rates in Rawalpindi ..	Interim relief suggested by the Power Commission in its Report submitted to the Government.
31-3-62	Mari Gas Deposits	Estimated at 3.5 trillion cubic feet or about half of Sui reserves.
31-3-62	Karnafulli Project	Inaugurated by the President.

Date	Event	Brief Description
CHAPTER *VI and VII.—Commercial Policy, Foreign and Coastal Trade and Balance of Payments*		
22-1-61	U.K. imports of cloth in 1961; ..	U.K. agreed to import 38 million yards of cloth from Pakistan in 1961.
4-1-61	Bonus Scheme applicable to Jute Industry till June, 1965.	The Government decided to apply the Export Bonus Scheme to the Jute Industry till June 1965 from 1st March, 1961. Jute Industry to use 50% of bonus vouchers earned for imports of looms and spindles for expansion, balancing and modernisation.
30-1-61	Yarn taken out of the Export Bonus Scheme.	Cotton yarn removed from the list.
8-3-61	11 essential items placed on O.G.L.	The Commerce Minister announced that 11 essential items had been placed on O.G.L. after a lapse of 9 years. These items related to important spheres of national economic activity like industry, agriculture, health and education. Items, iron and steel, drugs and medicines, tractors and spares, cement (for East Pakistan only) books, milk food, typewriters, office equipment, laboratory glass water and scientific equipment, tools, and workshop equipment.;
14-4-61	Export of cotton waste. 20% bonus for all varieties.	The Government in consultation with the Advisory Committee for the Ministry of Commerce had decided that exports of all varieties of cotton waste would continue to earn 20% bonus.
19-5-61	Emergency import licences for East Wing.	Rs. 1,62,47,500 foreign exchange for East Pakistan to import building materials to offset the damage caused by severe cyclone on 8th May 1961.
20-6-61	Export credit guarantee Scheme from 1st October 1961.	Government decided to launch an export credit guarantee scheme on trial basis for three years. Jute, wool and cotton excluded. A special wing to be created in Pakistan-Insurance Corporation. Board of Directors to be headed by the Secretary, Commerce with representatives of the Ministry of Finance and Industries, State Bank of Pakistan and the Managing Director of the Pakistan Insurance Corporation. Initial Capital Rs. 500,000 percentage of loss payable under the scheme would be 75%—85%. Main object to encourage export.
23-6-62	Export Bonus Plan extended up to 30th June, 1965.	Scheme extended to the end of Second Five-Year Plan.
27-6-61	Export Bonus Scheme enlarged ..	37 more items included.
29-6-61	Import Policy	Import Policy announced for July—December 1961.
7-8-61	Imports of goods under Foreign Aid to be insured in Pakistan.	All goods imported in future into Pakistan under foreign aid or loans would be insured in Pakistan through National Co-Insurance Scheme. The Government directed all semi-official bodies to approach Pakistan Insurance Corporation for the purpose.

Date	Event	Brief Description
10-8-61	Tea bidder quota in auctions ..	Tea bidders quota in auctions abolished because of the satisfactory tea crop.
10-8-61	New Jute Policy approved. Use of bonus for import of capital goods	The Government approved the Jute Policy for 1961-62 and also fixed the E.P.C. price of jute at £ 100 per ton C.I.F. for Export Firsts. This was done in the light of the recommendations of the Jute Commission. Exoprt Duty to remain unchanged. The Government had announced earlier that 50% of the bonus earned for the import of looms and spindles was required for the balancing and modernisation in addition to the requirements of spare parts, replacements and raw materials.
10-8-61	Sugar Pact signed with Germany ..	Germany to supply 25,000 tons. Repayments to be made in rupees. 10% of sale proceeds to be used by Germany in Pakistan for its own obligations, 10% for technical assistance and 80% for loans to Pakistan for development purposes.
	25,000 tons of sugar to be imported from Cuba.	Total imports 50,000 tons.
12-8-61	Duty on Comilla cotton abolished.	The Government approved the cotton policy for 1961-62. No change in the export duty on staple cotton. Duty on Comilla cotton abolished. Duty on other desi cottons reduced from Rs. 40 to 25 per bale.
30-8-61	Art silk yarn under Bonus Scheme.	The Government decided to include art silk yarn in the import schedule under the Export Bonus Scheme.
1-961	Credit limits liberalised by State Bank of Pakistan.	State Bank of Pakistan has decided to liberalise its credit-limits to the banks under the Bill Discounting scheme particularly to meet the seasonal credit demands.
13-961	Britain to import 42 million yards of Pakistan textiles during 1962.	This would be 4 million yards, more than the textile exported to Britain in 1960.
14-961	Export duty on tea reduced by 13 paisa.	Previous duty 38 paisa per pound. New duty 25 paisa per pound. Object to improve the competitive position of Pakistan tea in the World Market.
	Cut in import duty on secondhand clothing.	In the current year budget it was raised to 150%. Now reduced to 50%.
	Dyestuff industry protected. ..	Sulphur black 25% or 90 paisa per pound whichever is higher. Congo red 60% or Rs. 3·30 per pound. Benzo direct deep black 60% or Rs. 2·60. per lb. Benzo green 60% or Rs. 2·00 per lb. Benzo blue 60% or Rs. 3.70 per lb. Sodium bicromate 50%.

Date	Event	Brief Description
	Imports banned	Cast iron pipes of or below 4 inch diameter, steel chairs canvas, and leather belting for machinery, aluminium and magnesium sulphate, pearl barley, complete radio sets, electrical motors of 1 to 30 horse power, sodium hydrosulphite (for W. Pakistan), some items to be licensed for industrial consumers.
19-9-61	India allowed cotton imports from Pakistan.	Cotton of 1 inch staple length or less worth Rs. 15 million allowed under a trade agree ment signed on 28-3-61.
6-11-61	Export quota of tea	Tea export quota for the year ending 31-3-62 fixed at 10 million pounds.
19-11-61	Imports against assets held abroad.	Imports against assets held abroad allowed in case of assets declared under Martial Law Regulation No. 45 only.
30-11-61	Sugar	Sugar imports under Bonus Scheme allowed. Also tyres and tubes (cycles) included in voucher trade.
2-12-61	Regulation of trade bodies ..	Government to regulate trade bodies. Ordinance enforced.
4-12-61	Exports of cotton cloth	80 million yards of cloth to be compulsorily exported during 1962.
4-12-61	Raw materials for exportable goods—repayment of customs duty allowed.	To boost up the exports refund of customs duty allowed on imported raw materials used.
8-12-61	Tea Export Quota	Raised to 12·5 million pounds for 1961-62.
24-12-61	Surcharge of Rs. 7 per ton on cement	To subsidise supplies to East Pakistan.
7-1-62	Import of Currency	State Bank reduced the quota of currency of incoming Pakistani passengers from Rs. 5,000 to Rs. 80 only. Bringing in of Rs. 100 notes also banned.
11-1-62	Import of cotton into India from Pakistan.	Imports allowed up to Rs. 1.50 crores.
13-1-62	Cement imports into East Pakistan from China.	Imports of 50,000 tons contemplated by East Pakistan Government.
28-1-62	Foreign exchange quota for Haj pilgrims.	Rs. 350 for children between 3 and 5 years of age.
29-1-62	Carpet Export Promotion body ..	Functions announced.
30-1-62	Voluntary cut in yarn exports to United Kingdom.	Negotiations at Karachi with a U.K. delegation.
31-1-62	Imports of raw cotton	Government decided to import 50,000 bale of long staple cotton to push up cloth production of finer varieties.
14-2-62	Import of Iron and Steel from U.S.A.	Procedure laid down for imports under a loan of $ 45 million.
24-2-62	Trade Pact with Bulgaria ..	Pakistan to import *inter alia* machinery and drugs. Exports jute, cotton, wool, hides and skins, cutlery, etc.
11-3-62	Exports of Rice	350,000 tons to be exported during 1962.
30-3-62	Safeguards for Export Trade ..	Export Credit Guarantee Scheme launched.

Date	Event	Brief Description
	CHAPTER VIII.—*Prices and Price Trends.*	
31-1-61	Decontrol of cloth and yarn prices ..	Prices and distribution of cotton cloth and yarn decontrolled, Rise in prices of popular varieties by about Rs. 0.19 to Rs. 2.00 per yard.
17-2-61	Rs. 3 crore foreign exchange to fight rising prices.	An additional sum of Rs. 3 crores earmarked to fight the rising prices of consumer goods. Ministry of Finance placed this sum at the disposal of Ministry of Commerce.
27-2-61	Cloth Fair Price Shops for Eid ..	Karachi millowners opened retail shops in the New Frere Market for Eid.
28-2-61	Rise in the prices of cement ..	From March 1, the P.I.D.C. increased the prices of packed cement from Rs. 79 to Rs. 88 per ton. Reason : increase in the price of jute bags from Rs. 65 to Rs. 140 per 100 bags.
30-3-61	Move to bring down prices ..	The Government decided in principle to organise and promote consumer co-operatives with a view to bring down prices of consumer goods. These co-operatives would be organised throughout the country with the help of Co-operative Deptt., Basic Democracies and the Ministry of National Reconstruction.
29-7-61	Prices of Sugar and Sugarcane fixed.	Government fixed the *ex*-mill price of sugar *excluding* excise duty at Rs. 37·25 per maund in case of West Pakistan and Rs. 40.00 per maund in case of East Pakistan. Also it was decided that the minimum price of sugarcane should be Rs. 2·00 per maund at specified purchasing centres or *mandis*. These centres and *mandis* would be specified by the Provincial Government. Reason:—In the past the prices were fixed in consultation with sugar mills but this formula did not work satisfactorily.
10-8-61	Sui Gas price reduced	From 1-9-1961 reduction of gas prices by 5 paisa per 1000 c.ft.
17-8-61	Rice Procurement Policy-Basmati price raised by Re. 1 per maund.	All available surplus rice to be procured during 1961-62. Surplus areas in West Pakistan to be cordoned off. Exports during 1960-61 ; 117,000 tons. Price of Basmati raised from Rs. 24 to 25, of Permal reduced from Rs. 19·00 to Rs. 18·00 per maund.
23-8-61	Rice procurement price of Kangni and Joshi raised by 13 paisa for the season.	In force for 1961-62.
14-9-61	Rice prices fixed in West Wing ..	*Ex*-mill price of basmati Rs. 25 per maund. Permal, Hansraj and Mushkin Rs. 18 per maund. Begmi Rs. 16 per maund.
10-10-61	Minimum export prices of long jute.	Prices announced in accordance with the recommendations of the Jute Enquiry Commission, FOB Chittagong/Chalna £ 89 or roughly c.i.f. £ 100 UK /Continent.

Date	Event	Brief Description
13-10-61	Open market sale of rice in Dacca ..	To bring down prices of rice in Dacca, Government decided to sell rice in the open market from its stocks.
1-11-61	Accord on oil price-cut ..	Government to gain about Rs. 9 crores.
23-11-61	Tea prices fixed in West Pakistan ..	Maximum retail and wholesale prices of Lipton Tea (Hotel Blend) for West Pakistan. as under :— per lb. Wholesale .. .. .. Rs. 4·25 Retail .. .. .. Rs. 4·50
5-12-61	*Ex*-Mill prices to be stamped on cotton piecegoods.	Government made it compulsory for the mills to stamp *ex*-mill prices.
12-12-61	Decontrol of prices of imported woollen and worsted yarn and cloth.	Government decided to decontrol with immediate effect the prices of imported woollen and worsted yarn and cloth.
12-1-62	Salt Scarcity in East Pakistan—Provincial Government to build up reserve stock.	Stock to be of 20 lakh maunds to meet scarcity and keep the prices under control.
27-1-62	Buffer Stocks of Paper	The Government of East Pakistan appointed a Committee to go into the question of production, distribution and price of paper to find out a permanent solution for its shortage. Karnafuli paper mills had been asked to maintain buffer stocks.
15-2-62	Supply of Salt to East Pakistan ..	Supply of 18·5 lakh maunds arranged by the Central Government.
21-6-62	Imported Wheat Price ..	Reduced from Rs. 16·00 to Rs. 14·00 per maund in West Pakistan and to Rs. 12·50 per maund in East Pakistan.
24-3-62	Stabilization of Jute Prices ..	A scheme for having a buffer stock of jute for stabilizing prices was discussed at an international conference on jute at Dacca. Scheme was found to be feasible.
16-3-62	Decontrol	Government decided to remove price control on imported tricycles and sewing machines in West Pakistan. Price controls in both West and East Pakistan removed from non-standard cycle tyres and tubes imported against bonus, batteries and locally manufactured gramophone records. Control on other items, including tea, would continue.

Date	Event	Brief Description
	CHAPTER VIII.—*Prices and Price Trends.*	
31-1-61	Decontrol of cloth and yarn prices ..	Prices and distribution of cotton cloth and yarn decontrolled, Rise in prices of popular varieties by about Rs. 0.19 to Rs. 2.00 per yard.
17-2-61	Rs. 3 crore foreign exchange to fight rising prices.	An additional sum of Rs. 3 crores earmarked to fight the rising prices of consumer goods. Ministry of Finance placed this sum at the disposal of Ministry of Commerce.
27-2-61	Cloth Fair Price Shops for Eid ..	Karachi millowners opened retail shops in the New Frere Market for Eid.
28-2-61	Rise in the prices of cement ..	From March 1, the P.I.D.C. increased the prices of packed cement from Rs. 79 to Rs. 88 per ton. Reason : increase in the price of jute bags from Rs. 65 to Rs. 140 per 100 bags.
30-3-61	Move to bring down prices ..	The Government decided in principle to organise and promote consumer co-operatives with a view to bring down prices of consumer goods. These co-operatives would be organised throughout the country with the help of Co-operative Deptt., Basic Democracies and the Ministry of National Reconstruction.
29-7-61	Prices of Sugar and Sugarcane fixed.	Government fixed the *ex*-mill price of sugar *excluding* excise duty at Rs. 37·25 per maund in case of West Pakistan and Rs. 40.00 per maund in case of East Pakistan. Also it was decided that the minimum price of sugarcane should be Rs. 2·00 per maund at specified purchasing centres or *mandis*. These centres and *mandis* would be specified by the Provincial Government. Reason:—In the past the prices were fixed in consultation with sugar mills but this formula did not work satisfactorily.
10-8-61	Sui Gas price reduced	From 1-9-1961 reduction of gas prices by 5 paisa per 1000 c.ft.
17-8-61	Rice Procurement Policy-Basmati price raised by Re. 1 per maund.	All available surplus rice to be procured during 1961-62. Surplus areas in West Pakistan to be cordoned off. Exports during 1960-61 ; 117,000 tons. Price of Basmati raised from Rs. 24 to 25, of Permal reduced from Rs. 19·00 to Rs. 18·00 per maund.
23-8-61	Rice procurement price of Kangni and Joshi raised by 13 paisa for the season.	In force for 1961-62.
14-9-61	Rice prices fixed in West Wing ..	*Ex*-mill price of basmati Rs. 25 per maund. Permal, Hansraj and Mushkin Rs. 18 per maund. Begmi Rs. 16 per maund.
16-10-61	Minimum export prices of long jute.	Prices announced in accordance with the recommendations of the Jute Enquiry Commission, FOB Chittagong/Chalna £ 89 or roughly c.i.f. £ 100 UK /Continent.

Date	Event	Brief Description
13-10-61	Open market sale of rice in Dacca ..	To bring down prices of rice in Dacca, Government decided to sell rice in the open market from its stocks.
1-11-61	Accord on oil price-cut ..	Government to gain about Rs. 9 crores.
23-11-61	Tea prices fixed in West Pakistan ..	Maximum retail and wholesale prices of Lipton Tea (Hotel Blend) for West Pakistan. as under :— per lb. Wholesale .. .. .. Rs. 4·25 Retail .. .. .. Rs. 4·50
5-12-61	*Ex*-Mill prices to be stamped on cotton piecegoods.	Government made it compulsory for the mills to stamp *ex*-mill prices.
12-12-61	Decontrol of prices of imported woollen and worsted yarn and cloth.	Government decided to decontrol with immediate effect the prices of imported woollen and worsted yarn and cloth.
12-1-62	Salt Scarcity in East Pakistan—Provincial Government to build up reserve stock.	Stock to be of 20 lakh maunds to meet scarcity and keep the prices under control.
27-1-62	Buffer Stocks of Paper	The Government of East Pakistan appointed a Committee to go into the question of production, distribution and price of paper to find out a permanent solution for its shortage. Karnafuli paper mills had been asked to maintain buffer stocks.
15-2-62	Supply of Salt to East Pakistan ..	Supply of 18·5 lakh maunds arranged by the Central Government.
21-6-62	Imported Wheat Price ..	Reduced from Rs. 16·00 to Rs. 14·00 per maund in West Pakistan and to Rs. 12·50 per maund in East Pakistan.
24-3-62	Stabilization of Jute Prices ..	A scheme for having a buffer stock of jute for stabilizing prices was discussed at an international conference on jute at Dacca. Scheme was found to be feasible.
16-3-62	Decontrol	Government decided to remove price control on imported tricycles and sewing machines in West Pakistan. Price controls in both West and East Pakistan removed from non-standard cycle tyres and tubes imported against bonus, batteries and locally manufactured gramophone records. Control on other items, including tea, would continue.

Date	Event	Brief Description
	CHAPTER IX.—*Communications and Transport*	
1-2-61	Roads in West Pakistan ..	.. Scheme approved by the Economic Committee of the Cabinet in 1951. Cost Rs. 33·65 crores. Proposal—New roads 2,266 miles in 5 years. Improvements of old roads 2,303 miles. Already constructed 1,217 miles. Road bridges built 11 —Expenditure incurred Rs. 18·217 crores.
	East Pakistan ..	.. New roads built—400 miles.
28-2-61	Cox's Bazar-Chittagong Road	.. The Governor, East Pakistan, inagurated formally a 94-mile metalled road between Chittagong and Cox's Bazar.
11-1-62	Purchase of oil tanker ..	.. Permission accorded to Persian Gulf Steamship Company to purchase one steamer at a cost of £303,000 from the United Kingdom.
13-1-62	Transmitters for Islamabad	.. Three of the five high power transmitters of Radio Pakistan for Islamabad arrived in Rawalpindi, installed and was expected to start soon.
17-1-62	Submarine cable to link two wings	Decided to lay a submarine cable through the Indian Ocean to link East and West Pakistan to cope with the increasing telephone and telegraph traffic.
27-1-62	Development of River Ports in East Pakistan.	Cabinet sanctioned a scheme costing Rs. 43 lakhs.
30-1-62	New Rail Link for East Pakistan Industrial Area.	Cabinet approved a scheme at a cost of Rs. 116 lakhs. Object to construct a 28·6 miles metre gauge line between Narsingdi and Madangunj.
7-2-62	Sixty-three crore Plan for Rolling Stock.	Programme under the Second Plan approved by the Cabinet.
13-2-62	Better Service to Passengers ..	Cabinet approved a scheme for Pakistan Western Railway at a cost of Rs. 1 crore.
20-2-62	Plant for replacing old Pakistan Eastern Railway Units.	Cabinet approved a scheme costing Rs. 74 lakhs.
23-2-62	Pakistan Railways decentralized ..	Cabinet approval accorded. Administration will change from 1st July, 1962.

Date	Event	Brief Description
	CHAPTER No. XIII.—*Public Finance*	
27-6-61	Railway Budget	Surplus Rs. 09.48 crores.
28-6-61	E. P. Budget	Surplus Rs. 1.70 crores.
29-6-61	W. P. Budget	Surplus Rs. 12.00 crores.
30-6-61	Central Budget	Net surplus Rs. 1.56 crores.
13-12-61	Finance Commission	Set up to allocate Revenues between Provinces and the Centre.
	Finance Commission submits Report	Report submitted to Government.
29-1-62	Rs. 11 crores more for East Pakistan	The Finance Minister announced that both the Provinces would get increased share of centrally administered taxes and duties in future. East Pakistan would get additional Rs. 11 crores and West Pakistan additional Rs. 2 crores.
10-2-62	Separate Account for Foreign Aid in West Pakistan.	Decided that in future foreign aid accounts would be maintained separately in the budget.
18-3-62	Standardisation of Budgets	A meeting held on 17th March, 1962 under the Chairmandship of the Finance Minister proposed that Central Budget should be standardised and more power should be transferred to Provinces.

Date	Event	Brief Description
	CHAPTER XIV.—*Second Five-Year Plan.*	
1/61	Visit of World Bank Mission ..	The World Bank Mission visited Pakistan in order to survey the economic conditions in Pakistan for purposes of the determination of aid to Pakistan by the Consortium.
293-61	Rise in Second Plans Outlay ..	The Governors' Conference at Dacca approved the revised Second Plan of Rs. 2300 crores.
76-61	Aid-to-Pakistan Consortium meeting	$320 million pledged.
156-61	Two new loans of Central Government floated.	
297-61	President to head Planning Commission.	Planning Commission reorganised. President to be Chairman, Mr. Said Hasan to be Deputy Chairman. Object, to inject more vigour into the country's Second Five-year Plan.
42-62	Water and Power Resources ..	Allocation raised by Rs. 100 crores under Second Plan without any increase in physical targets.
10-2-62	Industries	Allocation raised by Rs. 107 crores under Second Plan.

Date	Event	Brief Description
		CHAPTER XV.
6-5-61	Constitution Commission ..	.. Constitution Commission submitted its Report.
1-3-62	Constitution ..	.. Constitution published.

GPPK—L 74 (61) Finance—6-6-62—5,025.

STATISTICAL SECTION

STATISTICAL SECTION

LIST OF TABLES

POPULATION

TABLE NO. 1

CENSUS OF PAKISTAN — 1961

Selected Aspects

Region	Density			Sex-wise Distribution		Religion-wise Distribution		Literacy (4)	
	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	4,93,09	4,44,12	8,25,56	1,11,64	1,43,83	15·3
East Pakistan	55,126	5,08,40	922	2,63,49	2,44,91	4,08,90	99,50	89,36	17·6
West Pakistan ..	3,10,403	4,28,80	138	2,29,60	1,99,21	4,16,66	12,14	54,47	12·7

Source : Census Commissioner, Ministry of Home Affairs

(1) Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagarh and Manvadar.

(2) Excluding foreign nationals.

(3) Defined as able to read with understanding a short statement on everyday life in any language.

(4) Provisional.

Note.—Total may exhibit small difference due to rounding off.

TABLE No. 2

GROWTH OF POPULATION—1901 to 1961

Year	Numerical Distribution (In Lakhs)			Percentage Distribution			Percentage Increase		
	Pakistan (1)	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan	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
1921	544	333	211	100	61.2	38.8	6.7	5.3	8.9
1931	592	356	236	100	60.2	39.8	8.8	7.0	11.5
1941	703	420	283	100	59.8	40.2	18.8	17.9	20.1
1951	758	421	337	100	55.5	44.5	7.9	0.1	19.4
1961 (2)	938	508	429	100	54.2	45.8	23.7	20.9	27.1

Source : Census Commissioner, Ministry of Home Affairs.

(1) Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagarh and Manvadar.

(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 (1) ('000')			Percentage Distribution			Percentage Increase		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
1901	4,55,04	4,31,83	23,21	100.0	94.9	5.1	..	..	..
1911	5,09,37	4,84,41	24,96	100.0	95.1	4.9	11.9	8.8	8.5
1921	5,43,63	5,14,27	29,36	100.0	94.6	5.4	6.7	6.2	16.1
1931	5,91,46	5,53,01	38,45	100.0	93.5	6.5	8.8	7.5	32.1
1941	7,02,79	6,47,27	55,52	100.0	92.1	7.9	18.8	17.0	44.1
1951	7,58,42	6,79,79	78,63	100.0	89.6	10.4	7.9	5.0	41.9
1961(2)	9,37,20	8,14,25	1,22,95	100.0	86.9	13.1	23.6	19.8	56.4

Source : Census Commissioner, Ministry of Home Affairs.

(1) Excluding Jammu and Kashmir, Gilgit and Baltistan, Junagarh and Manvadar.

(2) Excluding Foreign Nationals.

NATIONAL INCOME

TABLE No. 4

NATIONAL INCOME AT CONSTANT PRICES (BY INDUSTRIAL ORIGIN) 1949-50 to 1961-62

(*Price Average of* 1949-50 *to* 1952-53)

(In Crore Rupees)

Sectors	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61 (c)	1961-62 (c)
Agriculture Total	1,069·6	1,107·2	1,085·0	1,123·9	1,195·5	1,185·8	1,133·5	1,222·4	1,209·9	1,181·9	1,257·8	1,305·1	1,335·7
Major Crops	627·2	654·9	614·5	635·5	692·2	673·8	633·4	719·5	701·5	671·7	743·2	783·6	812·5
Minor Crops	146·4	145·6	151·2	161·2	176·0	170·3	162·1	163·0	166·0	167·8	169·4	176·7	178·4
Livestocks	227·4	232·3	236·9	241·5	241·5	241·5	237·9	240·1	241·9	241·7	243·7	243·3	243·3
Fisheries	67·6	73·0	81·1	84·4	83·9	97·5	97·5	97·5	97·5	97·5	97·5	97·5	97·5
Forestry	1·0	1·4	1·3	1·3	1·9	2·7	2·6	2·3	3·0	3·2	4·0	4·0	4·0
Mining and Manufacturing Total ..	123·6	132·1	142·3	155·7	181·4	199·3	225·6	243·6	253·8	265·5	285·7	298·3	320·1
Mining	2·0	2·3	2·7	3·2	3·3	3·5	3·7	4·4	4·7	5·2	5·6	6·5	7·0
Large Scale Manufacturing ..	25·0	31·3	39·1	50·0	73·5	89·0	112·9	128·0	135·6	144·5	161·9	171·2	190·1
Small Scale Manufacturing ..	96·6	98·5	100·5	102·5	104·6	106·8	109·0	111·2	113·5	115·8	118·2	120·6	123·0
Commerce, Transport, Communications and other Services Total	461·6	479·5	483·8	496·9	517·1	524·7	530·6	554·4	562·1	570·6	593·9	610·7	625·2
Banking and Insurance	4·3	5·1	5·8	6·0	6·2	7·1	8·3	9·2	9·9	11·2	11·7	12·8	13·0
Transport and Communications ..	44·2	50·4	51·3	51·9	53·4	53·8	56·5	58·4	61·1	64·6	68·5	70·1	71·2
Services (I) (a)	149·4	152·4	155·4	158·5	161·7	164·8	168·1	171·4	174·8	178·3	181·8	185·3	188·9
Rental Income	103·1	104·5	105·9	108·0	110·1	112·3	114·5	116·7	119·0	121·4	123·9	126·4	128·9
Wholesale & Retail Trade ..	160·6	167·1	165·4	172·5	185·7	186·7	183·2	198·7	197·3	195·1	208·0	216·1	223·2

TABLE NO. 4—*contd.*

(In Crore Rupees)

Sectors	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61 (c)	1961-62 (c)
Other Incomes Total	99·4	138·7	141·1	99·6	78·7	96·6	68·9	67·8	75·3	67·0	30·9	80·2	99·2
Government	81·0	85·3	103·4	101·9	102·5	101·8	106·5	108·2	111·1	119·9	111·8	119·3	125·9
Adjustment of Indirect Taxes on Exports	18·2	35·6	28·6	29·2	28·8	23·5	28·7	22·0	17.8	18·2	19·1	16·1	13·9
Factor Income Payments	(—)1·0	(—)0·9	(—)0·8	(—)1·4	..	(—)0·9	(—)2·6	(—)1·2	(—)0·8	(—)1·0	(—)1·8	(—)1·9	(—)1·3
Effects of Terms of Trade ..	1·2	18·7	9·9	(—)30·1	(—)52·6	(—)27·8	(—)63·7	(—)61·2	(—)52·8	(—)70·1	(—)98·2	(—)53·3	(—)39·3
Total National Income ..	1,754·2	1,857·5	1,852·2	1,876·1	1,972·2	2,006·4	1,958·6	2,088·2	2,101·1	2,085·0	2,168·3	2,294·3	2,380·2
Population ('000') (h)	7 42,50	7,50,40	7,78,61	8,00,89	8,15,71	8,30,74	8,45,10	8,59,64	8,75,84	8,92,61	9,09,97	9,27,93	9,46,51
Per Capita Income (Rs.)	236	248	238	234	242	242	232	243	240	234	238	247	251

Source : Centra Statistical Office.

Note.— (1) The estimates under all sectors except Fisheries, Adjustment of Indirect Taxes on Export, Factor Income Payments and Effect of Terms of Trade have been revised.

(2) Income from Fisheries has been repeated from previous years owing to wide discrepancy between the reported production data of East Pakistan by the Central and Provincial Fisheries Departments. Two sets of figures are under reconciliation.

(3) The time reference of the estimates is April to March.

(a) Includes construction.

