

Review of the Pakistan Economy

FOOD AND AGRICULTURE

During the period under review, from October 1960 to March 1961, prices of wheat at Lyallpur (West Pakistan) recorded a small net increase while prices of rice at Dacca (East Pakistan) registered an appreciable net decline. (See Table below)

Wheat prices at Lyallpur showed a persistent tendency to rise owing partly to drought conditions and partly to withholding of stocks by traders in expectation of shortages of foodgrains following enlarged shipments to the cyclone affected areas of East Pakistan. Prices touched a peak of Rs. 17/12/- 18/14/- in the middle of January from Rs. 15/8/- 17/- per maund at the close of September 1960. The continued release of government stocks at a fixed rate of Rs. 16/- per maund through 250 centres was a major factor for the reversal in the rising trend in prices. The onset of winter rains also had a favourable impact on prices. As a result, there was a marked decline in prices which closed finally at Rs. 16/- to 17/- at the end of March 1961. Meanwhile, the *final* estimate of wheat crop for 1959-60 placed output at about 0.6 per cent higher at 3,876,000 tons compared with the preceding year, the area under wheat cultivation having risen by 1.6 per cent to 12,193,000 acres. However, the *first* forecast of wheat crop for 1960-61 places the cultivated area at 10,428,000 acres or a decline of 16.0 per cent as against the first forecast for 1959-60.

Rice prices at Dacca showed a notable decline from Rs. 32/8 in September to Rs. 27/8 per maund in November owing to good prospects of Aman crop coupled with the possibility of large imports of foodgrains from West Pakistan and the United States. Subsequently, damage caused by cyclones temporarily pushed up prices to Rs. 30. Greater supplies from government stocks brought the prices down to Rs. 27.60 at the end of March 1961. Meanwhile, the All Pakistan second estimate of the rice crop for 1960-61 placed the area under cultivation 2.0 per cent higher at 23,588,000 acres and output 2.7 per cent higher at 9,847,000 tons compared with the corresponding estimate of 1959-60. The grow-more-food campaign and favourable weather conditions have brought about increases in acreage and production of rice in East Pakistan.

Price Trends of Food Grains

(Rs. per maund)

End of the month	Wheat at Lyallpur (West Pakistan)	Rice at Dacca (East Pakistan)
September, 1960 ...	15/8 —17/-	32/8
October, 1960 ...	15/8 —17/-	32/8
November, 1960 ...	15/- —17/-	27/8
December, 1960 ...	16/- —17/8	27/8
January, 1961 ...	17.50—18.00	27.60
February, 1961 ...	16.75—17.75	27.60
March, 1961 ...	16.00—17.00	27.60

Since January, 1961, Rupee is divided into 100 paise instead of 16 annas.

INDUSTRIAL PRODUCTION

The Index of Industrial Production (Base: 1954=100) increased significantly by 20.5 index points to 217.2 in the last quarter of 1960 as compared to an increase of only 3.2 index points in the preceding quarter. The corresponding index a year ago was 186.8. The overall index for 1960 stood at 202.5 or a rise of 22.4 index points over 1959. Between 1959 and 1960, the individual index for 'Mining' rose by 16.8 index points to 168.7, and that for 'Manufacturing' advanced by 22.8 index points to 204.7.

As regards individual industries, total output of cotton yarn (reported by 88 mills) increased from 34.3 million lbs. in September to 38.4 million lbs. in December 1960 and compared with 31.4 million lbs. in December 1959. Production of cotton fabrics also increased from 53.8 million yards to 59.5 million yards and compared with 52.1 million yards a year ago. Output of silk and rayon cloth increased from 1.9 million to 2.2 million sq. yards, against 2.3 million sq. yards a year ago.

Production of steel ingots has shown marked fluctuations from month to month. It increased from 313 tons in September to 730 tons in January 1961 but compared unfavourably with 886 tons produced in January 1960. Production of cement recorded a fall from 95,000 tons in September to 89,000 tons in December, but was above the last year's corresponding output of 80,000 tons. Production of natural gas increased markedly from 2,535 million cu. ft. to 2,905 million cu. ft. and compared with the output of 2,099 million cu. ft. in December, 1959. The corresponding figures for coal are: 59,000 tons, 75,000 tons and 60,000 tons.

Trends in annual production of important industries for the period 1955-60 are shown below:

Trend in Industrial Production (1955-60)

Items	Unit	1955	1956	1957	1958	1959	1960
Index of Industrial Production	... 1054=100	125.6	142.6	150.9	161.4	180.1	202.5
Cotton yarn	... M. lbs.	275	300	317	345	385	409
Cotton fabrics	... M. yds.	453	500	527	576	619	629
Jute goods	... '000' tons	N.A.	N.A.	149	172	233	265
Paper	... '000' tons	19	24	24	25	25	27
Cigarettes	... Million	4,833	5,343	6,481	7,468	8,771	9,946
Sugar	... '000' tons	95	108	112	163	167	145
Vegetable products	'000' tons	15	17	18	20	27	34
Tea	... M. lbs.	53.7	56.2	47.6	57.5	58.0	42.5
Cement	... '000' tons	681	773	1,078	1,072	986	1,120
Steel Ingots	... '000' tons	10.6	10.4	11.7	9.5	9.1	7.4
Ammonium sulphate	'000' tons	...	...	...	20	42	45

SOURCE:—Central Statistical Office.

KARACHI COTTON MARKET

The Karachi cotton market was characterised by bullish conditions during the period, October 1960—March 1961. Both foreign and domestic demands remained active almost throughout the period under review. As regards world cotton situation, total supplies were placed lower by some 0.5 million bales at 67.6 million bales in the 1960-61 season (August-July). At the same time, world consumption of cotton was expected to touch the previous year record level. Cotton textile industry exhibited boom conditions throughout the world and some increase in the export of cotton to the Communist Countries was also anticipated. Meanwhile the growing Pakistan cotton mill industry provided additional support to business sentiment in the Karachi Cotton Market.

N.T. (R.G.) 'spot' which had declined from Rs. 92/3 in July to Rs. 80/3 per maund at the close of September attracted greater attention from buyers since the beginning of October, 1960. Enlarged domestic mill purchases and quick offtake from China on account of serious damage to its cotton crop pushed up prices. Meanwhile arrivals of cotton into Karachi from upcountry centres remained small. Japanese purchases of 'desi' cottons were persistent and substantial so that prices of these varieties increased markedly. Thus, in the last quarter of 1960, there was a net advance of Rs. 6.50 to Rs. 90.50 in respect of N.T. (R.G.) and Rs. 16.50 to Rs.100.00 in respect of Sind desi.

