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A Measure of Inflation In Pakistan 1951-60

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THE INSTITUTE OF DEVELOPMENT ECONOMICS
Old Sind Assembly Building
Bunder Road, Karachi
(Pakistan)

INSTITUTE

### THE INSTITUTE OF DEVELOPMENT ECONOMICS

Old Sind Assembly Building Bunder Road, Karachi-1 (Pakistan)

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# A Measure of Inflation in Pakistan 1951-60

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### PREFACE

Almost every member of the Institute's Monetary and Fiscal Section has been involved, at some time, in the collection and processing of data for this monograph. The need for a wholesale price index was recognized, and the project initiated, by Dr. Mahbubul Haq. The final checks and revisions of the manuscript were done while Dr. Richard C. Porter was in charge of the Section.

The work on Section II has been done primarily by Mr. Azizur Rahman Khan; that of Section III by Mr. S. U. Khan; and that of Section IV and the Appendix on Methodology by Dr. Porter. The basic ideas for the index, however, are mainly those of Dr. Haq.

Others who have participated in the project are: Mr. M. A. Janjua, Mr. Nuruddin Chowdhury, Mr. Abdul Majid Khan and Mrs. Masuda Pirzada.

Many organizations have been helpful in providing us with unpublished data. We are particularly grateful to the Central Statistical Office, the Planning Commission, the Ministry of Food & Agriculture, the Department of Fisheries, and the Central Board of Revenue. The finished work has also benefited from the comments and criticism of Dr. Fred Shorter, Mr. Parvez Hasan, Mr. Richard Mallon, and Dr. Irving Brecher. The non-Institute contributors are, of course, in no way responsible for the errors that undoubtedly remain.

As time passes, more and better data become available; even as this monograph is printed, many ways to improve it can be found. Nevertheless, it is hoped that our price index, in both concept and calculation, is sufficiently accurate to prove useful. More important is the possibility that it will spur others on to greater efforts in the field of price and income measurement.

Joint Director
Institute of Development Economics

March, 1961.

#### INTRODUCTION

There is need today in Pakistan for a general, reliable price index. Without it, our knowledge of past inflation, and hence our analysis of its causes, is less accurate. In an economy where heavy demand pressures are applied in order to accelerate growth, it is essential to discover, as exactly as possible, the extent to which these pressures have been and are being converted into rises in prices. It is the purpose of this monograph to present such a measure of annual price changes for the East and West Wings of Pakistan from 1951-52 to 1959-60.

All price indices (composed of more than one commodity) presently constructed in Pakistan are cost-of-living indices and thus are insensitive to price changes of goods not included in the market-basket upon which they are based.¹ The construction of a general price index is, however, not obviated by any shortage of price information; the C.S.O. publishes an excellent collection of wholesale (by market centres) and retail (by locale) price series,² and, where these series are not presented throughout the 1950s, other sources are often available. The lack of a general price index is, therefore, serious and capable of remedy.

Inflation and deflation are ubiquitous forces which manifest themselves in many ways. Any effort to summarize these forces in a single numerical measure necessarily invites argument. Even the centering of attention upon prices may be misleading; deflation generally appears in movements other than prices and inflationary pressures may dissipate themselves in queues or exchange and price controls. Nevertheless, prices are important and it is prices that will concern us here.

<sup>1.</sup> These six cost-of-living (or consumers' price) indices (published by the Central Statistical Office) are for "government and commercial employees (clerical) in Karachi" and for "industrial workers", in (each of) Karachi, Lahore, Sialkot, Khewra and Narayangani. The C.S.O. also calculated, up to 1954, an implicit National Income price deflator; the reasons why this index was not published explicitly and why it was discontinued after 1954 are unknown. These indices are discussed further and compared to our index in Section III.

<sup>2.</sup> Published, with about two month's lag, in the C.S.O. Statistical Bulletin.

There are many accepted ways of combining dissimilar price movements into a single index. The index presented in this monograph is merely one of these ways, but it is believed to be a good measure of the changes in prices paid for goods by Pakistanis. More technically, it is an index of wholesale prices of commodities absorbed into final, domestic uses, weighted by the amounts so absorbed. The index is annual for 1951-52 through 1959-60 (July to June) with 1951-52 as the base year.

#### SECTION I

#### METHODOLOGY

Implicit in the definition of the index are answers to the basic questions which the construction of any price index faces: what prices? of what goods? with what weights? over what time period? and with which year as the base? Each of these decisions are discussed very briefly below (and at great length in the Appendix on Methodology).

### 1. Wholesale prices

In an economy without imperfect markets, vagaries of transportation, temporary local shortages and fluctuating channels of distribution, one could reasonably expect a consistent relationship between retail and wholesale prices (and between prices in different areas). Since such an expectation would, in Pakistan, court certain disappointment, the choice of which price series to use is not trivial. But these very factors which make the difference between wholesale and retail prices so significant simultaneously render the calculation of an appropriate retail price series nearly impossible. The great number of different retail markets leads us to prefer consideration of the relatively few wholesale price quotations for each commodity.

# 2. Commodities absorbed into final, domestic uses

The basic choice between goods entering a market and goods entering their final use is settled in favour of the latter, because their composition is less sensitive to changes in institutional factors (as, for example, the degree of vertical integration of firms). For a general price index, it would be difficult to defend a system of weights not

based upon either quantity produced in the economy or quantity absorbed by (or available to) the economy. If a national income deflator is desired, the former is the obvious choice; but, for a measure of inflation, the latter is to be preferred. The reason for this preference is seen by considering a good produced solely for export. If the price of such a good rises, the price rise is "exported"—that is, the price change has no direct effects upon prices paid by Pakistani users. Indirect effects there certainly will be, through the impact of the price change on incomes and profits, but this does not affect the measurement of inflation. Similarly, an appropriate index of prices in Pakistan must give weight to goods traded, though not currently produced, in Pakistan—i.e., imported goods and goods released from stocks.

#### 3. Annual from 1951-52 to 1959-60

No effort is made to construct the index for periods of less than a year in order to avoid the many problems of seasonal price movements. It is doubtful whether a quarterly (or monthly) price index could be given meaningful interpretation until greater knowlegde of, and experience with, seasonal influences on prices has been accumulated in Pakistan. Thirteen years is not enough. The index has not been carried back to partition, but only to 1951-52, because in the first years after independence, the establishment of adequate data sources was just beginning. A price index for 1947-48 through 1951-52 would necessarily have such limited coverage as to be of questionable value.

## 4. With 1951-52 as the base year

While a normal, typical year is essential for the base of any fixed-weight index, the search for one in Pakistan's brief history is futile. If the Korean boom, its aftermath and the Plan period are to be avoided, 1951-52 emerges as the best choice.

The above paragraphs describe what the price index is; if the index is not to be misused, it is perhaps equally important to specify what it is not. It would be noted that the index is:

(1) not a cost-of-living index.—First, the prices used here are wholesale prices, whereas retail prices are clearly more appropriate to

the cost-of-living. (The previously mentioned problems in the use of retail prices would obviate any attempt to construct a meaningful cost-of-living index for all of East or West Pakistan). Second, many of the goods considered by our index are investment goods. Third, even for the consumer goods in this index, the weights have not been derived from consumer budgets and hence would only coincidentally be appropriate to a cost-of-living index.

(2) not a national income price index.—First, production is here explicitly rejected as a weighting system, although it would be appropriate to a national income price index, or deflator. Second, a deflator must either use retail prices or explicitly consider the value added by the retailing sector of the economy; neither has been done here. Third, there are several non-production sectors of the economy whose services are included in national income (e.g., government, banking and insurance, transport and communications, etc.); they are here neglected, something a national income deflator cannot properly do. An effort is made in Section IV to estimate national income in current prices (over 1954-55 to 1959-60). The purpose of that effort (which is of quite uncertain accuracy) is chiefly to forestall the illegitimate use of the wholesale price index in this respect.

Three price indices are computed: (1) the Laspeyre, where the price movement of each commodity is weighted by the domestically absorbed value of that item in 1951-52; (2) the Paasche, where the price movement is weighted by the value in the current year; and (3) the Fisher, which is the geometric mean of the other two indices. Only this latter is given in the text of the monograph.

The remainder of this monograph presents and describes this index. Section II offers a description (with proximate causes) of the movements of the index over the past decade. In Section III, the index is compared to other price indicators. And, in Section IV, an attempt is made to estimate national income in current prices and a national income price deflator. Details on the procedures followed in the construction of the index are given in the Appendix on Methodology.

### SECTION II

### Analysis of the Index

An attempt is here made to analyse the immediate, or proximate, causes of movements in the index for each wing. A general explanation would necessarily involve the money supply, foreign trade controls, success of crops, etc. This is not done here where the purpose is more modest—namely, to point out some salient features of the indices and to indicate the extent various prices move with the index of all prices.

The East Pakistan price index experienced more violent fluctuation during this period than West Pakistan. Whereas in West Pakistan the general price index (Fisher) fell from 100.00 in 1951-52 to 81.7 in 1954-55 and rose to 119.9 in 1959-60, in East Pakistan it declined from 100.00 in 1951-52 to 58.7 in 1954-55 and rose to 123.7 in 1959-60 (Table 1).

TABLE 1

East Pakistan Price Index	West Pakistan Price Index	All Pakistan Price Index
 (1)	(2)	(3)
 100.0	100.0	100.0
 96.4	114.2	105.3
 76.1	98.8	87.5
 58.7	81.7	70.2
 83.4	93.2	88.3
 118.2	112.0	115.1
 113.4	109.4	111.4
 117.6	113.2	115.4
 123.7	119.9	121.8
	(1) 100.0 96.4 76.1 58.7 83.4 118.2 117.6	Price Index     Price Index       (1)     (2)        100.0        96.4        76.1       98.8        58.7       81.7        83.4       93.2        118.2        113.4        117.6       113.2

There are two chief reasons for the more violent fluctuation of the general price index of East Pakistan than of West Pakistan. First, the price of rice in East Pakistan was subject to a greater fluctuation (from a low of Rs. 13.25 per maund in 1954-55 to a high of Rs. 32.02 in 1959-60) than the price of wheat in West Pakistan (from a low of Rs. 8.94 per maund in 1954-55 to a high of Rs. 15.31 in 1952-53). Secondly, any fluctuation in the price of rice in East Pakistan induces a greater change in the price index than does an equal fluctuation in the price of wheat in West Pakistan (other things being equal) simply because of the heavier weight of rice in East Pakistan index.