(b) Population figures are those worked out by the Planning Commission on the basis of the estimates of 1961 Population Census.

(c) Provisional.

FOOD AND AGRICULTURE

TABLE No. 5

INDEX OF AGRICULTURAL PRODUCTION

(1947-48 to 1961-62)

(*Base*—Average of 1949-50 to 1952-53=100)

Year (July-June)	All Crops	Food Crops	Non-Food Crops	Fibres
1947-48	93	94	89	95
1948-49	103	109	99	79
1949-50	99	104	102	73
1950-51	103	106	94	102
1951-52	97	95	98	104
1952-53	100	95	106	121
1953-54	109	113	123	80
1954-55	107	103	136	97
1955-56	100	94	121	108
1956-57	114	113	122	109
1957-58	111	106	135	110
1958-59	106	99	141	106
1959-60	117	117	135	105
1960-61(a).. ..	124	124	139	109
1961-62(a).. ..	128	126	151	120

Source: Central Statistical Office.

(a) Provisional.

Coverage.—Major Agricultural Crops only.

Weighting System.—The weighting system is based on average of harvest prices reported during the base period.

Base Period.—The time reference of the index numbers is the four-year 1949-50 to 1952-53 average.

Method of Calculation.—The index numbers are computed by Laspeyre's Formula: *i.e.* *Q1 Po* where Ql is the quantity of current year and Qo Po Qo Po are the average quantity and average prices of the commodities for the base period.

TABLE No. 6

PER CAPITA AVAILABILITY OF FOODGRAINS

(1947-48 to 1960-61)

Year	Domestic Production(a) (Lakh Tons)	Allowance for Seed, Animal Feed, Wastage etc. @ 10% (Lakh Tons)	Imports(b) (Lakh Tons)	Exports(b) (Lakh Tons)	Available for Consumption (Lakh Tons) (Cols. 2—3+4—5)	Population (c) (In Lakh)	*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 (d) ..	154.2	15.42	16.29	0.69	154.38	927.93	16

Source : Central Statistical Office

Note.— (a) Production data includes Rice, Wheat, Barley, Maize, Bajra and Jowar.

(b) Import and Export data supplied by the Ministry of Food & Agriculture.

(c) Population figures are based on estimates of the Planning Commission.

(d) Provisional.

TABLE NO. 7

PER CAPITA DOMESTIC PRODUCTION OF FOODGRAINS

(1947-48 to 1960-61)

Year	Production (a) Lakh Tons	Allowance for Seed, Animal Feed, Wastage, and other Uses at 10% of Production Lakh Tons	Total Availability for Consumption (Lakh Tons)	Population (b) (In Lakhs)	*Per Capita* Domestic Production as Available for Consumption (Ounces per day)
1947-48	117.3	11.73	105.57	726.50	14
1948-49	136.1	13.61	122.49	736.00	16
1949-50	132.6	13.26	119.34	742.50	16
1950-51	133.0	13.30	119.70	750.40	16
1951-52	117.1	11.71	105.39	778.61	13
1952-53	115.0	11.50	103.50	800.89	13
1953-54	140.8	14.08	126.72	815.71	15
1954-55	127.2	12.72	114.48	830.74	14
1955-56	117.4	11.74	105.66	845.10	12
1956-57	138.3	13.83	124.47	859.64	14
1957-58	130.5	13.05	117.45	875.84	13
1958-59	129.5	12.95	116.55	892.61	13
1959-60	145.2	14.52	130.68	909.97	14
1960-61 (c)	154.2	15.42	138.78	927.93	15

Source : Central Statistical Office.

(a Production data includes Rice, Wheat, Barley, Maize, Bajra and Jowar.
(b Population figures are based on estimates of the Planning Commission.
(c Provisional.

TABLE No. 8

AREA UNDER PRINCIPAL CROPS

(1947-48 to 1961-62)

(In Thousand Acres)

Year beginning 1st July Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (a)	Average 1957-58 to 1961-62(a)	Average 15 years ending 1961-62(a)
Rice	21,835	23,117	22,887	22,487	24,125	24,804	23,958 (c)	23,652	22,868
Wheat	10,422	10,732	11,495	12,032	12,193	11,603	11,856 (b)	11,836	10,996
Bajra	2,224	2,296	1,846	2,003	1,990	1,844	2,055	1,948	2,156
Jowar	1,197	1,328	955	1,097	1,128	1,177	1,269	1,125	1,217
Maize	958	1,053	1,072	1,132	1,199	1,207	1,191	1,160	1,057
Barley	550	554	542	550	630	536	525	557	55
Total Foodgrains ..	37,186	39,080	38,797	39,301	41,265	41,171	40,854	40,277	38,848
Gram	2,651	3,002	3,134	3,154	2,954	2,881	2,790	2,983	2,878
Total Food Crops ..	39,837	42,082	41,931	42,455	44,219	44,052	43,644	43,260	41,726

Sugarcane	713	976	1,234	1,301	1,261	1,238	1,289 (b)	1,265	984
Rape & Mustard	1,563	1,756	1,745	2,047	1,965	1,791	1,815	1,873	1,731
Cotton (Lint)	3,000	3,348	3,641	3,324	3,370	3,242	3,489	3,413	3,254
Jute	1,797	1,396	1,563	1,528	1,375	1,518	2,061	1,609	1,601
Tea	73	75	76	76	78	78	79	77	75
Tobacco	171	196	196	200	203	198	198 (d)	199	189
Total Cash Crops ..	7,317	7,747	8,455	8,476	8,252	8,065	8,931	8,436	7,833
Total Principal Crops ..	47,154	49,829	50,386	50,931	52,471	52,117	52,575	51,696	49,559

Source: Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

(a) Provisional except for Jute, Tea, Cotton, Bajra, Jowar and Maize.
(b) Second Estimate.
(c) Third Estimate.
(d) Previous Year's Figure Repeated.

TABLE NO. 9

PRODUCTION OF PRINCIPAL CROPS

(1947-48 to 1961-62)

Year beginning 1st July (In Thousand Tons)

Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (a)	Average 1957-58 to 1961-62 (a)	Average 15 years ending 1961-62 (a)
Rice (Cleand)	7,983	8,390	8,460	7,897	9,461	10,533	10,502 (c)	9,371	8,582
Wheat	3,627	3,221	3,530	3,870	3,876	3,786	3,943 (b)	3,801	3,550
Bajra	342	356	274	309	324	301	364	314	337
Jowar	232	246	183	212	229	218	245	217	232
Maize	380	420	442	482	480	439	487	466	422
Barley	148	129	169	172	149	135	135 (d)	152	143
Total Foodgrains ..	12,712	12,762	13,058	12,942	14,519	15,412	15,676	14,321	13,266
Gram	648	618	688	606	627	636	636 (d)	639	635
Total Food Crops ..	13,360	13,380	13,746	13,548	15,146	16,048	16,312	14,960	13,901

Sugarcane	9.565	12.197	14.188	16,125	14,105	15,412	17,434 (b)	15,591	12,451
Rape & Mustard	267	290	296	373	318	308	308 (d)	221	293
Cotton (Lint)	217	289	301	281	290	299	322	299	268
	(1,239)	(1,652)	(1,722)	(1,605)	(1,657)	(1,711)	(1,840)	(1,707)	(1,533)
Jute	1,000	936	1,107	1,071	992	796	1,244	1,042	993
	(5,598)	(5,240)	(6,200)	(6,000)	(5,554)	4,457)	(6,969)	(5,836)	(5,558)
Tea	17	24	20	24	25	19	26	23	21
	(37.3)	(52.9)	(44.5)	(53.5)	(57.0)	(42.3)	(58·8)	(51.2)	(47.1)
Tobacco	69	92	90	99	88	84	84(d)	89	83
	(152·6)	(206·4)	(202·3)	(221·6)	(198·1)	(189·0)	(189·0)	(200·0)	(186·3)
Total Cash Crops	11,135	13,828	16,695	17,974	15,818	16,918	19,418	17,365	14,109
Total Principal Crops	24,495	27,208	30,441	31,522	30,964	32,966	35,730	32,325	28,010

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

(a) Provisional except for Jute, Cotton, Tea, Jowar, Bajra and Maize.

(b) Second Estimate.

(c) Third Estimate plus three year's average of Boro Crop.

(d) Previous year's figure repeated.

N. B.—Figures in brackets indicate ' 000 ' bales for Jute and Cotton and million lbs. for Tea and Tobacco.

TABLE NO. 10

YIELD PER ACRE OF PRINCIPAL CROPS

(1947-48 to 1961-62)

(In Maunds)

Year beginning 1st July Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (a)	Average 1957-58 to 1961-62 (a)	Average 15 years ending 1961-62 (a)
Rice (Cleaned)	10.0	9.9	10.1	9.6	10.7	11.5	11.9	10.8	10.2
Wheat	9.5	8.2	8.4	8.8	8.7	8.7	9.1	8.7	8.8
Bajra	4.2	4.2	4.0	4.2	4.4	4.4	4.8	4.4	4.3
Jowar	5.3	5.0	5.2	5.3	5.5	5.0	5.3	5.3	5.2
Maize	10.8	10.9	11.2	11.6	10.9	9.9	11.1	10.9	10.9
Barley	7.3	6.3	8.5	8.5	6.4	6.9	7.0	7.5	7.0
Gram	6.7	5.6	6.0	5.2	5.8	6.0	6.2	5.8	6.0
Sugarcane	365.1	340.1	328.3	337.4	304.5	338.9	368.2	335.5	346.9
Rape & Mustard	4.6	4.5	4.6	5.0	4.4	4.7	4.6	4.7	4.6
Tobacco	10.9	12.8	12.5	13.5	11.7	11.5	11.5	12.1	11.9
Cotton	2.0	2.3	2.3	2.3	2.3	2.5	2.5	2.4	2.2
Jute	15.1	18.3	19.3	19.1	19.6	14.3	16.1	17.7	17.0
Tea	6.3	8.7	7.1	8.6	8.9	6.5	9.0	8.1	7.7

(a) Provisional except for Jute, Cotton, Tea, Jowar, Bajra and Maize.

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE NO. 11

AREA UNDER PRINCIPAL CROPS IN EAST PAKISTAN

(1947-48 to 1961-62)

Year beginning 1st July

(In Thousand Acres)

Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (*b*)	Average 1957-58 to 1961-62 (*b*)	Average 15 years ending 1961-62 (*b*)
Rice	19,653	20,733	20,235	19,643	21,151	21,886	20,957 (*d*)	20,775	20,387
Wheat	93	105	107	99	138	140	151 (c)	127	108
Bajra	1	1	1	(*a*)	(*a*)	(*a*)	(*a*)	(*a*)	1
Jowar	1	1	1	1	1	1	2	1	1
Maize	10	9	7	5	7	22	22	13	11
Barley	82	83	57	60	64	74	82	67	77
Total Foodgrains ..	19,840	20,932	20,408	19,808	21,361	22,123	21,214	20,983	20,585
Gram	203	192	136	141	133	149	143	141	179
Total Food Crops	20,043	21,124	20,544	19,949	21,494	22,272	21,357	21,124	20,764
Sugarcane	226	257	252	244	281	279	286 (*c*)	268	250
Rape & Mustard	472	509	398	554	578	558	577	533	505
Cotton (Lint)	56	56	51	51	52	47	39	48	53
Jute	1,797	1,396	1,563	1,528	1,375	1,518	2,061	1,609	1,601
Tea	74	75	76	76	78	79	79	77	75
Tobacco	129	124	107	111	110	102	102 (*e*)	107	120
Total Cash Crops ..	2,754	2,417	2,447	2,564	2,474	2,583	3,144	2,642	2,604
Total Principal Crops ..	22,797	23,541	22,991	22,513	23,968	24,855	24,498	23,766	23,368

(*a*) Below 500 Acres.
(*b*) Provisional except for Jute, Tea, Cotton, Bajra, Jowar and Maize.
(*c*) Second Estimate.
(*d*) Third Estimate.
(*e*) Previous year's Figure Repeated.

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE No. 12

PRODUCTION OF PRINCIPAL CROPS IN EAST PAKISTAN

(1947-48 to 1961-62)

(In Thousand Tons)

Year beginning 1st July Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (*b*)	Average 1957-58 to 1961-62 (*b*)	Average 15 years ending 1961-62 (*b*)
Rice (Cleaned)	7,233	7,548	7,598	6,921	8,482	9,519	9,393 (*d*)	8,383	7,721
Wheat	21	24	22	25	29	32	36 (*c*)	29	25
Bajra	(*a*)	(*a*)	(*a*)	(*a*)	(*a*)	(*a*)	*a*)	(*a*)	(*a*)
Jowar	(*a*)	(*a*)	(*a*)	(*a*)	(*a*)	(*a*)	1	(*a*)	(*a*)
Maize	2	2	2	1	2	7	7	4	3
Barley	16	17	12	14	12	17	17(*e*)	14	16
Total Foodgrains ..	7,272	7,591	7,634	6,961	8,525	9,576	9,454	8,430	7,765
Gram ..	50	50	35	38	29	36	36 (*e*)	35	45
Total Food Crops ..	7,322	7,641	7,669	6,999	8,554	9,612	8,490	8,465	7,810
Sugarcane	3,308	3,845	3,765	3,834	3,611	3,955	4,380(*c*)	3,909	3,687
Rape and Mustard	87	101	67	105	83	97	97(*e*)	90	93
Cotton (Lint)	3	3	2	3	3	3	3	3	3
	(17)	(16)	(14)	(18)	(18)	(19)	(17)	(17)	(17)
Jute	1,000	936	1,107	1,071	992	796	1,244	1,042	993
	(5,598)	(5,240)	(6,200)	(6,000)	(5,554)	(4,457)	(6,969)	(5,836)	(5,558)
Tea	17	23	20	24	25	19	26	23	21
	(37.3)	(52.9)	(44.5)	(53.5)	(57.0)	(42.3)	(58.8)	(51.2)	(47.1)
Tobacco	44	46	34	42	27	25	25	31	40
	(98.3)	(103.5)	(77.5)	(93.2)	(60.9)	(57.1)	(57.1)(*e*)	(68.8)	(90.2)
Total Cash Crops ..	4,459	4,955	4,996	5,079	4,741	4,895	5,775	5,098	4,837
Total Principal Crops ..	11,781	12,596	12,665	12,078	13,295	14,507	15,265	13,563	12,647

(*a*) Less than 500 Tons.
(*b*) Provisional except for Jute, Cotton, Tea, Jowar, Bajra and Maize.
(*c*) Second Estimate.
(*d*) Third Estimate plus three years' average of Boro crop.
(*e*) Previous year's figure repeated.
N.B.—Figures in the brackets indicate '000' bales for Jute and Cotton and million lbs. for Tea and Tobacco.

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE NO. 13

YIELD PER ACRE OF PRINCIPAL CROPS IN EAST PAKISTAN

(1947-48 to 1961-62)

Year beginning 1st July (In Maunds)

Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (a)	Average 1957-58 to 1961-62 (a)	Average 15 years ending 1961-62 (a)
Rice (Cleaned)	10·0	9·9	10·2	9·6	10·9	11·8	12·2	10·9	10·3
Wheat	6·2	6·3	5·6	5·9	5·7	6·4	6·5	6·0	6·2
Maize	6·5	7·3	7·8	5·4	7·8	8·7	8·7	7·7	7·2
Barley	5·3	5·6	5·7	6·3	5·1	6·3	5·6	5·8	5·6
Gram	6·7	7·1	7·0	7·3	5·9	6·6	6·9	6·7	6·8
Sugarcane	398·4	407·2	406·7	427·3	349·8	385·9	416·9	397·3	400·9
Rape and Mustard	5·0	5·4	4·6	5·2	3·9	4·7	4·6	4·6	5·0
Tobacco	9·3	10·1	8·8	10·2	6·7	6·8	6·7	7·8	9·1
Cotton	1·5	1·5	1·3	1·6	1·6	1·9	2·1	1·7	1·6
Jute	15·1	18·3	19·3	19·1	19·6	14·3	16·4	17·7	17·0
Tea	6·3	8·7	7·1	8·6	8·9	6·5	9·0	8·0	7·6

(a) Provisional except for Jute, Cotton, Tea and Maize.

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE NO. 14

AREA UNDER PRINCIPAL CROPS IN WEST PAKISTAN

(1947-48 to 1961-62)

(In Thousand Acres)

Year beginning 1st July Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (a)	Average 1957-58 to 1961-62 (a)	Average 15 years ending 1961-62 (a)
Rice	2,182	2,384	2,652	2,844	2,974	2,918	3,001(d)	2,878	2,481
Wheat	10,329	10,618	11,388	11,933	12,055	11,463	11,705	11,709	10,885
Bajra	2,223	2,295	1,845	2,003	1,990	1,844	2,055	1,947	2,155
Jowar	1,195	1,327	954	1,096	1,127	1,175	1,267	1,124	1,215
Maize	948	1,044	1,065	1,127	1,192	1,185	1,169	1,148	1,047
Barley	469	471	485	490	566	462	443	489	477
Total Foodgrains ..	17,346	18,139	18,389	19,493	19,904	19,047	19,670	19,295	18,260
Gram	2,448	2,810	2,998	3,013	2,821	2,732	2,647	2,842	2,700
Total Food Crops ..	19,794	20,949	21,387	22,506	22,725	21,779	22,287	22,137	20,960

Sugarcane	487	718	982	1,057	980	959	1,003 (*c*)	996	734
Rape & Mustard	1,118	1,247	1,347	1,493	1,387	1,233	1,238	1,340	1,235
Cotton (Lint)	2,945	3,292	3,590	3,273	3,318	3,195	3,450	3,365	3,201
Tobacco	43	72	89	89	95	96	96(*b*)	93	69
Total Cash Crops ..	4,593	5,329	6,008	5,912	5,780	5,483	5,787	5,794	5,239
Total Principal Crops ..	24,387	26,278	27,395	28,418	28,505	27,262	28,074	27,931	26,199

(*a*) Provisional except for Jowar, Bajra, Maize and Cotton.
(*b*) Previous Year's Figure Repeated.
(*c*) Second Estimate.
(*d*) Third Estimate.

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE No. 15

PRODUCTION OF PRINCIPAL CROPS IN WEST PAKISTAN

(1947-48 to 1961-62)

(In Thousand Tons)

Year beginning 1st July Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (*a*)	Average 1957-58 to 1961-62 (*a*)	Average 15 Years ending 1961-62 (*a*)
Rice (Cleaned)	756	842	862	976	979	1,014	1,109(*c*)	988	862
Wheat	3,619	3,198	3,508	3,845	3,847	3,754	3,907(*b*)	3,772	3,530
Bajra	342	356	274	309	324	301	364	314	337
Jowar	232	246	183	212	229	217	244	217	232
Maize	377	414	440	481	478	432	480	462	418
Barley	132	112	157	158	137	118	118(*d*)	138	127
Total Foodgrains ..	5,458	5,168	5,424	5,981	4,994	5,836	6,222	5,891	5,506
Gram	597	568	653	568	598	600	600(*d*)	604	590
Total Food Crops ..	6,055	5,736	6,077	6,549	6,592	6,436	6,822	6,495	6,096

Sugarcane	6,214	8,337	11,116	12,292	10,494	11,457	13,054(*b*)	11,683	8,745
Rape and Mustard	179	189	229	268	235	211	211 (*d*)	231	200
Cotton (Lint)	214	286	299	278	287	296	319	296	265
	(1,222)	(1,636)	(1,708)	(1,587)	(1,639)	(1,692)	(1,823)	(1,690)	(1,516)
Tobacco	24	46	56	57	61	59	59(*d*)	58	43
	(54·3)	(102·9)	(124·8)	(128·4)	(137·2)	(132·4)	(132·4)	(131·2)	(96·1)
Total Cash Crops ..	6,632	8,858	11,700	12,895	11,077	12,023	13,643	12,268	9,253
Total Principal Crops ..	12,674	14,594	17,777	19,444	17,669	18,459	20,465	18,763	15,349

(*a*) Provisional except for Cotton, Jowar, Bajra and Maize.
(*b*) Second Estimate.
(*c*) Third Estimate.
(*d*) Previous year's figure repeated.

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

N.B.—Figures in brackets indicate '000' bales for Cotton and million lbs. for Tobacco.

TABLE NO. 16

YIELD PER ACRE OF PRINCIPAL CROPS IN WEST PAKISTAN

(1947-48 to 1961-62)

(In Maunds)

Year beginning 1st July Crops	Average 1947-48 to 1951-52	Average 1952-53 to 1956-57	1957-58	1958-59	1959-60	1960-61	1961-62 (a)	Average 1957-58 to 1961-62 (a)	Average 15 Years ending 1961-62 (a)
Rice (Cleaned)	9·4	9·6	8·8	9·3	10·7	9·5	10·1	9·4	9·4
Wheat	9·5	8·2	8·4	8·8	8·7	8·9	9·1	8·8	8·8
Bajra	4·2	4·2	4·0	4·2	4·4	4·4	4·8	4·4	4·3
Jowar	5·3	5·0	5·2	5·3	5·5	5·0	5·2	5·2	5·1
Maize	10·8	10·8	11·2	11·6	10·9	9·9	11·2	10·9	10·9
Barley	7·6	6·5	8·8	8·8	6·4	7·0	7·2	7·6	7·3
Gram	6·6	5·5	5·9	5·1	5·8	6·0	6·2	5·8	6·0
Sugarcane	347·3	316·1	308·1	316·5	304·5	325·2	354·3	319·1	327·5
Rape and Mustard	4·4	4·0	4·6	4·9	4·4	4·7	4·6	4·7	4·4
Tobacco	15·2	17·4	17·0	17·5	11·7	16·8	16·7	17·0	16·5
Cotton	2·0	2·3	2·3	2·3	2·3	2·5	2·5	2·4	2·2

(a) Provisional except for Cotton, Bajra, Jowar and Maize.

Source : Compiled on the basis of data supplied by the Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE No. 17

AREA UNDER MINOR CROPS

(1947-48 to 1960 61)

Year beginning 1st July

(In Thousand Acres)

Crops	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
Pulses														
Moong	390	341	348	346	307	290	304	302	259	236	207	209	213	228
Mash	295	219	227	224	236	229	271	240	227	207	217	242	230	236
Masoor	326	425	401	386	396	407	420	462	401	420	368	401	358	346
Arhar	13	14	15	20	19	18	19	23	17	22	26	22	17	17
Khesari	502	565	590	648	703	699	660	705	664	581	597	674	664	409
Other Pulses	404	462	417	404	460	376	458	465	472	439	281	363	375	360
Oilseeds														
Linseed	74	74	80	67	69	71	82	76	75	69	34	93	85	36
Groundnut	4	4	12	6	7	8	10	10	14	21	23	38	37	36
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
Vegetables														
Potato	N.A.	NA.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	88	98	108	119	N.A.	N.A.
Other Vegetables ..	719	773	763	697	761	774	932	739	717	698	674	N.A.	N.A	N.A.
Miscellaneous Crops														
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.
Sannhemp ..	39	36	41	473	43	44	46	42	44	41	40	42	43	
Betelnut	193	193	226	218	215	212	210	197	188	187	175	189	N.A.	N.A.

N.A.—Not Available.

Source : Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE No. 18

PRODUCTION OF MINOR CROPS

(1947-48 to 1960-61)

Year beginning 1st July

Crops	Unit	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
Pulses															
Moong	'000' Tons	77	62	69	65	59	56	61	60	45	41	32	35	35	37
Mash	,,	70	51	49	49	53	54	62	66	51	50	50	59	46	55
Masoor	,,	77	100	100	89	96	93	102	123	90	92	79	91	72	74
Arhar	,,	4	3	4	5	5	5	6	7	4	6	7	6	4	4
Khesari	,,	106	125	121	148	141	141	148	160	139	126	128	155	141	105
Other Pulses ...	,,	64	75	67	71	74	63	79	71	76	74	48	58	59	NA
Oilseeds															
Linseed	,,	13	12	13	11	12	12	15	14	13	12	5	15	15	6
Groundnut ...	,,	...	...	2	...	1	1	2	2	8	12	NA	20	19	18
Cottonseed	,,	392	344	439	498	495	630	505	560	593	604	603	561	580	598
Vegetables															
Potato	('000' Maunds)	...	...	...	...	...	...	...	...	5,347	7,026	7,409	8,694	NA	NA
Other Vegetables ...	,,	41,123	46,308	46,847	41,028	45,662	48,720	55,911	57,823	38,559	38,791	40,815	...	...	...
Miscellaneous Crops															
Condiments & Spices	,,	NA	NA	NA	NA	NA	NA	NA	NA	6,066	6,199	6,756	NA	NA	NA
Sannhemp	('000' Bales of 400 lbs. each)	56	53	62	65	64	65	68	64	64	60	75	57	57	NA
Betelnut	'000' Tons	76	85	92	95	101	100	99	83	79	79	74	77	57	NA

N.A.—Not Available.

Source : Department of Agricultural Economics and Statistics Ministry of Food and Agriculture.

TABLE No. 19

AREA UNDER MINOR CROPS IN EAST PAKISTAN
(1947-48 to 1960-61)

Year beginning 1st July (In Thousand Acres)

Crops	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
Pulses														
Moong	177	110	109	111	109	114	110	114	66	57	41	40	41	38
Mash	164	108	113	131	132	135	134	139	126	122	135	143	126	138
Masoor	161	264	264	250	251	252	256	267	204	209	179	190	159	155
Arhar	4	6	7	13	13	15	16	19	15	18	18	21	13	13
Khesari	204	289	289	302	307	315	316	351	310	243	262	308	299	311
Other Pulses	6	7	8	8	8	8	9	9	26	13	9	10	10	NA
Oilseeds														
Linseed	69	68	74	60	61	63	65	65	64	48	20	78	74	25
Groundnut	3	4	6	6	6	7	7	7	10	15	14	29	28	30
Cottonseed	56	55	55	55	57	58	58	58	52	53	51	51	52	47
Vegetables														
Potato	NA	NA	NA	NA	NA	NA	NA	NA	64	72	77	88	117	138
Other Vegetables	526	538	545	537	533	537	541	550	469	459	435	NA	NA	NA
Miscellaneous Crops														
Condiments and Spices	NA	NA	NA	NA	NA	NA	NA	NA	207	235	219	NA	NA	NA
Sannhemp	18	20	20	19	19	19	19	20	19	18	14	15	16	17
Betelnut	193	193	226	218	215	212	210	197	188	187	185	189	NA	NA

N.A.—Not Available.

Source: Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE No. 20

PRODUCTION OF MINOR CROPS IN EAST PAKISTAN

(1947-48 to 1960-61)

Year beginning 1st July Crops	Unit	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
Pulses															
Moong ...	... '000' Tons	48	29	31	29	31	31	21	34	18	15	11	12	11	11
Mash ...	... ,,	45	32	31	36	38	39	40	51	36	37	38	44	30	39
Masoor ...	... ,,	44	74	74	63	71	73	75	85	59	59	49	56	39	42
Arhar ...	... ,,	2	2	2	3	4	4	5	6	4	5	5	6	3	3
Khesari ...	... ,,	56	81	72	90	86	92	93	110	83	67	69	89	75	87
Other Pulses	... ,,	2	2	2	2	2	2	3	3	7	4	3	3	3	NA
Oilseeds															
Linseed ...	... ,,	12	11	12	9	11	11	11	12	11	8	3	13	12	4
Groundnut	... ,,	(b)	1	1	1	1	1	1	1	6	9	8	16	15	16
Cottonseed	... ,,	5	6	5	6	6	6	6	6	5	5	5	6	6	6
Vegetables															
Potato ...	... '000' Maunds.	NA	NA	NA	NA	NA	NA	NA	NA	3,382	5,158	4,724	6,069	7,532	NA
Other Vegetables	... ,,	27,194	28,834	29,789	29,222	29,221	29,686	30,035	31,877	21,422	23,622	23,302	NA	NA	NA
Miscellaneous Crops															
Condiments and Spices	,,	NA	NA	NA	NA	NA	NA	NA	NA	NA	3,046	3,454	3,638	NA	NA
Sannhemp ...	'000' Bales of 400 lbs. each	22	28	26	23	24	25	25	28	23	22	19	22	22	NA
Betelnut ...	... '000' Tons	76	85	92	95	101	100	99	83	79	79	74	77	57	NA

Source : Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

(b) Less than 500 tons.
N.A.—Not Available.