In the first quarter of 1961 prices ruled generally firm except for a short duration owing to uncertainties connected with the United States new cotton policy for the 1961-62 season. Eventually, when the Kennedy Administration announced a higher loan rate and export subsidy for the 1961-62 season cotton, the international price level was strengthened. Meanwhile, Pakistan government's original estimates of the 1960-61 crop was lowered from 18.2 lakh bales to 17.15 lakh bales which gave additional support to the Karachi Cotton Market. Thus N.T. (R.G.) 'spot' registered a net advance of Rs. 3.70 per maund in the first quarter of 1961 to finally close to Rs. 94.20 Punjab desi cotton also closed a Rupee higher at Rs. 100.00 per maund.

KARACHI COTTON MARKET**Spot Prices***(Rupees per maund)*

At the end of Month	Staple R.G.		Desi	
	N.T.	289F	Sind	Punjab
March, 1960 ...	77/12	85/4	87/8	78/8
June, 1960 ...	82/2	90/2	91/-	87/8
September, 1960 ...	80/3	85/3	84/-	78/-
October, 1960 ...	84/-	89/-	81/-	83/8
November, 1960 ...	85/11	91/11	98/-	98/-
December, 1960...	90/8	95/8	103/-	100/-
January, 1961 ...	94.20	97.20	106.00	104.00
February, 1961 ...	89.35	93.35	104.00	100.00
March, 1961 ...	94.20	95.70	103.00	101.00

Total arrivals of cotton from the beginning of the season (September, 1960) to March, 1961 stood lower at 7.77 lakh bales compared with 8.09 lakh bales in the same period last season. Total export sales (E.P.C.) registered with the State Bank of Pakistan so far this season amounted to 2.38 lakh bales against 3.03 lakh bales in the same period last season. Latest estimates place the 1960-61 crop further lower and the upto-date statistical position is shown below:

Sketch of Pakistan Cotton Situation

Carryover stocks on 1-9-1960	...	...	...	(bales)	11,000
Output of 1960-61 crop (+)	...	...	...		16,28,000
Total supply	...	...	...		16,39,000
Estimated Pakistan mill offtake(—)	...	...	...		13,00,000
Exportable surplus	...	...	...		3,39,000
Export sales upto 25-3-1961 (—)	...	...	...		2,38,000
Balance to be disposed of (the season ends on 31-8-1961)	...	...	...		1,01,000

NARAYANGANJ JUTE MARKET

The Narayanganj raw jute market witnessed extremely buoyant conditions during the period October 1960-March 1961. Raw jute prices advanced beyond the peak established during the Korean crisis.

The chief cause for the phenomenal increase in prices was the acute shortage of jute in both Pakistan and India. Because of adverse weather conditions, the Pakistan jute crop was reduced from the original estimate of 5.6 million bales to 4.8 million bales. Moreover, the jute year started in July 1960 with very low carryover stocks so that the year 1960-61 provided a total supply of less than 5.0 million bales as against the preceding year's supply of 6.5 million bales. India, another major producer and consumer of raw jute, too experienced paucity of supplies. It may be noted here that India does not export raw jute and, therefore, the jute mills industry located in Europe and elsewhere has to depend solely on Pakistan supplies, except for very small quantities from a few minor producing countries. However, Pakistan's own jute mill industry tended to consume larger quantities of jute, which was placed around 1.7 million bales for 1960-61. Thus, the exportable surplus for the year amounted to only 3.3 million bales as compared with the actual exports of about 4.7 lakh bales in the last year.

In the above context, prices rose sharply from Rs. 46/- in September to Rs. 69/- per maund in October, 1960 for White Jat Bottoms in the kutchha bales section. In the pucca bales section, Mill Firsts increased from £124 per ton to £182 per ton. The prices eased somewhat in December owing to buyers resistance to high prices and curtailment in production by Indian mills by sealing 19 per cent of their total loom capacity. The Government of

Pakistan also took some action to improve the flow of jute in the marketing centres and to foreign consumers. Nevertheless, production of jute goods had to be curtailed in the United Kingdom and in Western European countries.

However, as the season progressed, shortage of raw jute was accentuated and there was a scramble for good quality jute offered by Pakistani shippers. Pakistan jute mills were active buyers and as a result, prices tended to rise again and established new peak levels of Rs. 83/- per maund for White Jat Bottoms and £199 per ton for Mill Firsts at the close of February, 1961.

There was some decline in prices during March following continued favourable reports about the 1961-62 Pakistan crop which was estimated at as high as 7.2 million bales, a new production record. The Government of Pakistan, being anxious to discourage the growth of jute substitutes, took a number of measures to ensure a bumper jute crop in the 1961-62 season. The practice of jute acreage licencing being followed since 1940 was abolished and cultivators became free from acreage restrictions. The Indian jute crop was also expected to be large in the next season. Consequently, at the close of March, the Narayanganj market reflected an easy undertone and White Jat Bottoms closed at Rs. 71.00 per maund and Mill Firsts, at £189 per ton. The corresponding quotations a year ago were Rs. 34/- per maund and £114 per ton respectively.

NARAYANGANJ JUTE MARKET

At the End of Month	KUTCHA BALES		PUCCA BALES	
	White Jat Bottoms		Mills Firsts	
	(Rs. per Maund)		Rs. per bale	£ per ton
March, 1959	...	34/-	210	114*
Jute, 1960	...	41/-	225	136*
September, 1960	...	46/-	265	124†
October, 1960	...	69/-	390	182
November, 1960	...	69/-	380	182
December, 1960	...	67/-	380	177
January, 1961	...	73/-	405	188
February, 1961	...	83/-	435	199
March, 1961	...	71/-	395	189

* Prices quoted for C.I.F. U.K./Continent.

† Prices quoted for F.O.B. Chittagong under new Government regulation.

Total export sales of jute (E.P.C.) registered with the State Bank of Pakistan from July 1, 1960 to March 31, 1961 aggregated 2.81 million bales as compared with 3.90 million bales in the same period of the previous season. Indian imports from Pakistan stood at 0.39 million bales and 0.58 million bales respectively.