TABLE 2

Year	Percentage Change in Rice Price in East Pakistan	Percentage Change in East Pakistan Price Index	Percentage Change in Wheat Price in West Pakistan	Percentage Change in West Pakistan Price Index
	(1)	(2)	(3)	(4)
1952-53	 2.2	-3.6	29.6	+14.2
1953-54	 <b>—27.</b> 1	-21.0	20.8	—13.5
1954-55	 -26.4	—22.9	—26.3	—17.3
1955-56	 +58.0	+42.0	÷21.7	+14.1
1956-57	 +47.2	+41.8	+33.3	+20.1
1957-58	 <b>—</b> 7.3	<b>—4.</b> 1	<b>—9.9</b>	-2.3
1958-59	 +6.7	+3.7	+12.9	+3.4
1959-60	 +5.0	+5.2	10.2	+5.9

The change in the index in each wing can always be largely explained by the change in the price of one heavily weighted food item.

In the case of East Pakistan, a change in the price of rice always induced a change in the price index in the same direction, and often by an equal amount. In the case of West Pakistan, a change in the price of wheat almost always induced a change in the general price index in the same direction, although usually by a smaller amount. Table 2 illustrates the situation.

The greater correspondence between the rice price in East Pakistan and the East Pakistan price index (than between the wheat price in West Pakistan and the West Pakistan price index)<sup>3</sup> is largely explained by the heavier weight of rice in East Pakistan than of wheat in West Pakistan. Wheat in West Pakistan averaged 24.4 per cent of the total weights during 1951-60 while rice in East Pakistan averaged 80.2 per cent of the total weights.<sup>4</sup>

It is useful to divide the non-rice/wheat<sup>5</sup> items into four broad categories: (1) non-rice/wheat agricultural goods; (2) those commodities which are either primarily exported or primarily imported, *i.e.*, the commodities whose prices are foreign-oriented; (3) those commodities which are primarily manufactured and consumed within the wing; and (4) those items which are primarily imported from the other wing.

Among these four groups of commodities, the prices of the non-rice/wheat agricultural items fluctuated most violently, the extent of fluctuation being in most cases more than 100 per cent of the minimum prices. But the changes in their prices also revealed a high degree of correlation with the changes in the index of the current year (as would be expected from casual analysis of either demand or supply). The following table contains the coefficients of correlation between the percentage price changes of these commodities (in each wing) and the percentage changes in the price index of that wing.

<sup>3.</sup> The coefficient of correlation between the changes in East Pakistan price index and the changes in rice price is +.99 and the coefficient of correlation between the changes in West Pakistan price index and the changes in wheat price is +.93. All correlations discussed in this section are presented in Appendix F.

<sup>4.</sup> Cf. Appendix E.

<sup>5.</sup> That is, all commodities other than rice in East Pakistan and other than wheat in West Pakistan.

TABLE 3

	Commodity			Correlation: East Pakistan Index	Correlation: West Pakistan Index
				(1)	(2)
1.	Wheat		·	+.68	(+.93)
2.	Rice			(+.99)	+.51
3.	Grams			+.89	+.74
4.	Mash			+.66	+.81
5.	Moong			+.89	+.88
6.	Masoor			+.69	+.60
7.	Jawar*			1 1 1 M - 1-36	+.77
8.	Bajra*			ofcan <u>ar</u> gala	-⊱.80
9.	Maize*			1 1 2 2 2 3 1	- <del> -</del> .91
10.	Barley*			_	+.87

<sup>\*</sup> Items 7-10 are not included in the East Pakistan Index.

The fluctuations in the prices of the items in the second group (with foreign-oriented prices) were considerably less than those of the first group but at least as violent as those of the third (domestically produced and consumed manufactures). It should, however, be remembered that a large part of the movements in the foreign-oriented prices was due to the devaluation in 1955. Changes in some of the prices of the commodities in the second category appear to have been fairly well correlated with the changes in the indices (motor tyres, motor tubes and kerosene oil) in both the wings. 6 But the rather tenuous relationship between the prices of the other commodities in this category and the indices makes it impossible to arrive at any generalization. This lack of relationship is to be expected, of course, from the very fact that the prices of those commodities are foreign-oriented.

<sup>6.</sup> Cf. Appendix F.

The relationship between the domestically manufactured and consumed goods in the third category and the price index is rather tenuous in East Pakistan. Although the changes in the prices of such goods in West Pakistan are not well correlated with the changes in the current year's price index, they are quite highly correlated in most cases with the changes in the *previous* year's price index. The following table shows these correlations for West Pakistan.

TABLE 4

			Coefficient of Correlation					
	Commodity		C	With changes of the current year's index	of th	n changes e previous r's index		
				(1)		(2)		
1.	Refined Sugar			- 08		+.71		
2.	Cement			<b>⊹.27</b>	, ,	+.80		
3.	Coal	•••		<b>⊹.27</b>		+.63		
4.	Motor Spirit	•••		+.28		+.61		
5.	Fine Cloth	•••		+.03		+.64		
6.	Medium Cloth	•••		+.19		+.78		
7.	Coarse Cloth			+.51		+.64		

This phenomenon may be explained in various ways, a full discussion of which is beyond the scope of this study. Our knowledge of the process of inflation, and its transmission between different sectors, in Pakistan is far from complete; it is hoped that this price index will encourage further research in this field.

Fluctuations in the prices of the commodities in the fourth category (commodities primarily imported from the other wing) was rather small (about 40 per cent increase over the minimum prices or less, except in the case of jute cloth in West Pakistan where it is 100 per cent). The relationship between the changes in the prices of these items and the changes in the indices is, as would be expected, uncertain.

<sup>7.</sup> In fact there are few such items in the East Pakistan index.

In the remaining part of this section, the relation between the movements in the indices and the movements of the prices of individual commodities will be considered for each year. As has already been said above, the changes in the index can always be largely explained by changes in the price of wheat in West Pakistan and rice in East Pakistan. In this part, therefore, only the changes in non-rice/wheat prices will be discussed.

#### 1952-53

### West Pakistan (Price Index 114.2: Increase 14.2%)

The prices of most agricultural commodities went up generally much more than the index. The prices of raw sugar, tea and fish went down to a considerable extent. The prices of manufactured items went up while those of imported items such as steel goods, autotyres and tubes, and coal actually declined.

### East Pakistan (Price Index 96.4: Decrease 3.6%)

While the foreign-oriented prices (coal, autotyres and tubes, jute cloth) showed a declining trend, the prices of most of the other non-agricultural commodities rose from the preceding year. Among the agricultural items except rice, the prices of moong, masoor, raw sugar and tobacco declined while those of grams and mash rose.

### 1953-54

### West Pakistan (Price Index 98.8: Decrease 13.5%)

The prices of all the agricultural commodities except rice, mustard and masoor came down uniformly. The prices of salt, tobacco and tea increased. In case of manufactured items, prices of kerosene oil, steel, tyres and tubes, paper and jute cloth recorded some decline while those of others either remained constant or increased.

# East Pakistan (Price Index 76.1: Decrease 21.0%)

Most agricultural prices declined. Prices of tea and tobacco increased while that of fish declined. In case of non-agricultural items only the

prices of gunny bags, matches and motor spirit showed slight increases.

#### 1954-55

### West Pakistan (Price Index 81.7: Decrease 17.3%)

There was a remarkable decline in the prices of all the agricultural goods in the index except tobacco. Prices of tobacco and fish increased to some extent. There was also a general decline in non-agricultural prices except steel.

### East Pakistan (Price Index 58.7: Decrease 22.9%)

The prices of most of the agricultural commodities declined. There was also a general decline in the prices of non-agricultural items.

### 1955-56

# West Pakistan (Price Index 93.2: Increase 14.1%)

Most of the agricultural prices recorded increases. Prices of refined sugar, tobacco and fish declined considerably. Prices of many of the manufactured items went down while the foreign-oriented prices (autotyres and tubes, and gunny bags) increased due to the devaluation of the Pak currency in August 1955.

### East Pakistan (Price Index 83.4: Increase 42.0%)

The prices of most of the agricultural commodities moved upwards although in most cases to a lesser extent than the index. There was also a general increase in the prices of the manufactured items.

# 1956-57

# West Pakistan (Price Index 112.0: Increase 20.1%)

All the agricultural prices moved upwards. Most of the manufactured goods recorded higher prices. The increase was especially remarkable in cases of some of the imported items such as steel goods, coal and auto-tyres.

## East Pakistan (Price Index 118.2: Increase 41.8%)

There was general rise in the prices of all the agricultural items and most of the manufactured items.

#### 1957-58

### West Pakistan (Price Index 109.4: Decrease 2.3%)

The prices of most of the manufactured goods increased with the exception of matches and gunny bags. The prices of rice, bajra, barley, grams, masoor, refined sugar, and fish also recorded considerable increase.

### East Pakistan (Price Index 113.4: Decrease 4.1%)

Among the agricultural commodities, the prices of wheat, raw sugar, tobacco and mustard increased while those of grams, mash, moong, and masoor declined. The prices of refined sugar, tea and fish increased considerably. Among the manufactured goods the prices either moved upward or remained unchanged (except in cases of matches and gunny bags, where it actually declined).

# 1958-59

# West Pakistan (Price Index 113.2: Increase 3.4%)

The prices of rice, mash, moong, raw sugar and tobacco decreased whereas all other agricultural prices revealed an upward trend. The prices of refined sugar and fish moved sharply upward. Among the non-agricultural items the prices of cement, jute cloth, coal, gunny bags, matches and auto tyres and tubes declined. The prices of paper and steel goods declined sharply. The prices of other manufactured items either remained constant or moved only slightly.

### East Pakistan (Price Index 117.6: Increase 3.7%)

The prices of most of the agricultural commodities actually declined. Noticeable price increase was found in the case of refined sugar, fish, and rape and mustard. The prices of some non-agricultural items (e.g., kerosene oil, coal, auto tyres, jute cloth and paper) increased while those of others (e.g., gunny bags, matches, cotton textiles and auto tubes) declined.