TABLE NO. 21

AREA UNDER MINOR CROPS IN WEST PAKISTAN

(1947-48 to 1960-61)

(In Thousand Acres)

Year beginning 1st July Crops	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
Pulses														
Moong	213	234	239	235	198	179	194	188	193	179	166	169	172	190
Mash	132	112	114	93	104	95	137	101	101	85	82	99	104	98
Masoor	165	160	137	136	145	155	164	196	197	210	189	211	199	191
Arhar	9	8	8	7	6	2	3	4	2	4	8	1	4	4
Khesari	298	276	300	347	396	384	343	353	354	338	335	366	365	108
Other Pulses	398	456	410	396	452	368	449	455	446	426	272	353	365	360
Oilseeds														
Linseed	6	6	6	8	8	8	17	11	11	21	NA	15	11	11
Groundnut	1	(a)	6	1	1	1	2	3	4	6	NA	9	8	9
Cottonseed	3,056	2,598	2,744	3,016	3,318	3,422	2,870	3,136	3,477	3,555	3,590	3,273	3,318	3,195
Vegetables														
Potato	7	8	13	12	18	19	19	21	24	26	31	32	NA	26
Other Vegetables	194	236	218	161	228	237	391	188	248	239	239	NA	NA	NA
Miscelllaneous Crops														
Condiments and Spices	NA	NA	NA	NA	NA	NA	NA	NA	96	91	99	NA	NA	NA
Sannhemp	21	16	21	24	24	25	27	23	25	23	26	27	27	27

(a) Below 500 Acres.
N.A.—Not Available.

Source : Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

TABLE NO. 22

PRODUCTION OF MINOR CROPS IN WEST PAKISTAN

(1947-48 to 1960-61)

Year beginning 1st July

Crops	Unit	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
Pulses															
Moong	'000' Tons	29	33	38	36	28	25	30	26	28	26	21	23	24	26
Mash	"	25	19	18	13	14	15	22	15	15	16	12	12	15	16
Masoor	"	33	26	27	25	25	20	27	38	31	33	30	35	39	32
Arhar	"	2	2	2	2	2	(a)	1	1	(a)	1	2	(a)	1	1
Khesari	"	50	44	49	58	55	49	56	50	56	59	59	66	66	18
Other Pulses	"	63	73	66	69	72	60	76	68	69	69	45	55	58	51
Oilseeds															
Linseed	"	1	1	1	2	2	1	1	2	2	4	2	2	3	2
Groundnut	"	1	(a)	1	(a)	1	1	1	1	2	3	NA	4	4	2
Cottonseed	"	387	338	434	492	489	624	499	554	588	599	598	555	574	598
Vegetables															
Potato	'000' Maunds.	757	996	1,395	1,279	1,367	1,656	1,860	2,184	1,965	1,868	2,685	2,625	NA	NA
Other Vegetables ..	"	13,929	17,475	17,058	11,806	16,441	19,033	25,876	25,945	17,146	15,169	17,513	NA	NA	NA
Miscellaneous Crops															
Condiments and Spices	"	NA	NA	NA	NA	NA	NA	NA	NA	3,020	2,754	3,110	NA	NA	NA
Sannhemp	'000' Bales of 400 lbs. each	34	26	36	42	40	40	42	36	41	38	56	35	35	35

(a) Below 500 Tons.
N.A.—Not Available.

Source :—Department of Agricultural Economics and Statistics, Ministry of Food and Agriculture.

INDUSTRY AND MINING

TABLE NO. 23

INDEX OF INDUSTRIAL PRODUCTION

(1950—1961)

Year	Base : 1954=100			Base : 1954 Converted to 1950=100		
	Mining	Manufacturing	Industrial Production (Mining and Manufacturing)	Mining	Manufacturing	Industrial Production (Mining and Manufacturing)
1	2	3	4	5	6	7
1950	66.7	37.7	39.5	100.0	100.0	100.0
1951	72.4	46.6	48.2	108.5	123.6	122.0
1952	89.1	58.6	60.5	133.6	155.4	153.2
1953	98.5	76.3	77.7	147.7	202.4	196.7
1954	100.0	100.0	100.0	149.9	265.3	253.2
1955	105.9	126.9	125.6	158.8	336.6	318.0
1956	123.3	143.9	142.6	184.9	381.7	361.0
1957	128.6	152.4	150.9	192.8	404.8	382.0
1958	146.3	162.4	161.4	219.3	430.8	408.6
1959	151.9	181.9	180.1	227.7	482.5	455.9
1960	178.9	192.4	191.6	268.2	510.3	485.1
1961(a)	198.6	213.6	212.7	297.8	566.7	538.6
1961 —						
January-March (a)	193.8	203.1	202.5	290.6	538.7	512.7
April-June (a)	198.2	204.9	204.5	297.2	543.5	517.7
July—September (a)	192.3	216.4	214.0	288.3	574.0	544.1
October—December (a) ..	210.2	230.2	229.0	315.1	610.6	579.9

(a) Provisional.

Source : Central Statistical Office.

TABLE NO. 24

PRODUCTION OF MANUFACTURING INDUSTRIES

(1948—1962)

Item	Unit	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962 (Jan.)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Food Manufactures																
Tea	Lakh lbs.	445	471	532	534	531	557	558	537	562	476	575	580	425	599	3.6
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	41·7
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	6·0
Sea Salt	'000' Tons	126(*e*)	143	183	219	170	169	250	259	226	297	176	126	243	185·0	17·0
Tobacco Manufactures																
Cigarettes	Crore Nos.	—	24·1(*a*)	148·8	271·6	317·0	458·8	458·8	483·3	534·3	648·1	746·8	877·1	994·6	1,206·5	91·2
Textile Manufactures																
Cotton Textiles :																
(*i*) Cotton yarn	Lakh lbs.	—	—	—	—	—	1,185	1,920	2,745	3,004	3,169	3,451	3,920	4,087	4,125	362
(*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	660
Silk (Art) Fabrics	Lakh Sq. Yds.	—	—	—	—	—	—	—	97(b)	145	140	90	193	260	220	18(*f*)
Woollen, worsted yarn	Lakh lbs.	—	—	—	—	—	—	30	37	47	60	69	53	64	—	—
Jute goods	'000' Tons	—	—	—	—	9·7	44·1	53·3	103·2	142·4	148·8	172·1	232·6	264·7	250·4	24·6
Leather Manufactures																
Upper leather (Tanned) ..	Lakh Sq. ft.	10	11	15	23	72	72	86	91	240	240	180 (*f*)	180 (*d*)	—	—	..
Sole leather	Lakh lbs.	15	18	25	31	83	83	96	140	250	255	115 (*f*)	115 (*d*)	—	—	..

Rubber Manufactures																		
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	3,982	330
Manufactures of Chemicals and Chemical Products																		
Super phosphates	Tons	—	—	—	—	—	—	—	—	—	1,024	(i) 1,089	1,529	3,879	8,048	2,879(j)
Ammonium sulphate	Tons	—	—	—	—	—	—	—	—	—	—	20,140	42,078	44,711	50,506	13,340(j)
Sulphuric Acid	Tons	—	—	—	—	—	—	—	—	—	1,374	1,612	2,413	3,364	4,754	1,485(j)
Safety Matches :																		
(i) 20 and 30 sticks ..	'000' Gross Boxes	—	—	—	—	134	1,831	3,425	2,219	3,203	1,176	336	66	4	—	—
(ii) 40—60 sticks	Do.	299	496	527	458	206	1,569	3,240	3,896	5,349	6,874	7,406	8,326	9,790	9,831	874
Paper and Board																		
Paper																		
(i) Printing	Tons	—	—	—	—	—	—	—	7,997	13,289	14,901	12,177	12,962	14,755	18,651	3,323(j)
(ii) Writing	,,	—	—	—	—	—	—	—	4,392	3,862	4,601	4,286	6,069	4,475	5,971	1,226(j)
(iii) Packing and other Paper	,,	—	—	—	—	—	—	—	6,846	6,213	5,240	8,385	6,162	7,709	7,303	1,207(j)
(iv) Newsprint	,,	—	—	—	—	—	—	—	—	—	—	—	3,532 (g)	21,369	28,800	7,224(j)
Board																		
(i) Straw..	,,	—	—	—	—	—	—	—	55 (h)	2,629	3,252	4,157	4,681	3,657	4,664	1,429(j)
(ii) Paper	,,	—	—	—	—	—	—	—	58 (h)	2,739	5,306	6,648	7,641	8,762	11,152	2,396(j)
(iii) Chip	,,	—	—	—	—	—	—	—	—	—	—	535	1,075	1,733	2,000	441(j)
Paints and Varnishes																		
Water Paints																		
(i) Dry Distemper ..	Cwt.	—	—	—	—	—	—	—	—	—	—	—	—	3,319	5,703	881
(ii) Oil Bound Distemper ..	,,	—	—	—	—	..	—	—	—	—	..	—	—	8,302	10,479	1,341
(iii) Plastic Emulsion Paints ..	Gallon	—	—	—	—	—	—	—	—	—	—	—	—	29,547	26,566	4,342

TABLE No. 24—*contd.*

Item	Unit	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962 (Jan.)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Paints and Emulsion Enamels																
(*i*) Stiff Paints and Ready Mixed																
(*a*) Sold by Weight	Cwt.	—	—	—	—	—	—	—	—	—	—	—	—	62,560	74,672	6,230
(*b*) Sold by Volume	Gallon	—	—	—	—	—	—	—	—	—	—	—	—	4,42,092	3,86,864	42,863
(*ii*) Ready Mixed Paints Enamels n.o.c.																
(*a*) Sold by Weight	Cwt.	—	—	—	—	—	—	—	—	—	—	—	—	884	1,122	27
(*b*) Sold by Volume	Gallon	—	—	—	—	—	—	—	—	—	—	—	—	5,309	1,716	—
Cellulose Lacquers	Galloa	—	—	—	—	—	—	—	—	—	—	—	—	2,491	1,685	146
Varnishes, Blacks and Wood Stains																
(*i*) Varnishes of all Descriptions and Wood stains	Gallon	—	—	—	—	—	—	—	—	—	—	—	—	68,554	90,726	7,023
(*ii*) Bituminous and Coal Tar Blacks ..	Gallon	—	—	—	—	—	—	—	—	—	—	—	—	24,118	27,386	1,683
Manufacture of Non-Metallic Products except Products of Petroleum and Coal																
Cement	'000' Tons	324	422	413	499	530	595	671*	681*	733*	1,078*	1,072*	986	1,120	1,223	—
Basic Metal Industries																
Steel Ingots	'000' Tons	2	4	3	3	8	10	10	11	10	12	9	9	7	9	1
Steel Re-rolling	'000' Tons	3	12	23	24	27	25	69	79	63	112	95 (*f*)	112 (*d*)	—	—	—

Source : Central Statistical Office.

*Revised.

— Not available.

.. Nil or Insignificant.

(*a*) Data relate to 9 months (April—Dec., 1949).
(*b*) Data relate to 9 months (April—Dec., 1955).
(*c*) Data relate to 9 months (April—Dec., 1952).
(*d*) Estimated.
(*e*) Data relate to 9 months (April—Dec., 1948).
(*f*) Figures are provisional.
(*g*) Data relate to 5 months (August—Dec., 1959).
(*h*) Data relate to December 1955 only.
(*i*) Data relate to 5 months (August to December. 1957).
(j) Data for January—March, 1962.

TABLE NO. 25

IRODUCTION OF SELECTED MANUFACTURING INDUSTRIES—EAST PAKISTAN

(1958—1962)

Items	Unit	1958	1959	1960	1961	1962 (Jan.)
Food Manufactures						
Tea	Lakh Lbs.	575	580	425	599	3.6
Sugar	'000' Tons	36.2	58.9	63.1	57.2	17.0
Hydrogenated Vegetable Oil ..	,,	..	1.3	2.2	3.9	(*b*)
Tobacco Manufactures						
Cigarettes	Crore Nos.	87.1	96.7	126.4	198.3	27.0
Textile Manufactures						
Cotton Textiles						
(*i*) Cotton Yarn ..	Lakh Lbs.	401	454	486	513	43.9
(*ii*) Cotton Cloth ..	Lakh Yards	652	638	648	694	53.7
Art Silk Fabrics	Lakh Sq. Yds.	2	2	3	4	(*e*)
Jute Goods	'000' Tons	172.1	232.6	264.7	250.4	24.6
Rubber Manufactures						
Tyres and Tubes	'000' Nos.	30	36	55	70	10
Manufacture of Chemical and Chemical Products						
Safety Matches						
40—60 Sticks	'000' Gross Boxes	6,774	7,744	9,240	9,384	850
Manufacture of Non-Metallic Mineral Products except Products of Petroleum and Coal						
Cement	'000' Tons	57	44	69	96	—
Paper Manufactures						
Printing Paper	Tons	12,177	12,962	14,755	18,651	3,323 (*c*)
Writing Paper	Tons	4,286	6,069	4,475	5,971	1,226 (*c*)
Packing and other Paper ..	Tons	8,385	6,162	7,709	7,303	1,207 (*c*)
Newsprint	Tons	...	3,532 (*a*)	21,369	28,800	7,224 (*d*)

Source : Central Statistical Office.

(*a*) Data relate to five months.
(*b*) 30.0 tons.
(*c*) January and February.
(*d*) January—March.
(*e*) 35,000 Yards/Sq. Yards.

TABLE No. 26

PRODUCTION OF SELECTED MANUFACTURING INDUSTRIES—WEST PAKISTAN

(1958—1962)

Items	Unit	1958	1959	1960	1961	1962 (Jan.)
Food Manufactures						
Sugar	'000' Tons	126.4	108.3	82.3	66.3	24.0
Hydrogenated Vegetable Oil ..	'000' Tons	20.4	25.8	32.1	41.3	5.8
Sea Salt	'000' Tons	176	126	243	185	17
Tobacco Manufactures						
Cigarettes	Crore Nos.	659.7	780.4	868.2	1,008.2	64.2
Textile Manufactures						
Cotton Textiles :						
(*i*) Cotton Yarn ..	Lakh Lbs.	3,050	3,467	3,601	3,613	318
(*ii*) Cotton Cloth	Lakh Yds.	5,110	5,547	5,640	6,297	606
Art Silk Fabrics	Lakh sq. yds.	88	191	257	216 (*a*)	17.7 (*a*)
Rubber Manufactures						
Tyres and Tubes	'000' Nos.	2,675	2,742	2,896	3,912	320
Manufactures of Chemical and Chemical Products						
Safety Matches :						
(*i*) 20 and 30 Sticks ..	'000' Gross Boxes	336	66	..	..	—
(*ii*) 40—60 Sticks ..	'000' Gross Boxes	632	582	551	447	24
Manufacture of Non-Metallic Mineral Products except Products of Petroleum and Coal						
Cement	'000' Tons	1,016	942	1,050	1,127	—
Basic Mineral Industries						
Steel Ingots	'000' Tons	9	9	7	9	1.2 (*b*)
Chemical Fertilizers						
(*i*) Superphosphate ..	Tons	1,089	1,529	3,879	8,048	2,879 (*c*)
(*ii*) Ammonium Sulphate ..	Tons	20,140	42,078	44,711	50,506	13,340 (*c*)
Paper Manufactures						
(*i*) Straw Board	Tons	4,157	4,681	3,657	4,664	1,429 (*c*)
(*ii*) Paper Board	Tons	6,648	7,641	8,762	11,152	2,396 (*c*)
(*iii*) Chip Board	Tons	535	1,075	1,733	2,090	441 (*c*)

Source : Central Statistical Office.

(*a*) Provisional.
(*b*) January and February.
(*c*) January—March.

TABLE NO. 27

PRODUCTION OF MINERALS

(1959—1961)

Name of Mineral	Unit	1959	1960	1961
1. Antimony	(Tons)	152	90	20
2. Asbestos	,,	46	—	—
3. Bauxite	,,	2,139	574	1,411
4. Bentonite	,,	—	1,334	967
5. Ceestite	,,	664	2,331	414
6. China Clay	,,	—	6	706
7. Chromite	('000' Tons)	16	18	25
8. Coal	,,	733	820	901
9. Copper	(Tons)	—	154	—
10. Dolomite	,,	—	16	346
11. Fireclay	('000' Tons)	14	16	17
12. Fuler's Earth	(Tons)	—	1,480	10,207
13. Gypsum	('000' Tons)	85	90	100
14. Iron Ore	(Tons)	2,250	5,421	4,004
15. Linestone	('000' Tons)	925	1,097	1,148
16. Lead Ore	(Tons)	331	17	62
17. Magnesite	,,	376	663	160
18. Manganese	,,	29	180	344
19. Marble	,,	2,796	5,428	5,439
20. Ochres	,,	276	451	539
21. Rock Salt	('000' Tons)	162	195	198
22. Silica Sand	,,	22	26	15
23. Soapstone	(Tons)	2,340	3,395	1,473
24. Sodium Carbonate ..	,,	—	1,458	—
25. Barytes	,,	508	635	437
26. Crude Oil	('000' Barrels)	2,042	2,307	2,467
27. Natural Gas	(Million Cubic Feet)	22,611	29,842	34,665

Source : Bureau of Mineral Resources.

TABLE NO. 28

CENSUS OF MANUFACTURING INDUSTRIES (1959-60)

SUMMARY STATISTICS BY INDUSTRIAL GROUPS—ALL PAKISTAN

(Value in Thousand Rs.)

Major Groups of Industries	No. of Establishments	Value of Fixed Assets at End of Year	Value of Inventories at End of Year	Annual Rent of Hired Fixed Assets	Average Daily Employment	Wages, Salaries and Cash Benefits	Cost of Fuel and Electricity Consumed	Cost of Raw Material Consumed	Payment for work given out	Value of Products and By-Products made	Receipts for work done for others	Value Added by Manufacture
Grand Total ..	**3,465**	**1,963,853**	**1,228,501**	6,455	449,942	540,948	165,536	2,861,988	6,489	4,458,121	120,607	1,544,715
Food Manufacturing Industries except Beverage Industries	417	196,652	165,069	683	34,839	39,915	13,610	619,995	600	756,751	9,644	132,190
Beverage Industries	12	3,658	3,472	9	1,000	1,312	369	5,590	—	11,496	—	5,537
Tobacco Manufactures	14	45,848	24,542	89	4,108	9,120	741	85,758	15	168,187	—	81,673
Manufacture of Textiles	724	819,308	469,378	1,183	340,333	259,563	69,401	808,377	2,755	1,517,103	21,702	658,227
Manufacture of footwear, other wearing apparel and made-up textile goods	95	13,779	18,594	104	6,750	11,885	1,376	45,060	23	77,606	695	31,842
Manufacture of wood and cork, except manufacture of furniture	15	3,246	1,489	23	1,533	1,896	216	3,799	—	7,715	131	3,831
Manufacture of furniture and fixtures	40	2,640	1,783	48	1,164	1,286	63	2,015	—	4,669	175	2,766
Manufacture of paper and paper products	25	102,951	25,974	35	5,812	9,730	8,296	40,606	24	82,831	126	34,031
Printing, Publishing and Allied Industries	179	42,215	10,908	376	12,139	18,711	1,014	25,332	101	54,608	8,758	36,919
Manufacture of leather and leather products, except footwear and other wearing apparel	94	15,998	20,246	107	4,665	5,155	626	51,640	—	64,472	578	12,784
Manufacture of chemicals and chemical products ..	258	168,128	90,547	476	22,457	33,101	9,897	120,425	67	264,317	200	134,128
Manufacture of non-metallic mineral products, except products of petroleum and coal	78	107,540	53,395	519	15,515	18,654	31,280	45,988	15	157,809	99	80,625
Basic metal industries	84	42,641	66,794	115	10,678	14,516	5,043	56,475	21	98,992	1,688	39,141
Manufacture of metalic products except machinery and transport equipment	425	50,499	51,194	471	21,543	26,126	4,941	85,904	1,146	146,076	6,050	60,135
Machinery, except electrical machinery	258	28,272	29,666	224	10,871	11,727	3,314	34,544	348	64,523	6,217	32,534
Electrical machinery, apparatus, appliances and supplies	95	31,932	45,248	147	7,260	11,209	985	38,009	190	64,703	3,042	28,561
Manufacture of transport equipment	107	83,487	70,881	731	14,667	23,478	2,289	71,321	79	84,294	34,753	45,358
Miscellaneous manufacturing industries	512	165,263	58,000	1,065	30,968	36,084	11,427	669,175	1,105	758,292	26,531	103,116

Source : Central Statistical Office.

TABLE NO. 29

CENSUS OF MANUFACTURING INDUSTRIES (1959-60)

SUMMARY STATISTICS BY INDUSTRIAL GROUPS—EAST PAKISTAN

(Value in Thousand Rs.)

Major Groups of Industries	No. of Establishments	Value of Fixed Assets at End of Year	Value of Inventories at End of Year	Annual Rent of Hired Fixed Assets	Average Daily Employment	Wages, Salaries and Cash Benefits	Cost of Fuel and Electricity Consumed	Cost of Raw Materials Consumed	Payment for work given out	Value of Products and by-Products made	Receipts for work done for others	Value Added by Manufacture
Grand Total ..	**707**	**522,466**	**299,943**	**1,074**	**139,010**	**197,656**	**39,889**	**734,451**	**924**	**1,141,090**	**26,778**	**392,604**
Food Manufacturing Industries, except Beverage Industries	171	65,632	57,271	251	13,421	12,443	2,524	209,457	298	246,830	1,265	35,816
Beverage Industries	3	499	638	—	159	264	27	575	—	1,212	—	610
Tobacco Manufactures	3	6,457	3,813	—	473	1,087	76	9,665	—	27,284	—	17,543
Manufacture of Textiles	84	244,174	135,772	123	81,954	81,781	21,581	213,585	344	429,327	1,656	195,473
Manufacture of footwear, other wearing apparel and made-up textile goods	9	1,936	1,421	11	777	797	269	2,119	—	4,736	8	2,356
Manufacture of wood and cork except manufacture of furniture	10	2,354	595	13	908	1,024	184	2,751	—	5,167	64	2,296
Manufacture of furniture and fixtures	5	172	188	7	171	156	8	236	—	553	13	322
Manufacture of paper and paper products	7	70,884	16,208	4	3,278	5,041	5,895	22,092	—	42,027	9	14,049
Printing, Publishing and Allied Industries	72	15,621	919	99	3,716	4,758	306	5,952	42	11,444	4,904	10,048
Manufacture of leather and leather products, except footwear and other wearing apparel	45	5,543	5,667	7	1,829	2,091	267	18,111	—	22,928	149	4,699
Manufacture of chemicals and chemical products ..	67	16,365	15,633	75	9,275	9,336	1,087	22,080	—	60,169	—	37,002
Manufacture of non-metallic mineral products, except products of petroleum and coal	16	12,618	4,648	18	3,182	3,030	3,509	5,014	10	14,630	85	6,182
Basic metal industries	6	2,990	4,467	2	393	666	432	7,089	—	10,240	42	2,761
Manufacture of metal except machinery and transport equipment	80	13,788	14,855	162	9,960	5,902	1,582	27,863	6	43,949	1,031	15,529
Machinery except electrical machinery	24	2,765	3,682	13	1,300	1,349	276	2,466	31	5,031	837	3,095
Electrical machinery, apparatus, appliances and supplies	5	443	1,122	14	362	389	62	807	—	1,672	19	822
Manufacture of transport equipment	19	14,797	13,636	16	2,547	3,885	363	6,365	4	6,362	7,305	6,935
Miscellaneous manufacturing industries	79	44,761	19,087	259	10,158	13,536	1,382	177,665	189	206,483	9,391	36,638

Source : Central Statistical Office.

TABLE NO. 30

CENSUS OF MANUFACTURING INDUSTRIES (1959-60)
SUMMARY STATISTICS BY INDUSTRIAL GROUPS—WEST PAKISTAN

(Value in Thousand Rs.)

Major Groups of Industries	No. of Establishments	Value of Fixed Assets at End of Year	Value of Inventories at End of Year	Annual Rent of Hired Fixed Assets	Average Daily Employment	Wages, Salaries and Cost Benefits	Cost of Fuels and Electricity Consumed	Cost of Raw Material Consumed	Payment for work given out	Value of Product and by-Product made	Receipts for work done for others	Value Added by Manufacture
Grand Total ..	**2,758**	**1,441,387**	**928,558**	**5,381**	**310,932**	**393,292**	**125,647**	**2,127,537**	**5,565**	**3,317,031**	**93,829**	**1,152,111**
Food Manufacturing Industries except beverage industries	246	131,020	107,798	432	21,418	27,472	11,086	410,538	302	309,921	8,379	96,374
Beverage industries	9	3,159	2,834	9	841	1,048	342	5,015	—	10,284	—	4,927
Tobacco manufactures	11	39,391	20,729	89	3,635	8,033	665	76,093	15	140,903	—	64,130
Manufacture of textiles	640	575,134	333,556	1,060	158,379	177,782	47,820	594,792	2,411	1,087,776	20,046	462,799
Manufacture of footwear, other wearing apparel and made up textile goods	86	11,843	17,173	93	5,973	11,088	1,107	42,941	23	72,688	687	29,486
Manufacture of furniture and fixtures	35	2,468	1,595	41	993	1,130	55	2,779	—	4,116	162	2,444
Manufacture of paper and paper products	18	32,067	9,766	31	2,534	4,689	2,401	18,514	24	40,804	117	19,982
Printing, publishing and allied industries	107	26,594	9,989	277	8,423	13,953	367	19,380	59	43,164	3,854	26,871
Manufacture of leather and leather products except footwear and other wearing apparel	49	10,455	14,579	100	2,836	3,064	359	33,271	—	41,544	429	8,085
Manufacture of rubber products, except rubber footwear	29	6,255	3,990	50	1,658	2,298	427	7,333	—	13,758	218	5,116
Manufacture of chemicals and chemical products ..	191	151,763	74,914	401	13,182	23,765	8,810	98,345	67	204,148	200	97,126
Manufacture of non-metallic mineral products except products of petroleum and coal	62	94,922	48,747	501	12,333	15,624	27,771	40,974	5	143,179	14	74,443
Basic metal industries	78	39,651	62,327	113	10,285	13,850	4,611	49,386	21	88,752	1,646	36,380
Manufacture of metal products, except machinery and transport equipment	345	36,711	36,339	309	16,583	20,224	3,156	58,041	1,140	102,127	5,019	44,606
Machinery except electrical machinery	234	25,507	25,984	211	9,571	10,378	3,038	32,078	317	59,492	5,380	29,439
Electrical machinery, apparatus, appliances and supplies	90	31,489	44,126	133	6,898	10,820	923	37,202	190	63,031	3,023	27,739
Manufacture of transport equipment	88	68,690	57,245	715	12,120	19,564	1,926	64,956	75	98,932	27,448	38,423
Miscellaneous manufacturing industries	433	120,502	38,913	806	20,810	22,548	10,045	491,510	916	551,809	17,040	66,478

Source : Central Statistical Office.

TABLE NO. 31

STOCKS OF EXCISABLE COMMODITIES—ALL PAKISTAN (1948—1962)

At the End of the Period	V. P. Sugar(a) ('000' Cwt.)	Motor Spirit ('000' Gallons)	Kerosene Oil ('000' Gallons)	Vegetable Products ('000' Cwt.)	Matches ('000' Gross Boxes) 20's	40's	50's	Cigarettes (Million)	Cigars & Cheroots ('000' Nos.)	Tyres & Tubes ('000' Nos.)	Cotton Textiles (1)	Silk & Rayon Cloth (2)	Tea ('000' Lbs.)	Salt ('000' Mds.)
1948	85	1,047	164	2	..	..	1	..	8	..	21	..	18,806	2,492
1949	132	1,641	205	3	..	..	63	10	37	2	7	..	11,507	2,789
1950	110	1,487	235	5	..	..	22	41	56	3	8	..	21,155	4,980
1951	277	2,200	222	6	..	6	187	31	49	19	8	..	10,478	4,965
1952	406	1,987	228	9	2	1	16	29	145	25	15	..	7,548	4,330
1953	388	1,936	216	7	..	42	13	12	135	32	9	..	6,193	2,186
1954	365	1,547	173	11	513	229	4	20	304	19	28	..	5,751	3,542
1955	465	3,030	191	7	220	206	2	24	163	19	69	925	10,307	5,295
1956	429	1,754	184	6	424	316	2	40	137	35	52	1,095	9,731	4,018
1957	708	3,657	134	9	63	395	7	82	164	70	57	521	5,189	8,005
1958	1,196	2,988	199	5	70	351	63	121	182	93	93	1,041	5,609	10,409
1959	1,119	4,365	206	12	58	240	33	119	..	44	41	1,652	5,374	9,014
1960	646	4,882	440	21	58	552	15	150	..	77	31	2,482	6,187	10,634
1961 January	1,076	4,352	584	35	58	418	25	146	..	90	33	2,455	2,466	10,617
February	1,359	4,313	565	31	58	439	25	154	..	99	32	2,026	1,420	10,739
March	1,315	3,441	710	24	58	436	24	122	..	81	36	1,552	1,818	11,017
April	1,102	3,440	732	27	58	402	24	120	..	97	40	1,647	4,526	11,096
May	846	2,441	506	24	58	380	21	125	..	63	44	1,305	6,267	11,220
June	621	2,285	620	29	58	277	42	76	..	71	50	1,522	7,297	10,943
July	459	2,032	639	37	58	282	81	92	..	84	62	1,543	8,881	10,678
August	299	2,602	507	43	52	324	126	117	..	102	62	1,609	12,538	10,307
September	167	3,000	484	31	58	239	124	81	..	82	68	1,630	13,335	9,239
October	60	2,896	425	24	58	297	103	58	..	84	71	1,660	12,975	8,688
November	245	2,809	481	31	58	325	96	103	..	89	67	1,514	10,828	8,582
December	770	2,806	526	37	58	300	36	78	..	136	66	1,520	6,721	8,685
1962 January	1,273	3,088	162	37	58	258	29	44	...	147	67	1,655	3,111	8,599

(a) Vacuum Pan Sugar.