Sketch of Pakistan Jute Situation

Carryover stocks on 1-7-1960	...	...	...	(bales) 200,000
Output of 1960-61 crop (+)	...	...	...	4,800,000
Total Supply	...	...	...	5,000,000
Estimated Pakistan Mill Offtake (—)	...	...	...	1,700,000
Exportable Surplus	...	...	...	3,300,000
Export sales up to 31-3-1961 (—)	...	...	...	2,810,000
Balance to be disposed of (the season ends on 30-6-1961)	...	...	...	490,000

PAKISTAN'S FOREIGN TRADE AND PAYMENTS SITUATION

The balance of payments on current account recorded further improvement from a deficit of Rs. 6.27 crores in the third quarter of 1960 to a surplus of Rs. 4.11 crores in the last quarter of 1960. There was a seasonal increase in Pakistan's 'Merchandise' export earnings from Rs. 39.35 crores to Rs. 55.04 crores. Meanwhile there was a comparatively smaller increase in 'Merchandise' imports on private and government accounts combined (but excluding aid-financed imports), from Rs. 45.30 crores to Rs. 40.60 crores. However, aid-financed imports declined appreciably from Rs. 33.67 crores to Rs. 18.60 crores. It may be noted here that the overall surplus of Rs. 4.11 crores on current account in the last quarter of 1960 was comparatively smaller than the surplus of Rs. 7.85 crores in the corresponding quarter of 1959.

A break-down of the current account statistics shows that between the third and last quarters of 1960 Pakistan's deficit of Rs. 6.81 crores improved to a surplus of Rs. 6.51 crores with the Sterling Area. The position with the Dollar Area was:— —Rs. 0.64 crore and —Rs. 0.61 crore respectively; with the Continental O.E.E.C. Countries:— —Rs. 2.53 crores and —Rs. 2.15 crores respectively. As regards individual countries, Pakistan's position with the United Kingdom improved appreciably from a deficit of Rs. 14.66 crores to a deficit of only Rs. 0.92 crore. The deficit with the United States was small but showed a small increase from Rs. 1.25 crores to Rs. 1.33 crores. The small deficit with the United States reflects considerable aid-financed imports which amounted to Rs. 18.58 crores in the last quarter of 1960. Pakistan's current account surplus with India increased slightly from Rs. 0.61 crore to Rs. 0.75 crore and compared with a deficit of Rs. 0.22 crore in the last quarter of 1959.

Total receipts from exports increased from Rs. 40.42 crores in the third quarter to Rs. 57.03 crores in the last quarter of 1960 and compared with Rs. 51.76 crores in the last quarter of 1959. Raw jute accounted for the

Recorded Receipts from Exports

(Rupees in Lacs)

	Oct./Dec. 1960	July/Sept. 1960	Oct./Dec. 1959
Cotton	4,02	5,88	3,64
Cotton Manufactures	3,63	4,09	5,96
Jute	31,78	14,04	23,35
Jute Manufactures	6,20	6,92	5,88
Hides and Skins	2,14	1,80	2,01
Tea	10	2	2,34
Wool	2,52	1,98	2,08
Other Exports	6,64	5,69	6,49
Total:	57,03	40,42	51,76

Recorded Payments for Imports

(Private Account)

(Rupees in Lacs)

	Oct./Dec. 1960	July/Sept. 1960	Oct./Dec. 1959
Food	2,20	57	43
Beverages and Tobacco	14	11	48
Crude Materials, Inedible except Fuels	1,44	1,41	1,10
Mineral Fuels, Lubricants and re- lated materials	4,54	6,00	6,21
Animal and Vegetable Oils and Fats	71	82	55
Chemicals	3,69	3,46	2,77
Manufactured Goods	7,05	3,37	5,23
Machinery and Transport Equip- ment	10,04	8,90	4,95
Miscellaneous Manufactured Articles	1,64	1,30	1,50
Others	56	1	1,30
Total:	32,02	29,95	24,51

SOURCES: State Bank of Pakistan, Department of Statistics, Recorded Receipts and Payments are on a mixed c and f and f.o.b. basis and hence differ from those appearing in the table giving overall position.

IMPORT POLICY FOR JANUARY-JUNE 1961

The import policy for the shipping period January-June, 1961 was announced on December 19, 1960. Considerable liberalization of imports of both industrial raw materials and essential consumer goods was the major characteristic of the commercial policy announcement. For example, the number of items covered by the automatic licensing system was increased from 20 to 62. It is noteworthy that during the shipping period July-December 1960 some 14 industries were provided with 'automatic licensing' facilities and the current shipping period covers as many as 118 industries. Moreover, 51 industries would be granted licenses to meet their entire import requirements for 'single shift' operations. Some selected manufacturing industries like surgical instruments, electric fans and sports goods (listed below) would receive preferential treatment in the matter of import licences so that they could effectively promote the country's exports. Thus the import policy has been so moulded as to ensure full capacity production and at the same time an export bias has been given to the import policy.

The present import policy provides much encouragement to 'newcomers' in the import business from all over Pakistan. With a view to promoting industrial development in new areas, importers in major cities like Karachi, Lahore, Dacca, Narayanganj and Chittagong have been excluded from applying for licenses for some selected items.

The following list shows selected commodities out of 33 items now brought under the automatic licensing system:

Building and Engineering Materials, Silica Sand, Electric Insulating Materials, Anchors and Cables, Valves for Iron and Steel Pipes and Tubes, Automatic Door Locks, some Scientific Instruments and Medical Appliances.

Unframed Optical Lenses and Rough Blanks for making Lenses, Glucose, Crepe Rubber Sheets, Rubber Patches and Solution, Cork Manufactures, Glue, Gum and Resins, Vacuum Flasks including Refills, Needles, Typewriters, Office Machines and Office Equipment, Photographic Films, Cinematographic Films Unexposed, Duplicating Stencils, Shaving Brushes and Tooth Brushes.

Motor Cycles and Motor Scooters, Automotive Conveyances, including Rickshaws without Bodies, Asphalt, Pitch and Tar, Electrodes, Condensed Milk (Milk Food was previously on automatic licensing for East Pakistan only; it is now placed on automatic licensing throughout the country).

The following 12 industries have not only been placed under the automatic licensing system, but will receive special import licenses for expanding their export business.

- | | |
|----------------------------------|------------------------------------|
| 1. Sports goods. | 2. Leather footwear. |
| 3. Leather manufactures. | 4. Rubber footwear. |
| 5. Rubber manufactures. | 6. Cutlery. |
| 7. Surgical instruments. | 8. Fish canned. |
| 9. Paints (including varnishes). | 10. Toilet requisites (cosmetics). |
| 11. Electric fans. | 12. Leather tanning. |

The policy of import liberalization was taken another step forward on March 8, 1961 with the inclusion of the following 11 more items on "Open General Licence." Moreover, the 'monopoly' in importing these items hitherto exercised by the 'category' holders was eliminated by the new announcement that 'newcomers' could also import them. Again, the entire procedure for importing these items have now been simplified: Iron and Steel (including Metals), Drugs and Medicines (life saving and essential medicines only), Tractors and Tractor spares, Cement (for East Pakistan only), spare parts of Automotive Vehicles, Tyres and Tubes, Milk Food, Typewriters and Office Machines, Glasswares and Scientific Instruments (for technical and educational institutions only), Books and Workshop items and Tools.