#### 1959-60

### West Pakistan (Price Index 119.9: Increase 5.9%)

The price index in West Pakistan rose despite a 10.2 per cent decline in the price of wheat. This unusual phenomena occurred because all the agricultural, manufactured, and foreign-oriented commodities in the index (except bajra, moong, mustard and coal) recorded price increases.

### East Pakistan (Price Index 123.7: Increase 5.2%)

Agricultural prices went up generally at least as much as the index. The prices of manufactured commodities and foreign-oriented goods also increased (except in cases of kerosene, motor tyres, and cigarettes).

# SECTION III

# COMPARISON WITH OTHER PRICE INDICATORS

A comparison of the wholesale price index with other price indices is helpful in assessing the accuracy and bias of the index. Of course, no two price indicators measure quite the same thing, but wide differences require explanation. In this section, the wholesale price index is compared with the following:

- (1) Cost-of-living indices for industrial workers in selected centres.
- (2) Consumers price index for government and commercial employees (clerical) in Karachi.
- (3) Indices of import and export prices.

A simple average of the C.S.O. cost-of-living indices for industrial workers at Karachi, Lahore, Khewra, and Sialkot is used to represent

a West Pakistan cost-of-living index; Narayanganj, the only centre in East Pakistan for which a cost-of-living index is available, is used for East Pakistan.8

In both wings, the cost-of-living indices reflect, as does the whole-sale price index, a general decline in prices up to 1954-55 and a rise thereafter. But the extent of the price changes is not the same. The cost-of-living index at Narayanganj declines 16 per cent during the pre-Plan period and rises 39 per cent during the Plan period, in contrast to a 41 per cent decline and a 111 per cent rise in the wholesale price index. Similarly, in West Pakistan, the cost-of-living index rose 4 per cent over 1951-55 and increased 18 per cent over 1955-1960, as opposed to a decline of 18 per cent and a rise of 47 per cent in the wholesale price index. In short, the cost-of-living indices have moved much less, in both directions, than the wholesale price indices.

There are several possible explanations for this difference in sensitivity to price changes. Most obvious is the fact that the cost-of-living indices are based largely on controlled prices, which move slowly and reluctantly. While the weights assigned to food items in the indices are comparable to those in the wholesale price indices, 10 the other weights are quite different. The cost-of-living indices are based upon expenditures (in 1944) of workers having an income of Rs. 80-100; the wholesale price index weights rest upon amounts of goods entering final, domestic use. Thus, the cost-of-living index includes the damping effect of rents and services, whose prices have moved less violently over the 1950's. It is also possible that retailers' real incomes, as with other services, move inversely with the price level; if this is so, a cost-of-living index, which uses retail prices, would move relatively less than a wholesale price index.

Despite the differences in the volatility of the cost-of-living and

<sup>8.</sup> These indices are presented in columns (4) and (5) of Table 5. All indices in Table 5 are converted to a 1951-52 base in order to make them comparable to the wholesale price index (presented for East, West, and all-Pakistan in columns (1) through (3) of Table 5).

<sup>9.</sup> See, for example, the relationship of controlled and free market prices of wheat in West Pakistan and rice in East, given in Note 2 of the Appendix on Methodology.

<sup>10.</sup> Foods receive 63 per cent of the total weights in the West Pakistan cost-of-living index and 75 per cent in East Pakistan. For the weights in the wholesale price indices, see Appendix E.

wholesale price indices, the year-to-year movements should be checked for inexplicable differences in direction. In East Pakistan, inverse movements occur in 1952-53 and 1957-58; in West Pakistan, in 1955-56, 1957-58, and 1958-59. The explanation of these differences primarily rests, in every case, in the diverse movements of free and controlled prices. 11

The C.S.O. Consumers Price Index for Government and Commercial Employees (clerical) in Karachi<sup>12</sup> moves very closely with the West Pakistan cost-of-living index, showing a 1 per cent rise in the pre-Plan period and a 19 per cent rise in the Plan period. Although based upon a higher family income (Rs. 240), this index is computed in very similar fashion to the industrial workers' cost-of-living indices. Thus, it differs from the wholesale price index in the same way.

To the extent that urban workers buy at controlled prices, the C.S.O. cost-of-living indices are useful. And even if they do purchase significantly at free prices, the differences in concept between a cost-of-living index and the wholesale price index are sufficiently great that the two should never be considered interchangeable. The wholesale price index is *not* a cost-of-living index.

A comparison of the all-Pakistan wholesale price index with the C.S.O. indices of import and export prices (columns (7) and (8) Table 5) indicates that wholesale prices moved much more closely with import prices than export prices. This is to be expected since imports are considered in the wholesale price index while exports are not. Nevertheless, a large proportion of Pakistan's imports consists of items (such as chemicals, machinery and transportation equipment) which are not included in the index, so that the similarity of movement of the wholesale price index and import prices must be considered somewhat coincidental. Certainly the manner in which changes in export and import prices affect the domestic price level is too complex to be casually explained.

<sup>11.</sup> Some indication of this can be seen in Note 2 of the Appendix on Methodology.

<sup>12.</sup> Given in column (6) of Table 5. It is available only on a calendar year basis for several years and hence has been reconstructed, for comparability, with 1952 as base and using 1952 as 1951-52, 1953 as 1952-53, etc. Only the first seven months of 1960 are used for 1959-60.

TABLE 5
Price Indicators in Pakistan

Year	Wholesale Price Indices			Cost of Living Indices			Import	Export Price
Tear	East Pak- istan (1)	West Pak- istan (2)	All Pak- istan (3)	East Pak- istan (4)	West Pak- istan (5)	mers Price Price Index Index (Karachi) (6) (7)	Index (8)	
1951-52	100	100	100	100	100	100	100	100
1952-53	96	114	105	104	111	102	82	59
1953-54	76	99	88	97	109	102	90	57
1954-55	59	82	70	84	104	101	86	60
1955-56	83	93	88	100	103	104	128	73
1956-57	118	112	115	104	112	112	152	82
1957-58	113	109	111	111	120	116	162	81
1958-59	118	113	115	111	114	110	164	74
1959-60	124	120	122	116	123	120	165	73

Sources: Columns (1)—(3); Appendix C.

Columns (4)—(8), C.S.O. Statistical Bulletins.

### SECTION IV

### NATIONAL INCOME IN CURRENT PRICES

The need for a series of national income in current prices is so great that there is real danger of the incorrect use of the wholesale price index for this purpose. To anticipate and forestall such abuse, this section derives, from the material used in the wholesale price index, a current price national income series and the deflator (i.e., price index) implicit in the constant price national income conversion. The procedure is a series of assumptions and approximations; and the error in the results may be quite large.

From 1949-50 to 1953-54, the C.S.O. published estimates of national income both in constant and in current prices; these are given in columns (1) and (2), respectively, of Table 6. From 1954-55, however, only the constant price national income has been calculated. The early estimates of constant price national income have been revised slightly since 1955 (column (3) of Table 6), and it seems advisable to revise proportionately the early estimates of current price national income (column (4)). The estimates of columns (3) and (4) are used throughout this section.

Table 6

National Income of Pakistan

(In million Rs.)

V		Earlier E	Estimates	Later Estimates		
Year		(Constant Prices)	(Current Prices)	(Constant Prices)	(Current Prices)	
		(1)	(2)	(3)	(4)	
1949-50		17204	16815	17238	16849	
1950-51		18266	17151	18324	17205	
1951-52		18066	18469	18161	18566	
1952-53		18339	18275	18482	18418	
1953-54		19213	18156	19447	18377	

Sources: Columns (1) and (2): C.S.O. Pakistan Statistical Yearbook, 1955, pp. 39-44.

Column (3): Government of Pakistan, Budget, 1960-61, Statistics Section, p. I.

Column (4): equals the products of columns (3) and (2) divided by column (1).

There are many ways of viewing the components of national income. Let us consider the following breakdown:

(1) 
$$Y = C_g + C_s + I_f + I_i + G_g + G_s + X - M$$

where: Y is national income in current prices,

 $C_g$  is consumption of goods,

C<sub>s</sub> is consumption of services, 13

If is investment in fixed capital,

Ii is inventory investment,

G<sub>g</sub> is government purchase of goods,

G<sub>s</sub> is government purchase of services, 13

X is export of goods and services, and

M is imports of goods and services.

From this equation, some idea of the coverage of the wholesale price index can be derived (and this will prove necessary in order to estimate current price national income). *Ideally*, the index covers all the goods absorbed domestically, *i.e.*,  $C_g$ ,  $G_g$ , and  $I_f$ . But these quantities cannot be calculated directly from the national income data.

Equation (1) can be rewritten with the terms of the ideal coverage of the index,  $(C_g+G_g+I_f)$ , on the left:

(2) 
$$(C_g+G_g+I_f)=Y-I_f-(C_s+G_s)-(X-M)$$

In order to estimate the ideal coverage, one needs to know all the terms on the right side of (2). National income in current prices (Y) is given by the C.S.O. through 1953-1954. Inventory investment may be cursorily handled by assuming it to be 1 per cent of national income. 14 There is no data on household and government consumption of services, but there is data for production of services. Since consumption of services equals production less exports plus imports of services, equation (2) may be rewritten:

(3) 
$$(C_g + G_g + I_f) = .99 \text{ Y} - P_s - (X - M)_g$$

Where P is output of services  $^{15}$  and  $(X-M)_g$  is the export of goods less the import of goods.  $^{16}$ 

<sup>13.</sup> Services are here more broadly defined than usual; they include banking and insurance, transport and communications, construction, rental income, and wholesale and retail trade as well as what are usually considered services.

<sup>14.</sup> A value typical of countries for which this data is available.

<sup>15.</sup> In accordance with the broad definition of services here adopted, P<sub>s</sub>. is found by subtracting the product of agriculture, mining and manufacturing from national income.

<sup>16.</sup> This is simply the "balance of trade" as computed by the C.S.O. and available on a July-June basis in the State Bank annual Currency and Finance Reports.