(1) The Unit up to February 9, 1957 is ' Million yards ' and thereafter ' Million square yards '.

(2) The Unit up to February 9, 1957 is '000 yards ' and thereafter '000 square yards '.

Source : Central Board of Revenue, Statistical Office, Ministry of Finance.

COASTAL AND FOREIGN TRADE AND BALANCE OF PAYMENTS

TABLE No. 32

COASTAL TRADE—IMPORTS INTO VARIOUS PORTS
(1948—1962)

(In Lakh Rupees)

	Karachi			Chittagong			Chalna		
	Total	Pakistan Merchandise	Foreign Merchandise	Total	Pakistan Merchandise	Foreign Merchandise	Total	Pakistan Merchandise	Foreign Merchandise
1948(*a*)	92	89	3	758	756	2	..	..	..
1949	472	400	72	1,912	1,875	37	..	..	..
1950	577	390	187	2,515	2,414	101	..	..	..
1951	573	350	223	2,717	1,558	1,159	91	90	1
1952	970	618	352	1,792	1,292	500	476	475	1
1953	1,752	1,343	409	2,870	2,513	357	397	393	4
1954	1,831	1,640	191	2,929	2,797	132	364	358	6
1955	2,157	2,001	156	3,070	2,921	149	137	134	3
1956	2,328	2,193	135	3,919	3,729	190	142	141	1
1957	2,760	2,677	83	6,224	6,067	157	29	24	5
1958	2,639	2,546	93	6,307	5,079	228	100	100	..
1959	3,834	3,789	45	6,259	6,055	204	265	257	8
1960	3,943	3,923	20	7,018	6,787	231	113	112	1
1961	3,901	3,756	145	8,553	8,306	247	249	245	4
1962 (January and February)	615	612	3	1,432	1,378	56	79	76	3

Source: Central Statistical Office.

(*a*) April to December, 1948.

Note.—Figures up to 1956 relate to private account only and thereafter to both private and Government accounts.

TABLE No. 33

FOREIGN TRADE (1951—1962)

(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(b)	305.63	190.50	(—) 115.13
1962(b) January	35.84	18.32	(—) 17.52
February	22.40	14.33	(—) 8.07
March	23.73	15.57	(—) 8.16

(a) On Private and Government accounts.

(b) Provisional.

Source : Central Statistical Office.

TABLE NO. 34

EXPORTS OF PRINCIPAL COMMODITIES
(1954—1962)

(Value in Lakh Rupees)

Commodity	Unit	1962 (Jan.—Mar.)*		1961		1960		1959		1958	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Raw Jute	('000' Tons)	200	2,219.53(r)(a)	594	8,952.45(k)	745	8,062.83(c)	797	6,891.37(a)	891	8,359.24
Raw Cotton	('000' Bales)	99	418.54	212	1,036.96(l)	488	2,111.52(d)	298	1,207.39	537	2,404.78
Raw Wool	('000' Lbs.)	7,702	173.55	32,320	794.70	31,239	773.75(e)	26,738	615.26	24	458.00
Raw Hides	('000' Pieces)	15	3.10(s)	119	14.31(m)	728	85.04(f)	1,233	140.87(b)	757	67.92
	('000' Cwt.)	3	3.65	54	54.67	40	39.13	—	—	—	—
Raw Skins	('000' Pieces)	228	27.22(t)	587	60.45(n)	6,218	404.01(g)	10,653	500.55	9,890	340.66
	('000' Cwt.)	37	140.13	146	458.11	44	150.76	—	—	—	—
Raw Hides and Skins n.e.s.	('000' Pieces)	34	1.18(v)	111	5.89(o)	121	4.34(h)	—	—	—	—
	('000' Cwt.)	—	0.66	10	23.76	2	11.72	—	—	—	—
Tea	('000' Lbs.)	5,236	94.03	5,689	111.31	4,037	95.86	13,016	290.50	12,688	330.14
Cotton Twist and Yarn	('000' Lbs.)	1,028	20.26	14,236	279.66(p)	79,613	1,371.80(i)	82,528	1,228.82	6,764	123.15
Cotton Piece-goods	('000' Yds.)	7,850	59.65	53,743	400.03(q)	75,998	533.41(j)	41,777	255.22	4,074	30.44
Jute Manufactures	('000' Tons)	—	821.44	*N.A.*	3,475.54	*N.A.*	2,455.10	*N.A.*	2,175.89	857	1,083.57

(a) For Rs. 13 thousand quantity data not available.
(b) For Rs. 22 ,, ,,
(c) For Rs. 437 ,, ,,
(d) For Rs. 25 ,, ,,
(e) For Rs. 3 ,, ,,
(f) For Rs. 434 ,, ,,
(g) For Rs. 217 ,, ,,
(h) For Rs. 81 ,, ,,
(i) For Rs. 107 ,, ,,
(j) For Rs. 498 ,, ,,
(k) For Rs. 3,396 thousand quantity data not available.
(l) For Rs. 52 ,, ,,
(m) For Rs. 477 ,, ,,
(n) For Rs. 1,027 ,, ,,
(o) For Rs. 268 ,, ,,
(p) For Rs. 2,294 ,, ,,
(q) For Rs. 623 ,, ,,
(r) For Rs. 84 ,, ,,
(s) For Rs. 67 ,, ,,
(t) For Rs. 375 ,, ,,
(v) For Rs. 38 ,, ,,

TABLE NO. 34—contd.

(Value in Lakh Rupees)

Commodity		1957		1956		1955		1954	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Raw Jute	('000' Tons)	772	7,819.48	845	7,509.76	967	6,968.18	878	5,454.53
Raw Cotton	('000' Bales)	632	3,317.20	726	3,638.24	927	4,029.60	728	3,487.14
Raw Wool	('000' Lbs.)	37,257	1,034.39	26,233	711.35	30,280	673.68	20,753	425.49
Raw Hides	('000' Pieces.) ('000' Cwt.)	849 —	69.74 —	1,528 —	122.44 —	1,319 —	92.62 —	1,715 —	127.47 —
Raw Skins	('000' Pieces.) ('000' Cwt.)	9,406 —	337.20 —	8,857 —	277.02 —	7,666 —	222.11 —	7,870 —	210.07 —
Raw Hides and Skins n.e.s.	('000' Pieces.) ('000' Cwt.)	— —	— —	— —	— —	— —	— —	— —	— —
Tea	('000' Lbs.)	9,836	234.92	23,524	543.44	12,900	342.05	23,952	470.45
Cotton Twist and Yarn (1)	('000' Lbs.)	40,646	770.10	27,674	498.21	4,125	73.76	4	0.04
Cotton Piece-goods	('000' Yds.)	10,271	94.21	16,958	110.77	89	1.67	4	0.09
Jute Manufactures	('000' Tons)	706	926.24	723	934.84	546	671.70	139	172.68

Source : Central Statistical Office.

N. A.—Quantity Not Available.

(1) Include figures of cotton thread during 1960 and 1961.

* Provisional.

TABLE NO. 35

IMPORTS OF PRINCIPAL COMMODITIES

(1951 1962)

(Value in Lakh Rupees)

Commodity Group	1962 (Jan.—Mar.) (a)	1961	1960	1959	1958	1957
Total ..	**81,96·8**	**305,63·2**	**311,19·6**	**168,10·3**	**188,78·0**	**209,65·0**
1. Chemicals	1,23·1	6,02·3	7,06·2	3,81·6	4,73·7	4,34·4
2. Drugs and medicines	2,18·9	9,32·6	9,74·5	4,57·8	4,44·3	4,78·1
3. Dyes and colours	1,77·0	5,79·5	5,78·6	2,41·2	3,83·9	3,51·3
4. Electrical goods	2,10·0	8,29·6	7,93·2	4,47·7	4,94·7	6,66·7
5. Machinery	14,46·9	48,66·3	63,44·4	33,79·5	31,39·7	31,82·6
6. Paper, paste board and stationery	1,08·5	2,71·3	3,29·6	1,56·6	1,70·0	2,01·3
7. Rubber manufactures	69·3	3,77·0	4,18·1	2,15·8	1,93·0	1,62·4
8. Vehicles	7,44·0	23,90·9	20,61·4	11,32·7	12,85·5	11,43·0
9. Woollen yarn and manufactures	3·3	13·5	11·4	13·7	7·1	11·3
10. Art silk yarn	68·9	1,35·7	2,38·6	1,55·4	1,48·6	1,56·7
11. Cotton piecegoods	9.7	41·23	33·5	17·3	14·4	86·3
12. Cotton twist and yarn (b)	36·1	1,65·8	1,84·4	26·4	43·4	94·8
13. Iron and steel and manufactures	12,53·7	41,50·3	33,26·8	16,92·3	23,63·1	22,50·2
14. Non-ferrous metals and manufactures thereof ..	1,95·9	9,40·3	5,64·5	3,35·2	2,28·3	3,64·0
15. Oil and minerals (excluding grease)	4,99·2	26,85·7	28,75·1	16,64·9	8,74·6	8,94·0
16. Vegetable oils	1,50·2	7,63·8	5,48·8	4,66·8	1,26·8	60·7
17. Others	28,82·4	108,16·5	111,30·6	60,25·4	84,87·0	104,27·3

TABLE No. 35– contd.

(Value in Lakh Rupees)

Commodity Group	1956	1955	1954	1953	1952	1951
Total ..	**98,33·4**	**93,78·0**	**90,70·2**	**62,84·0**	**173,31·1**	**156,86·2**
1. Chemicals	2,67·5	2,32·6	2,09·1	92·9	2,49·8	1,53·6
2. Drugs and medicines	4,78·0	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	2,19·1	1,20·0	2,92·2	2,52·4
4. Electrical goods	2,56·5	2,29·8	2,14·6	1,61·7	3,13·7	2,85·5
5. Machinery	19,28·6	25,01·0	27,44·8	11,94·2	17,30·0	14,07·3
6. Paper, paste board and stationery	2,01·1	1,62·8	2,45·2	1,52·0	3,61·9	3,41·8
7. Rubber manufactures	2,90·0	1,30·6	1,01·6	62·6	1,29·7	1,38·1
8. Vehicles	6,64·2	4,94·3	4,37·7	2,49·0	8,36·7	6,77·3
9. Woollen yarn and manufactures	26·8	46·2	72·4	75·1	1,99·0	2,32·9
10. Art silk yarn	2,16·5	1,49·4	1,45·3	1,33·2	2,83·5	2,40·6
11. Cotton piecegoods	5,12·8	2,61·3	2,97·3	1,42·7	27,36·0	33,33·4
12. Cotton twist and yarn (*b*)	1,30·0	1,06·5	4,84·0	4,84·7	19,56·3	21,56·0
13. Iron and steel and manufactures	11,69·2	9,92·4	6,71·3	5,81·7	15,60·8	8,19·8
14. Non-ferrous metals and manufactures thereof ..	1,85·3	1,23·8	99·4	64·8	1,83·3	1,09·5
15. Oil and Minerals (excluding grease)	9,96·2	11,38·8	9,95·1	9,98·9	10,24·5	7,91·9
16. Vegetable oils	74·3	82·7	19·7	40·7	3,32·9	2,68·7
17. Others	22,59·4	21,15·4	17,63·2	15,69·0	46,82·5	41,31·6

Source.—Central Statistical Office.

Note.—(i) Data upto December, 1956 relates to private account only. From 1957 it is for both Government and private accounts.
(ii) Total may exhibit small differences due to rounding off.

(*a*) Provisional.
(*b*) Also include Cotton Thread since July, 1960.

TABLE NO. 36

DIRECTION OF FOREIGN TRADE

(1951 and 1961)

(In Lakh Rupees)

Country	1951		1961	
	Imports*	Exports	Imports	Exports
Total ..	156,86	252,52	305,63	190,50
Australia	50	4,40	3,55	6,15
Belgium—Luxembourg	2,63	8,55	9,88	10,73
Burma	49	28	8,83	4,48
Ceylon	2,50	1,82	2,73	2,13
China (Nainland)	5,43	15,02	1,70	4,77
Czechosovakia	1,10	2,14	91	2,14
Egypt	1,36	32	48	3,51
France	2,74	21,25	5,33	7,90
West Germany	4,60	14,21	26,88	10,35
Hong Kong	6,41	11,25	87	4,83
India	20,06	58,72	12,08	11,34
Italy	8,61	15,38	10,39	4,09
Japan	35,81	25,44	24,97	11,84
Netherlands	1,41	2,63	5,71	3,97
Poland	61	5,33	4,49	3,53
Union of South Africa	7	1,57	5,41	8,38
United Kingdom	32,76	31,67	60,83	27,10
U. S. A.	9,29	10,49	75,52	18,81
U. S. S. R.	41	1,38	1,82	1,56
All other Countries	20,07	20,67	43,25	42,89

*Private Account only.

Source : Central Statistical Office.

TABLE No. 37

IMPORT OF CAPITAL GOODS, INDUSTRIAL RAW MATERIALS AND CONSUMER GOODS ON PRIVATE ACCOUNT (1951-1962)

Items		Value in Lakh Rs.	Percentage Distribution
1951	Total ..	156,86	100
Capital Goods		14,08	8.98
Industrial Raw Material		43,60	27.80
Consumer Goods		99,18	63.22
1952	Total ..	173,31	100
Capital Goods		17,30	9.98
Industrial Raw Material		52,74	30.43
Consumer Goods		103,27	59.59
1953	Total ..	62,84	100
Capital Goods		11,94	19.00
Industrial Raw Material		17,84	28.39
Consumer Goods		33,06	52.61
1954	Total ..	90,70	100
Capital Goods		27,45	30.26
Industrial Raw Material		22,33	24.62
Consumer Goods		40,92	45.12
1955	Total ..	93,78	100
Capital Goods		25,01	26.67
Industrial Raw Material		22,97	24.49
Consumer Goods		45,80	48,84
1956	Total ..	98,33	100
Capital Goods		18,29	18.60
Industrial Raw Material		27,91	28.38
Consumer Goods		52,13	53.02
1957	Total ..	209,65	100
Capital Goods		31,82	15.18
Industrial Raw Material		145,95	21.92
Consumer Goods		131,88	62.90
1958	Total ..	188,78	100
Capital Goods		31,40	16.63
Industrial Raw Material		49,30	26.12
Consumer Goods		108,08	57.25
1959	Total ..	168,10	100
Capital Goods		33,79	20.10
Industrial Raw Material		38,23	22.74
Consumer Goods		96,08	57.16
1960	Total ..	311,20	100
Capital Goods		63,44	20.39
Industrial Raw Material		68,03	21.86
Consumer Goods		179,73	57.75
1961	Total ..	305,63	100
Capital Goods		63,10	20.65
Industrial Raw Material		121,76	39.83
Consumer Goods		120,77	39.52
1962 (Jan.-March)	Total ..	81,97	100
Capital Goods		19,48	23.76
Industrial Raw Material		31,76	38.75
Consumer Goods		30,73	37.49

Source : Central Statistical Office.

TABLE No. 38

UNIT VALUES OF PRINCIPAL EXPORTS
(1950-1962)

(Average Unit Values in Rupees)

Year/Quarter	Indices of Unit Values of Exports (April, 1948 to March, 1949=100)	Jute (Per Bale)	Cotton (Per Bale)	Wool (Per lb.)	Tea (Per lb.)	Hides and Skins (Per Piece)
1	2	3	4	5	6	7
1950						
January—March ..	93.2	193.4	475.1	1.29	1.62	3.07
April—June ..	79.3	152.5	475.8	1.49	1.62	3.38
July—September ..	80.8	151.1	488.0	1.62	1.71	3.28
October—December ..	101.1	168.0	778.0	2.21	1.72	3.60
1951						
January—March ..	109.0	171.3	854.9	3.48	1.55	6.35
April—June ..	134.1	235.6	935.5	3.58	1.24	5.96
July—September ..	129.6	238.0	897.9	2.16	1.21	4.10
October—December ..	105.1	194.9	694.5	1.62	1.28	4.10
1952						
January—March ..	108.5	202.4	717.5	1.65	1.30	3.92
April—June ..	102.9	195.5	669.1	1.35	1.26	3.21
July—September ..	72.4	106.8	628.7	2.01	1.23	3.23
October—December ..	66.6	108.2	503.6	1.83	1.42	3.19
1953						
January—March ..	64.2	111.5	410.0	2.01	1.22	4.16
April—June ..	59.8	99.3	405.9	2.13	1.32	3.55
July—September ..	61.7	105.3	402.2	2.18	1.34	3.53
October—December ..	60.7	103.5	402.8	2.07	1.32	3.30
1954						
January—March ..	67.9	116.7	443.2	2.90	1.39	4.22
April—June ..	65.7	108.6	456.6	2.11	1.59	3.49
July—September ..	64.5	108.9	432.9	1.98	1.68	3.42
October—December ..	65.5	109.0	441.3	2.02	2.30	2.82
1955						
January—March ..	70.2	123.5	423.9	1.96	2.64	3.34
April—June ..	68.3	122.2	393.7	2.18	2.25	3.64
July—September ..	72.8	122.9	468.8	2.33	2.78	3.28
October—December ..	79.8	140.8	488.1	2.12	2.76	3.80
1956						
January—March ..	83.8	152.6	487.0	2.70	2.18	4.17
April—June ..	89.1	167.1	506.8	2.70	2.01	3.79
July—September ..	88.1	159.0	540.6	2.55	2.21	3.90
October—December ..	87.9	165.5	480.4	2.84	2.49	3.49

TABLE No. 38—*contd.*

(Average Unit Values in Rupees)

1	2	3	4	5	6	7
1957						
January—March ..	96.7	182.1	544.6	2.72	2.63	3.74
April—June ..	91.5	170.6	521.8	3.17	1.75	4.32
July—September ..	92.2	179.0	486.8	2.79	2.07	3.68
October—December ..	92.8	180.2	491.3	2.39	2.25	4.02
1958						
January—March ..	93.0	177.9	497.7	2.47	2.37	4.48
April—June ..	82.6	150.7	481.6	1.83	2.62	4.43
July—September ..	85.1	165.6	434.9	1.90	2.88	3.71
October—December ..	82.0	162.9	403.8	2.06	2.44	3.73
1959						
January—March ..	83.9	163.5	406.1	2.15	2.62	4.92
April—June ..	79.0	147.5	403.8	2.34	2.63	4.87
July—September ..	77.0	140.1	413.5	2.51	2.16	5.74
October—December ..	80.7	154.4	393.8	2.27	2.23	5.87
1960						
January—March ..	79.6	142.2	425.4	2.36	2.37	7.24
April—June ..	88.6	168.6	436.8	2.52	2.27	6.73
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
1961						
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
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
1962						
January	101.1	201.5	465.4	2.21	1.81	8.44
February	95.6	196.0	390.1	2.45	1.88	7.81

Source : Central Statistical Office.

TABLE NO. 39

INDICES OF UNIT VALUES OF IMPORTS AND EXPORTS AND TERMS OF TRADE—(1950-1961)

(April 1948 to March, 1949=100)

Period	Indices of Unit Values of Imports	Indices of Unit Values of Exports	Indices of Terms of Trade
1	2	3	4
1950			
January—March	73.9	93.2	126.1
April—June	74.4	79.3	106.6
July—September	74.9	80.8	108.0
October—December	77.0	101.1	131.3
1951			
January—March	88.0	109.0	123.7
April—June	98.1	134.1	136.0
July—September	99.8	129.6	130.6
October—December	97.5	105.1	107.8
1952			
January—March	93.2	108.5	116.8
April—June	87.8	102.9	117.2
July—September	77.5	72.4	93.4
October—December	77.1	66.6	86.4
1953			
January—March	82.7	64.2	77.6
April—June	73.4	59.8	81.5
July—September	83.9	61.7	73.5
October—December	90.1	60.7	67.4
1954			
January—March	90.8	67.9	74.8
April—June	76.7	65.7	85.7
July—September	80.8	64.5	79.8
October—December	76.5	65.5	85.7
1955			
January—March	82.1	70.2	85.5
April—June	85.4	68.3	80.0
July—September	97.4	72.8	74.7
October—December	128.4	79.7	62.1
1956			
January—March	127.7	83.8	65.6
April—June	129.6	89.1	68.7
July—September	129.9	88.1	67.8
October—December	146.7	87.7	60.1

TABLE NO. 39—*contd.*

1	2	3	4
1957			
January—March	152.3	96.7	63.5
April—June	145.6	91.5	62.2
July—September	140.1	92.2	65.8
October—December	152.9	92.8	60.7
1958			
January—March	158.6	93.0	58.6
April—June	160.8	82.6	51.4
July—September	162.0	85.1	52.5
October—December	153.3	82.0	53.4
1959			
January—March	150.0	83.9	56.0
April—June	154.2	79.0	51.2
July—September	154.5	77.0	50.0
October—December	154.3	80.7	52.3
1960			
January—March	156.6	79.6	51.0
April—June	159.8	88.6	55.4
July—September	160.9	101.4	63.0
October—December	158.7	120.6	76.0
1961			
January—March	168.1	153.8	91.5
April—June	164.3	162.0	98.6
July—September	153.1	121.1	79.1
October—December	159.2	104.9	65.9

Source : Central Statistical Office.

TABLE NO. 40

IMPORT OF FOODGRAINS AND SUGAR

(Quantity in Tons)

Financial Year	Wheat	Rice
195253	6,49,125	..
195354	7,83,037	..
195455	3,970	..
195556	48,157	200
195657	6,48,490	5,15,456
195758	6,92,272	3,93,817
195859 (15 months)	9,03,818	2,18,718
195960	9,62,612	3,60,957
196061	13,50,007	3,82,207
196162 (up to December, 1961)	4,91,998	1,01,943

Calendar Year	Sugar
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	50,000

Source : Ministry of Food and Agriculture.

TABLE NO. 41

BALANCE OF PAYMENTS—(1960 and 1961)

(In Lakh Rupees)

Item	1960			1961		
	Credits	Debits	Net Credits	Credits	Debits	Net Credits
1	2	3	4	5	6	7
A. Goods and Services						
1. Merchandise *f. o. b.* ..	186,02	279,25	(—) 93,23	188,08	310,87	(—) 122,79
(i) Imports on Private Account	..	108,71	..	..	134,61	..
(ii) Imports on Government Account	..	57,67	..	..	57,23	..
(iii) Aid Financed Imports	..	112,87	..	..	119,04	..
2. Non-Monetary Gold (net) ..	96	..	+96	27	..	(+) 27
3. Foreign Travel	47	3,34	(—) 2,87	83	3,76	(—) 2,93
4. Transportation and Insurance	8,14	24,22	(—)16,08	8,52	28,49	(—) 19,97
5. Investment Income ..	4,10	7,58	(—)3,48	4,91	7,57	(—) 2,67
6. Government Expenditure (*n.e.i.*)	8,32	9,52	(—)1,20	9,95	9,82	(+) 12
7. Miscellaneous	14,44	10,55	(+) 3,89	15,99	11,57	(+) 4,42
8. Total Goods and Services ..	222,45	334,45	(—)111,99	228,53	372,10	(—)143,57

TABLE NO. 41—*contd.*

1	2	3	4	5	6	7
B. Donations						
9. Private Remittances and Migrants' Transfers	2,82	3,66	(—) 85	3,45	3,47	(—) 3
10. Official Donations ..	115,80	6	(+) 115,75	121,61	..	(+)121,61
11· Total Donations	118,62	3,72	(+)114,90	125,06	3,47	(+)121,59
Total Current Account (A+B)	341,07	338,17	(+)2,91	353,59	375,55	( )21,96
C. Capital and Monetary Gold						
12. Private Capital Movements :						
(i) Direct Investments ..	2,40	..	(+)2,40	1,30	..	(+) 1,30
(ii) Other Long-term ..	6	..	(+) 6	..	72	(—)72
(iii) Other Short-term ..	..	53	(—) 53	43	..	(+)43
Total Private Capital ..	2,46	53	(+) 1,93	1,73	72	(+)1,02
13. Official and Banking Institutions :						
(i) Loans and Long-term obligations	8,33	..	(+)8,33	14,23	..	(+)14,23
(ii) Contractual Repayments	..	4,33	(—)4,33	..	5,77	(—)5,77
(iii) Other Long-term ..	..	35,79	(—)35,79	9,95	..	(+)9,95
(iv) Short-term Claims on U. K.	..	2,70	(—)2,70	8,04	..	(+)8,04

TABLE NO. 41—*concld.*

1	2	3	4	5	6	7
(v) Short-term Claims on U.S.A. and Canada	2,80	..	(+)2,80	..	84	(–)84
(vi) Short-term Claims on Others ..	—	1,68	(—)1,68	1,93	..	(+)1,93
(vii) Short-term Liabilities	24,78	—	(+)24,78	..	2	(—)2
(viii) Other Short-term ..	4,73	—	(+)4,73	..	6,36	(—)6,36
(ix) Monetary Gold ..	—	96	(—)96	..	27	(—)27
Total Official and Monetary Gold	40,64	45,47	(—)4,83	34,17	13,24	(+)20,93
Total Capital and Monetary Gold	43,10	46,01	(—)2,91	35,90	13,96	(+)21,96

Source : State Bank of Pakistan.

TABLE NO. 42

BALANCE OF PAYMENTS

(a) Recorded Receipts from Exports, 1960 and 1961

(In Lakh Rupees)

Item	January-December, 1960	January-June, 1961	July-December, 1961	January-December, 1961
Cotton	21,97	9,56	3,79	13,35
Cotton Manufactures	18,59	4,48	2,00	6,48
Jute	84,79	41,36	45,96	87,32
Jute Manufactures	24,06	18,88	18,80	37,68
Hides and Skins	9,23	3,47	4,48	7,95
Tea	1,08	...	92	92
Wool	9,10	3,84	4,22	8,06
Other Exports	24,39	13,56	16,17	29,73
Total ..	193,23	95,15	96,34	191,49

(b) Recorded Payments* for Imports on Private Account

Food	3,54	1,44	1,37	2,81
Beverages and Tobacco	80	29	25	54
Crude Materials, Inedible except Fuels ..	5,26	3,68	4,00	7,68
Minera Fuels, Lubricants and Related Materials.	22,45	8,41	7,66	16,07
Animaland Vegetable Oils and Fats ..	2,81	1,66	1,26	2,92
Chemicals	14,27	8,54	9,79	18,33
Manufactured Goods	25,43	17,63	22,02	39,65
Machinery and Transport Equipment ..	37,16	21,70	28,82	50,52
Miscellaneous Manufactured Articles ..	5,45	3,45	3,63	7,08
Others	91	26	51	77
Total ..	118,08	67,06	79,31	146,37

Source : State Bank of Pakistan.

*Recorded Receipts and Payments are on a mixed c & f and f. o. b. basis and hence differ from those appearing in the table giving overall position.

TABLE NO. 43

GOLD, DOLLAR AND STERLING RESERVES HELD AND CONTROLLED BY THE STATE BANK (1948—1962)

(In Lakh Rpuees)

Year/Month		
1948		
Juoe,	30	51,79
December,	31	141,61
1949		
June,	30	165,51
December,	31	98,02
1950		
June,	30	95,85
September,	30	87,07
December,	31	94,16
1951		
March,	31	138,16
June,	30	151,31
September,	30	149,00
December,	31	148,17
1952		
March,	31	134,50
June,	30	104,57
September,	30	66,23
December,	31	60,61
1953		
March,	31	67,48
Juoe,	30	66,88
September,	30	66,94
December,	31	68,89
1954		
March,	31	71,96
June,	30	63,05
September,	30	56,06
December,	31	63,10

Year/Month		
1955		
March,	31	67,17
June,	30	69,64
September,	30	100,05
December,	31	115,62
1956		
March,	31	134,81
June,	30	139,46
September,	30	127,14
December,	31	126,29
1957		
March,	31	125,70
June,	30	120,05
September,	30	102,94
December,	31	102,14
1958		
March,	31	95,63
June,	30	88,05
September,	30	72,62
December,	31	76,58
1959		
March,	31	90,84
June,	30	104,32
September,	30	112,12
December,	31	122,72
1960		
March,	31	132,15
June,	30	116,96
September,	30	118,02
December,	31	129,40
1961		
March,	31	143,00
June,	30	122,50
September,	30	109,26
December,	29	113,30
1962		
March,	31	114,84*

Source : State Bank of Pakistan.