MONEY, BANKING AND CREDIT

Monetary Situation: The short-term money market in Karachi was characterised by stringent conditions during the period October 1960—March 1961. The inter-bank call money rate rose from a peak of 3-3/4 per cent in the last quarter of 1960 to 4 per cent in the first quarter of 1961.

The difficult money market condition was attributable largely to seasonal factors associated with the enlarged movement of exportable commodities. At the same time, 4-1/4 per cent East Pakistan Government 1967 loan of Rs. 3.5 crores was floated and fully subscribed on October 8, 1960. The investors were lacking ready cash for subscribing to the new and right shares issued by some companies. The total demand for funds was further intensified during the first quarter of 1961 due to increased commercial transactions arising from the liberalisation of imports in the shipping period January-June, 1961.

Meanwhile, the total credit advanced by the scheduled banks during the first quarter of 1961 increased by Rs. 12.23 crores to stand at Rs. 220.71 crores as against a rise of Rs. 42.28 crores in the previous quarter. As regards their deposits, the first quarter of 1961 registered an increase of Rs. 16.77 crores as against a decrease of Rs. 4.86 crores in the previous quarter. Their borrowings from the State Bank of Pakistan declined by Rs. 5.76 crores as against an increase of Rs. 35.36 crores during the previous quarter.

Table 1 below gives further details about the scheduled banks position and monetary situation in the country.

Table 2 below shows the trends in scheduled banks advances by major

Table 1: Monetary Situation

(Rs. in crores)

	1-10-1960	30-12-1960	31-3-1961	30-3-1960
Scheduled Banks Position				
Bank Credit	166.20	208.48	220.71	186.35
Bank Advances* (Bank Credit minus Inland and Foreign Bills purchased and discounted)	149.49	185.48	199.46	166.76
Bank Deposits	315.08	310.22	326.99	291.43
Balances with State Bank	18.65	16.35	15.09	14.38
Borrowings from State Bank	5.81	41.17	35.41	19.60
Govt. Deposits with State Bank				
Centre	11.96	10.94	3.61	6.18
Provincial	0.61	0.34	1.08	1.29
Ways & Means Advances to Provincial Governments	7.35	12.41	8.26	4.40
Note Circulations	342.24	386.35	380.72	368.48

*Also includes inter-bank advances.

Table 2: Schedule Banks Advances* in Pakistan by Major Economic Groups

Economic Groups	(Rs. in Lacs)											
	31-3-59		30-6-59		30-9-59		31-12-59		31-3-60		30-6-60	
	(Amount)	(Per-centage)	(Amount)	(Per-centage)	(Amount)	(Per-centage)	(Amount)	(Per-centage)	(Amount)	(Per-centage)	(Amount)	(Per-centage)
Agriculture, Forestry, Hunting & Fishing ...	4,11	3.5	3,88	3.5	5,91	5.0	6,47	4.6	5,96	3.8	4,28	3.0
Mining and Quarrying ...	53	0.5	77	0.7	65	0.5	1,01	0.7	1,42	0.9	1,52	1.1
Manufacturing ...	45,18	38.3	38,61	35.1	37,36	31.5	45,10	32.2	55,12	35.6	55,40	38.3
Construction ...	1,84	1.6	2,03	1.8	1,28	1.1	1,47	1.0	1,48	1.0	1,55	1.1
Electricity, Gas, Water and Sanitary Services ...	48	0.4	43	0.4	33	0.3	38	0.3	36	0.2	2,61	0.2
Commerce ...	54,88	46.5	37,90	34.4	50,45	42.5	69,08	49.2	72,09	46.6	62,46	43.2
Transport, Storage and Communication ...	2,13	1.8	1,37	1.2	1,01	0.9	1,21	0.9	1,34	0.9	1,52	1.1
Services ...	4,03	3.4	15,17	13.8	12,72	10.7	7,70	5.5	7,45	4.8	7,78	5.4
Employees and Activities not adequately described ...	4,71	4.0	9,72	9.0	8,92	7.5	7,76	5.5	9,58	6.2	9,67	6.6
Unclassified ...	01	0.0	15	0.1	03	0.0	13	0.1	02	...	6	...
Total ...	117,91		110,04		118,66		140,31		154,83		144,50	
Pakistani Banks ...	69.0%		71.5%		69.5%		65.7%		65%		68.3%	
Foreign Banks ...	31.0%		28.5%		30.5%		34.3%		35%		31.7%	
of which India ...	6.5%		6.6%		6.7%		6.7%		6.4%		6.5%	

*Does not include inter-bank advances.

economic groups for the period April 1959 to June 1960. Statistics relating to a more recent quarterly period is not yet available. A comparison of the second quarters of 1959 and 1960 shows that total advances increased considerably from Rs. 110.04 crores to Rs. 144.50 crores respectively. By economic groups, the increase in advances was largely, accounted for by 'commerce', 'manufacturing', and 'services'. However, advances to 'manufacturing' out of the total advances remained unchanged at 38.3 per cent in both the second quarters of 1959 and 1960. At the same time, the corresponding figure for 'commerce' declined from 46.5 per cent to 43.2 per cent.

A break-up of total advances by nationality of banks shows that in the second quarter of 1960, advances by Pakistani banks formed 68.3 per cent, and by foreign banks, 31.7 per cent (of which Indian banks alone accounted for 6.5 per cent). The corresponding figures for the second quarter of 1959 were: 71.5 per cent, 28.5 per cent and 6.6 per cent respectively.

The Pakistan Industrial Credit and Investment Corporation: During 1960 the Corporation loaned out a total amount of Rs. 5,59,26,000 of which the equivalent Rs. 4,98,16,000 was in foreign currencies and Rs. 61,10,000 in local currency. Total commitments since the inception of the Corporation upto the close of the year amounted to Rs. 13,48,99,000 in respect of 149 projects of which the equivalent of Rs. 10,51,55,000 was in foreign currencies and Rs. 2,97,44,000 in local currency. In addition to the above, loans aggregating Rs. 2,60,65,000 for 25 more projects were sanctioned but loan agreements were not signed as at 31st December, 1960.

The amount disbursed during the year totalled Rs. 4,40,85,000 bringing the total disbursements since the Corporation commenced business to Rs. 6,71,25,000. Letters of Credit for an amount of Rs. 1,88,98,000 were outstanding as at the close of the year. Repayments during the year amounted to Rs. 51,45,473 bringing the total of repayments to Rs. 64,71,304 since the establishment of the Corporation.

Financial facilities are provided by the Corporation both to new industries and for balancing and modernization of existing industries. Out of 149 Projects, which it has financed, 60 are new units and 89 have sought assistance for balancing and modernization.