Thus, for the years in which current price national income data is available and the wholesale price index calculated (i.e., 1951-52 through 1953-54), the ideal coverage of the index,  $(C_g + G_g + I_f)$ , can be computed from equation (3) (column (3) of Table 7).

The actual coverage (i.e.,  $\stackrel{>}{\uparrow}$   $p_i^t$   $q_i^t$ , as given in Appendix C) is in column (4) and the ratio of actual to ideal coverage (column (4) divided by column (3)) in column (5).

TABLE 7
Coverage of Wholesale Price Index

(In million Rs.)

Year		Output of Services, (Ps)	Balance of Trade (X—M) <sub>g</sub>	Ideal Coverage	Actual Coverage	Fraction Covered
1051 50		(1) 6262	(2) —233	(3)	(4) 9256	(5) .75
1951-52 1952-53	• • •	6262	233 126	12351 12105	9256 9798	.75 .81
1953-54		5998	120	12075	9006	.75

This suggests that the index covers, in fact, about 75-80 per cent of the value of goods that it would ideally comprise. The estimate of  $(C_g+G_g+I_f)$ , derived from the actual coverage of the index, permits us to estimate current price national income in the years since 1953-54. Rearranging the terms of equation (3), and taking the ratio of actual to ideal coverage as .77:

(4) 
$$Y = \frac{1}{.99} \left[ \frac{1}{.77} = p_i^* q_i^* + P_s + (X-M)_s \right]$$

The only problem in estimating current price national income from the quantities on the right-side of equation (4) is P<sub>s</sub>. One would expect that the C.S.O., when it ended the current price national income series, would also stop collecting P<sub>s</sub> in current price terms. Fortunately, however, the values of P<sub>s</sub> used in the constant price national income calculations are largely in current prices.<sup>17</sup>

As a result, constant price national income less that part of it originating in agriculture, mining and manufacturers may be used as

<sup>17.</sup> See C.S.O., Statistical Bulletin, Feb. 1955, pp. 149-154.

an approximation to the value of output of services in current prices. 18 The current price national income estimates for 1954-55 through 1959-60 are given below (in column (4)).

TABLE 8
Current Price National Income Estimates

(In million Rs.)

Year	len a	Actual Coverage of Index	P <sub>s</sub>	(X—M) <sub>g</sub>	Estimate of National Income (current prices)	C.S.O. National Income (current prices)
(3)		(1)	(2)	(3)	(4)	(5)
1951-52		9256	6262	—233	18232	18566
1952-53		9798	6003	126	19044	18418
1953-54		9006	5998	120	17994	18377
1954-55		7266	6265	120	15981	
1955-56		8787	6059	458	18110	
1956-57		13726	6270	727	23605	
1957-58		13262	6544	-630	23371	
1958-59		12958	6585	—253	23395	
1959-60		15608	6536	-618	26453	

Column (5) is reprinted from column (4) of Table 6 for comparative purposes. Of course, columns (4) and (5) are far from independent estimates. 19

The next task is to calculate the national income price index, or deflator. This can be defined by any of the three formulas given earlier (Laspeyre, Paasche or Fisher) where the p's refer to sale price and the q's to the quantity domestically produced for final use or export.<sup>20</sup> Knowledge of current price and constant price national income are by

<sup>18.</sup> This was also done in Table 7, column (1).

<sup>19.</sup> The difference between columns (4) and (5) is attributable to the fact that the actual coverage of the index is not 77 per cent of the ideal in each year (see Table 7, column (5)).

<sup>20.</sup> Under the value added approach to national income, the p's refer to value added per unit of output. The result is conceptually identical.

themselves insufficient to permit computation of the various price indices. If, however, it is assumed that the Laspeyre and Paasche formulas yield the same values, the national income deflator can be approximated easily by:

(5) Deflator (t) 
$$= \frac{\text{National Income(t)}}{\text{National Income(t)}} \cdot \frac{\text{National income(b)}}{\text{National Income(t)}} \cdot \frac{\text{in constant prices}}{\text{National Income(b)}}$$
in constant prices in current prices

Where t is the current year and b is the base year. (This formula is derived in Note 1 at the end of this section). We shall set b = 1951-52 in order to compare the deflator to the wholesale price index. The current and constant price national incomes, the national income deflator and the wholesale price index are presented in Table 9 below:

Table 9 (In million Rs.)

					,
Year	Period	National Income (constant prices)	National Income* (current prices)	National Income Deflator	Wholesale Price Index
		(1)	(2)	(3)	(4)
1949-50		17238	16849	96	_
1950-51		18324	17205	92	-
1951-52		18161	18566	100	100
1952-53		18482	18418	97	105
1953-54		19447	18377	92	88
1954-55		19857	15981	79	70
1955-56		19516	18110	91	88
1956-57	•••	20785	23605	111	115
1957-58		20987	23371	109	111
1958-59		20927	23395	109	115
1959-60	•••	21897	26453	118	122

<sup>\*</sup>CS.O. estimates through 1953-54; the estimates of column (4), Table 8 thereafter.

Only once does the national income deflator move in a different direction than the wholesale price index, and this reflects the tremendous drop in export prices over 1951-53, a movement which does not directly influence the wholesale price index. The relatively greater stability of the national income deflator derives from its inclusion of services whose prices move less violently from year to year.

Finally, it should be repeated that *much less* confidence should be placed in the national income deflator series than in the wholesale price index. The C.S.O. has recently shown interest in renewing its estimates of current price national income; if and when that occurs, the estimates made in this section will become *obsolete*. For the interim, however, these estimates may be of value, despite their possibly serious errors.

### Note 1. Derivation of the National Income Deflator:

Let  $Y_t$  be national income in current prices in year t and  $X_t$  be national income in constant prices in t. The "constant prices" are the simple average of prices over the four years, 1949-50 to 1952-53. Let t=0 in 1949-50. Then,

(6) 
$$Y_t = \sum_i^x p_i^t q_i^t$$

(7) 
$$X_t = \frac{r}{7} \left[ \frac{p_1^0 + p_1^1 + p_1^2 + p_1^3}{4} \right] q_1^4$$

Where p is the sale price (less indirect taxes) and q is the quantity domestically produced for final use or export.

The national income price index is, by Laspeyre's formula (see Appendix on Methodology):

(8) 
$$\frac{\sum_{i}^{x} p_{i}^{t} q_{i}^{2}}{\sum_{i}^{x} p_{i}^{2} q_{i}^{2}}$$
 and by Paasche's formula,

$$(9) \qquad \frac{7}{5} p^{\epsilon} q^{\epsilon}$$

where the base year, t=2 is 1951-52. The assumption (or approximation) that these formulas are equivalent is a euphemistic way of saying that

(10) 
$$q_i^t = a_t q_i^2$$

where at may vary with t but does *not* vary with i—in other words, that the quantities of all goods change, between any two years, by the same proportion. If this is so, the two index number formulas become identical; *i.e.*, equation (9) becomes:

(11) Deflator (t) = 
$$\frac{\sum_{i} p_i^t q_i^t}{a_i \sum_{i} p_i^t q_i^t} - \frac{Y_t}{a_t Y_2}$$

Under this assumption (10), equation (7) may be re-written as

(12) 
$$X_t = \frac{a_t}{4} \left[ \frac{1}{a_0} \sum_{i=1}^{n} p_i^0 q_i^0 + \frac{1}{a_1} \sum_{i=1}^{n} p_i^1 q_i^1 + \frac{1}{a_2} \sum_{i=1}^{n} p_i^2 q_i^2 + \frac{1}{a_3} \sum_{i=1}^{n} p_i^3 q_i^3 \right]$$
 and, since  $a_2 = 1$ ,

(13) 
$$\frac{X_2}{X_t} = \frac{1}{a_t}$$

Equations (11) and (13) uniquely determine the national income deflator for year t (by both Laspeyre and Paasche, by assumption):

(5) Deflator (t) 
$$=\frac{X_2}{Y_2} \cdot \frac{Y_t}{X_t}$$

This is formula (5) of the text.

# APPENDIX ON METHODOLOGY

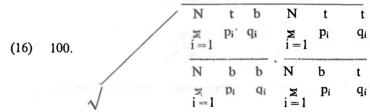
The wholesale price index is computed for East and West Pakistan separately and for all Pakistan by means of three formulas: Laspeyre's,

(14) 100. 
$$\frac{\mathbf{z}}{\mathbf{z}} = \mathbf{p}_{i}^{t} \mathbf{q}_{i}^{b}$$

$$\mathbf{z} = \mathbf{p}_{i}^{t} \mathbf{q}_{i}^{b}$$

$$\mathbf{i} = 1$$

and Fisher's "ideal" formula,



Each of these three formulas yields a price index for the year t, where the symbols have the following meaning:

pi: the price of the ith commodity in the tth year,

q<sub>i</sub>: the quantity weight of the i<sup>th</sup> commodity in the t<sup>th</sup> year. the subscript i: refers to the i<sup>th</sup> good. There are i = 1, 2, ..., N different commodities in the index; N is 25 in the East Wing index, 35 in the West Wing index.

The superscript t: refers to the value of the variable in the  $t^{th}$  year. t=0, 1, ..., T in this index; t=0 refers to 1951-52, t=b refers to the base year (in this paper b=0 since the base year has been chosen as 1951-52) and t=T=8 refers to 1959-60.

For the base year (when t = b), each of the three formulas yields a value of 100.

This is not the place to discuss at length the merits and demerits of each formula.<sup>21</sup> The chief merit of Laspeyre's formula is that the

<sup>21.</sup> That is sufficiently done elsewhere. Cf. I. Fisher, *The Making of Index Numbers*, Houghton Mifflin Co., Boston & New York 1927. pp. 538 or more recently, A. Mudgett, *Index Numbers*, Wiley, New York, 1951. pp. 135.

change in the index is not influenced by a change in the weights; its chief demerit is that the weights can become obsolete as time passes (changed structure of production, appearance of new goods, etc.). The merits and demerits of Paasche's formula are the reverse of those of Laspeyre's. Fisher's formula, the geometric mean of the two other formulas, is "ideal" only in that it is the simplest reliable formula that is "reversible" (i.e., the index for year 1, using year 0 as base, is the inverse of the index for year 0, using year 1 as base). In Appendix C, the indices according to all three formulas are given; in the text, only the index derived by Fisher's formula is presented.