*Provisional.

PRICES AND COST OF LIVING

TABLE NO. 44

GENERAL COST OF LIVING INDICES FOR INDUSTRIAL WORKERS

(1949-50 to 1961-62)

(*BASE : April,* 1948 *to March,* 1949 = 100)

Avenge (July-une)	CENTRES		
	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 (a)	131(a)	126(a)	127(a)

Source : Central Statistical Office.

(a) Average for 9 months (July, 1961 to March, 1962).

TABLE NO. 45

MONTHLY COST OF LIVING INDICES FOR INDUSTRIAL WORKERS BY EXPENDITURE GROUPS (JULY, 1960 TO MARCH, 1962)

(*BASE : April, 1948 to March, 1949 = 100*)

Year/Month	CENTRES		
	Karachi	Lahore	Narayanganj
A. GENERAL			
1960			
July	129	113	125
August	126	115	124
September	126	115	124
October	127	114	124
November	126	116	123
December	127	117	121
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
B. FOOD			
1960			
July	139	115	122
August	133	116	122
September	136	116	122
October	137	115	121
November	136	118	121
December	135	119	117
1961			
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. 45—*contd.*

Year/Month	CENTRES		
	Karachi	Lahore	Narayanganj
1962			
January	140	125	120
February	143	129	122
March	142	126	119
C. FUEL & LIGHTING			
1960			
July	149	107	160
August	147	111	160
September	142	110	160
October	141	111	160
November	141	111	160
December	143	112	160
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
D. CLOTHING			
1960			
July	115	94	117
August	115	94	117
September	115	95	117
October	115	95	117
November	115	95	117
December	115	97	117
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

TABLE NO. 45—*contd.*

Year/Month	CENTRES		
	Karachi	Lahore	Narayanganj
1962			
January	114	108	132
February	114	110	131
March	114	110	132
E. MISCELLANEOUS			
1960			
July	112	127	140
August	111	132	138
September	111	132	136
October	110	132	136
November	110	132	137
December	114	133	139
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
1962			
January	112	174	182
February	112	175	187
March	112	176	202

Source : Central Statistical Office.

TABLE NO. 46

COST OF LIVING INDICES FOR INDUSTRIAL WORKERS BY EXPENDITURE GROUPS (1949-50 to 1961-62)

(*BASE : April,* 1948 *to March,* 1949 = 100)

Year (July—June)	General	Food	Fuel and Lighting	Bedding, Clothing and Footwear	Miscellaneous
KARACHI					
1949-50 (Average) ..	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(a) ,, ...	131	141	144	114	113
LAHORE					
1949-50 (Average) ..	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(a) ,, ...	126	125	105	103	167

TABLE NO. 46—*contd.*

Year (July—June)	General	Food	Fuel and Lighting	Bedding, Clothing and Footwear	Miscellaneous
		NARAYANGANJ			
1949-50 (Average) ..	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(a) „	127	122	158	134	176

Source : Central Statistical Office.

Note.—(a) Average for 9 months (July, 1961 to March, 1962).

TABLE NO. 47

CONSUMERS' PRICE INDEX FOR GOVERNMENT AND COMMERCIAL EMPLOYEES (CLERICAL) AT KARACHI BY EXPENDITURE GROUPS (1950—1962)

(*BASE : 1956=100*)

Year/Month	General	Food	Clothing and Footwear	Housing and Household Operations	Miscellaneous
1950 (Calendar Year) ..	90	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*
1960					
July	116	127	125	103	99
August	115	127	125	102	98
September	115	127	125	101	98
October	115	127	124	101	97
November	114	127	123	101	98
December	114	126	123	101	98
1961					
January	113*	125	122	100	96*
February	114*	126	125	101	95*
March	115*	128	126	102	96*
April	116	129	125	102	96*
May	117	132	123	102	96*
June	117*	133	123	102	96*
July	117	132	122	101	96*
August	118	135	119	101	96*
September	118	136	119	101	97*
October	117*	134	121	102	95*
November	117*	133	121	102	96*
December	117*	133*	122	102	95*
1962					
January	116	130	121	103	96
February	117	132	123	103	96
March	117	133	123	102	97

Source : Central Statistical Office.

(a) Excluding Footwear.

(*) Revised.

TABLE NO. 48

INDICES OF WHOLESALE PRICES OF SELECTED COMMODITIES (1952—1962)

(*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
January	99.6	156.2	134.5	202.2	126.5	174.5	228.8	139.0
February	99.5	155.0	135.4	220.3	121.4	177.6	233.5	144.5
March	99.3	144.7	141.5	235.2	120.3	177.1	228.2	146.3
April	104.4	141.0	124.8	201.5	121.8	188.5	222.1	145.4
May	103.5	126.8	116.1	207.2	118.9	176.9	225.4	144.9
June	105.2	126.9	117.8	179.3	116.4	166.6	219.3	143.4
July	103.2	129.8	114.6	167.2	106.6	178.5	215.4	142.0
August	103.2	130.0	116.9	132.6	104.1	181.5	215.6	139.9
September	104.6	129.5	121.4	125.4	104.1	183.8	215.4	139.4
October	107.4	128.2	120.9	123.2	106.5	184.4	217.3	139.6
November	106.3	133.5	118.4	132.0	109.5	183.6	220.4	138.9
December	101.7	137.2	118.1	132.9	114.3	184.8	224.2	139.3
1962								
January	101.8	136.9	123.6	131.7	114.9	184.8	226.9	142.7
February	101·6	143·5	125·4	130·1	116·2	182·7	227·0	145·6
March	102·9	143·7	121·1	123·8	103·8	182·9	227·2	146·7

Source : Central Statistical Office.

TABLE No. 49

MONTHLY AVERAGE WHOLESALE PRICES OF SELECTED COMMODITIES (1960-61 and 1961-62)

(Rupees and Paisa)

Item and Specification	Market	Unit	Average 1960-61	1961-62 July 1961	Aug. 1961	Sept. 1961	Oct. 1961	Nov. 1961	Dec. 1961	Jan. 1962	Feb. 1962	March 1962
AGRICULTURAL AND LIVESTOCK PRODUCTS												
FOOD STUFFS												
Wheat Dara												
(Fair Average Quality)	Karachi	Maund	18·10	17·12	17·55	17·30	17·31	18·40	19·04	19·05	21·45	21·56
	Lyallpur	,,	16·90	15·60	15·25	15·50	14·87	15·29	16·15	15·75	16·06	15·83
	Peshawar		16·23	15·55	15·09	15·39	15·25	14·50	15·95	16·11	16·52	16·41
Rice	Dacca (a)		17·12	17·12	17·12	17·12	17·12	17·12	17·12	17·12	17·12	17·12
Sugdasi	Karachi	,,	32·12	..	..	..	38·25	41·25	41·92	41·33	41·60	41·96
Basmati (Y)	Gujranwala	,,	24·92	24·00	24·00	24·00	24·00	25·00	25·00	25·00	25·00	25·00
Medium Quality	Dacca	,,	29·66	30·40	30·38	32·75	34·00	32·44	29·25	28·13	27·25	29·15
	Chittagong	,,	25·62	24·30	24·38	23·80	25·25	24·63	22·90	23·88	23·13	24·10
Barley (Fair Average Quality)	Karachi	,,	14·67	13·75	13·71	12·39	11·46	12·94	13·19	12·87	12·56	12·85
	Lahore	,,	13·08	12·12	10·75	11·12	10·79	10·65	10·79	11·31	11·50	11·54
Maize (Fair Average Quality)	Layallpur	,,	13·31	13·65	13·17	14·90	12·94	13·37	12·98	12·69	12·75	12·13
	Peshawar	,,	14·56	14·57	14·65	1 ·75	13·62	13·37	12·50	12·83	13·03	13·41
Jowar (Fair Average Quality)	Lahore	,,	14·54	13·83	12·37	11·25	10·00	10·00	10·00	10·50	10·00	12·00
	Mardan	,,	12·64	14·23	12·69	8·40	7·34	7·34	7·34	7·34	7·34	7·34
Bajra (Fair Average Quality)	Multan	,,	15·53	18·50	18·50	19·10	15·50	13·94	13·00	12·75	12·75	12·80

TABLE No. 49—*contd.*

(Rupees and Paisa)

Item and Specification	Market	Unit	Average 1960-61	1961-62 July 1961	Aug. 1961	Sept. 1961	Oct. 1961	Nov. 1961	Dec. 1961	Jan. 1962	Feb. 1962	March 1962
FOOD STUFFS—*contd.*												
Gram (Whole) (Fair Average Quality) ..	Karachi	Maund	16·51	15·60	15·99	16·41	16·37	16·60	16·56	17·38	17·80	17·88
	Lahore	"	15·88	14·52	15·81	16·07	16·37	16·49	16·72	17·44	18·09	17·72
	Peshawar	"	15·99	14·62	14·97	15·98	15·41	15·59	16·20	17·48	17·74	17·84
	Dacca	"	17·60	14·40	14·37	15·35	15·75	13·38	13·00	13·38	13·69	12·50
Masoor (Whole)	Lyallpur	"	21·78	25·20	26·83	27·80	30·12	29·00	27·60	27·75	26·12	26·90
	Dacca	"	18·88	16·75	18·62	19·75	19·31	18·88	18·70	18·38	19·00	25·60
Split (Punjab)	Karachi	"	27·71	31·87	36·17	34·94	36·00	35·62	36·30	36·12	33·50	35·25
Mash Kalai (Whole)	Dacca	"	18·59	14·40	15·50	18·60	17·31	14·19	13·50	13·00	13·50	13·40
Split (Chittagong)	Karachi	"	30·99	32·37	34·25	34·00	36·37	38·50	39·10	39·12	36·62	37·10
Split (Punjab)	"	"	37·64	37·06	44·75	43·94	45·00	45·00	43·00	45·07	43·00	43·60
Moong (Whole)	Dacca	"	29·01	32.70	33·50	35·90	37·50	36·75	35·50	32·13	31·00	32·00
(Whole) Punjab	Karachi	"	23·82	25·55	28·00	30·02	30·43	31·12	34·30	31·87	32·87	33·40
Split Punjab	"	"	30·57	33·00	38·56	41·50	41·62	41·75	42·60	41·75	42·12	42·00
Chillies Dry												
Red Punjab	Karachi	"	116·32	90·00	95·00	90·00	80·00	85·00	88·40	83.75	78·25	84·00
Medium	Dacca	"	88·50	91·25	103·13	110·50	105·62	103·13	96·50	95·00	108·75	100·00
Spices												
Black Pepper	Karachi	"	569·41	486·80	523·12	537·50	510·62	517·50	521·00	520·00	518·50	527·60
Cummin Seed (Black)..	"	"	214·10	224·00	225·00	220·00	243·75	247·50	250·00	249·37	246·87	250·00
Cardamom (Large)	"	"	324·75	343·75	307·87	305·50	288·12	276·25	276·00	280·00	315·50	452·00
Turmeric (Pak-Ordinary)	"	"	62·65	92·50	120·62	141·10	135·00	133·50	127·00	123·75	152·50	159·00
Gur (Fair Average Quality)	"	"	33·66	38·90	43·37	49·40	46·25	35·00	25·80	19·75	17·75	17·40
First Quality	Lahore	"	35·36	42·75	48·25	54·40	41·50	37·25	25·40	21·50	22.00	19·40
	Mardan	"	36·74	48·00	52·38	56·55	58·75	58·94	45·30	32·25	31·13	35·60
	Dacca	"	29·79	43·50	44·63	47·50	43·13	36·25	35·00	33·13	32·50	30·40

Sugar														
(Desi)	Lahore	Maund	82·26	82·00	88·50	93·40	90·00	95·00	57·20	47·62	45·25	43·80
(Refined) (a)	Karachi (b)	,,	51·35	53·75	53·75	53·75	53·75	53·75	..	..	55·25	55·60
	Karachi (c)	,,	58·54	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
	Dacca	,,	53·75	53·75	53·75	53·75	53·75	53·75	56·75	58·75	58·75	58·75
Ghee												
(Punjab Desi)	Lahore	,,	246·73	239·73	247·55	248·15	245·93	255·75	243·47	240·00	239·25	230·80
	Karachi	,,	246·07	244·55	240·69	244·80	239·00	240·00	240·00	240·00	240·00	240·00
Oils												
Mustard Oil	Karachi		77·53	74·60	78·50	80·70	81·00	81·25	81·50	81·87	82·00	83·20
(Local)	Dacca	,,	103·89	100·13	100·12	102·70	101·75	102·00	99·70	103·50	109·00	109·45
(Mill)	Chittagong		101·69	95·40	99·25	101·80	100·25	100·00	98·80	100·25	108·00	108·60
	Lahore	,,	78·31	82·00	87·37	88·43	87·67	90·69	93·33	86·37	77·13	72·12
Coconut Oil (Imported)	Karachi	,,	143·22	102·50	108·12	110·00	110·00	111·25	111·40	108·75	102·52	107·00
Cotton Seed Oil (Single Zero White) ..	Dacca	,,	100·13	100·10	101·00	105·00	102·50	104·50	103·50	108·00	..	...
	Karachi	,,	73·30	76·30	79·00	78·10	81·00	81·00	81·40	81·00	80·00	81·00
Vegetable Products-Dalda	Karachi	5 lbs. Tin	8·06	8·06	8·06	8·02	8·02	8·02	8·02	8·02	8·02	8·02
Tea (Original) (h)												
Pekoe	Chittagong	lb.	2·35	..	1·95(e)	1·93(e)	1·95(e)	1·83(e)	1·68(e)	2·23(e)	2·23	2·38
Orange Pekoe	,,	,,	2·39	..	2·23(f)	1·19(f)	2·23(f)	2·23(f)	2·18(f)	2·55(f)	2·48	2·55
Plain Sylhet Dust	,,	,,	2·27	2·13	2·21(g)	2·25(g)	2·15(g)	2·07(g)	2·04(g)	2·25(g)	2·30	2·40
Tea (Packetted and Blended)												
Brooke Bond Red Label	Karachi	,,	5·37	5·37	5·37	5·00	5·00	5·00	5·00	5·00	5·00	5·00
Ispahani Red Spot	,,	,,	3·69	3·62	3·62	3·62	3·62	3·62	3·62	3·62	3·62	3·62
Lipton Yellow Label	,,	,,	5·77	5·50	5. 50	5·50	5·50	5·50	5·50	5·50	5·50	5·50
Leaf Tobacco												
First Quality	Mardan	Maund	136·59	74·00	66·25	62·50	58·75	57·50	57·30	62·50	69··25	70·10
Motihari	Dacca	,,	179·21	145·00	130·00	114·00	110·00	115·00	110·00	110·00	104·38	99·50

TABLE NO. 49—*contd.*

(Rupees and Paisa)

Item and Specification	Market	Unit	Average 1960-61	1961-62 July 1961	Aug. 1961	Sept. 1961	Oct. 1961	Nov. 1961	Dec. 1961	Jan. 1962	Feb. 1962	March 1962
OTHER THAN FOOD STUFFS												
Jute												
Jat White												
Middle	Narayanganj	Maund	72·52	59·80	48·83	..	50·00	49·00	..	..	..	...
Bottom	"	"	61·82	56·80	45·63	46·60	45·00	43·50	43·80	43·00	39·00	38·00
Habijabi	"	"	45·95	47·40	33·13	22·10	22·25	21·00	21·50	21·50	20·50	17·50
Tossa												
Middle	Narayanganj	Maund	73·25	..	..	..	53·00	52·00	..	..	..	...
Cotton Raw												
4-F. Punjab R. G.	Karachi	"	85·04	76·74	74·87	76·00	79·00	82·22	86·85	86·92	88·65	78·20
N. T. Sind R. G.	"	"	89·59	83·74	84·00	85·00	89·56	87·91	88·15	88·55	91·02	81·50
289-F. Punjab R. G.	"	"	93·51	86·14	87·75	86·80	87·00	94·41	96·55	103·30	104·55	93·50
Sind Desi	"	"	95·55	82·50	75·75	71·40	66·62	74·87	78·80	74·75	73·50	66·20
Punjab Desi	"	"	93·06	80·20	73·75	69·40	64·37	69·25	76·20	73·50	70·75	63·45
Hides (Karachi Arsenicated)												
13/25 Lbs. (Cow-mixed)	Karachi	82 Lbs.	144·30	120·00	125·00	117·50	121·67	125·00	128·12	130·00	130·00	142·00
10/40 Lbs. (Buffalo)	"	"	114·94	115·00	110·00	115·00	115·00	117·50	116·87(*i*)	120·00	120·00(i)	113·00
Dry Salted (Cow)	Dacca	100 Lbs.	125·73	122·00	121·25	121·60	122·00	122·25	124·20	125·00	125·00	124·80
Skins (Dry Salted)												
Sheep Skin papra all primes Measurement Basis 32/36"	Karachi	100 Skins	215·67	212·00	202·50	183·75	181·67	190·00	174·50	150·00	150·00	150·00
" " 45" U. P. ..	"	"	489·60	484·00	470·25	483·75	496·67	505·00	504·25	525·00	525·00	525·00
Goat Skins Dry Salted (Special) Medium 32/36"	"	"	327·06	292·00	281·25	295·00	301·67	298·75	333·00	315·00	315·00	315·00
Goat Skins	Dacca	100 Pieces	413·59	400·00	382·75	378·20	380·00	375·00	378·00	408·75	431·75	441·00

Wool Raw												
Punjab Superior White	Karachi	Maund	218·37	221·00	219·67	223·20	224·00	224·00	223·80	223·75	223·00	221·67
Wool White	Peshawar	„	102·41	105·00	108·25	113·95	115·31	114·47	113·50	118·67	117·00	120·00
Oil Seeds												
Cotton Seed	Lyallpur	„	18·12	18·07	18·50	18·80	18·60	18·03	16·70	15·72	15·37	14·93
N. T. (Roller)	Karachi	„	14·64	15·90	15·87	16·40	15·03	13·77	12·93	12·70	12·37	11·69
Mustard Seed Punjab	„	„	29·56	29·75	29·75	29·75	29·75	29·75	29·75	29·75	29·75	29·00
(Local)..	Dacca	„	30·82	29·80	29·00	29·75	30·00	30·00	30·00	30·00	30.50	31·00
MINING AND MANUFACTURING PRODUCTS												
Mining Products												
Rock Salt Lahori	Karachi	Maund	7·37	6·80	6·53	6·90	5·81	7·25	7·20	7·00	6·62	6·70
Sea Salt Mauripur (Crushed)	„	„	4·05	3·92	3·94	3·98	5·00	6·00	6·00	5·94	5·34	5·20
„ „ Fine (Crushed)	Dacca	„	7·49	7·20	7·50	8·00	8·75	9·19	9·54	10·00	10·09	8·70
Coal												
Steam Coal other than India High Grada	(Karachi Port)	Tons	74·94	74·94	74·94	74·94	74·94	74·95	74·94	74·94	74·94	74·94
„ „ „	Chittagong (L)	„	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	57·62	57·62	57·62	67·00	67·00	67·00	67·00	67·00	67·00
Hard Coke (Indian) By-product	Wagha and McLeod Gunj (K)	„	93·00	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
Mineral Oils (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
„ „ „	Chittagong	„	2·94	2·94	2·94	2·94	2·94	2·94	2·94	2·98	2·98	2 98
Diesel Oil (Light)	Karachi	„	0·91	0·91	0·91	0·91	0·91	0·91	0·91	0·91	0·91	0·91
„ „ „	Chittagong	„	0·91	0·91	0·91	0·91	0·91	0·91	0·91	0·91	0·91	0·91
Furnace Oil	Karachi	Toas	104·70	104·56	104·56	104·81	104·81	104·81	104·81	104·81	104·81	104·81
Kerosene Oil	„	(1 Gallon)	1·58	1·58	1·58	1·58	1·58	1·58	1·58	1·58	1·58	1·58
	Lahore	„	1·37	1·37	1·37	1·37	1·37	1·37	1·37	1·37	1·37	1·37
	Chittagong	(4 Gallons)	7·08	7·08	7·08	7·05	7·00	7·00	7·00	7·00	7·00	7·00

TABLE No. 49—*contd.*

(Rupees and Paisa)

Item and Specification	Market	Unit	Average 1960-61	1961-62 July 1961	Aug. 1961	Sept. 1961	Oct. 1961	Nov. 1961	Dec. 1961	Jan. 1962	Feb. 1962	March 1962
MANUFACTURING PRODUCTS												
Cement												
Zeal—Pak	.. Karachi	Tons	107·33	114·00	114·00	115·37	116·29	116·29	116·29	116·29	116·29	116·29
Dalmia Portland (*m*) ..	.. "	"	104·60	118·50	118·50	118·50	118·50	118·50	118·50	118·50	118·50	118·50
Assam Bengal (*n*)	.. Sylhet	"	119·29	149·75	149·75	149·75	149·75	149·75	149·75	149·75	149·75	149·75
Chemicals												
Gammexane Insect Powder (ICI)	.. Karachi	lb.	2·57	2·56	2·56	2·37	2·37	2·37	2·37	2·20	2·20	2·20
Soda Ash Light	.. "	Cwt.	20·46	19·52	21·59	21·59	21·59	21·59	21·57	21·59	21·59	21·59
Bleaching Powder (ICI) ..	.. "	"	53·44	42·80	41·25	43·62	43·50	42·00	44·00	62·00	64·25	65·40
	Chittagong	"	48·39	38·80	37·00	45·00	49·00	55·29	53·20	52·75	54·25	60·50
Chemicals (Imported)												
Caustic Soda Solid 98/99% (U.K.)	.. Karachi	Cwt.	30·48	24·05	23·31	24·50	23·00	24·12	24·40	29·12	30·38	30·10
Bicarbonate of Soda (U.K.)	.. "	"	28·66	25·00	27·50	29·85	28·75	27·68	27·37	29·00	28·54	26·85
Sodium Sulphide Solid (U.K.)	.. "	"	47·98	42·00	40·62	52·50	55·17	61·87	67·67	77·00(j)	77·00	57·17
Bleaching Powder (U.K.) ..	.. "	lb.	49·92	44·10	42·25	44·00	44·33	42·25	45·50	65·00	65·25	66·60
Plastic Moulding Powder												
Klestrone Standard Colour ..	.. "	"	2·25	2·25	2·25	2·25	2·25	2·25	2·25	2·25	2·25	2·25
Cellulose Acetate	.. "	"	4·45	4·70	4·70	4·70	4·70	4·70	4·70	4·70	4·70	4·70
Dyes												
Alizarine Red 100% Lumps ..	.. "	"	12·29	10·15	10·50	10·75	12·00	11·75	11·56	10·34	10·31	10·00
Congo Red (ICI)	.. "	"	5·55	5·25	5·25	5·45	5·83	5·62	6·19	5·50	5·87	6·50
Indign 60% Grains (I.C.I.) ..	.. "	"	7·40	6·00	6·00	6·00	6·00	6·00	6·00	5·75	5·84	5·65
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
Buxly Oil Bound Distemper ..	.. "	14 lbs. Tin	11·94	13·50	..	..	13·00	13·00	13·00	13·00	13·00	13·00

Jute Manufactures													
Gunny Bag B. Twill 2-1/4 lbs. (Adamjee)	,,	100 bags	230·22	226·40	220·00	213·00	..	216·25	194·80	190·50	185·75	194·20
Hessian Cloth W. 45" (Adamjee) ..	Narayanganj	100 yards	74·62	73·54	71·84	71·37	76·56	80·75	79·00	72·88	73·25	75·40
Matches—													
Butterfly 50 sticks	Karachi	Gross	7·58	7·39	7·31	7·35	7·75	8·00	8·00	7·97	7·69	7·61
Butterfly 50 sticks	E. Pak (3)	Gross	6·37	6·50	6·50	6·50	6·50	6·50	6·50	6·50	6·50	6·50
Paper and Paper Products													
White Printing 20"×30"—24 lbs. ..	W. Pak. (1)	lb.	0·95	..	..	..	1·11	1·11	1·11	1·11	1·11	1·11
White Printing 20"×30"— 24 lbs. ..	E. Pak. (2)	,,	0·92	..	1·04	1·04	1·04	1·04	1·04	1·04	1·04	1·04
Cream Laid 16 1/2" × 26 1/2" —18 lbs.	West Pak. (1)	,,	0·97	..	..	..	1·15((p)	1·15(c)	1·08	1·15(p)	1·15	1·15
(Without Water Mark) and above 17"×27" —20 lbs.	East Pak. (2)	,,	0·94	..	1·08	1·08	1·08	1·08	..	1·08	1·03	1·08
,, ,, ,, ,,	W. Pak. (1)	,,	..	..	..	..	..	..	1·01(r)	..	..	...
Blotting	,, (1)	,,	..	..	..	..	1·01(d)	1·01(r)	1·21	1·01(r)	1·01	...
M. G. Kraft	,, (1)	,,	1·06	..	..	..	1·21	1·21	1·14	1·21	1·21	1·21
Azurelaid	E. Pak. (2)	,,	1·03	..	1·14	1·14	1·14	1·14	1·14	1·14	1·14	1·14
Poster white 20 ×30—22×30 lbs. ..	,, (2)	,,	1·03	..	1·11	1·11	1·11	1·11	1·11	1·11	1·11	1·11
Imitation Art White 20"×30"—30 Lbs.	,, (2)	,,	1·16	..	1·25	1.25	1.25	1·25	1.25	1.25	1.25	1·25
RUBBER MANUFACTURES													
Cycle Tyres:													
National Road Master 28"×1½" ...	Karachi ...	Dozen	108·00	108·00	102·00	102·00	102·00	102·00	102·00	102·00	102·00	102·00
Bata Mazboot Super	West Pak(4) ...	,,	97·50	93·00	93·00	93·00	93·00	93·00	93·00	93·00	93·00	93·00
Roadster	East Pak(3) ...	,,	93·25	93·25	93·25	93·25	93·25	93·25	98·25	98·25	98·25	98·25
Cycle Tubes:													
National Road Master 28"×1-½" ...	Karachi ...	Dozen	42·00	42·00	39·00	39·00	39·00	39·00	39·00	39·00	39·00	39·00
Bata Mazboot	West Pak(4) ...	,,	38·25	37·50	37·50	37·50	37·50	37·50	37·50	37·50	37·50	37·50
Popular	East Pak(3) ...	,,	35·25	35·25	35·25	35·25	35·25	35·25	35·25	35·25	35·25	35·25
AUTO TYRES AND TUBES (Imported)													
6·00×16 Cover Dunlop (6 Ply) ...	Karachi ...	Piece	146·12	143·37	143·37	143·37	143·37	143·37	143·37	143·37	143·37	143·37
6·00×16 Tube	Karachi ...	,,	15·89	15·56	15·56	15·56	15·56	15·56	15·56	15·56	15·56	15·56

TABLE NO. 49—*contd.*

(Rupees and Paisa)

Item and Specification	Market	Unit	Average 1960-61	1961-62 July 1961	Aug. 1961	Sept. 1961	Oct. 1961	Nov. 1961	Dec. 1961	Jan. 1962	Feb. 1962	March 1962
AUTO TYRES AND TUBES (IMPORTED) —*contd.*												
32×6 Cover Dunlop (10 Ply)	Karachi ...	Piece	358·58	363·50	363·50	363·50	363·50	363·50	363·50	363·50	363·50	363·50
32×6 Tube Dunlop	,, ...	,,	28·50	28·87	28·87	28·87	28·87	28·87	28·87	28·87	28·87	28·87
7·50×20 Cover Dunlop (10 Ply) ...	,, ...	,,	483·23	489·81	489·81	489·81	489·81	489·81	489·81	489·81	489·81	489·81
7·50×20 Tube	,, ...	,,	35·19	35·69	35·69	35·69	35·69	35·69	35·69	35·69	35·69	35·69
LEATHER MANUFACTURES												
Bata Shoes												
Every Body Leather Shoes (4—10 size) ...	West Pak(4) ...	Pair	13·69	13·72	13·72	13·72	13·72	13·72	13·72	13·72	13·72	13·72
Begum Leather Shoes (2—6 size) ...	,, ...	,,	6·81	6·84	6·84	6·84	6·84	6·84	6·84	6·84	6·84	6·84
SOAP												
Life-Buoy Soap 6 oz. cake	Karachi ...	Dozen	5·18	5·12	5·25	5·12	5·12	5·12	5·20	5·50	5·53	5·50
Sunlight Soap 6 oz. cake	,, ...	,,	4·64	4·75	4·88	4·75	4·75	4·75	4·75	4·75	4·75	4·77
Lux Soap 3-1¼ oz. cake	,, ...	,,	6·29	6·25	6·38	6·29	6·25	6·25	6·25	6·25	6·25	6·25
YARN AND TEXTILES												
Cotton Yarn												
20/1 Dawood (Camel Cart)	Chittagong ...	10 lbs.	24·40	24·76	24·08	23·87	22·09	22·14	22·17	22·00	22·00	21·99
20/1 Fateh (Double Lions)	Karachi ...	,,	...	20·31	19·68	19·64	18·50	18·56	19·25	19·72	19·75	19·55
20/2 Dawood (Camel Cart)	,, ...	,,	23·69	28·25	28·06	27·20	25·75	25·12	25·33	25·12	25·50	25·20
32/1 Valika (Palm Tree)	,, ...	,,	...	...	27·25	26·30	25·12	25·50	26·35	26·81	26·56	26·40