During the year 1960 the Corporation also started underwriting of shares. Arrangements have been made to underwrite two issues aggregating Rs. 25.90 lacs. The Articles of Association of the Corporation limits its borrowing power to three times its capital, government advances and reserves. With the existing structure of capital, reserves and the government advances, the limit of the Corporation's borrowing powers has almost been reached. In order to enable the Corporation to borrow further, in pursuance of its object of assisting the economic development of the country, the Directors have made arrangements to issue further capital amounting to Rs. one crore and to take a second long-term advance from the Government amounting to Rs. 3 crores which would count as equity for purposes of borrowing.

Pakistan Industrial Finance Corporation: The extension of credit facilities to small industries marks the most important development in PIFCO's operations at the start of 1961. Credit facilities will be extended to the existing

small industries as well as to the industrial units proposed to be set up under the 'Small Industries Investment Schedule', issued by the Government in November 1960. The rate of interest will be 7 per cent for rupee loans, while the rate of interest for loans involving foreign currencies will be decided for individual cases separately.

Agricultural Development Bank: The Agricultural Development Bank Ordinance came into force from February 18, 1961 and provides for the amalgamation of the Agricultural Development Finance Corporation and the Agricultural Bank of Pakistan. This step has been taken on the recommendation of the Credit Enquiry Commission. The Bank now possesses 73 branches—38 in West Pakistan and 35 in East Pakistan.

A maximum loan of Rs. 1,000 may be granted to a borrower against personal surety and for loans above Rs. 1,000 surety in the form of crop or land mortgage will be necessary. Smaller loans applied for will be advanced within a period of one month and comparatively bigger loans will be sanctioned within 3 months.

Agricultural Bank of Pakistan: Upto September 30, 1960 the Agricultural Bank of Pakistan sanctioned loans totalling Rs. 2.76 crores to 62,196 applicants, out of which Rs. 2.54 crores was disbursed. The loans were granted for agricultural production operations, purchase of livestock and implements, tractors and tube-wells, development of land, growing of orchards, dairy and poultry farming and fisheries.

The Bank opened six new branches and three sub-offices during the year ended June 30, 1960 which brought the total number of branches in East Pakistan to 13 and in West Pakistan to 9 branches and 3 sub-offices. The Bank started operations in January 1959 in East Pakistan and in April 1959 in West Pakistan after it was exempted from the restrictive provisions of the Provincial Debt Laws.

Agricultural Development Finance Corporation: According to a press report released on November 18, 1960, the Agricultural Development Finance Corporation had by that time sanctioned loans to the tune of Rs. 8,20,00,000. Further details about the loans granted are: tubewells and other wells for irrigation (Rs. 95,65,000); tractors, implements and equipment (Rs. 86,50,000); dairy farming (Rs. 52,29,000); tea estates (Rs. 30,88,000); levelling of land (Rs. 35,36,000); seeds (Rs. 16,29,000); fertilisers (Rs. 7,83,000); godowns (Rs. 12,35,000); pumps and engines (Rs. 14,92,000); excavations and embankments (Rs. 28,37,000); poultry (Rs. 69,000); horticulture (Rs. 15,43,000); fisheries (Rs. 13,69,000); etc.

The loans sanctioned during the year 1959-60 amounted to Rs. 3,57,58,000 as against Rs. 1,92,58,000 sanctioned in 1958-59.

Pakistan Industrial Development Corporation: On January 12, 1961, the PIDC completed nine years of operations. During this period, it established 53 industrial projects at a total investment of Rs. 107 crores while six more projects estimated to cost about Rs. 52.9 crores were under construction.

The PIDC has recently announced that it could provide consultative

assistance in the preparation and finalization of projects for private industrialists in the following industries; jute, iron and steel, chemicals, pharmaceuticals and dyestuffs, textiles, gas and coal. The consultative assistance will be available on payment of a fee at 1/4 per cent of the total cost of work on the projects plus actual expenses.

House Building Finance Corporation: According to the annual report of the House Building Finance Corporation for the year ended June 30, 1960, the total loan granted amounted to Rs. 6,41,61,395 as against Rs. 5,56,65,130 in the last year. Actual disbursement stood at Rs. 1,55,82,000 and Rs. 1,09,07,000 respectively. During the year under review, the Corporation received 7,257 applications, of which 4,908 were approved and payment made to 4,855 applicants. The Corporation made special efforts during the year to help the construction of comparatively smaller houses. So far the Corporation has assisted in the construction of 4,855 houses of all categories. Profits earned by the Corporation during 1959-60 amounted to Rs. 12,24,696; of this Rs. 2 lakhs have been transferred to the reserve fund which now stands at Rs. 6 lakhs.

The share capital of the Corporation contributed by the Central Government remained unchanged at Rs. 5 crores. The State Bank agreed to purchase debentures of Rs. 1 crore during the year 1960-61 of which debentures of the value of Rs. 50 lakhs have already been purchased. Last year, the State Bank had purchased debentures worth Rs. 1 crore. Thus the total working capital of the Corporation now stands at Rs. 6.5 crores.

National Bank of Pakistan: The National Bank of Pakistan declared on March 12, 1961 a substantially larger dividend of 9 per cent for the calendar year 1960 as against 6 per cent of the previous year. Allocation for dividend payment to shareholders amounted to Rs. 13,50,000. The gross profit for the year 1960 stood higher at Rs. 1,19,46,000 as against Rs. 1,02,08,000 in 1959. A sum of Rs. 50 lacs has been transferred to the reserve fund which has now risen to Rs. 2.10 crores as against the bank's paid up capital of Rs. 1.50 crores. The bank's branches numbered 165 in December 1960 and in addition, its foreign offices were located at London, Calcutta, Jeddah, Baghdad and Hong Kong.

Panel on Credit and Fiscal Concessions: The Panel on Credit Facilities and Fiscal Concessions held a two-day session in Karachi on October 5 and 6, 1960. It recommended measures to broaden the base of industrial credit for the promotion of investment in industries.

Stock exchanges should be opened, as early as possible, in important industrial and commercial Centres so as to facilitate issue of bonds, debentures and transfer of shares and securities and for providing long-term capital required by industry. The provision of credit for mineral development should receive special attention. Commercial banks should be encouraged to extend medium-term loans against real property, shares, securities and other fixed assets. Existing legislation regulating operations of the National Bank of Pakistan and other commercial banks should be modified if necessary to allow them to undertake such transactions. Discount Houses should be established, one in each Wing, to enable businessmen, including industrialists, to get their bills easily discounted by commercial banks. The Small Industries

Corporation (at the Centre and Provinces) should be more active in arranging credit facilities for small scale industries.