If one looks carefully at the formulas, the five basic questions of index-number calculation can be seen in their symbols: What prices (p)? Of what goods, *i.e.*, what coverage (i = 1, ..., N)? With what weights<sup>22</sup> (q<sub>i</sub>)? Over what time period (t = 0, 1, ..., T)? And with which year as the base (b)? The remainder of this section consists of a detailed discussion of these choices.

### 1. Prices23

The decision to use wholesale rather than retail prices avoids the necessity of choosing meaningfully from thousands of retail prices. The choice of wholesale prices reduces the magnitude of the problem but does not remove it altogether; while wholesale price figures are available at only a few market centres, they are generally available at more than one. As with retail prices, if there were no market imperfections between different centres it would be legitimate to use the prices of any one centre as representing prices everywhere. If there is market imperfection, some error is involved wherever any one price is used, although it can be made small by choosing a "typical" price and an "important" centre.<sup>24</sup>

In the case of the East and West Wings of Pakistan, prices of the same commodities have often had diverse trends because of trans-

<sup>22.</sup> Strictly, the q's are not weights, but quantities; see Appendix E.

<sup>23.</sup> The specific sources of price data (and method of computation) for each commodity is given in Appendices A and B.

<sup>24.</sup> A more rigorous discussion of this statement and of the words in inverted commas is conducted in Note 1 at the end of this section.

portation bottlenecks and governmental inter-zonal trading restrictions, together with the different consumption patterns of the two regions. For this reason, in the construction of the all-Pakistan index, a particular commodity in the East Wing and that same commodity in the West Wing are treated as two distinct commodities.

Within each Wing, however, the price at one centre is taken as representative of prices at different centres; it would be better to use prices at each centre (weighted by the quantity sold at that centre), but such a course is not possible with existing data. Thus, one centre is chosen for each good—"important" and "typical" insofar as possible. For similar reasons, where different qualities of a commodity were traded at a particular centre, the price of a "typical" and "important" grade is used insofar as possible. 25

The proper handling of a given commodity at a given centre at different times of the year also presents problems. Ideally, perhaps, one should treat a single commodity at different times as equivalent to different commodities; such a procedure would be, even if possible, enormously time-consuming. Here, it is assumed that the seasonal pattern of prices and sales is invariant—this permits average price over the year (from weekly or monthly data) to be considered as the price of the commodity (at a particular centre) for that year.

EAST WING

Raw Sugar (C)	Tea (G)
Tea (C, G)	Matches (R, S)
Tobacco (C)	Cloth (C, R)
Matches (C, R, S)	Paper (G, S)
Fine Cloth (S)	Coal (G, S)
Paper (G, S)	Rice (S)
Cement (G, S)	old house and a line (a)
Coal (G S)	

The letters in parentheses indicate the exceptional treatment the commodity received.

Average price of more than one centre

WEST WING

Average price of more than one grade

Retail prices are used (adjusted down for retailers' profit margins).

More than one price series used over the period.

The details of all sources and adjustments are given in Appendices A and B.

<sup>25.</sup> In the case of thirteen commodities (eight in the West and five in the East Wing), it was either not possible or not reasonable to use, for the entire period, a single wholesale price quotation for one grade at one centre. These commodities are listed below:

A further complication arises from the simultaneous existence of free-market prices and controlled prices for the same product, same time, and same place. Indiscriminate use of controlled prices would lead to serious under-estimation of the actual changes in the price level, and of free-market prices to over-estimation. <sup>26</sup> Ideally, a partly rationed (or price-controlled) good might be considered as two goods, the controlled price being used for the part sold through the controlled market and the free-market price being used for the remainder. This cannot be done in fact because of the inadequacy and incomparability of the data on controlled market sales. As an approximation, for these goods which are sold *primarily* in controlled markets, the controlled price is used. <sup>27</sup> For all other goods, *only* the free market price is used. To the extent that these goods are also traded on controlled markets at lower prices, this procedure leads to error. The extent of this error is, however, probably small. <sup>28</sup>

Two final, and perhaps conceptually the most intractable, price problems involve the valuation of farm products which never leave the grower (or, more generally, never enter the monetized sector of the economy). In the first place, should such commodities be considered in an index of price change at all? All economists would agree that inflation is a phenomenon of a money economy, some would argue that the concept is applicable only to the monetized sector. But this latter claim applies only if the non-monetized part of the economy is quite far removed, literally and figuratively, from the monetized sector. Because farmers, in Pakistan, *choose* not to sell that part of their output which they consume themselves (though this choice may be so customary that the farmer is barely aware of it), the prices of self-consumed farm products should be, and are, included in the price index. This decision, however, raises the second probelm: at what price should self-consumed output be valued? To this, there is no

<sup>26.</sup> If no distinction between actual and "suppressed" inflation were desired, free-market prices might be preferred; even then, they would probably still overestimate the price level change that would have occurred in the absence of controls (because the income effect of lower controlled prices contributes to higher free prices.)

<sup>27.</sup> In this category are, for the East Pakistan index, wheat and refined sugar, and for the West Pakistan index, rice and refined sugar.

<sup>28.</sup> Estimates of the error in the cases of wheat in West Pakistan and rice in East Pakistan are made in Note 2 at the end of this section.

easy answer; here such production is valued at the same wholesale price as that output which is in fact delivered through a wholesale marketing centre. It should be clear to the user of this index that these are crucial decisions for the movements of the index are greatly affected by them.

#### 2. Coverage

"Ideal" coverage by this index would imply inclusion of all goods delivered into final use within Pakistan. This "ideal" coverage can of course never be attained with the less-than-perfect data with which one necessarily deals. Nevertheless, in the effort to achieve a close approximation to it, two chief sources of error must be attacked: first, that of including a particular item twice (or more) and second, that of failing to include a particular item at all.

Double counting, the first source of error, must be avoided lest the price changes of a particular commodity be given undue influence in the index. Thus, raw cotton is excluded from the index, for its price changes are reflected through finished textiles. Similarly raw jute and sugar-cane are either directly exported or further processed before attaining final use in Pakistan. Less easy is the disposition of goods which, by their nature, are sometimes final and sometimes intermediate, e.g., coal or electricity.

Failure to include, the second source of error, arises from the paucity of data for certain commodities. Insufficient information to permit inclusion in the index exists, in the agricultural sector, for fruits, vegetables, meats, milk and dairy products and, in manufactures, for many products of small-scale industry and for products whose quality and/or composition has altered over the period. To a certain extent these gaps can be covered by using, in the index commodities that are known to be intermediate in the production of such (reluctantly excluded) commodities. The sum of two errors, counting some intermediate goods and failing to count some final goods, will often yield the best result. For example, adequate data exists for tobacco and cigarette production but not for bidi output; therefore tobacco is included in the index as a proxy for bidis.<sup>29</sup> There is still

<sup>29.</sup> More accurately, that part of tobacco which does not enter cigarette production is included in the index; this elimination is required to avoid double-counting of the tobacco in cigarettes.

error—the wholesale price of bidis differs from that of tobacco and will correlate less than perfectly with that of tobacco—but to exclude both tobacco and bidis would certainly incur larger error. For this reason several other intermediate (or partially intermediate) goods are included in computing the index, e.g., steel tubing, gunny bags, electricity, cement. It is therefore possible that the index will over-cover or under-cover its "ideal"—that is, either source of error may predominate. In fact, the second source is far more important; despite the device of including some intermediate goods, many commodities are necessarily, but incorrectly, omitted. The analysis of Section IV suggests that the coverage of the index is about 75-80 per cent of its ideal, or perfect, coverage. This evidence, however, is drawn entirely from the early years of the index (1951-52 to 1953-54), and the error in all of the analysis of Section IV is possibly large.

Even this evidence does not, of course, imply that there is equally complete coverage of all sub-groups of commodities (as, for example, food, agricultural non-food, primarily imported, etc.). It is probably safe to suggest (as an untestable hypothesis) that the index covers agricultural goods much more completely (perhaps 85-95 per cent of "ideal") than non-agricultural. To the extent that this is true, the index reflects over-much the movements in prices of agricultural goods; and, since these are the more volatile prices of the Pakistan economy, the index may overstate the extent of general price changes.

Some tests are made in Appendix D which suggest that the volatility of the price index is *not* primarily the result of undercovering non-agricultural commodities. Because of this and because any adjustment of the weights to compensate for uneven coverage is arbitrary, it is believed that making no such adjustments represents the best procedure.<sup>30</sup>

### 3. Weights

In the construction of the index (for each wing), the price of each good (in that wing) is weighted by the amount absorbed by final users

<sup>30.</sup> There is also the temptation to produce an overly volatile index in order partly to compensate for the overly sluggish character of the other price indices presenty computed in Pakistan.

(in that wing). The net absorption of the ith commodity in the tth year (q!) is computed as follows:

(17) 
$$q_i^t = P_i^t + S_i^t + I_i^t + M_i^t - E_i^t - X_i^t$$

where: P is production.

S is change in stocks (in equation (17) the + sign applies when stocks decrease, the — when stocks increase),

I is imports from foreign countries,

M is imports from the other Wing,

E is exports to foreign countries,

X is exports to the other wing.

The superscript t refers to the year, and the subscript i refers to the commodity. The problems faced and the assumptions made in deriving the availabilities,  $q_i^t$  from the six right-side components (in 17) are discussed below.<sup>31</sup>

(a) Production (P) and Change in Stocks (S).—No problems would be encountered if all production and stocks data were published on a July-June basis by wings. In some cases this is so, and in many other cases it can be achieved by resort to unpublished data (of C.S.O., Central Board of Revenue, Department of Fisheries, etc.). Generally, adequate production data is obtained, but stocks figures are either not available or very inadequate.