40/1 Tanvir (Umbrella)	Karachi ...	,,	33·54	31·70	29·69	30·65	30·37	30·87	32·55	31·69	30·56	30·30
40/1 Hussain (Scale)	Karachi ...	,,	34·77	34·87	32·50	33·00	...	...	36·00	35·75	34·50	34·00
40/1 Hussain (Scale)	Chittagong ...	,,	43·17	37·35	34·75	35·00	34·94	35·00	38·00	37·63	37·17	36·63
COTTON TEXTILES												
Bleached Long Cloth												
15,000 W-36″ (Colony)	Karachi ...	40 Yds.	73·11	68·03	65·65	65·68	66·00	65·50	65·50	66·12	67·50	67·45
Cock	Chittagong ...	,,	66·53	60·70	59·94	59·75	59·75	59·81	59·85	59·94	60·13	60·00
Grey Long Cloth												
W-44″ (Habib)	Karachi ...	Yard	1·14	0·69	...	1·10	1·10	1·10	1·10	1·10	1·10	1·10
W-54″ (Hafiz)	,, ...	,,	1·56	1·67	1·70	1·69	1·60	1·62	1·62	1·62	1·64	1·65
W-36″ (Kohinoor) 444	,, ...	,,	...	0·96	0·93	0·93	0·94	0·92	0·92	0·94	0·94	0·94
Mulls 5151-W-45″ (Kohinoor)	,, ...	20 Yards	31·91	35·32	34·85	34·85	35·60	33·90	32·80	32·50	32·50	32·
D. C. L. W-28″ (Dawood)	,, ...	,,	...	2·32	2·25	2·27	2·25	2·25	2·25	2·23	2·19	2·18
Poplin P-860-W-36″ (Colony)	,, ...	Yard	2·73	2·71	2·73	2·64	2·50	2·50	2·50	2·50	2·50	2·50
Poplin 6006 W-36″ (Kohinoor) ...	,, ...	,,	...	3·01	3·00	2·99	2·95	2·95	2·89	...	2·78	2·75
Poplin P. 99	Chittagong ...	,,	1·38	1·47	1·45	1·43	1·41	1·38	1·37	1·36	1·36	1·35
Silk Textiles												
Satin No. 800 (Diamond)	Karachi ...	Yard	3·87	3·64	3·65	3·76	3·72	3·72	3·74	3·89	4·10	3·99
Motichoor (Alamgir)...	,, ...	,,	4·60	3·75(*s*)	3·62(*s*)	3·62(*s*)	3·61(*s*)	3·66(*s*)	3·57(*s*)	3·57(*s*)	3·68	3·83(*s*)
Lady Hamilton (Haroon)	,, ...	,,	4·86	4·84(*t*)	4·75(*t*)	4·72(*t*)	4·79(*t*)	4·75(*t*)	4·75(*t*)	4·84(*t*)	5·12(t)	5·12(t)
Chinese Brocade (H.M.)	,, ...	,,	4·93	4·50(*w*)	4·56(*w*)	4·51(*w*)	4·53(*w*)	4·51(*w*)	4·64(*w*)	4·70(*w*)	...	...
TOBACCO MANUFACTURES												
Bidies												
Nagina	Karachi ...	1000	7·75	7·75	7·75	7·75	7·75	7·75	7·75	7·75	7·75	7·75
Nasim	Chittagong ...	,,	9·50	9·50	...	9·50	9·50	...	9·50	9·50	9·50	9·50

TABLE NO. 49—*contd.*

(Rupees and Paisa)

Item and Specification	Market	Unit	Average 1960-61	1961-62 July 1961	Aug. 1961	Sept. 1961	Oct. 1961	Nov. 1961	Dec. 1961	Jan. 1962	Feb. 1962	March 1962
TOBACCO MANUFACTURES—*contd.*												
Cigarettes :												
Scissors	Karachi ...	1000	26·09	26·09	26·09	26·09	26·09	26·09	26·09	26·09	26·09	26·09
Scissors	Lahore ...	,,	26·25	26·25	26·25	26·25	26·25	26·25	26·25	26·25	26·25	26·25
Scissors	Chittagong ...	,,	25·62	25·62	25·62	25·62	25·62	25·62	25·62	25·62	25·62	25·62
Capstan	Chittagong ...	,,	56·69	56·69	56·69	56·69	56·69	56·69	56·69	56·69	56·69	56·69
Pipe Tobacco (Imported) :												
Capstan Navy-cut (Medium)	Karachi ...	lb.	28·00	28·00	28·00	28·00	28·00	28·00	28·00	28·00	28·00	28·00

Source : Central Statistical Office.

Note.—All items except specified otherwise are of domestic origin.

(*a*) Controlled Prices.
(*b*) Domestic Consumption Prices.
(*c*) Commercial Consumption Prices.
(*e*) Price for Broken Pekoe.
(*f*) Price for Broken Orange Pekoe.
(*g*) Price for Dust.
(*h*) Auction Prices.
(*i*) Price for 2/20 lbs. (Buffalo Calf).
(*j*) One week quotation.
(*k*) Prices F.O.R at Wagha border.
(*l*) The prices of coal at Chittagong and Darsana/Benapole are F.O.R./F.O.B. prices including taxes and statutory charges.
(*m*) Stockist selling price including sales tax.
(*n*) F.O.R. Chhatak Bazar prices inclusive of Sales Tax and Central Excise Duty.
(*p*) Price for Cream laid 16½×26½″ —18 lbs.
(*r*) Price for M.G. Sulphate B 28″ ×44″ —4 lbs.
(*s*) Price for Motichoor (Jehangir).
(*t*) Price for Lady Hamilton (Shalimar).
(*v*) Silken Shirting (Shalimar) 3-K.
(*w*) Chinese Brocade (H.M.).
(*y*) Procurement Price.

(1) For delivery *ex*-godown, Karachi.
(2) For delivery *ex*-godown, Chittagong.
(3) Prices ruling all over East Pakistan.
(4) Prices ruling all over West Pakistan.

TABLE NO. 50

PRICE TRENDS OF ESSENTIAL IMPORTED CONSUMER GOODS

(In Rupees)

Item	Unit	Prices Prevailing during	
		July—December, 1960	July—December, 1961
Earthenware			
Dinner Set (Japanese)	One	450.00	200.00
Tea Set (Japanese)	,,	70.00	40.00
Glassware			
Tumblers (Imported)	Per Gross	150.00	98.75
Vacuum Flasks			
Thermos (English 1 Pint)	One	15.00	8.25
Iron and Steel			
G.P. Sheets 16—24 Gauge	Per Ton	1,650.00	1,550.00
M.S. Bars 1/2"	Per Ton	1,200.00	995.00/ 700.00
Drugs and Medicines			
Saridon	10 Tablets	1.09	1.06
Terramycin Tablets	12 ,,	10.60	8.60
Delta Cortril	10 Tablets	7.50	4.75
Hadware			
Wire Nails	Per Cwt.	72.00	50.00
Second-Hand Clothing			
Gents' Jacket	1 Piece	15.00	4.50
Cofee			
Nescafe	2 Oz.	7.00	4.75
Milk Food			
Ovaltine	1 lb.	5.00	4.25
Horlicks	,,	5.44	5.00
Cow and Gate	,,	6.25	4.70
Dye			
Diaze Green B Germany	1 lb.	7.00	4.00
Chemicals			
Flakes Caustic Soda, 98/99%	1 Cwt.	50.00	38.00
Bleaching Powder	,,	56.00	30.00
Cosmetics			
Fond's Cream	One	2.87	2.00

TRANSPORT AND COMMUNICATIONS

TABLE No. 51

GROSS EARNINGS OF PAKISTAN RAILWAYS

1948-49—1961-62

Year (April-March)	Railway	Earnings in Thousand Rupees
1	2	3
194849	Total	372,920
	P.W. Railway	247,184
	P.E. Railway	125,736
194950	Total	378,674
	P.W. Railway	255,378
	P.E. Railway	123,296
195051	Total	379,099
	P. W. Railway	265,386
	P.E. Railway	113,713
195152	Total	416,286
	P.W. Railway	295,169
	P.E. Railway	121,117
195253	Total	441,061
	P.W. Railway	321,288
	P.E. Railway	119,773
195354	Total	451,247
	P.W. Railway	339,632
	P.E. Railway	111,615
195455	Total	472,958
	P.W. Railway	352,952
	P.E. Railway	120,006
195556	Total	500,098
	P.W. Railway	361,763
	P.E. Railway	138,335
195657	Total	554,522
	P.W. Railway	389,230
	P.E. Railway	165,292
195758	Total	584,458
	P.W. Railway	411,326
	P.E. Railway	173,132
195859	Total	627,342
	P.W. Railway	444,483
	P.E. Railway	182,859

TABLE NO. 51—*contd.*

1		2	3
1959-60		Total	648,187
		P.W. Railway	464,540
		P.E. Railway	183,647
1960-61		Total	681,821
		P.W. Railway	491,164
		P.E. Railway	190,657
1961-62	April	Total	56,987
		P.W. Railway	40,056
		P. E. Railway	16,931
	May	Total	53,982
		P.W. Railway	39,133
		P.E. Railway	14,849
	June	Total	67,413
		P.W. Railway	52,762
		P.E. Railway	14,651
	July	Total	46,842
		P.W. Railway	31,621
		P.E. Railway	15,221
	August	Total	56,612
		P.W. Railway	40,744
		P.E. Railway	15,868
	September	Total	53,444
		P.W. Railway	37,628
		P.E. Railway	15,816
	October	Total	52,819
		P.W. Railway	36,893
		P.E. Railway	15,926
	November	Total	55,873
		P.W. Railway	38,851
		P.E. Railway	17,022
	December	Total	55,551
		P.W. Railway	38,546
		P.E. Railway	17,005
	January	Total	56,499
		P.W. Railway ..	39,174
		P.E. Railway ..	17,325

(1) Provisional.

Source : Ministry of Railways and Communications (Railway Board).

TABLE NO. 52

RAIL MOVEMENT OF PASSENGERS AND FREIGHT

(1948-49 —1961-62)

Year/Month (April-March)	Number of Passengers Carried (Thousands)			Passenger-Miles (Millions)			Freight Carried (Thousand Tons)			Net Freight Ton-Miles (Millions)		
	Total	Pakistan Western Railway	Pakistan Eastern Railway	Total	Pakistan Western Railway	Pakistan Eastern Railway	Total	Pakistan Western Railway	Pakistan Eastern Railway	Total	Pakistan Western Railway	Pakistan Eastern Railway
1 2	3	4	5	6	7	8	9	10	11	12	13	14
1948-49	139,154	71,654	67,500	6,178	4,016	2,162	10,194	6,356	3,838	2,339	1,702	637
1949-50	117,690	67,790	49,900	5,486	3,685	1,801	11,292	7,176	4,116	2,462	1,807	655
1950-51	117,951	69,661	48,300	5,772	3,882	1,840	10,725	7,812	2,913	2,719	2,224	495
1951-52	129,846	79,146	50,700	6,167	4,360	1,807	12,294	8,656	3,638	3,068	2,523	545
1952-53	*135,754	*79,654	56,100	5,925	4,315	1,610	12,749	9,011	3,738	3,315	2,756	559
1953-54	122,564	80,764	41,800	5,444	4,138	1,305	13,391	10,075	3,316	3,567	3,058	509
1954-55	*130,933	*85,437	45,446	5,759	4,394	1,355	13,227	9,938	3,289	3,298	2,826	472
1955-56	*137,974	*87,195	50,779	5,878	4,409	1,469	14,514	10,652	3,862	3,448	2,874	574
1956-57	152,318	95,535	56,783	6,417	4,800	1,617	15,489 (a) (c)	10,886 (a)	4,603 (c)	3,883 (b) (c)	3,174 (b)	709 (c)
1957-58	*162,042	*103,109	58,853	6,717	5,107	1,610	16,343	11,855	4,488	4,085	3,362	723
1958-59	*167,739	*106,250	61,489	6,748	5,148	1,600	*17,567	*12,447	5,120	4,375	3,558	817
1959-60	184,262	117,344	66,918	7,162	5,446	1,716	*18,815	*12,930	*5,885	4,501	3,632	869
1960-61	177,463	114,107	63,356	6,857	5,208	1,649	16,998	11,639	5,359	4,560	3,711	849

TABLE No. 52—*contd.*

1	2	3	4	5	6	7	8	9	10	11	12	13	14
1961-62	April	16,386	10,593	5,793	650	504	146	1,633	1,141	492	455	374	81
	May	15,964	10,405	5,559	644	591	153	1,540	1,086	454	437	365	72
	June	16,568	11,002	5,566	673	530	143	2,217	1,776	441	516	441	75
	July	16,941	10,740	6,201	676	515	161	1,348	918	430	359	287	72
	August	16,407	10,341	6,066	633	478	155	1,419	958	461	356	280	76
	September	16,443	10,290	6,153	613	458	155	1,410	968	442	368	294	74
	October	16,464	9,903	6,561	619	450	169	1,653	1,159	494	419	336	83
	Nnvember	15,527	9,372	6,155	589	429	160	1,645	1,118	527	407	323	84
	December	15,507	9,607	5,900	614	455	159	1,736	1,168	568	419	338	81

Source : Pakistan Western and Pakistan Eastern Railways.

N. B.—All figures under the caption 'Feright (tons) carried' have been revised.

(a) Includes 201,714 tons carried
(b) Includes 16,588,523 ton-miles
} On account of adjustments on foreign coal not accounted fnr in the monthly figures.

(c) Provisional.

*Revised.

TABLE NO. 53

CARGO HANDLED AT PORTS

(1950-51—1961-62)

(Thousand Tons)

Year/Month (July—June)		Grand Total All Ports	Karachi			Chittagong			Chalna		
			Total	Foreign	Coastal	Total	Foreign	Coastal	Total	Foreign	Coastal
1		2	3	4	5	6	7	8	9	10	11
A.—*Imports*											
1950-51		3,517	2,302	2,268	34	1,207	876	331	8	..	8
1951-52		4,201	2,688	2,657	31	1,321	839	482	192	41	151
1952-53		4,165	3,017	2,926	91	1,054	713	341	94	32	62
1953-54		3,818	2,664	2,551	113	1,031	658	373	123	29	94
1954-55		3,147	2,157	1,977	180	902	566	336	88	44	44
1955-56		3,694	2,530	2,330	200	1,086	695	391	78	47	31
1956-57		5,222	3,271	3,077	194	1,746	1,230	516	205	181	24
1957-58		5,446	3,418	3,284	134	1,722	1,297	425	306	296	10
1958-59		4,497	2,641	2,494	147	1,638	1,146	492	218	198	20
1959-60		5,848	3,442	3,307	135	2,147	1,632	515	259	180	69
1960-61		6,698	4,052	3,922	130	2,221	1,762	460	435	414	21
1961-62	July	471	437	428	9	211	195	36	23	9	14
	August	506	289	277	12	190	156	34	27	9	18
	September	509	268	255	13	215	179	36	26	16	10
	October	541	306	290	16	206	164	42	29	24	5
	November	583	291	285	6	252	196	56	40	21	19
	December	572	333	319	14	209	170	39	30	12	18

TABLE NO. 53—*contd.*

(Thousand Tons)

1		2	3	4	5	6	7	8	9	10	11
B.—*Exports*											
1950-51		1,664	1,172	818	354	423	389	34	69	69	..
1951-52		1,686	1,076	436	640	400	366	34	210	209	1
1952-53		1,802	897	522	375	570	477	93	335	333	2
1953-54		1,718	895	422	473	510	416	94	313	304	9
1954-55		1,796	915	567	348	490	360	130	391	385	6
1955-56		2,127	1,096	646	450	524	412	112	507	497	10
1956-57		1,974	1,017	427	590	456	329	127	501	497	4
1957-58		1,894	897	307	590	492	340	152	505	484	21
1958-59		2,045	967	372	595	501	343	158	577	554	23
1959-60		2,272	1,148	583	565	497	370	127	627	585	42
1960-61		2,492	1,615	1,067	548	397	277	120	480	430	50
1961-62	July	184	130	86	44	18	8	10	36	30	6
	August	220	145	97	48	38	28	10	37	33	4
	September	218	123	77	46	38	25	13	57	54	3
	October	257	136	82	54	42	34	8	79	75	4
	November	279	139	86	53	51	36	15	89	84	5
	December	284	156	91	65	51	40	11	77	73	4

POSTAL LIFE INSURANCE AND POSTAL SAVINGS

TABLE NO. 54

POSTAL LIFE INSURANCE—FRESH BUSINESS

Policies Issued and Sum Assured

Yea	No. of Policies	Sum Assured Rs.
195	711	23,79,150
195	1,464	46,69,900
195	1,679	51,81,225
195	1,257	39,78,200
195	5,219	1,20,39,100
195	8,261	2,03,09,500
195	10,905	2,63,13,600
195	10,713	2,42,02,100
195	9,102	2,80,68,300
195	13,770	4,11,83,300
196	13,483	3,80,71,300
196	10,441	3,44,59,630
196 (January—March)	3,571	1,10,22,494

Source : Posts and Telegraphs Department.

TABLE NO. 55

POSTAL LIFE INSURANCE

Policies in Force and Sum Assured

Year	No. of Policies	Sum Assured Rs.
1950	8,875	1,78,59,577
1951	9,918	2,17,05,948
1952	11,134	2,58,96,103
1953	11,858	2,87,77,100
1954	16,267	3,89,76,240
1955	23,859	5,78,79,440
1956	34,215	8,26,36,095
1957	44,274	10,55,40,537
1958	52,478	13,25,03,275
1959	64,969	17,09,52,509
1960	74,118	20,45,30,793
1961	82,190	23,39,34,669
1962 (As on 31-3-62)	85,165	24,36,95,117

Source : Posts and Telegraphs Department.

TABLE NO. 56

POSTAL LIFE INSURANCE

Premium Income

(In Rupees)

Year	Premium Income	Balance at the End of Year
1950	10,02,603	1,24,58,205
1951	11,84,816	1,32,18,913
1952	14,04,760	1,40,10,111
1953	15,05,432	1,48,56,960
1954	18,78,440	1,51,05,121
1955	24,13,153	1,61,36,300
1956	39,21,379	1,88,11,589
1957	47,08,701	2,23,75,920
1958	57,57,097	2,68,72,129
1959	67,60,173	3,23,82,114
1960	83,78,343	4,07,38,334
1961	92,65,614	4,82,07,902

Source : Posts and Telegraphs Department.

TABLE No. 57

POSTAL SAVINGS CERTIFICATES

(In Lakh Rupees)

Year	Opening Balance	Issues	Discharges	Net Invest-ment	Closing Balance
1952	17,94	1,91	73	1,18	19,15
1953	19,15	1,97	72	1,25	20,41
1954	20,41	2,49	80	1,69	22,09
1955	22,09	2,91	97	1,94	24,03
1956	24,03	3,55	1,61	1,94	25,97
1957	25,97	4,05	1,39	2,66	28,63
1958	28,63	6,55	2,11	4,44	33,07
1959	33,07	9,40	2,61	6,79	39,56
1960	39,86	9,42	4,48	4,94	44,80
1961	44,80	9,58	4,82	4,76	49,56
1962 (Jan.—March)	49,56	2,28	1,07	1,21	50,77

Source : Posts and Telegraphs Department.

Note.—Due to rounding off total might exhibit small differences.

TABLE No. 58

POSTAL SAVINGS BANK ACCOUNTS

(In Lakh Rupees)

Year	Opening Balance	Deposits	Withdrawals	Net Credit	Closing Balance
1952	28,78	17,18	15,53	1,65	30,43
1953	30,43	17,61	15,35	2,26	32,69
1954	32,69	19,23	16,31	2,92	35,61
1955	35,61	23,60	18,47	5,13	40,47
1956	40,47	28,27	22,49	5,78	46,52
1957	46,52	30,46	25,64	4,82	51,34
1958	51,34	31,97	29,51	2,46	53,80
1959	53,80	27,88	26,92	96	54,76
1960	54,76	31,78	31,66	12	54,88
1961	54,88	33,05	33,14	(—)9	54,79
1962 (Jan.—March)	54,79	8,46	8,81	(—)35	54,44

Source : Posts and Telegraphs Department.

Note.—Total might exhibit small differences due to rounding off.

MONEY AND BANKING

TABLE No. 59

MONEY SUPPLY WITH THE PUBLIC

(1948—1962)

(In Crore Rupee)

Last Friday				Currency in Circulation	Demand Deposits (General)	Other Deposits with S.B.P.	Money Supply
December,	1948	..	..	170.79	89.17	3.53	263.49
December,	1949	..	..	173.94	88.63	4.45	267.02
June,	1950	..	..	174.76	99.99	3.68	278.43
December,	1950	..	..	199.19	90.72	3.34	293.25
June,	1951	..	..	202.98	109.82	3.95	316.75
December,	1951	..	..	246.74	119.03	4.01	369.78
June,	1952	..	..	223.83	104.52	3.77	332.12
December,	1952	..	..	215.08	102.27	3.49	320.84
June,	1953	..	..	223.87	111.81	2.11	337.79
December,	1953	..	..	237.18	115.14	2.10	354.42
June,	1954	..	..	241.84	120.18	2.01	364.03
December,	1954	..	..	257.46	117.04	5.87	380.37
June,	1955	..	..	260.34	127.02	2.95	390.31
December,	1955	..	..	298.95	132.63	5.35	436.93
June,	1956	..	..	305.27	143.12	7.26	455.65
December,	1956	..	..	346.41	142.97	2.69	492.07
June,	1957	..	..	343.21	149.01	8.83	501.05
December,	1957	..	..	358.31	156.21	8.85	523.37
June,	1958	..	..	362.67	168.92	4.60	536.19
December,	1958	..	..	374.21	170.86	5.14	550.21
June,	1959	..	..	364.63	186.96	4.39	555.98
December,	1959	..	..	384.44	187.13	4.62	576.19
June,	1960	..	..	381.50	199.71	4.37	585.58
July,	1960	..	..	366.29	197.38	4.20	567.87
August,	1960	..	..	364.47	196.39	4.30	565.16
September	1960	..	..	365.57	203.91	4.62	574.10

TABLE NO. 59—*contd.*

1				2	3	4	5
October,	1960	..	..	374.72	202.46	4.49	581.67
November,	1960	..	..	389.10	197.76	4.51	591.37
December,	1960	..	..	417.93	193.28	4.70	615.91
January,	1961	..	..	416.36	198.32	5.04	619.72
February,	1961	..	..	408.67	202.67	4.89	616.23
March,	1961	..	..	406.21	203.45	5.79	615.45
April,	1961	..	..	396.29	200.47	5.96	602.72
May,	1961	..	..	401.45	189.87	4.43	595.75
June,	1961	..	..	384.57	199.07	4.51	588.15
July,	1961	..	..	377.17	201.78	4.73	583.68
August,	1961	..	..	373.96	201.13	4.84	579.93
September,	1961	..	..	371.19	201.88	4.81	577.88
October,	1961	..	..	375.89	202.74	5.07	583.70
November,	1961	..	..	386.13	203.52	5.27	594.92
December,	1961	..	..	405.42	210.00	5.12	620.54
January,	1962	..	..	412.44	206.91	4.19	623.54
February,	1962	..	..	405.29	213.37	4.14	622.80
March,	1962	..	..	404.93	215.93	4.12	624.98*

*Provisional.

Source : State Bank of Pakistan.

N.B.—Money supply consists of Currency in Circulation, Demand Deposits (General) of the Scheduled Banks and ' Other Deposits ' with the State Bank of Pakistan excluding IMF Account No. 1, U.S. Counterpart Funds and IBRD Indus Account.

TABLE NO. 60

SEASONAL BREAK-UP OF MONEY SUPPLY

(1959 - 1962)

(In Crore Rupees)

Month	Slack Season of 1959			Slack Season of 1960			Slack Season of 1961		
	Currency in Circulation	Deposit Money	Money Supply	Currency in Circulation	Deposit Money	Money Supply	Currency in Circulation	Deposit Money	Money Supply
April	366.24	83.74	549.98	386.74	193.39	580.13	396.29	206.43	602.72
May	362.96	188.16	551.12	384.59	199.89	584.38	401.45	194.30	595.75
June	364.63	191.35	555.98	381.50	204.08	585.58	384.57	203.58	588.15
July	357.39	186.67	544.06	366.29	201.58	567.87	377.17	206.51	583.68
August	355.16	190.96	546.12	364.47	200.69	565.16	373.96	205.97	579.93
September	354.21	195.35	549.56	365.73	208.53	574.10	371.19	206.69	577.88
October	356.64	196.28	552.92	374.72	206.95	581.67	375.89	207.81	583.70

Month	Busy Season of 1959-60			Busy Season of 1960-61			Busy Season of 1961-62		
	1	2	3	1	2	3	1	2	3
November	367.08	192.58	559.66	389.10	202.27	591.37	386.13	208.79	594.92
December	384.44	191.75	576.19	417.93	197.98	615.91	405.42	215.12	620.54
January	397.42	191.41	588.83	416.36	203.36	619.72	412.44	211.10	623.54
February	390.63	190.86	581.49	408.67	207.56	616.23	405.29	217.51	622.80
March	394.39	194.24	588.63	406.21	209.24	615.45	404.93	220.05	624.98*

* Provisional.

Source : Compiled on the basis of data supplied by the State Bank of Pakistan.

(In Thousands Rupees)

ASSETS

ernment easury Bills	Balances held outside Pakistan (2)	Provincial Governments Debtor Balances (3)	Loans and Advances to Governments	Other Loans and Advances	Investments	Other Assets
14	15	16	17	18	19	20
1,24,43	34,52,25	—	11,53,00	15,08,78	45,28,49	9,44,24
49,73	41,75,39	80,76	3,45,00	8,54,86	51,99,61	9,80,93
98	42,95,57	—	4,40,00	16,03,10	51,82,53	10,11,31
—	36,51,67	—	9, 29,00	17,45,93	64,34,80	10,35,85
1,00	36,94,45	1,30,95	11,65,00	9,29,76	64,44,45	10,32,68
—	34,69,14	88,96	11,65,00	4,31,88	69,29,60	10,53,17
3	24,52,17	—	10,98,00	3,99,81	86,74,53	9,90,90
—	25,15,75	—	5,04,00	9,38,22	92,60,76	8,72,30
—	24,60,20	—	7,35,00	10,22,43	92,60,76	8,85,83
—	26,61,24	—	9,74,00	18,02,67	87,66,82	9,00,49
—	31,26,32	—	8,44,00	26,56,73	75,32,90	9,21,11
—	37,69,53	67,75	12,41,00	45,71,22	46,97,61	9,61,95
—	44,17,35	—	4,68,00	50,64,11	47,12,92	9,88,96
—	43,94,84	—	4,39,00	39,69,63	54,20,80	10,42,93
—	42,11,71	—	8,26,00	34,57,20	60,19,57	10,84,60
—	38,59,40	—	5,40,00	32,39,84	75,46,07	10,84,84
—	34,78,60	—	6,98,00	30,51,32	82,39,22	11,14,41
7	20,77,41	—	1,50,00	34,67,49	88,65,68	10,98,13
—	15,56,50	—	5,40,00	40,99,47	91,49,66	9,97,78
—	16,40,93	—	1,93,00	45,34,85	89,64,81	9,39,86
—	16,20,49	—	—	42,19,21	92,46,04	9,60,31
—	16,17,20	—	4,87,00	45,50,76	82,94,43	9,83,63
—	17,00,83	—	—	49,30,84	78,81,61	10,17,16
—	27,72,30	—	2,82,00	60,81,59	50,33,00	11,44,48
—	25,54,19	—	4,03,00	72,36,05	45,22,05	10,84,35
—	27,60,32	—	3,35,00	69,96,63	50,12,12	11,23,34
—	27,92,12	—	2,47,00	73,86,29	50,11,49	11,83,06

Source : State Bank of Pakistan.