The Panel reviewed at great length Pakistan's current policy regarding Deferred Payments Arrangements. It was of the view that while foreign investment should be encouraged, Deferred Payment System should be introduced with necessary checks and safeguards to avoid hidden element of cost and should be confined to industries (a) which are essential within the Second Five-Year Plan and (b) which are likely to produce quick savings or earnings of foreign exchange so that loan repayments against imports of machinery could be made out of such savings or earnings. The concessions which are currently being offered to foreign investments are sufficiently attractive. However, it was felt that in order to offer greater attraction to foreign private investment in certain important sectors, Government may consider the following:

Rates of taxes applicable to foreign professional men like Accountants, Actuaries and Consulting Engineers whose services will be increasingly needed for developing the Pakistan economy, should be reduced.

Measures should be taken to encourage reinvestment of dividends received by non-residents or foreigners in preference to repatriation.

Karachi Stock Exchange: Business sentiment in the shares section of the Karachi Stock Exchange remained generally depressed during the last quarter of 1960 owing partly to continued seasonal stringency in the short-term money market. Other contributory factors were (i) the rumours that the Price Commission had recommended reductions in the prices of local manufactured goods and (ii) the liberalization of imports of consumer goods already, in some measure, produced within the country. However, some selected shares like Burewala Textiles, Crescent Textiles, Dawood Cottons, Karachi Electrics and Colony Woollens gained support on the publication of good annual working results. At the same time, the government announcement that non-resident foreign nationals could henceforward invest in the shares registered on the stock exchange was well received in business circles. Nevertheless, the overall price index for shares compiled by the Habib Bank recorded a decline of 4.09 index points from 196.79 to 192.70 over the last quarter of 1960.

The first quarter of 1961 exhibited renewed confidence in selected shares, although the monetary stringency continued to dampen the enthusiasm of investors. The withdrawal of price controls from cotton yarn and cloth (with effect from January 30, 1961) which opened up possibilities of greater profits being earned by textile mills, and the removal of controls on some 29 items gave a cheerful outlook to business sentiment. Prices advanced on many fronts but due to profit-taking much of the new gains were lost. Follow-up support was lacking with any large increment in prices of shares due largely to fears of lower profits in the coming year as a result of government's determination to free the economy of all controls and further liberalize the imports of goods in relatively short supply. On the whole, there was only a slight decline of 0.21 in the Habib Bank Averages from 192.70 to 192.49 during the first quarter of 1961.

The following tables trace the trends in prices of some representative shares over the period October 1960 to March 1961. In the Textiles group, price trends were divergent. Dawood Cottons advanced from Rs. 36.00 to Rs. 41.64 while Valika Textiles declined from Rs. 244.00 to 194.50. In the 'Banks and Insurance' group, Habib Banks declined from Rs. 24/14 to Rs. 22.80, while National Bank of Pakistan increased from Rs. 46.00 to Rs. 51.00. The Pak. Insurance Corporation improved notably from Rs. 158.00 to Rs. 188.00. In the 'Miscellaneous' section, important shares showing net losses were: Batala Engineering (Ord) (from Rs. 103/14 to Rs. 98.70); Karnaphuli Paper (from Rs. 16/1 to Rs. 15.81); Premier Sugar (from Rs. 200.00 to Rs. 162.00). Some of the shares which recorded net gains were: Adamjee Industries (from Rs. 16/15 to Rs. 19.63); Glaxo Laboratories (from 170/8 to Rs. 192.00) and Zeal Pak Cement (from Rs. 18/5 to Rs. 20.27).

Habib Bank Averages

Shares-Group	30 September 1960	30 December 1960	31 March 1961
Banks	198.88	189.25	194.43
Insurance	195.94	214.69	209.00
Textiles	261.34	244.84	250.40
Jute	147.71	145.12	137.30
Miscellaneous	169.75	164.15	161.19
Index (for all shares)	196.79	192.70	192.49

Selected Industrial Shares quoted at the Karachi Stock Market

Groups	September 29, 1960	December 30, 1960	March 31 1961	March 31 1960
Textile				
Ahmed Bawany (10) ...	11 13 0	13 1 0	12.32	13 11 0
Burewala (100) ...	201 14 0	198 0 0	200.25	229 0 0
Colony Ord. (150) ...	117 0 0	112 4 0	127.90	151 4 0
Colony Pref. (100) ...	73 8 0	91 0 0	95.25	80 0 0
Dawood Cottons (10) ...	36 0 0	43 12 0	41.64	51 10 0
Harnai Woollen (10) ...	9 0 0	8 12 0	8.75	11 4 0
Valika Textiles (100) ...	244 0 0	202 0 0	194.50	246 0 0
Jute				
Adamjee (10) ...	17 11 0	18 8 0	17.45	19 2 0
Amin (10) ...	13 0 0	12 8 0	12.16	13 8 0
Pak Jute Balers (10) ...	7 15 0	8 1 0	6.40	8 14 0
Banks / Insurance				
Habib (5) ...	24 14 0	24 3 0	22.80	37 14 0
National (25PP) ...	46 0 0	46 0 0	51.00	47 14 0
PIFCO (500) ...	480 4 0	490 0 0	498.00	487 0 0
PICIC (10) ...	11 12 0	11 1 0	11.90	12 10 0
State Bank (100) ...	116 4 0	115 4 0		115 0 0
Eastern Federal (5PP) ...	5 0 0	6 1 0	7.05	5 8 0
Habib Ins. (5) ...	15 4 0	17 14 0	16.00	20 12 0
Pak. Ins. Corp. (100) ...	158 0 0	161 0 0	188.00	166 0 0
Miscellaneous				
Adamjee Industries (10) ...	16 15 0	18 5 0	19.63	20 14 0
Attock Oil (₹ 1) ...	34 14 0	32 2 0	34.00	37 0 0
Batala Eng. Ord. (50) ...	103 14 0	105 3 0	98.70	127 0 0
Batala Eng. Pref. (100) ...	79 8 0	87 3 0	85.96	88 11 0
Brook Bond (10) ...	12 10 0	11 12 0	11.00	12 3 0
Glaxo Lab. (100) ...	170 8 0	177 0 0	192.81	178 0 0
Karnaphuli Paper (10) ...	16 1 0	16 5 0	15.50	17 0 0
Lipton (10) ...	11 6 0	11 9 0	11.50	12 13 0
Mdi Steam Ord. (80) ...	75 0 0	84 8 0	74.05	77 4 0
Murree Brewery (10) ...	14 4 0	14 1 0	15.30	15 7 0
Premier Sugar (100) ...	200 0 0	170 0 0	162.02	206 0 0
Pak Tobacco (10) ...	14 1 0	13 10 0	13.60	15 10 0
Sui Gas (100) ...	237 12 0	229 4 0	235.02	226 0 0
Zeal Pak Cement (10) ...	18 5 0	18 6 0	20.27	19 5 0