Where stocks data are not available, much bias may be introduced naively using production figures under the assumption that stocks remain unchanged from one June to the next. Nevertheless, in the case of manufactures, whenever figures for stocks are not available, this assumption is made. In the case of agricultural commodities, it is

<sup>31.</sup> The specific sources of data and the values of P, S, I, etc. for each commodity are given in Appendices A and B. The resulting values of qi are also there. The "weight" of each goods in the index is discussed and presented in Appendix E.

assumed that stocks become negligible at some time of the year but that there is a lag between the time these goods are harvested and the time they are made available to final users. For simplicity, a threemonth lag is assumed. Thus, those crops harvested in March-June are assumed to be absorbed (i.e., become available and exhausted) during the subsequent July-June period; those crops harvested in July-February are assumed to be absorbed during the current July-June period.<sup>32</sup> This assumption is of course not accurate, <sup>33</sup> and may be responsible for bias in the index; but no better is readily available from present data.

- (b) Foreign Trade (I, E).—Data for imports and exports are published by C.S.O. for most commodities on an all-Pakistan basis. Unpublished data of C.S.O. is used to place these figures on a wing basis.
- (c) Inter-wing Trade (M, X).—These figures are collected by C.S.O., although, for some commodities, the inter-wing trade data cannot be derived because the C.S.O. categories are not appropriate to those of this index. In these cases, the inter-wing trade is assumed zero. This source of error is not significant because the inter-regional trade of all such commodities is certainly small.

Some problems arise concerning the internal consistency of the data. For each commodity (consider the ith ) the data for production (Pi) are generally gathered from the same source for all the years (t = 0, 1, ..., T); so also for stocks  $(S_i^t)$ , for imports from foreign countries (Ii), etc. To the extent that one dares "expect" anything of datacollection, it is that a single time series, collected by a single agency, will be internally consistent—that is, the observations at different points of time may be compared to each other with confidence. The series may well be too low or too high throughout, but there is confidence that the year-to-year changes are fairly accurate. But when it comes

<sup>32.</sup> The crops which are harvested during March-June (and hence for which production of the preceding July-June period is used in calculating absorption) are wheat, bailey, gram, masur, tobacco and rape and mustard. (One of the three East Pakistan rice crops, the *boro* harvest, occurs during March-April; since it is less than 5 per cent of total rice production, all East Pakistan rice is assumed to become available in the July-June period of its harvest).

33. For example, the *aman* (December-January) rice crop in East Pakistan is rarely exhausted by the following July. But it would be difficult to specify the fraction which carries into the subsequent July-June period.

to comparing two different time series, even if collected by the same agency, confidence must wane. Where one is too high, the other may be too low. When calculating the weights,  $q_i^t$ , it is this latter comparison that is made. While there is hope for a cancelling out of high and low series, nevertheless it must be recognized that greater error is possible in the final weights  $(q_i^t)$  than in any of the component series  $(P_i^t, S_i^t, \text{etc.})$ . 34

For this reason the resulting weights are checked carefully for obvious absurdity. Absurdity occurs, by any definition of that word, whenever the computed absorption of the commodity is negative. This happens on three occasions. In some other cases adjustments are made to avoid apparently unreasonable (though positive) values for the amounts absorbed. All such corrections are noted in the tables of Appendices A and B.

A weighting problem of quite a different character arises in the attempt to calculate an all-Pakistan index: how should one weight the price indices of each wing? A straight formula application of the intra-wing method would be to weight each wing's index by its total value. But the value in the East wing index is sufficiently larger than that of the West wing in all years to give us pause. More national income is certainly created in West Pakistan than East. 35 While the coverage of national income and our index differs greatly in concept,

# 24. Mathematically, one may write:

$$\begin{bmatrix} q_i^o \\ q_i^l \\ \vdots \\ \vdots \\ q_i^T \end{bmatrix} = \begin{bmatrix} P_i^o \\ \vdots \\ p_i^l \\ \vdots \\ p_i^T \end{bmatrix} + \begin{bmatrix} S_i^o \\ S_i^l \\ \vdots \\ \vdots \\ S_i^T \end{bmatrix} + \begin{bmatrix} I_i^o \\ I_i^l \\ \vdots \\ \vdots \\ I_i^T \end{bmatrix} + \dots - \begin{bmatrix} X_i^o \\ X_i^l \\ X_i^l \\ \vdots \\ X_i^T \end{bmatrix}$$

While each of these vectors for P, S, I, etc. may be *internally* comparable (i.e. column-wise,  $P_i^t$  with  $P_i^{t-1}$ ), we cannot be so confident that they are externally comparable (i.e., row-wise,  $P_i^t$  with  $S_i^t$ ). But it is this latter comparison which the computation of  $q_i^t$  makes.

<sup>35.</sup> C.S.O. estimates put the West wing national income (in constant prices) 10—15% above East wing for 1956-58.

the relation between the two wings should not be reversed. This apparent anomaly undoubtedly results from the implicit over-weighting of agricultural commodities (see page 29), together with the greater relative preponderance of agriculture in the East Pakistan economy. In short, the East wing index very probably has coverage nearer the "ideal" than the West wing (although such a hypothesis is untestable). Thus, it is decided to give the East wing index less weight in the all-Pakistan index than its total values would suggest. Arbitrarily, but certainly *not* on the principle of insufficient reason, the simple arithmetic average of the wing indices is used. <sup>36</sup>

#### 4. Time Period

The index is annual (July-June) over the period 1951-52 to 1959-60. The index was not constructed for the years before 1951-52 because of the lack of data (the main source of data for this index, the C.S.O., began publication in 1952). The temptation to produce the index on a quarterly (or monthly) basis is resisted in the interest of expediency and accuracy. An index covering periods of less than a year falls prey to many seasonal influences; if these are not known and stated, confusion may occur in the interpretation of the index. It is perhaps still too early (after only ten adequately recorded data years—years of structural change and exogenous shocks of many types) to know the seasonal pattern of prices in Pakistan; and, even if possible, the uncovering of such knowledge would greatly delay publication of the index.

The index is prepared on a July-to-June basis because much of the production data is available (or readily available) only on this (i.e., "trade year") basis. If adequate data on changes in stocks from month to month were always available, this July-June device would be unimportant. Where there are drastic assumptions (of constancy or exhaustion) of stocks at a particular date, however, the "trade-year" choice may lead to greater error than another basis. But consideration of other bases is obviated by the fact that much production data exist only in July-to-June form.

<sup>36.</sup> This procedure follows from (or implies) the assumption that total values in the East wing and West wing would be equal if 'ideal' coverage were achieved.

### 5. Base year

The choice of one year from the turbulent decade of the 1950s for use as a base of the index is difficult. But the decision for 1951-52 as the base period seems almost inevitable if one surveys the succeeding years. 1953-54 and 1954-55, the "post-Korean" years, were notable for the collapse of the export boom and the resulting deflationary tendencies in the economy. A 31 per cent devaluation of the Pakistan rupee occurred during 1955-56. Since then, the price level has been subject to the pressures of increasing development expenditure under the First Plan. The year, 1951-52, has the advantage of being a period of fewer general controls than in later years on prices, production and imports; and in that year prices did not differ much from the preceding two years. For these reasons 1951-52 is preferred not only to any other year but also to any combination of it and other years.

### Note 1: The Choice of a Representative Centre

In the text, it is claimed that the error in the index resulting from market imperfections can be reduced by considering a "typical" price and an "important" centre. This note attempts to give more exact meaning and justification to these two concepts.

Assume, for simplicity, that the multi-centre problem applies only to the first good, which is sold at J centres (denoted by the subscript j=1, ..., J). The price and quantity sold at the  $j^{th}$  centre in the  $t^{th}$  year are  $p_i^s$  and  $q_j^t$  respectively (t=0, 1, ..., T). If these prices differ among centres (at a particular time) the use of any one centre's price, weighted by total sales at all centres, would usually lead to error. The accurate index would consider each centre as if it sold a different commodity; for example, the Laspeyre index (with year 0 as base):

(18) 
$$\frac{\sum_{i}^{n} p_{i}^{t} q_{i}^{o} + (...)}{\sum_{i}^{n} p_{i}^{o} q_{i}^{o} + (...)}$$

where the expression, (...), represents the terms for all other goods. Consider now a simpler index which uses the price of only one centre (say  $p_k^t$ ) and weights that price by the total amount sold at all centres:

(19) 
$$\frac{p_k^* + q^* + (...)}{p_k^* + q_1^* + (...)}$$

where (...) is the same as before. This index differs from the "accurate" index (18) only in the entries for the first good. The difference in the numerators of the two indices can be written:

(20) 
$$q_{i}^{s} = q_{i}^{s} - p_{k}^{t} q_{i}^{s}$$
  

$$= q_{i}^{s} - p_{k}^{t} q_{i}^{s}$$

$$= (p_{i}^{t} - p_{k}^{t}) q_{i}^{s} + ... + (p_{k-1}^{t} - p_{k}^{t}) q_{i-1}^{s} + ... + (p_{k+1}^{t} - p_{k}^{t}) q_{k+1}^{s} + ... + (p_{i}^{t} - p_{k}^{t}) q_{i}^{s}$$

$$+ (p_{k+1}^{t} - p_{k}^{t}) q_{k+1}^{s} + ... + (p_{i}^{t} - p_{k}^{t}) q_{i}^{s}$$

It should be noticed that this difference, or "error", depends upon two elements: 1) the extent of the difference between prices in the kth centre and other centres; and 2) the quantities sold in all centres except the kth centre.

Since the "simple" index (19) is a great deal easier to compute than the "accurate" index (18) there is an advantage to using it if the size of this error can be kept small enough. But the problem of this monograph is different, namely, that the availability of data permits construction *only* of the "simple" index, and the kth centre must be chosen so as to minimize the error involved. Inspection of the error (20) indicates the criteria that are relevant to the choice of k:

- 1) the price in the  $k^{th}$  centre should differ as little as possible from prices in other centres, *i.e.*, the terms  $(p_j^t p_k^t)$  for j = 1, ..., J should be made small. This is what is meant by choosing a "typical" price.
- 2) the  $k^{th}$  centre should be one in which a large part of the total quantity is sold, *i.e.*,  $q_k^t$  should be large relative to the other  $q_j^t$ . This follows from the fact that the quantity,  $q_k^t$ , does not enter the equation for the error. This is what is meant by choosing an "important" centre.

While this indicates that an error-minimizing choice of centre can be made in each year, it does not insure that the same centre will be chosen every year. Implicit in the choice of a particular centre (or group of centres) for the entire period, 1951-52, to 1959-60, are the assumptions that the relative importance of the different centres does

not change much over the period and that the price relationships between different centres do not change much over the period. Briefly, these assumptions might be labelled a constant structure of distribution and a constant degree of market imperfection.