(In Lakh Rupees)

	BANK CREDIT			STATUTORY RESERVES				
	Advances	Bills Purchased & Discounted	Total	22 as % of 10	5% of Demand Liabilities	2% of Time Liabilities	Total	Excess Reserves (13 minus 26)
	20	21	22	23	24	25	26	27
3	149,58	21,20	170,79	55·3	9,97	2,19	12,16	2,48
5	147,64	21,51	169,14	54·9	9,90	2,21	12,11	2,55
1	160,21	18,38	178,59	57·1	10,08	2,22	12,30	1,40
4	158,23	16,55	174,78	56·7	10,11	2,12	12,23	2,87
4	152,40	15,45	167,85	52·5	10,58	2,15	10,73	6,71
5	148,82	16,16	164,98	51·0	11,17	2,01	13,18	4,08
4	148,68	16,72	165,40	51·2	10,64	2,20	12,84	7,60
5	152,56	18,73	171,29	53·3	10,51	2,23	12,74	2,76
3	146,49	19,71	166,20	48·4	11,55	2,25	13,80	4,85
2	160,26	18,74	179,00	52·2	10,99	2,46	13,45	2,80
1	167,32	26,90	194,22	56·7	10,56	2,60	13,17	2,47
3	185,48	23,00	208,48	61·8	10,33	2,61	12,94	3,41
5	193,08	23,72	216,80	64·5	10,52	2,52	13,04	1,93
5	192,47	22,36	214,82	64·0	10,84	2,37	13,21	2,29
6	199,46	21,25	220,71	64·5	10,89	2,49	13,38	1,71
9	201,66	20,25	221,92	63·6	10,96	2,60	13,56	2,25
1	195,35	18,14	213,48	62·9	10,29	2,67	12,96	2,05
1	203,01	17,27	220,28	63·4	10,72	2,66	13,38	5,02
1	208,14	18,23	226,38	65·5	10,91	2,55	13,46	5,35
5	207,61	19,38	226,99	65·3	10,83	2,62	13,45	2,70
3	204,20	23,35	227,55	64·3	11,00	2,68	13,68	3,12
2	211,90	27,92	239,82	65·9	11,04	2,85	13,89	1,86
3	219,82	31,03	250,85	67·0	11,21	3,00	14,21	2,43
1	245,90	26,56	272,47	73·8	11,19	2,90	14,09	3,67
1	256,54	25,61	282,15	77·3	11,22	2,82	14,04	2,46
	263,03	26,57	289,60	76.5	11,79	2,86	14,65	2,07
1	270,05	26,73	296,78	75.6	12,01	3,04	15,05	4,36

Source : State Bank of Pakistan.

TABLE NO. 64

CONSOLIDATED BALANCE SHEET OF THE SCHEDULED BANKS (1960 and 1961)

(In Crore Rupees)

Items	31-3-60	30-6-60	30-9-60	31-12-60	31-3-61	30-6-61	30-9-61	31-12-61
LIABILITIES								
Capital	9.84	10.29	10.54	10.55	15.55	15.53	15.55	18.80
Reserves	4.78	5.27	5.49	5.85	6.32	6.74	6.42	7.67
Demand Deposits								
(*a*) From Banks	9.14	9.98	14.77	8.73	9.08	12.43	15.96	11.13
(*b*) From Others	179.43	199.49	199.16	186.70	193.17	193.35	194.09	203.20
Total ..	188.57	209.47	213.93	195.42	202.25	205.78	210.05	214.33
Time Deposits								
(*a*) From Banks	4.31	3.63	3.98	5.14	3.94	5.63	8.71	11.95
(*b*) From Others	98.56	92.36	103.52	109.29	114.88	122.55	121.93	127.62
Total ..	102.86	95.99	107.50	114.43	118.82	128.17	130.64	139.57
Total Demand and Time Deposits	291.43	305.46	321.43	309.86	321.07	333.96	340.69	353.90
Borrowings from State Bank ..	19.60	0.61	5.83	41.23	35.42	33.76	38.50	56.43
Borrowings from Banks Abroad	1.01	0.18	0.17	1.25	0.24	0.42	0.09	0.64
Borrowings from Other Banks ..	10.90	13.44	16.42	21.19	10.70	7.38	4.58	7.71
Total Borrowings ..	31.50	14.22	22.43	63.67	46.37	41.56	43.18	64.78

TABLE No. 64—*contd.*

Items	31-3-60	30-6-60	30-9-60	31-12-60	31-3-61	30-6-61	30-9-61	31-12-61
Head Office and Inter-Bank/Branch Adjustments	7.25	7.73	6.51	9.62	10.92	5.[illegible]9	8.46	8.76
Contingent Liabilities as *per contra* ..	126.53	139.64	152.43	162.83	142.84	140.84	183.81	224·50
Other Liabilities	15.42	14.62	17.40	15.02	17.14	20.40	21.76	29.85
Total ..	486.76	497.24	536.24	577.39	560.20	564.64	619.86	708.25
ASSETS								
Cash								
(*a*) Gold	1.11	1.16	1.04	1.16	1.11	1.14	1.23	1.30
(*b*) Notes, Coins and Silver	6.79	8.58	6.84	8.71	7.48	8.84	7.50	11.98
(*c*) Balances with State Bank of Pakistan	14.38	17.26	18.19	16.13	14.84	17.69	17.29	17.86
(*d*) Balances with other Banks ..	6.57	6.94	19.90	15.43	6.45	8.37	11.32	12.61
Total ..	28.85	33.95	45.98	41.43	29.88	36.05	37.34	43.75
Balances Held Abroad	6.06	5.58	6.26	5.23	4.29	3.84	3.81	3.58
Bills Purchased and Discounted ..	19.58	16.93	20.89	24.65	22.81	18.83	24.54	25.60
Advances								
(*a*) To Banks	11.93	15.80	13.32	16.43	21.15	21.22	14.27	21.37
(*b*) To Others	154.83	144.50	145.59	179.71	183.79	192.04	202.30	238.68
Total ..	166.76	160.30	158.91	196.15	204.94	213.26	216.56	260.05
Total Bank Credit ..	186.35	177.23	179.80	220.80	227.74	232.08	241.10	285.65

Investments in Shares and Securities									
(*a*) Central Government	..	102.66	102.41	111.77	111.33	113.98	109.92	109.58	107.25
(*b*) Treasury Bills		2.20	2.06	2.07	2.07			..	..
(*c*) Provincial Governments	..	15.51	15.53	17.63	17.19	19.37	19.25	19.21	18.17
(*d*) Foreign	..	0.61	0.61	0.61	0.61	0.57	0.55	0.60	0.59
(*e*) Others	..	1.68	1.71	1.77	1.73	1.76	1.90	1.87	2.13
Total	..	122.65	122.32	133.85	132.93	135.67	131.66	131.26	128.14
Bank Premises	..	4.03	6.17	3.03	3.99	2.93	3.98	3.00	3.08
Head Office and Inter-Bank/Branch Adjustments	..	1.48	0.75	1.18	..	6.16	2.04	1.59	0.71
Contingent Assets as *per contra*	..	126.53	139.64	152.43	162.83	142.84	140.84	183.61	224.50
Other Assets	..	10.81	11.61	13.72	10.19	10.68	14.20	17.26	18.84
Total ..	..	486.76	497.24	536.24	577.39	560.20	564.64	619.86	708.25

Source: State Bank of Pakistan.

TABLE No. 65

CLASSIFICATION OF SCHEDULED BANKS' ADVANCES BY ECONOMIC GROUPS (1960 and 1961)

(In Lakh Rupees)

Economic Groups	31-3-60	30-6-60	30-9-60	31-12-60	31-3-61	30-6-61	30-9-61	31-12-61
Agriculture, Forestry, Hunting and Fishing ..	5,96	4,28	9,19	10,49	7,45	12,00	16,23	18,29
Mining and Quarrying	1,42	1,52	1,55	1,46	1,57	1,42	1,69	1,54
Manufacturing	55,12	55,40	50,34	60,43	67,74	61,83	59,53	76,83
Construction	1,48	1,55	1,52	1,47	1,35	1,11	86	84
Electricity, Gas, Water and Sanitary Services ..	36	26	28	60	1,30	5,36	2,37	3,15
Commerce	72,09	62,46	58,20	78,69	80,65	77,16	85,09	94,24
Transport, Storage and Communications ..	1,34	1,52	2,22	3,46	2,67	2,77	2,72	4,80
Services	7,46	7,78	11,28	15,83	14 71	15,45	17,73	20,14
Employees and Activities not Adequately Described	9,58	9,67	10,98	7,28	6,35	14,82	16,08	18,82
Unclassified	2	6	2	..	..	13	..	1
Total ..	154,83	144,50	145,58	179,71	183,79	192,04	202,30	238,68

Source : State Bank of Pakistan.

TABLE No. 66

CLASSIFICATION OF BILLS PURCHASED AND DISCOUNTED BY SCHEDULED BANKS BY ECONOMIC GROUPS (1960 and 1961)

(In Lakh Rupees)

Economic Groups	31-3-60	30-6-60	30-9-60	31-12-60	31-3-61	30-6-61	30-9-61	31-12-61
Agriculture	82	69	1,13	2,73	1,56	1,24	2,29	2,99
Manufacturing	77	1,21	1,20	1,15	1,29	2,05	1,35	1,22
Construction	5	..	1	1	2	4	1	..
Commerce	14,95	14,08	17,59	19,34	17,47	14,25	19,78	20,05
Financial Institutions	..	..	2	3	1	5	3	7
Electricity, Gas, Water and Sanitary Services ..	1,32	36	26	79	1,06	24	23	48
Transport, Storage and Communications ..	15	1	7	4	4	5	13	13
Others	1,45	51	57	57	1,30	92	71	65
Unclassified	8	6	5	..	6	..	...	1
Total	19,58	16,93	20,90	24,66	22,81	18,83	24,54	25,60

Source : State Bank of Pakistan.

TABLE No. 67

CLASSIFICATION OF SCHEDULED BANKS' ADVANCES BY SECURITIES PLEDGED

(1960 and 1961)

(In Lakh Rupees)

Securities Pledged	31-3-60	30-6-60	30-9-60	31-12-60	31-3-61	30-6-61	30-9-61	31-12-61
Precious Metals	1,99	2,28	2,80	2,98	3,16	3,94	4,34	4,38
Stock Exchange Securities	14,34	13,89	12,63	16,49	12,08	11,98	13,93	14,22
Merchandise	105,88	95,07	97,49	126,45	132,73	129,15	135,45	157,82
Machinery and Fixed Assets	3,42	3,46	5,07	5,50	4,76	3,65	4,67	13,87
Real Estate	2,76	3,73	4,22	4,14	4,81	9,20	9,58	10,62
Financial Obligations, *e.g.*, Insurance Policies and Bank Deposits	4,82	5,42	4,80	5,18	6,32	9,63	6,31	6,44
Others	21,61	20,66	18,48	18,96	19,94	24,48	27,94	31,33
Unclassified	..	..	9	..	..	1	8	..
All Securities	154,82	144,51	145,58	179,71	183,80	192,04	202,30	238,68

Source : State Bank of Pakistan.

TABLE No. 68

INTER-BANK CALL MONEY RATE (KARACHI)

(1954—1962)

Last Friday	1954	1955	1956	1957	1958	1959	1960	1961	1962
January	2¼%	2¼%—2½%	3%	3%	2½%	2¼%—2½%	3½—3¾%	4¼%	4%
February	2¼%	2¼%—2½%	3¼%—3½%	3%	3%	2¼%	3¾%	4¼—4½%	3¾—4%
March	1½%	2%	2½%—2¾%	2½%	2¼%	2¼—2½%	4%	3¾—4%	3¾—4%
April	1½%	1¼%	1½%	2½%	1½%	2—2¼%	4½%	3¾%	
May	½%	½—¾%	1¼—1½%	2½—2½%	½—¾%	¼—½%	2¾—3¼%	3¼—3½%	
June	¼%	½—¾%	½%	1½—1¾%	½%—¾%	¼—½%	2—2¼%	3½—3¾%	
July	½%	1—1¼%	1—1¼%	1¼—1½%	¾%	1%	1½%	3¾%	
August	¾%	¾—1%	¾—1½%	¾—1%	½—¾%	1¼—1½%	3½%	3¾%	
September	¾%	¾%	2—2¼%	1%	¾%	¾%	3¼%	3½—3¾%	
October	1½%	1¾%	2½%	1¾—2%	2—2¼%	½%	4½%	3¾%	
November	2-2¼%	2½%	2½—3%	2¼%	2½%—2¾%	1%	4%	3¾%	
December	1¾—2%	3%	3—3½%	2½%	2½—2¾%	3¾%	4½—4¾%	4%	

Source : State Bank of Pakistan.

TABLE NO. 69

ISSUE OF CAPITAL—REGION-WISE

(1947—1962)

(In Lakh Rupees)

Year	East Pakistan	West Pakistan	Karachi	Total
1947*	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	3,552.50
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 .. .. .. (Up to March)	205.00	1,540.38	719.54	2,464.92

Source : Ministry of Finance.

*Data for the period 14th August to 31st December 1947.

STOCK EXCHANGE

TABLE No. 70

INDICES OF SHARE VALUES—ALL SHARES

(Month-End Quotations)

(1957—1962)

End of Month	1957	1958	1959	1960	1961	1962
January	..	211.12	165.17	236.29	193.03	218.23
February	..	207.25	173.14	236.51	190.16	229.34
March	..	185.55	176.49	232.31	192.49	226.00
April	..	179.75	185.91	213.39	193.24	
May	..	170.73	187.34	200.14	192.50	
June	..	172.53	192.04	200.19	190.77	
July	..	173.80	196.79	189.53	188.50	
August	..	177.28	211.25	184.55	188.77	
September	..	180.68	209.51	197.10	197.71	
October	..	165.31	232.78	196.08	202.77	
November	209.33	158.50	234.39	199.44	204.94	
December	208.02	158.66	232.58	192.70	212.12	

Source : Habib Bank Ltd.

TABLE NO. 71

PRICES OF BONUS VOUCHERS AT KARACHI

(Ready Quotations)

(1960—1962)

(In Rupees)

Year/Months	Highest	Lowest	Month-End
1960			
July	140.00	121.00	121.00
August	129.00	110.00	123.00
September	141.00	114.50	124.00
October	127.00	123.00	123.00
November	123.50	119.00	121.00
December	137.50	118.50	135.00
1961			
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
1962			
January	171.00	158.00	167.25
February	193.00	168.00	180.50
March	181.00	181.00	181.25

PUBLIC FINANCE

TABLE No. 72

CENTRAL GOVERNMENT REVENUE AND EXPENDITURE

(1950-51 to 1961-62)

(In Lakh Rupees)

Items	Actuals							Revised Estimates	Budget Estimates
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59*	1959-60	1960-61	1961-62
A. *Revenue*									
Customs	77,62	41,61	55,79	46,96	42,05	49,36	50,93	53,45	59,08
Central Excise	6,72	11,55	13,50	14,49	19,37	26,41	28,74	32,33	34,35
Income Tax and Corporation Tax	13,24	19,41	21,42	21,14	24,04	33,44	30,48	30,63	30,60
Sales Tax	7,11	10,60	13,72	13,23	14,27	17,02	16,42	24,22	24,73
Salt	2,22	2,21	2,40	1,97	5	—06	..	37	38
Others	2,37	4,56	4,49	4,39	5,05	12,85	6,05	6,27	6,47
Total Principal Heads ..	109,28	89,94	111,32	102,18	104,83	139,02	132,62	147,27	155,61
Railways (Net)	1,71	6,18	7,69	7,68	10,22	10,35	11,77	5,02	..
Posts & Telegraphs (Net)	62	66	1,73	1,77	1,85	3,01	3,27	3,19	3,65
Debt Services	6,01	8,83	9,14	8,68	11,77	13,81	6,88	8,89	12,94
Civil Administration	1,24	1,85	1,99	2,53	3,24	4,48	3,46	3,78	13,30
Currency & Mint	95	2,08	1,96	2,72	3,82	3,78	3,63	5,54	4,69
Miscellaneous	93	1,51	3,18	2,74	2,63	4,24	4,04	4,06	4,14
Defence Services	4,84	3,99	5,83	4,15	6,27	8,44	9,56	6,42	7,50
Extraordinary Items	1,45	1,42	11	17	7,11	8,00	12,13	12,07	12,07
Others	29	81	63	52	76	74	1,41	50	51
Total Revenue ..	127,32	117,27	143,58	133,14	152,50	195,87	188,77	196,74	214,41

TABLE No. 72—*contd.*

(In Lakh Rupees)

Items	Actuals							Revised Estimates 1960-61	Budget Estimates 1961-62
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59*	1959-60		
B. Expenditure									
Direct Demands on Revenue	2,21	2,72	2,98	2,82	3,19	4,32	3,45	4,15	4,26
Debt Services	6,94	9,37	9,37	12,55	12,13	16,93	20,21	19,45	21,95
Civil Administration	16,93	23,17	26,41	26,91	29,36	40,73	37,46	34,94	44,55
Miscellaneous	29,77	7,56	5,82	4,50	6,08	6,47	6,90	5,86	6,46
Currency and Mint..	45	34	37	74	68	81	57	59	76
Civil Works	1,62	2,03	1,61	1,38	2,52	1,69	4,48	1,32	3,06
Defence Services	64,99	63,51	91,77	80,09	85,42	99,66	95,99	98,14	98,59
Contribution and Miscellaneous Adjustments between Central and Provincial Governments	3,60	5,71	4,89	2,30	3,68	3,95	4,23	2,81	2,40
Others	11	2,85	12	1,78	9,12	21,09	9	6,95	9,87
Total Expenditure Met from Revenue ..	126,62	117,26	143,34	133,07	152,18	195,65	173,38	174,21	191,90
Surplus	70	1	24	7	32	22	15,39	22,53	22,51

Source : Ministry of Finance.

*Accounts for the Year 1958-59 covers 15-month period from April, 1958 to June, 1959.

TABLE NO. 73

DISTRIBUTION OF CENTRAL GOVERNMENT REVENUE AND EXPENDITURE UNDER MAJOR HEADS

(Actuals—1959-60)

Items	Per cent of Total Ordinary Revenue
Revenue	
Customs	26.98
Central Excise	15.22
Income Tax and Corporation Tax	16.15
Sales Tax	8.70
Salt	—
Other Heads	3.20
Total Principal Heads	70.25
Railways (net)	6.24
Posts and Telegraphs (net)	1.73
Debt Services	3.64
Civil Administration	1.83
Currency and Mint	1.93
Miscellaneous	2.14
Defence Services	5.06
Extraordinary Items	6.43
Other Heads	0.75
Total Revenue	100.00

	Per cent of Total Revenue Expenditure
Expenditure	
Direct Demands on Revenue	1.99
Debt Services	11.66
Civil Administration	21.61
Currency and Mint	0.33
Civil Works	2.59
Miscellaneous	3.98
Defence Services	55.36
Contributions and Miscellaneous Adjustments between Central and Provincial Governments	2.43
Other Heads	0.05
Total Expenditure	100.00

Source : Ministry of Finance.

TABLE No. 74

REVENUE AND EXPENDITURE OF EAST PAKISTAN GOVERNMENT

(1950-51 to 1961-62)

(In Lakh Rupees)

Items	Actuals							Revised Estimates 1960-61	Budget Estimates 1961-62
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60		
A. Revenue									
Customs	4,25	3,97	4,35	4,51	4,33	5,17	4,75	3,55	4,56
Central Excise	—	—	1,46	1,75	1,87	2,62	1,80	2,78	2,86
Taxes on Income other than Corporation Tax	78	2,50	2,96	2 ,98	3,53	4,50	3,44	3,64	3,56
Income Tax Realised under M. L. Regulation	—	—	—	—	—	1,26	25	8	4
Sales Tax	1,65	2,03	2,02	2,52	2,59	3,62	3,37	5,64	5,77
Land Revenue	2,24	5,02	5,08	5,15	6,75	13,05	9,35	10,64	11,26
Stamps	2,03	2,15	2,51	2,75	2,77	4,02	4,35	4,22	4,23
Rahabilitation Taxes ..	—	—	—	—	4	20	19	19	19
Other Heads	4,60	4,18	4,85	3,72	4,34	6,54	5,47	5,33	5,33
Total Principal Heads ..	15,55	19,85	23,21	23,38	26,22	40,98	32,97	36,17	37,80

Irrigation etc. Works for which Capital Accounts are kept	—6	—23	—4	4	1	5	—4	—	—
Irrigation etc., works for which Capital Accounts are not kept	1	2	2	2	2	8	3	—	—
Debt Services	17	20	22	15	19	58	41	1,73	2,47
Civil Administration ..	1,18	2,47	2,58	2,02	2,41	5,38	2,98	2,83	2,26
Receipts from Electricity Schemes	—	22	42	44	36	1,42	85	72	79
Civil Works	36	61	1,04	41	30	76	62		
Miscellaneous	99	1,07	1,38	3,46	1,15	1,76	65	13,44	13,37
Grants-in-Aid from Central Government	—	6	—	46	75	1,10	1,32	1,19	1,36
Extraordinary Items ..	—	15	—	—	—	—	—	—	1
Total Revenue ..	18,20	24,42	28,83	30,38	31,41	52,11	39,79	56,08	58,06
B. Expenditure									
Direct Demands on Revenue	1,28	2,54	3,01	4,47	4,44	6,29	5,70	6,33	7,60
Revenue Account of Irrigation etc., Works	19	17	17	18	22	57	—	—	—
Capital Account of Irrigation etc., Works	6	25	33	48	76	98	21	24	24
Debt Services	10	3,00	3,00	2,20	—11	9,95	2,36	54	73
General Administration ..	2,18	2,21	2,36	2,35	2,47	3,09	2,51	2,64	2,78
Police	3,81	4,70	5,05	5,25	6,14	7,45	5,86	5,65	5,82

TABLE NO. 74—*contd.*

Items	Actuals							Revised Estimates 1960-61	Budget Estimates 1961-62
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60		
Education	2,09	2,31	2,65	2,25	3,99	3,44	2,52	6,16	6,60
Medical and Public Health	83	89	96	1,19	1,19	1,96	2,00	2,89	3,13
Agriculture	90	95	90	82	1,01	1,08	96	1 ,09	1,16
Industries	17	18	20	23	24	3	29	31	37
Other Departments ..	2,09	2,10	2,07	2,14	2,67	3,62	2,91	3,18	2,71
Civil Works	21	3,12	1,60	—2	—2,46	1,27	1,44	2,23	2,26
Miscellaneous	2,65	2,56	2,48	8,51	2,38	3,97	3,67	4,54	3,03
Extraordinary Charges ..	61	5	5	5	5	5	5	13,72	14,36
Development Expenditure ..	1,86	3,44	3,68	3,75	4,64	6,83	7,41		
Expenditure Met from Revenue	19,03	28,47	28,51	33,85	27,63	50,49	37,89	49,55	51,29
Surplus/Deficit (—) ..	—83	—4,05	32	—3,47	3,78	1,62	1,90	6,53	6,77

Source : East Pakistan Government.

TABLE No. 75

DISTRIBUTION OF REVENUE AND EXPENDITURE OF EAST PAKISTAN GOVERNMENT UNDER MAJOR HEADS

(Actuals—1959-60)

Items	Per cent of Total Ordinary Revenue
Revenue	
Customs	11.92
Central Excise	4.50
Taxes on Income other than Corporation Tax	8.63
Income Tax Realised under Martial Law Regulation	0.62
Sales Tax	8.63
Land Revenue	23.48
Stamps	10.92
Rehabilitation Taxes	0.46
Other Heads	13.74
Total Principal Heads ..	82.90
Irrigation etc. Works for which Capital Accounts are kept	0.10
Irrigation etc. Works for which Capital Accounts are not kept	0.09
Debt Services	1.02
Civil Administration..	7.44
Civil Works	1.53
Receipts from Electricity Schemes	2.12
Miscellaneous	1.50
Grants-in-Aid from Central Government	3.30
Extraordinary Items	—
Total Revenue ..	100.00
	Per cent of Total Revenue Expenditure
Expenditure	
Direct Demands on Revenue	15.04
Revenue Account of Irrigation etc. Works	—
Capital Account of Irrigation etc. Works	0.60
Debt Services	6.22
General Administration	6.62
Police	15.46
Education	6.64
Medical and Public Health	5.28
Agriculture	2.52
Industries	0.76
Other Departments	7.68
Civil Works	3.80
Miscellaneous	9.68
Extraordinary Charges	0.15
Development Expenditure	19.55
Total Expenditure ..	100.00

TABLE NO. 76

REVENUE AND EXPENDITURE OF WEST PAKISTAN GOVERNMENT

(1950-51 to 1961-62)

(In Lakh Rupees)

Items	Actuals							Revised Estimates 1960-61	Budget Estimates 1961-62
	1950-51	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60		
A. *Revenue*									
Central Excise Duties	6	1,45	1,62	2,04	2,13	3,12	2,31	3,22	3,32
Taxes on Income other than Corporation Tax ..	—	2,04	2,71	2,50	2,84	3,75	3,42	3,56	3,54
Sales Tax	5,92	6,07	7,23	8,88	9,97	14,03	11,11	16,64	17,00
Land Revenue	3,28	4,40	7,55	6,33	13,68	19,28	15,67	6,02	5,99
Stamps	64	1,03	1,39	1,74	1,55	2,64	2,07	2,00	2,09
Other Heads	4,80	5,56	5,77	6,74	7,52	10,55	9,80	10,49	9,95
Total Principal Heads ..	14,70	20,55	26,27	28,23	37,69	53,37	44,38	41,93	41,89
Irrigation, Navigation etc. Works for which Capital Accounts are kept	7,81	7,20	5,78	10,20	3,18	3,68	6,61	17,24	17,14
Irrigation etc. Works for which Capital Accounts are not kept	—	—	—	—	—	—	8	7	7
Debt Services	56	1,23	83	49	1,03	1,39	2,68	4,34	4,68
Civil Administration	2,54	3,55	4,28	4,23	6,71	10,45	9,44	9,12	9,82
Civil Works	91	1,39	1,01	1,14	1,29	2,10	2,32	1,11	93

Receipts from Electricity Schemes	36	1,67	2,20	3,96	2,20	3,22	—	—	—
Miscellaneous	4,20	6,33	3,40	3,53	2,53	2,42	3,34	3,46	2,26
Grants-in-Aid from Central Government ..	1,01	1,33	2,14	1,45	2,33	3,55	3,11	2,64	4,09
Extraordinary Items	3,83	4,27	5,15	7,65	3,26	5,14	5,43	4,50	4,50
Total Revenue ..	35,98	47,52	51,06	60,88	60,22	85,32	77,39	84,41	85,38
B. *Expenditure*									
Direct Demands on Revenue	4,80	5,42	3,05	3,77	3,82	5,62	4,70	4,64	5,02
Irrigation	60	93	2,03	6,49	3,42	4,22	1,12	93	99
Debt Services	2,10	4,31	5,58	4,24	14,28	10,35	9,85	2,96	1,98
General Administration	2,16	2,86	3,11	3,45	3,40	4,36	3,46	3,82	4,22
Police	5,38	5,85	6,57	7,11	7,22	9,26	7,20	7,94	8,51
Frontier Regions	—	—	43	71	2,07	3,42	3,07	1,01	1,18
Other Heads	1,67	2,06	2,17	2,32	2,33	3,55	2,76	2,97	2,90
Education	4,29	7,47	8,46	10,08	10,22	13,66	11,58	12,27	13,57
Health Services	1,16	1,38	2,13	3,01	3,33	4,74	4,15	5,02	5,24
Agriculture	83	1,22	1,29	1,47	3,12	9,97	7,94	3,41	3,24
Veterinary	26	37	93	64	54	86	78	98	1,25
Industries	46	93	82	1,06	95	1,21	99	92	85
Development Expenditure	—	—	—	—	—	—	—	10,60	13,32
Civil Works	4,06	5,79	5,59	4,47	6,08	8,76	4,09	4,09	4,00
Other Heads	85	1,11	81	62	65	72	65	59	58
Electricity Schemes	—	—	—	93	—2	—	—	—	—
Miscellaneous	4,65	3,83	4,34	5,73	6,56	7,08	6,45	—	5,92
Extraordinary Items	7	22	35	4	2	2	2	—	—
Expenditure Met from Revenue	33,34	43,75	47,66	56,14	68,19	87,80	69,44	67,73	72,77
Surplus or Deficit (—)	2,64	3,77	3,40	4,74	—7,97	—2,48	7,95	16,68	12,61

Source : West Pakistan Government.