COST OF LIVING

The Consumers' Price Index for Karachi registered a net advance of 3 points over the period October 1960—March, 1961. This was largely due to a sharp increase in the index for 'Clothing and Footwear' which increased by 14 index points from 125 to 139. The 'Food' index also rose by 1 point from 127 to 128 while the index for 'Housing and Household Operations' rose by 1 point from 101 to 102, and the 'Miscellaneous' index remained unchanged at 98. The monthly changes in these indices are shown in the table below:

**Consumers' Price Index by Expenditure Groups for Government
and Commercial Employees in Karachi**

(Base: 1956 = 100)

	3rd Quarter 1960			4th Quarter 1960			1st Quarter 1961		
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
General ...	116	115	115	115	114	114	114	116	118
Food ...	127	127	127	127	127	126	125	126	128
Clothing and Footwear ...	125	125	125	124	123	123	128	136	139
Housing and Household Operations ...	103	102	101	101	101	101	100	101	102
Miscellaneous ...	99	98	98	98	98	98	98	98	98

SOURCE: C.S.O.

The Cost of Living Indices for Industrial Workers for selected Centres show that while the index for Karachi remained unchanged at 127 (except in November when it dropped to 126), the index for Lahore recorded a steady rise to 122 after an initial decline from 115 to 114. The rise in the Lahore general index was the result of large increases in the individual indices for 'Food', 'Bedding, Clothing and Footwear' and 'Miscellaneous' Group. However, the index for 'Fuel and Lighting' recorded increases upto December but declined thereafter. The general index for Narayanganj dropped steadily from 124 in September to 121 in December 1960, but jumped to 124 in January, 1961 and remained at that level subsequently. The earlier drop in the index was brought about by a substantial decline in the 'Food index' despite steady increases in all the other group indices.

General Cost of Living Indices for Industrial Workers at Selected Centres

Base: April 1948—March 1959 = 100

Centres	3rd Quarter 1960			Last Quarter 1960			1st Quarter 1961		
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Karachi ...	129	126	126	127	126	127	127	127	...
Lahore ...	113	115	115	114	116	117	120	122	...
Narayanganj ...	125	124	124	124	123	121	124	124	...

REVISION OF ESTIMATES OF PAKISTAN'S SECOND FIVE-YEAR PLAN

Pakistan's Second Five-Year Plan (1960-65) has been revised to increase the original total outlay by 21 per cent from Rs. 1,900 crores to Rs. 2,300 crores. Consequently, the estimated foreign aid component has also been increased—by about 25 per cent—from Rs. 650 crores to Rs. 845 crores; this means a rise from 34.2 per cent to 36.7 per cent of the total Plan outlay.

In large part, the Planning Commission attributed the need for an upward revision in the original spending estimates to the recent appreciable increases in the price level, both internal and external. The "Buy American Policy" and other foreign "tied" loans and assistance were also expected to inflate the cost of projects included in the Second Plan. It may be recalled that in December 1960 the United States banned the use of U.S. Aid Funds for buying commodities from the following 19 countries:

- | | | |
|--------------------|------------------|---------------------|
| (1) Australia | (2) Austria | (3) Belgium |
| (4) Canada | (5) Denmark | (6) France |
| (7) Hong Kong | (8) Italy | (9) Japan |
| (10) Luxemburg | (11) Monaco | (12) Netherlands |
| (13) Norway | (14) New Zealand | (15) South Africa |
| (16) Sweden | (17) Switzerland | (18) United Kingdom |
| (19) West Germany. | | |

Moreover, greater expenditure will now be required in some sectors like Water and Power, Fuels and Minerals, and Transport and Communications. The Indus Basin Replacement Works will entail large expenditure particularly in the communications sector. It has been estimated that an additional amount of Rs. 440 millions will be required to meet adequately all the transport needs of the Plan as well as Indus Basin Works. The general transport surveys in East and West Pakistan, which are scheduled for completion towards the close of 1961 or the beginning of 1962, are expected to reveal areas of additional expenditure in roads and inland water-ways, the latter being very important for the economic progress of East Pakistan. Further, it has been noted that, contrary to expectations, the First Five-Year Plan ended leaving substantial expenditure to be incurred in the Second Plan period. It is also learned that more funds will be spent on the construction of foodgrain storage, seed and fertilizer distribution centres in the rural areas, and coastal embankments in East Pakistan.

POPULATION AND SOCIAL SURVEYS

The Second Population Census of Pakistan 1961: This Census was held between January 12 and January 31, 1961. On the completion of the enumeration and publication of the preliminary results, 17 hand sorting centres were set up (9 in the West Wing and 8 in the East Wing). The first interim report is expected in November 1961 in the form of Bulletin No. 2. It will present details on religion, broadest age groups and the like rather general items. The all-important information on ages will have to wait for Bulletin No. 3 expected in March 1962.

The expenditure incurred in the Census was only Rs. 90 lakhs or about 10 paise per head. This figure takes no account of such considerations as quality, costs of subsequent analysis usually included in other census budgets, the non-monetary cost of closed Government offices, schools and private businesses to free the unpaid workers, the cost of other services (mainly transport) provided to the census organisation and not charged to the census budget, and finally the charitable offerings by private citizens of prizes and cash. But when everything has been said, there is no doubt that this efficiently conducted venture was also done economically.

Within about two weeks of the main enumeration, a post-enumeration survey was held, ostensibly to check the information collected during the main enumeration. About one in each 500 enumeration blocks were selected and re-enumerated by the "best" enumerators in the area. It is not known how the "best" enumerator was selected. No attempt was made to cross-examine the information. The same questionnaire and the same general procedure were used.

The Census had considerable publicity while it was taking place. The leading newspapers came out with special supplements on the first census day and there was considerable news coverage of census items.

Housing Census: The information collected during this first Housing Census in Pakistan is now being punched on to cards. The report is expected in 1962.

Agricultural Census: This Census was conducted more than a year ago. Since then a machine analysis centre has been established in Lahore with the advice of United Nations experts. All the questionnaires from the East Wing have been transferred to Lahore, and the punching of the first cards with information from the Census should start in the near future.

Ekistics Survey: The information collected during this survey of the Korangi township near Karachi in December 1960 is now being analysed, and the report is expected shortly.

Births and Deaths Registration: A move to charge the village Union Councils (Basic Democrats) with responsibility in this field is being considered. A model bylaw for the Karachi area has been "notified". It must be appreciated that, judging from the experience of other countries, it takes between fifty and one hundred years before such a system can become reasonably operative. Unless speedier measures are applied, Pakistan will long continue being deprived of information in this all-important field.