It cannot be contended that, in fact, the choice of centre (k) is always the best one, for the very data restrictions which preclude consideration of each centre separately (i.e., the only information on the q<sub>i</sub>'s is their sum over all j) also preclude accurate choice of the error-minimizing (k).

#### Note 2: Use of Free or Controlled Prices

The simultaneous existence of free and controlled markets, often with widely different prices, presents a problem of choice of price for the index. With a few exceptions, only the free market prices are used in construction of the index. A defense of this neglect of the controlled market in the cases of rice in East Pakistan and of wheat in West Pakistan is offered below.

In this note, the subscripts i and the superscripts t will, for simplicity of notation, be omitted (but understood). Write  $p_f$  and  $p_c$  as free and controlled prices, respectively, and  $q_f$  and  $q_c$  as quantities sold at the free and controlled prices, respectively. The ideal index would then use the value  $(p_f q_f + p_c q_c)$ . For all but a few commodities, the controlled price is neglected in this index; the value  $p_f (q_f + q_c)$  is used, the difference between this and the ideal being  $q_c (p_f - p_c)$ . This difference, divided by the actual value used, gives an indication of the error (e) incumbent upon this procedure:

(21) 
$$e = \frac{q_c (p_i - p_c)}{p_i (q_i + q_c)}$$

Let  $q' = q_c/q_i$  and  $p' = p_c/p_i$ ; then the error may be written:

(22) 
$$e = \frac{q'(1-p')}{1+q'}$$

This "error" is computed in Tables 10 and 11 for each of wheat in West Pakistan and rice in East Pakistan respectively, for several years.

TABLE 10 Wheat: West Pakistan

Year	orl odd	q <sub>c</sub> (in 1000 tons)	q <sub>f</sub> (in 1000 tons)	q'		p <sub>f</sub> (Rs. per manud)	(1—p')	е
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
1951-52		(1) 284	3592	(3) .08	11.25	11.81	.05	***
1952-53	1107	734	2784	.26	12.50	15.31	.18	.03
1953-54		1027	2076	.49	12.81	12.13	<b>—.06</b>	02
1954-55	, of 1	267	3320	.08	11.13	8.94	<b>—.25</b>	02
1955-56		457	2706	.17	10.88	10.88	*	*
1956-57		852	2954	.29	12.25	14.50	.16	.03
1957-58		808	3386	.24	12.25	13.06	.06	.01
1958-59		1023	3084	.33	12.25	14.75	.17	.03

\*Zero.
\*\*less than .005 in absolute value.

Sources: Data for P<sub>c</sub> from Ministry of Food, Govt. of Pakistan.

Data for q<sub>c</sub> taken equal to: Govt. procurements less changes in government stocks plus Govt. imports less Govt. exports. The first two figures obtained from Ministry of Food and Agriculture, Govt. of Pakistan; the latter two figures obtained from C.S.O.

Date of p<sub>f</sub> and q<sub>f</sub> from Appendix B. q<sub>f</sub> is total absorption less q<sub>c</sub>.

TABLE 11 Rice: East Pakistan

Year	q (in 1000 tons)	q <sub>f</sub> (in 1000 tons)	q'		p <sub>f</sub> (Rs. per maund)	(1—p')	e
	 (1)	(2)	(3)	(4)	(5)	(6)	(7)
1951-52	 219	6868	(3) .03	20.00	25.25	<b>`.21</b>	<b>`.</b> 01
1952-53	 172	7229	.02	20.44	24.69	.16	.01
1953-54	 42	8253	.01	21.25	18.00	<b>—.18</b>	·
1954-55	 41	7550	.01	21.25	13.25	60	<b>01</b>
1955-56	 226	6239	.03	20.00	20.75	.04	*
1956-57	 529	8191	.06	20.00	30.83	.35	.02
1957-58	 368	7820	.05	20.44	28.58	.28	.01
1958-59	 671	6538	.09	22.50	30.50	.26	.02

\*less than .005 in absolute value.

Sources: Data for pc from Ministry of Food, Govt. of Pakistan.

Data for q<sub>c</sub> obtained from Dept. of Food and Agriculture, Government of East Pakistan.

Data for  $p_f$ ,  $q_f$  from Appendix A.  $q_f$  is total absorption less  $q_c$ .

Thus, e is never above 3 per cent in absolute value. And, since wheat and rice receive only a fraction (albeit a large one) of the total weights in the indices, one may fairly safely conclude that the use of a value figure which is less than 3 per cent in error would lead to an error in the total index also less than 3 per cent.<sup>37</sup> The error in the index caused by neglected controlled markets of other less heavily weighted commodities would, a fortiori, be even smaller.

Still, under ideal conditions, it would be better to avoid even this error by treating the controlled and free markets as if different commodities were sold in each. Unfortunately, the data for quantities sold in controlled markets are sufficiently dissimilar to the data for total absorption that more error would probably be created than avoided by such treatment. In any case, a far more serious problem is begged—how to price the farmers' self-consumed output.

## APPENDIX A

## SYMBOLS AND EQUIVALENTS

1 million	= .1 crore = 10 lakhs	
1 ton		
1 maund	= 82.29  lbs = 40  seers	
i • ii	Provisional	
10 01, 10 02, 11 02, 12 03, 13 04, 14 05, 15 06, 16 07, 17 08, 18 08,	Nil or Insignificant	
	Not available.	

<sup>37.</sup> This statement rests on intuition, not proof. Counter-cases, where the index error is larger than 3 per cent, can easily be conceived, but not with great plausibility.

## Superscripts:

- a indicates average prices of 1 to 3 months quotations.
- b indicates average prices of 4 to 6 months quotations.
- c indicates average prices of 7 to 9 months quotations.
- d indicates unpublished data.
- e indicates estimated.

Year means from 1st July to 30th June unless specified otherwise.

## Abbreviations:

CSO ... Central Statistical Office, Government of Pakistan.

CSOB ... Statistical Bulletin (monthly publication) issued by the Central Statistical Office.

CSOYB ... Data obtained from: CSO Year Book, 1955 for 1951-55; C.S.O. Bulletins, March 1955, July 1955 and July 1956, for 1955-56; and C.S.O. Bulletin, Sept., 1960 for 1956-60.

MFA ... Ministry of Food and Agriculture, Government of Pakistan.

LCSP ... Ministry of Food and Agriculture, Land and Crop Statistics of Pakistan, Fact Series III, March 1959.

CBR ... Central Board of Revenue's Statistical Office (Government of Pakistan).

# APPENDIX A TABLE 1 Net Availability and Price of Wheat (West Pakistan)

									(Q	Quantity in 000 Tons		
		1	Š.	Produc-	Changes	Impor	ts from	Expo	rts to	N7.4	En.	
Year			A STATE OF	tion	in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Net Avail- ability	Price Rs. per Maund	
1951-52				3,930				41	13	3,876	11.81	
1952-53				2,962	5-8	563			7	3,518	15.31	
1953-54				2,367	2.0	740			4	3,103	12.13	
1954-55	·		ē	3,587	-	4			4	3,587	8.94	
1955-56				3,136	-	48			21	3,163	10.88	
1956-57				3,316		609			19	3,806	14.50	
1957-58	•••			3,582	-	626			14	4,194	13.06	
1958-59				3,521	_	593		B	7	4,107	14.75	
1959-60				3,840	_	806		·	17	5,629	13.25	

Sources: 1. Production

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

CSOYB.
CSO for 1951-59 and MFA for 1959-60.
Pakistan Times, 1951-60—Lyallpur quotations. Price is given per maund for convenience.

LCSP for 1951-59 and CSOB, Nov. 1959 for 1959-60. Production is assumed to be absorbed in subsequent year.

TABLE 2 Net Availability and Price of Rice (West Pakistan)

(Quantity in 000 Tons)

			Produc-	CI.	Impo	rts from	Expo	rts to	Net	Price
Year			tion	Changes in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per Maund
1951-52	 		719				67	74	578	17.31
1952-53	 		819	_			90	67	662	18.94
1953-54	 		906	_			50	50	806	20.13
1954-55		•••	825	_			77	2	746	18.25
1955-56	 		828	_			107	26	695	18.94
1956-57	 		831	_				3	828	23.88
1957-58	 	•••	863	_			77	50	736	28.50
1958-59	 		970				36	164	770	26.25
1959-60	 		979	_			80	83	816	31.91

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

LCSP for 1951-59 and CSOB Sept., 1960, for 1959-60.

CSOYB
MFA
CSOB, 1952-60. Quotations of medium quality at Karachi. Price is given per maund for convenience.

TABLE 3 Net Availability and Price of Jowar (West Pakistan)

			Produc-	Changes	Impo	rts from	Expe	orts to		
Year		1	 tion	in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Price Rs. per Maund
1951-52			 204,465	delinete					204,465	7.88
1952-53		•••	 219,605						219,605	17.31
1953-54		,	 288,193	-					288,193	9.06
1954-55			 220,462	******					220,462	6.81
1955-56		•••	 248,966	-					248,966	8.13
1956-57		•••	 254,235	ent-met					254,235	11.75
1957-58			 180,944	*****					180,944	11.94
1958-59	•		 211,082	-		Pakistan		partition.	211,082	13.25
1959-60			 229,000	CIP	(Impor	la Bom - East	Abroada	East	229,000	14.00

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

LSCP for 1951-59 and CSOB Sept. 1960 for 1959-60.

CSOB, 1952-60; Multan quotations. Price is given per maund for convenience.

TABLE 4 Net Availability and Price of Bajra (West Pakistan)

								(Quantity	in Tons)
Lives Un	 	 1.8'000	GI	Impor	ts from	Expo	orts to	Net	Price
Year		Produc- tion	Changes in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Avail- ability	Rs. per Maund
1951-52	 	 265,139						265,139	11.88
1952-53	 	 266,824	_					266,824	19.81
1953-54	 	 460,440	_					460,440	11.00
1954-55	 	 348,303	_					348,303	8.31
1955-56	 	 340,038						340,038	10.56
1956-57	 	 362,512	_					362,512	13.00
1957-58	 	 273,420		• • •				273,420	15.25
1958-59	 	 302,516	_					302,512	15.69
1959-60	 	 324,000	_					324,000	14.83

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

LCSP for 1951-59 and CSOB Sept. 1960 for 1959-60.