TABLE NO. 77

DISTRIBUTION OF REVENUE AND EXPENDITURE OF WEST PAKISTAN GOVERNMENT UNDER MAJOR HEADS

(Actuals—1959-60)

Items	Per cent of Total Ordinary Revenue
Revenue	
Central Excise	2·98
Taxes on Income other than Corporation Tax	4·42
Sales Tax	14·36
Land Revenue	20·26
Stamps	2·67
Other Heads	12·66
Total Principal Heads	57·35
Irrigation, Navigation etc. Works for which Capital Accounts are kept	8·54
Irrigation etc. Works for which Capital Accounts are not kept	0·10
Debt Services	3·47
Civil Administration	12·20
Civil Works	2·98
Receipts from Electricity Schemes	—
Miscellaneous	4·32
Grants-in-Aid from Central Government	4·02
Extraordinary Items	7·02
Total Revenue	100·00

	Per cent of Total Revenue Expenditure
Expenditure	
Direct Demands on Revenue	6·77
Irrigation	1·61
Debt Services	14·18
Civil Administration	24·65
Education	16·68
Health Services	5·98
Agriculture	11·43
Veterinary	1·12
Industries	1·43
Development Expenditure	—
Civil Works	5·89
Other Heads	0·94
Electricity Schemes	—
Miscellaneous	9·29
Extraordinary Items	0·03
Total Expenditure	100·00

TABLE NO. 78

CHANGES IN EXPORT DUTIES OF PRINCIPAL COMMODITIES

(Amount in Rupees)

Period	1. JUTE	Jute per bale	Jute cutting per bale	Kutcha bale per maund
Before 14-11-1947		15 0 0	4 8 0	—
14-11-1947 to 31-3-1948		15 0 0	4 8 0	3 0 0
1-4-1948 to 30-10-1951		20 0 0	6 0 0	4 0 0
1-11-1951 to 30-6-1952		35 0 0	10 0 0	7 0 0
1-7-1952 to 24-3-1953		15 0 0	5 0 0	3 12 0 *plus* Rs. 2/8/- as licence fee for export to India.
25-3-1953 to 22-8-1955		20 0 0	5 0 0	3 0 0
23-8-1955 to 22-8-1956		20 0 0	5 0 0	4 0 0
23-8-1956 to date		20 0 0	10 0 0	4 0 0

	2. COTTON	Desi Per bale	Other Varieties Per bale
Before 23-1-1948		20 0 0	20 0 0
23-1-1948 to 22-2-1948		40 0 0	40 0 0
23-2-1948 to 5-10-1949		60 0 0	60 0 0
6-10-1949 to 22-10-1950		40 0 0	60 0 0
23-10-1950 to 23-11-1950		180 0 0	180 0 0
24-11-1950 to 10-9-1951		300 0 0	300 0 0
11-9-1951 to 10-9-1952		100 0 0	180 0 0
11-9-1952 to 9-9-1953		—	90 0 0
10-9-1953 to 22-8-1955		60 0 0	90 0 0
23-8-1955 to 22-8-1956		60 0 0	135 0 0
23-8-1956 to 1958		80 0 0	115 0 0
1958-59		50 0 0	115 0 0
1959-60		40 0 0	75 0 0
1960-61		40 0 0 (Comilla only from 26-8-60 Rs. 20).	75 0 0
12-8-1961		On Comilla abolished. On other desi varieties reduced from Rs. 40 to Rs. 25.	

TABLE NO. 78—*contd.*

3. WOOL

Before 6-12-1950	*Nil.*
6-12-1950 to 28-4-1952	25% *ad valorem.*
From 29-4-1952 to date	Exempted.

4. HIDES

14-8-1947 to 15-4-1951	10% *ad valorem* on tariff value.
16-4-1951 to 31-3-1955	10% *ad valorem* on real value.
1-4-1955 to date	Exempted.

5. SKINS

14-8-1947 to 15-4-1951	50% *ad valorem* on tariff value.
16-4-1951 to 29-9-1953	5% *ad valorem* on real value.
30-9-1953 to 31-3-1955	5% *ad valorem* 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 date	25 paisa per lb.

Source : Central Board of Revenue.

TABLE NO. 79

CHANGES IN PRINCIPAL CENTRAL DUTIES

(1960-61 and 1961-62)

Items	1960-61	1961-62
EXPORT DUTY :		
Jute other than cuttings	Rs. 20/- per bale	Rs. 20 per bale
Jute Cuttings	Rs. 10/- per bale	Rs. 10 per bale
Coton, staple varieties	Rs. 75/- per bale	Rs. 75 per bale
Coton Desi	Rs. 40/- per bale (Comilla from 26th August, 1960, Rs. 20 per bale)	Rs. 40. up to 12th August, 1961 Rs. 25 to date. Duty on Comilla Cotton removed from 13th August, 1961.
Hides	Exempted	Exempted
Skins	Exempted	Exempted
Tea	38 paisa per lb.	Upto 14th September, 1961 38 paisa. Since then 25 paisa per lb to date.
IMPORT DUTY :		
Machinery all kinds	12-1/2 per cent *ad valorem*	For East Pakistan 7-1/2% *ad valorem*. For West Pakistan, no change.
Motor Spirits	Rs. 1.55 per gallon.	As in 1970-61
Wlisky, Gin and Brandy ..	Rs. 187.50 per proof gallon	As in 1960-61
Sugar	Rs. 32 per cwt.	As in 1960-61
Conponent Parts of Radio ..	Same as in 1955-56 when Rebate of 44 per cent was allowed.	As in 1960-61
Mik and cream, fresh, not concentated or sweetened	30%	Free
Naural honey	50%	30%
Onons, falling under sub-head " B "	100%	40%
Naural gums, resins, etc., falling under sub-head " B "	25%	12-1/2%
Mat extract	25%	15%
Infint and invalid foods and other preparations falling under this heading	50%	20%
Wines containing more than 42% proof spirit, falling under sub-head " B "	Rs. 187/8/- per proof gallon	Rs. 150 per proof gallon.
Alcohols, etc., falling under sub-head " B "	Rs. 187/8/- per proof gallon	Rs. 150 per proof gallon.
(*i*) Brandy, gin, whisky, etc., falling under sub-head "A"	Rs. 187/8/- per proof gallon.	Rs. 150 per proof gallon.
(*i*) Liquors, cordials and mixtures etc., falling under :		
(*a*) sub-head " B (i) " (not tested for proof strength).	Rs. 250 per liquid gallon.	Rs. 200 per liquid gallon.
(*b*) sub-head " B (ii) " (tested for proof strength).	Rs. 187/8/- per proof gallon.	Rs. 150 per proof gallon.
Gypsum	30%	10%
Iodine	30%	12-1/2%

TABLE No. 79—*contd.*

Items	1960-61	1961-62
IMPORT DUTY—contd.		
Acyclic alcohols, etc., falling under sub-head " A (ii) " of heading No. 29.04.	Rs. 187/8/- per proof gallon.	Rs. 150 per proof gallon.
Acetyl-salicylic acid	25%	12-1/2%
Phenacetin	30%	12-1/2%
" Bates " for tanning	20%	Free
(*i*) Prepared water pigments falling under sub-head " B (iii) "	35%	25%
(*ii*) Stamping foils falling under sub-head " B (v) "'	35%	25%
Approved aircraft paints ..	35%	Free
Adhesive cements used on aircraft	50%	Free
Animal and vegetable sulphonated oils	50%	25%
Valve grinding paste	80%	25%
Cinematograph films, exposed and developed, whether or not incorporating sound tract, negative or positive	20 paisa per linear foot	15 paisa per linear foot
Disinfectants, insecticides, pesticides etc.	35%	12-1/2%
Nylon chips	20%	Free
Plastic etc., articles falling under sub-head " F " of a kind used in machinery	80%	12-1/2%
Rubber bungs for pharmaceutical vials	40%	Free
Articles of unhardened vulcanised rubber or a kind used in machinery	40%	12-1/2%
Articles of leather, etc., used in machinery etc.	20%	12-1/2%
Beaming paper for machinery ..	100%	12-1/2%
Coated or impregnated fabrics falling under sub-head " B " of a kind used in machinery or for industrial purposes	40%	12-1/2%
Clothing and clothing accessories :		
(*i*) of silk or of man-made fibre	35%	150%
(*ii*) Other		35%
Articles of asbestos, falling under sub-head " B ", of a kind used in machinery or for industrial purposes	45%	12-1-/2%

TABLE NO. 79—*contd.*

Items	1960-61	1961-62
IMPORT DUTY—con'd.		
Unworked cast or rolled glass etc.	30%	40%
Unworked drawn or blown glass etc.	30%	40%
Cast, rolled, drawn or blown glass etc.	50%	40%
Laboratory, hygienic and pharmaceutical glassware etc.	20%	12-½%
Articles of glass of a kind used in machinery	50%	12-1/2%
Pins of iron or steel of a kind used in machinery falling under sub-head "B"	40%	12-1/2%
Springs and leaves of springs or iron or steel falling under sub-head "B"	25%	20%
Aircraft galley and kitchen equipment falling under sub-head "A"	80%	Free
Articles of iron or steel falling under sub-head "D" of a kind used in machinery	40%	12-1/2%
Articles of copper falling under sub-head "D(*ii*)", of a kind used in machinery or for industrial purposes	80%	12-1/2%
Aluminium wire of which any cross sectional dimension exceeds 6 m.m	25%	15%
Alkaline accumulators, falling under sub-head "B"	20%	40%
Wireless and radio transmission and reception apparatus for installation in aircraft falling under sub-head "B"	12-1/2%	Free
Motor cars etc., the landed cost of which—		
(*Existing description*)		
(*a*) does not exceed Rs. 4,500 per vehicle	50%	..
(*b*) Exceeds Rs. 4,500 but does not exceed Rs. 6,500 per vehicle	80%	..

TABLE NO. 79—*contd.*

Items	1960-61	1961-62
IMPORT DUTY—concld.		
(*c*) Exceeds Rs. 6,500 but does not exceed Rs. 11,000 per vehicle	100%	..
(*Revised Description*)		
(*a*) does not exceed Rs. 5,500 per vehicle	..	50%
(*b*) exceed Rs. 5,500 but does not exceed Rs. 7,500 per vehicle	..	80%
(*c*) exceeds Rs. 7,500 but does not exceed Rs. 11,000 per vehicle	..	100%
Watch movements the value of which does not exceed Rs. 40 per movement falling under sub-head A(*ii*)"	80%	50%
Movements for one day alarm clocks, falling under sub-head "A"	60%	50%
(*i*) Equipment for parlour, table and fun-fare games for adults and children etc., falling under heading No. 97.04	50%	30%
(*ii*) Appliances, apparatus, accessories etc., for sports, and outdoor games etc., falling under heading No. 97.06	50%	30%
Machinery and spare parts imported into East Pakistan only	12-1/2%	7-1/2%
Drugs and Medicines	12-1/2 per cent *ad valorem*	12-1/2 per cent *ad valorem*
Unmanufactured Tobacco ..	Rs. 9/- per lb. ..	As in 1960-61
EXCISE DUTY :		
Motor spirit	Rs. 1/8/9 per I.G. ..	As in 1960-61
High speed diesel oil	As-/2/6 per I.G. ..	"
Light diesel oil	One anna per I.G. ..	"
Furnace Oil	6 pies per I. G. ..	"
Asphalt	Rs. 55 per ton ..	"
Cycle tyres and tubes	As. 12 per tyre ..	"
	As. -/4/- per tube ..	"

TABLE NO. 79—*contd.*

Items	1960-61	1961-62
Cotton Cloth :		
(1) Fine (other than dhoties and sarees)	See Footnote (1) at the end of the table.	
(2) Fine (Dhoties and Sarees)		
(3) Medium		
(4) Coarse		
(5) Tapestry		
Rayon or artificial silk cloth ..	62 paisa per sq. yard	.. See Footnote (4) at the end of table
WoollenCloth :		
(*i*) Value does not exceed 50 paisa per sq. yd. Rs. 18/- per yard.		As in 1960-61
(*ii*) Value exceeds Rs. 18/- but does not exceed Rs. 24 per linear yard	Re. 1 per sq. yd.	,, ,,
(*iii*) Value exceeds Rs. 24/-	12 paisa per sq. yard	,, ,,
Jute manufactures	Rs. 70 per ton	No Change
Paints and varnishes	Same as in 1959-60.	See Footnote (2) at the end of table for 1960-61 & 1961-62
Cement	Rs. 15 per ton	As in 1960-61
Electric fans and parts :		
(1) No exceeding 16-in. ..	Rs. 5 per fan	As in 1960-61
(2) Allother fans	Rs. 10 per fan	,, ,,
Parts :		
(*a*) Moor for (1) above ..	Rs. 3 per Motor	,, ,,
(*b*) Staors and rotors for (1) above	Rs. 1/8 per Rotor or Stator	,, ,,
(*c*) Moors for (2) above ..	Rs. 6 per Motor	,, ,,
(*d*) Staors and rotors for (2) above	Rs. 3 per Rotor or Stator	,, ,,

TABLE No. 79—*contd.*

Items	1960-61	1961-62
Cigarettes of which the value : (*i*) exceeds Rs. 50 a thousand (*ii*) 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	See Footnote (3) at the end of table	
Tea	10 annas per lb from 21-4-60	As in 1960-61
Vegetable Product	Rs. 7 per cwt	,, ,,
Soap*		
(1) Soap, household and laundry	Rs. 6 per cwt.	As in 1960-61
(2) Soap, toilet	Rs. 14 per cwt.	,, ,,
(3) Soap, other than house-hold and laundry or toilet.	Rs. 14 per cwt.	,, ,,
		(Also see Footnote (5)
Mild Steel Bars	Rs. 50 per ton.	No change
Betelnuts	12 Paisa per lb.	No change
Khandsari Sugar	50 paisa per cwt.	.. Rs. 2 per cwt.

All excisable goods produced or manufactuerd in the Special Areas of the North-West Frontier Regions of West Pakistan and the district of Chittagong 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, in 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 cntton cloth" that is to say all cloth, other than cloth mentioned in sub-item (iv), in which the average cnunt of yarn is less than 17s.	One anna per square yard.
(*ii*) " medium cotton cloth" that is to say all cloth, other than cloth mentinned in sub-item (iv), in which the average count of yarn is 17s. or more but is less than 35s.	Three annas per square yard.
(*iii*) " fine cotton cloth " that is to say all cloth other than cloth mentioned in sub-item (iv), in which the average count of yarn is 35s. or more.	Five annas per square yard.
(*iv*) Tapestry, curtain cloth, bed covers and table covers, regardless of the count of yarn of which they are made.	Five annas per square yard.

(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. 3/8/- per Imperial gallon.

TABLE NO. 79—*contd.*

(*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. 2/8/- per Imperial gallon.
(*iii*) Paints and enamels, not otherwise specified—	
(*a*) If sold by weight	8 per cwt.
(*b*) If sold by volume	Rs. 2/8/- 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. 1/4/- per Imperial gallon.
(*ii*) Bituminous and coaltar black	Re. 1/- per Imperial gallon.
(.) Cigarettes of which the value—	From 1-7-59 *Per thousand*
(*i*) exceeds Rs. 50 a thousand	Twenty seven rupees and thirteen annas.
(*ii*) exceeds Rs. 40 a thousand but does not exceed Rs. 50 a thousand	Twenty one rupees and four annas.
(*iii*) exceeds Rs. 30 a thousand but does not exceed Rs. 40 a thousand ..	Sixteen rupees and fourteen annas.
(*iv*) exceeds Rs. 25 a thousand but does not exceed Rs. 30 a thousand ..	Ten rupees and fifteen annas.
(*v*) exceeds Rs. 17/8/- a thousand but does not exceed Rs. 25 a thousand	Six rupees and four annas.
(*vi*) exceeds Rs. 14 a thousand but does not exceed Rs. 17/8/- a thousand.	Four rupees and eleven annas.
(*vii*) exceeds Rs. 11 a thousand but does not exceed Rs. 14 a thousand.	Three rupees and two annas.
(*viii*) exceeds Rs. 9 a thousand but does not exceed Rs. 11 a thousand.	One rupee and fourteen annas.
(*ix*) exceeds Rs. 6/8/- a thousand but does not exceed Rs. 9 a thousand..	One rupee and nine annas.
(*x*) does not exceed Rs. 6/8/- a thousand	Five annas.

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

(*i*) the slab " exceeds Rs. 25 a thousand but does not exceed Rs. 30.00 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 fom the first one hundred tons to the first fifty tons.

Source.—Central Board of Revenue.

TABLE NO. 80

RATES OF INCOME-TAX

(1955-56 to 1961-62)

PART I

(1955-56 to 1958-59)

In the case of every individual, Hindu undivided family and other association of persons—

(Annas in the Rupee)

	Tax Exempt Limit Rs. 4,200		Tax Exempt Limit Rs. 5,000	
	1955-56	1956-57	1957-58	1958-59
On the first Rs. 1,500 of total income (For 1957-58 first Rs. 4,000 of total income)	—	—	—	—
On the next Rs. 3,500 of total income (For 1957-58 next Rs. 2,000 of total income)	0 0 9	0 0 9	0 1 0	0 1 0
On the next Rs. 5,000 of total income (For 1957-58 next Rs. 4,000 of total income)	0 1 0	0 1 6	0 2 0	0 2 0
On the next Rs. 5,000 of total income ..	0 3 0	0 3 0	0 3 0	0 3 0
On the next Rs. 5,000 of total income ..	0 4 6	0 4 6	0 4 6	0 4 6
On the balance of total income	0 5 0	0 5 0	0 5 0	0 5 0

The above rates are subject to the following exceptions :—

1. No income-tax shall be payable on a total income, which, before deduction of the allowance, if any, for earned income does not exceed the taxable limit for the respective years.

2. The income-tax payable shall in no case exceed half the amount by which the total income (before deduction) of the said allowance, if any, for earned income exceeds the taxable limit for the respective years.

3. The income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either :—

   (*a*) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds the taxable limit the same proportion as such reduced total income bears to the earned total income ; or

   (*b*) the income-tax payable on the income so reduced at the rates specified, whichever is less.

4. In the case of every company and local authority and in every case in which under the provision of the Income-tax Act, 1922, income-tax is to be charged at the maximum rate on the whole of the total income, the rate will be annas five in the rupee.

PART II

1959-60

A. In the case of every individual, Hindu undivided family, unregistered firm and an associaton of persons not being a case to which paragraph B of this Part applies—

	Rate
(1) Where the taxable income does not exceed Rs. 1,000	Rs. 25
(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. 3,000
(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 but does not exceed Rs. 70,000	Rs. 25,320 *plus* 75 *per cent* of the amount exceeding Rs. 60,000
(11) Where the taxable income exceeds Rs. 70,000	Rs. 32,820 *plus* 80 *per cent* of the amount exceeding Rs. 70,000

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 allowances, if any, under the second proviso to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15E and sub-section (1) of 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 seventy-five per cent of the total income and, where such income includes any income from a share of the income, profits and gains of a firm to which paragraph D 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 the total income of an assessee as diminished by the personal allowance of Rs. 2,000 and the allowances admissible under the second proviso to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15E and sub-section (1) of section 58F of the Income-tax Act, 1922 (XI of 1922).

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—

On the whole of the total income [excluding income to which sub-paragraph (3) of paragraph A of Part II applies].	30 per cent of the total income

Provided that where a company distributes dividends out of its income, profits and gains in 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 (I of 1957), the Third Schedule to the Finance Act, 1956 (I 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 an such amount shall ber 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.

PART III

1960-61

A. In the case of every individual, Hindu undivided family, unregistered firm and an association of persons not being a case to which paragraph 8 of this part applies :—

	Rate
1. Where the taxable income does not exceed Rs. 1,000	Rs. 25
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 but does not exceed Rs. 70,000	Rs. 25,320 *plus* 75 *per cent* of the amount exceeding Rs. 60,000
11. Where the taxable income exceeds Rs. 70,000	Rs. 32,820 *plus* 80 *per cent* of the amount exceeding Rs. 70,000

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 allowances, if any, under the first proviso to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15E and sub-section (1) of 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 the 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 10 applies, the total income as diminished by so much of the amount of dividend income, if any, as does not exceed one thousand rupees ;

(*b*) in any other case, the total income of an assessee as diminished by (*i*) the personal allowance of two thousand rupees, (*ii*) the allowances admissible under the first proviso to sub-section (1) of section 7, section 15, section 15A, section 15AA, section 15C, section 15E and sub-section (1) of section 58F of the Income-tax Act, 1922 (XI of 1922) and (*iii*) so much of the amount of dividend income, if any, as does not exceed one thousand rupees.

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—

	Rate
(1) On the part of the total income consisting of the amount, if any, to which sub-paragraphs (2) and (3) of paragraph A of Part II apply	*Nil.*
(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 in 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, 1956 (XXII of 1956), the Third Schedule to the Finance Act, 1957 (I of 1957) , the Third Schedule to Finance Act, 1956 (I of 1958) 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.

PART IV

1961-62

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 :—

		Rate
1.	Where the taxable income does not exceed Rs. 1,000	Rs. 25
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 the 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 of 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 firms bears to the total income of the firms 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 as diminished by so much of the amount of divided income, if any, as does not exceed one thousand rupees ;

(*b*) in any other case, the total income of an assessee as diminished by (1) the personal allowance of two thousand rupees, (*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) and (*iii*) so much of the amount of divided income, if any, as does not exceed one thousand rupees.

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—

	Rate
(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 ;	*Nil.*
(*b*) the amount representing the face value of any bonus shares and the amount of any bonus distributed to shareholders out of the profits of any previous years for the assessment for any year ending on or before the 31st day of June, 1961	*Nil.*
(2) On the balance of the total income	30 per cent of such income

Provded that where a company distributes dividends out of its income, profits and gains in 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 (I of 1957), the Third Schedule to Finance Act, 1956 (I of 1956) and the Third Schedule to the Finance 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.

Source : Central Board of Revenue.

TABLE 81

RATES OF SUPER-TAX
(1956-57 to 1961-62)

PART I

(1956-57 to 1958-59)

I. In the case of every individual, Hindu undivided family, registered firm and other association of persons—

(Annas in the Rupee)

	1956-57	1957-58	1958-59
On the first Rs. 25,000 of total income	*Nil*	*Nil*	*Nil*
On the next Rs. 5,000 ,, ,, ...	0 2 3	0 2 3	0 2 3
,, ,, Rs. 10,000 ,, ,, ..	0 3 0	0 3 0	0 3 0
,, ,, Rs. 10,000 ,, ,, ...	0 3 6	0 3 6	0 3 6
,, ,, Rs. 15,000 ,, ,, ...	0 4 0	0 5 0	0 5 0
,, ,, Rs. 15,000 ,, ,, ...	0 4 0	0 6 0	0 6 0
,, ,, Rs. 15,000 ,, ,, ...	0 5 0	0 7 0	0 7 0
,, ,, Rs. 50,000 ,, ,, ...	0 6 0	0 8 0	0 8 0
,, ,, Rs. 100,000 ,, ,, ...	0 6 6	0 9 0	0 9 0
On the balance of total income	0 7 6	0 9 0	0 9 0

II.* In the case of a registered firm :

	Rate.
(1) On the first Rs. 25,000 of total income ..	*Nil*
(2) On the next Rs. 35,000 of total income ..	One anna in the Rupee
(3) On the balance of total income	One and a half anna in the Rupee

III. *In the case of every local authority:

	Rate
On the whole of total income	Tow annas in the Rupee

IV.* In the case of an association of persons being a co-operative society for the time being registered under the Co-operative Societies Act, 1912 (XI of 1912), or under an Act of a Provincial Legislature governing the registration of co-operative societies :

	Rate
1. On the first Rs. 25,000 of total income ..	*Nil*
2. On the balance of total income	Two annas in the Rupee

V. * In the case of Company :

	Rate
1. where the total income does not exceed Rs. 25,000	Four annas in the Rupee
2. where the total income exceeds Rs. 25,000 ..	Five annas in the Rupee

Provisions in the Rates of Super-tax :

(*i*) a rebate at the rate of two annas per rupee of the total income shall be allowed in the case of any company, which in respect of its profits liable to tax under the Income-tax Act, 1922 (XI of 1922), for the year ending on the thirty-first day of March, 1958, has made such effective arrangements as may be specified by the Central Government in this behalf for the declaration and payment in the taxable territories of the dividends payable out of such profits and for the deduction of super-tax from such dividends ;

(*ii*) a rebate at the rate of one anna per rupee of the total income shall be allowed in the case of any company which, not being entitled to a rebate under the preceding clause is—

(*a*) a public company the shares of which were offered for sale in a recognised stock exchange at any time during the previous year, or

(*b*) a company all of whose shares were held at the end of the previous year by one or more such public companies as aforesaid.

*Rates for 1957-58 only.

PART II
(1959-60)

A. In the case of a company—

(1) On the whole of the total income excluding income to which sub-paragraphs (2) and (3) apply.	35 *per cent* of the total income.

Proviled that—

(*i*) a rebate of 5 *per cent* shall be allowed in the case of every company registered under the Companies Act, 1913 (VII of 1913) and having its registered office in Pakistan, or formed in pursuance of a Central Act, if its total income [excluding income to which sub-paragraph (3) applies] does not exceed twenty-five thousand rupees;

(*ii*) a rebate of 5 *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 Government in this behalf for the declaration and payment in the taxable territories of the dividends payable out of such profits and for the deduction of tax from such dividends; and

(*iii*) 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 underaking set up or commenced in Pakistan on or after the 14th day of August, 1947 and whichemploys

(*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 enegry 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 and materials to any process which substantially changes their original condition;

(*b*) ship-building;

(*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 undertakings 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 Government 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 thirtieth day of June, 1959 out of income, profits and gains to which clause (*iii*) of the proviso to sub-paragraph (1) applies.	15 *per cent* of such amount
(*b*) other cases	20 *per cent* of such amount

(3) On the whole of the amount representing the face value of any bonus shares of the amount of any bonus issued by the company to its shareholders. — 125 *per cent* of such amount

B. In the case of every local authority—

	Rate
On the whole of total income	125 *per cent* of the total income

C. In the case of every registered firm:

	Rate
(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 *plus* 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 *plus* 20 *per cent* of the amount exceeding Rs. 60,000
(5) Where the total income exceeds Rs. 1,00,000	Rs. 11,900 *plus* 30 *per cent* of the amount exceeding Rs. 1,00,000

PART III

(1960-61)

A. In the case of a company—

(1) On the whole of the total income excluding income to which sub-paragraphs (2) and (3) apply, — 30 *per cent* of such total income

(*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 Government in this behalf for the declaration and payment in the taxable territories 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 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-building;

(*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 undertakings 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 Government 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;
(*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 shareholders.	12.5 *per cent* of such amount

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—

	Rate
(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 *plus* 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 *plus* 20 *per cent* of the amount exceeding Rs. 60,000
(5) Where the total income exceeds Rs. 1,00,000	Rs. 11,900 *plus* 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).

PART IV

(1961-62)

A. In the case of a company—

	Rate
(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 Government in this behalf for the declaration and payment in the taxable territories 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 gain 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-building ;

(*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 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,	15 *per cent* of such amount

profits and gains to which clause (*ii*) of the proviso to sub-paragraph (1) applies :

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.

(*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 shareholders.

(*a*) Where such bonus shares are issued in pursuance of clause (*d*) 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

B. In the case of every local authority on the whole of total income — 12.5 *per cent* of such income

	Rate
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 *plus* 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 *plus* 20 *per cent* of the amount exceeding Rs. 60,000
(5) Where the total income exceeds Rs. 1,00,000	Rs. 11,900 *plus* 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 secion 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. 82—*contd.*

SALES TAX (1961-62)

I. Exemption of articles of every day use

The following goods have been exempted from Sales Tax :—

(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 recognised 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. As timber can be used only after being sawed, it has been decided to exempt all products of sawing mills aso 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

Cotage 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.

PLANNING

TABLE NO. 83

SECOND FIVE-YEAR PLAN

SOURCES AND USES OF RESOURCES FOR DEVELOPMENT

(In Crore Rupees)

Sources		Uses	
Domestic Savings	1,205·0	Public Sector	1,240·1
Foreign Aid, Loans and Investments	1,095·0	Semi-Public Sector (Public Corporations)	379·4
		Private Sector	680·5
Total ..	2,300·0		2,300·0

Source : Planning Commission.

TABLE NO. 84

FINANCING OF THE SECOND FIVE-YEAR PLAN

(In Crore Rupees)

Items	Local	Foreign Currency	Total
Revenue Surplus	122·0	—	122·0
Net Capital Receipts	140·0	—	140·0
Additional Taxation	175·0	—	175·0
Deficit Financing	—	—	—
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. 85

SECOND FIVE-YEAR PLAN
ALLOCATION OF EXPENDITURE IN VARIOUS SECTORS

(In Crore Rupees)

Sector	Public Sector	Semi-Public Sector: Contribution from Government	Semi-Public Sector: From own Resources, Private Investment and Loans	Private Sector	Total	Percentage of Total Allocation
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	680.5	2,300.0	100.0
	Government Financed 1,462.0		Private Financed 838.0			

Source : Planning Commission.

TABLE NO. 86

SECOND FIVE-YEAR PLAN
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	.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	.3	1.4	1.0	1.1	2.1	—	3.5
Total ..	454.0	185.1	639.1	470.0	317.8	787.8	35.1	1,462·0

Source : Planning Commission.

Note.—Breakdown of Central allocations by geographical regions is based on rough estimates.

GPPK—S 74 (61)Finance—29-5-62—5,02 5