Migration to India from East Wing: The Acting Indian High Commissioner in Pakistan announced that 1,000 persons continue leaving East Pakistan for India every month.

Calorific Intake: The Economic Survey for 1960 by ECAFE states that in 1958 the calorie content per person per day was 2,010 in Pakistan and 1,800 in India; this may be compared with, say, 3,260 in Great Britain. Because of rapid population growth, the increases in average consumption were only moderate. In the light of the recently announced results of the

Indian Population Census, average consumption must have fallen in India (unless total consumption was as much underestimated as total population).

The Pakistan Minister of Finance has stated that at the end of the Second Five-Year Plan Pakistan will produce sufficient foodstuffs to meet the present level of consumption. Foreign imports will allow the calorific intake to be increased to 2,200 calories.

Eradication of Social Evils: The Commission on the Eradication of Social Evils is still in process of collecting information. It has listed some fifty harmful aspects of social life in Pakistan, including certain aspects of marriage, beggary, prostitution, superstition, selling of brides, abduction, juvenile delinquency, and maiming of children.

Family Planning: The National Board of Family Planning held its 4th meeting on April 4, 1961 under the chairmanship of Brig. M. Sharif, Director-General of Health. The Board recommended that persons undergoing sterilization operations should be paid Rs. 25 in lieu of lost wages. It was further recommended that only husbands already 35 years old, or who had three children (including one boy), should be sterilised. Wives may also present themselves for sterilizing operations, though in their case the operation is considerably more difficult. Conspicuous by its absence among the recommendation is any attempt at evaluating the need for family planning activities and their probable and potential effectiveness.

The Ford Foundation has granted \$549,000 to Pakistan mainly to provide consultants for institutes of family planning, audio-visual appliances, vehicles and fellowships, in addition to the local expenditure financed by the Government. This programme has been initiated and is being administered by the Directorate of Family Planning in the Ministry of Health. The Population Council, Inc., of New York is the operative channel and the technical link between the Ford Foundation and the Government of Pakistan. Individual projects are supervised by executive committees, on which in addition to the Central Government, the relevant Provincial Government, the local University and foreign research agencies are represented.

Two consultants are to be provided for the Lahore project through the services of the Population Council of New York and the Johns Hopkins University, School of Hygiene, Division of Maternal and Child Health, Baltimore, U.S.A. Another two consultants will be provided in June 1961 through the Population Council and the University of California. They will be oriented mainly towards health education. A central institute of research and training is being considered for Karachi.

Family Planning out-patient clinics are now invariably a feature in newly opened Rural Health Centres.

The Social Sciences Research Centre of Punjab University has conducted two surveys on attitude towards family planning in the area of Lahore. It was found that ignorance, religious orthodoxy and mass illiteracy were the three main obstacles to the spread of unbiased knowledge of family planning matters. The Family Planning Association has chalked out a plan to combat these obstacles.

All Branches of the Family Planning Association, in both the East and West Wings are continuing their campaigns of enlightenment.

The Liaquat Medical College Hospital in Hyderabad has set up an institute for the training of social workers and health visitors in family planning methods. A full-time Family Planning Clinic has been attached to the Institute.

The Swedish Minister for Technical Assistance, during her visit to Pakistan in December 1960-January 1961, announced that three medical teams, one clinic, five mobile film and information units and three annual scholarships in the general framework of the Pakistan Family Planning programme will be provided by Sweden.

In early 1961 the number of medical-facilities units and clinics in the country exceeded 500—about 350 in the West and 150 in the East. Two mobile teams are operating—one in the East and one in the West—training nurses, health visitors and health officers in family planning matters. It is understood that 3,000 clinics are planned within the current Five-Year Plan.

Religious Orthodoxy and Birth Control: Mr. G. A. Pervez, Director of the Quranic Research Centre in Lahore, took part in a symposium on family planning at the Dow Medical College on December 23, 1960 and expressed the view that birth control is not un-Islamic.

A committee of religious leaders in Singapore declared in November 1960 that it is not sinful to space out children over a period of time, though female sterilization is. In fact, they went further and said that failure to space out children in conditions of poor health, inadequate material circumstances and preoccupation with previously born children, is reprehensible. Mr. Akhtar Hameed Khan, Director of the Pakistan Academy for Village Development in Comilla, East Pakistan, published an article, "Islamic Opinions on Contraception", in *Journal of the East Pakistan Academy for Village Development*, August and October 1960. He concludes that modern theologians must inevitably come to the view, after studying adequately the authorities and current economic and social factors, that birth control is not prohibited and that the preference for many wives and children must be discarded.

"The People of Karachi, 1959": On the basis of this survey, the preliminary population figure for the Karachi area (excluding Lasbela district) in March 1959 is 1,856,000, which compares with the Second Census figure for January 1961 of 2,062,000. Assuming even growth, this would suggest a 5.9 per cent increase over the last year or two, as compared with 6.2 per cent over the first eight years of the decade since the First Population Census in 1951. The slowing down of the rate of increase is consistent with general knowledge and casual observation.

The Muslim Family Laws Ordinance of 1961: The promulgation of this Ordinance has been warmly and widely welcomed in Pakistan.

The effects of the Ordinance can be briefly summarised as follows:
(a) discouragement of polygamy; (b) discouragement of divorce; (c) easier

and speedier recovery of alimony; (d) provision for children whose father dies during the lifetime of their grandfather; (e) minimum age at marriage for girls raised from 14 to 16.

Success in discouraging polygamy will depend on the interpretation of the "necessary and just" circumstances in which permission to marry polygamously will be granted. Wives will have the right of appeal from the decision of the local bodies making such decisions, and the right to divorce husbands who marry polygamously. The immediate effect of the Ordinance may well be an increase in polygamy, because the date on which it will come into force has not yet been announced. One unintended result of the "divorce" and "alimony" provisions will be some hardship for husbands who, for prestige reasons, fixed a high dowery and now under the new law may have to pay it more quickly than they envisaged at the time of marriage. The Minister for Home Affairs has predicted that the Ordinance will help to check the growth of population. Mr. M. K. H. Khan, Associate Director of the Social Sciences Research Centre at Punjab University, has expressed a similar view about the effects of the curtailment of polygamy. This will certainly be so if such curtailment reduces fertility, or if the raising of the age at marriage acts similarly. There is some empirical evidence that restricting polygamy actually increases fertility by matching both sexes more evenly. And, it is possible to hypothesize that the very low age at marriage now, banned, was keeping growth in check by killing a proportion of potential mothers at the very early stages of their reproductive life.