CSOB 1952-60; Multan quotations. Price is given per maund for convenience.

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TABLE 5 Net Availability and Price of Maize (West Pakistan)

0.15		 1.17000		Impo	rts from	Exp	orts to		12.01
Year		Produc- tion	Changes in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Price Rs. per Maund
1951-52	 	 376,975	_					376,975	11.25
1952-53	 	 346,350						346,350	17.25
1953-54	 	 402,091	_					402,091	11.56
1954-55	 	 425,353						425,353	8.13
1955-56	 	 450,304	_					450,304	10.88
1956-57	 	 446,856						446,856	13.56
1957-58	 	 439,968	-					439,968	12.44
1958-59	 	 464,900	<u></u>	1.0	1	Ammal	1	464,900	14.94
1959-60	 	 478,000	Charles	pulsari	10.00	ruer	ra rgi.	478,000	15.95

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

LCSP for 1951-59 and CSOB, Sept., 1960 for 1959-60.

CSOB 1952-60; Lyallpur quotations. Price is given per maund for convenience.

TABLE 6 Net Availability and Price of Barley

(West Pakistan)

(Quantity in Tons)

		Duadin	Characa	Impor	ts from	Exports to		Net	Price
Year	 	Produc- tion	Changes in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Avail- ability	Rs. per Mauno
1951-52	 	 128,796						128,796	8.00
1952-53	 	 99,549						99,549	12.81
1953-54	 	 91,635				•••		91,635	8.88
1954-55	 	 127,050	_					127,050	6.00
1955-56	 	 104,425	_					104,425	7.38
1956-57	 	 125,752						125,752	9.06
1957-58	 	 113,136					. *:•	113,136	9.75
1958-59	 	 156,393	_		·			156,393	11.25
1959-60	 	 145,000	- K (	·		·		145,000	11.69

absorbed in subsequent year.

Changes in Stocks
 Interwing Trade
 Foreign Trade
 Price

CSOB 1952-60; Multan quotations. Price is given per maund for convenience.

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TABLE 7 Net Availability and Price of Gram (West Pakistan)

		Produc-	Changes	Impor	ts from	Exp	orts to	NY	Price
Year		tion	in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Rs. per Maund
1951-52	 	 744,336					5,298	739,038	9.06
1952-53	 •••	 422,231					2,315	424,546	17.31
1953-54	 	 315,786					1,786	314,000	14.06
1954-55	 	 561,621					1,961	559,660	7.56
1955-56	 	 593,701					1,869	591,832	9.44
1956-57	 	 688,782					30,003	658,779	10.56
1957-58	 	 681,271					13,053	668,218	11.50
1958-59	 	 651,139	244		1	of the second	1,681	649,458	13.75¢
1959-60	 	 562,000	A		1,40		8,471	553,529	15.27

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price
- LCSP production is assumed to be absorbed in subsequent year.
- CSOB, 1952-60; Okara quotations. Price is given per maund for convenience.

TABLE 8 Net Availability and Price of Mash (West Pakistan)

(Quantity in Tons)

			D d	Chaman	Impor	ts from	Expo	rts to	Net	Price
Year			Produc- tion	Changes in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Avail- ability	Rs. per Maund
1951-52	 		14,309						14,309	25.06
1952-53	 		14,537						14,537	29.13
1953-54	 		22,177	*****	•••				22,177	17.44
1954-55	 		15,156	*****					15,156	13.69
1955-56	 	•••	15,596	Acres	•••				15,596	22.44
1956-57	 		13,209						13,209	30.13
1957-58	 		11,911		•••				11,911	29.44
1958-59	 	·	14,000	Month	•••		•••	,	14,000	22.25
1959-60	 		14,000	-					14,000	24.17

Sources: 1. Production

LCSP for 1951-58 Figures for 1958-59 and 1959-60 are based on the average of the preceding four years.

- Changes in stocks
   Interwing Trade
   Foreign Trade
   Price
- Entire quantity of pulses is assumed to be Masur.

CSOB, 1952-60 Multan quotations. Price is given per maund for convenience.

TABLE 9 Net Availability and Price of Moong

			1 (160 )	POSSURE I					(Quantity	in Ions)
			Produc-	Changes	Impo	rts from	Expo	orts to	1	
Year			tion	in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Price Rs. per Maund
1951-52	 		28,128						28,128	29.25
1952-53	 		25,431						25,431	37.94
1953-54	 •••		30,185						30,185	25.38
1954-55	 ·	• • • •	25,620						25,620	17.19
1955-56	 		27,557			•			27,557	27.88
1956-57	 		25,543						25,543	41.38
1957-58	 		21,207						21,207	40.00
1958-59	 		21,207						21,207	32.06
1959-60	 		21,207			1	4.21		21,207	30.38

Sources: 1. Production

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

LCSP for 1951-59. Figure of 1957-58 is repeated in 1958-59 and 1959-60 for want of data.

... Entire quantity of pulses is assumed to be Masur.

CSOB, 1952-60; Quotations of split (Punjab) at Karachi. Price is given per maund for convenience.

TABLE 10 Net Availability and Price of Masur (West Pakistan)

(Quantity in Tons)

				CI.	Impor	ts from	Expo	orts to	Net Avail- ability	Price
Year	4 1 4		 Produc- tion	Changes in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Avail-	Rs. per Maund
1951-52			 25,485	_		422		3,374	22,533	14.50
1952-53			 25,213			7,144			32,357	15.38
1953-54			 20,251			1,789			22,040	15.81
1954-55			 27,035			160		•••	27,195	10.06
1955-56			 37,835	_		455			38,290	10.06
1956-57		•••	 31,475	_		103			31,578	13.50
1957-58			 32,950			523			33,473	17.56
1958-59			 29,733			3,692			33,425	17.34
1959-60			 29,733	_		748			30,481	19.78

Sources: 1. Production

LCSP for 1951-59. Figure of 1958-59 is repeated in 1959-60 for want of data. Production is assumed to be absorbed in subsequent year.

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

CSOYB. CSOB, 1952-60; Lyallpur quotations. Price is given per maund for convenience.

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TABLE 11 Net Availability and Price of Raw Sugar

		 	0.098	(West	Pakistan)				(Quantity	in Ions)
			Produc-	Changes	Impor	ts from	Ехро	rts to		110000
Year			tion	in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Price Rs. per Maund
1951-52		 	501						501	29.63
1952-53	•••	 	654	-					654	17.09
1953-54		 	826	_					826	14.69
1954-55	•••	 	815	_					815	14.50
1955-56		 	743	_					743	22.81
1956-57		 	766						766	24.97
1957-58		 	947						947	19.41
1958-59		 	1,005	-					1,005	14.88
1959-60		 ,	937	<del></del>					937	25.13

Report on Sugar Industry of Pakistan. March, 1958, (p. 140) for consumption of cane by mills. LCSP and CSOB Sept., 1960 for production of sugarcane. Production is estimated at 10 per cent of the total sugarcane produced minus cane consumed by mills for production of refined sugar. Mill consumptions of sugar cane in 1957-60 is estimated on the basis of average yield and production of refined sugar.

- Changes in stocks
   Interwing Trade
   Foreign Trade
   Price

CSOB, 1952-60; average of first quality gur at Lyallpur and Mardan. Price is given per maund for convenience.

TABLE 12 Net Availability and Price of Refined Sugar

(West Pakistan)

(Quantity in 000 Tons)

				C)	Import	s from	Expo	rts to	Net-	Price
Year		 	Produc- tion	Changes in Stocksd	Abroadd	East Pakistan	Abroad	East Pakistan	Avail- ability	Rs. per Maund
1951-52		 	30		94				124	44.94
1952-53		 	48	—10	40				78	49.94
1953-54	•••	 	49		57	·		11	95	50.81
1954-55	•••	 	40	+ 10	66			13	103	48.75
1955-56		 	56	5	96			1	146	45.00
1956-57		 	76	20	82			2	136	45.44
1957-58		 	121	31	69			8	151	50.75
1958-59		 	113	10	18			27	94	55.00
1959-60		 	83	+ 39				1	121	55.00

Sources: 1. Production

- Changes in stocks
   Interwing Trade
   Foreign Trade
- 5. Price

Report on Sugar Industry of Pakistan, March 1958 (P-140) for 1951-57; and CBR for 1957-60.
CBR.
CSOYB.
MFA. Imports during 1951-52 at 185,397 tons were abnormally high. Average of 1951-54 is therefore used for 1951-52.
CSOB, 1952-60; controlled price at Lahore. Price is given per maund for convenience.

TABLE 13 Net Availability and Price of Tea (West Pakistan)

								(Q	antity in 00	00 Tons)
			Produc-	Changes	Impor	ts from	Exp	orts to	N	» ·
Year			tion	in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Price Rs per lb.
1951-52		 		*****	578	17,137	1,119		15,596	2.14
1952-53	•••	 			829	26,627	688		26,768	1.94
1953-54		 			340	25,918	680		25,578	2.34
1954-55		 		_	288	23,161	1,663		21,788	3.19
1955-56		 		_	320	34,585	1,107		33,798	3.34
1956-57		 			144	28,577	1,484		27,237	3.03
1957-58	•••	 		_	155	33,218	2,161		31,212	3.16
1958-59		 		_	51	38,118	1,710		36,459	3.34
1959-60		 		_	153	40,124	320		39,957	3.98

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CSOYB.
CSOB, 1952-60.
CSOB, 1952-60; Average of jokoja dust at Karachi and white label at Lahore.

TABLE 14 Net Availability and Price of Salt (West Pakistan)

(Quantity in 000 Maunds)

	 	 	CI.	Impor	ts from	Expo	rts to	Net	Price
Year		Produc- tiond	Changes in Stocksd	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per Mauno
1951-52	 	 9,400	+300	1			2,663	7,038	4.25
1952-53	 	 8,190	+900	1		•••	1,221	7,870	4.19
1953-54	 	 9,145	—544			11	1,260	7,330	4.44
1954-55	 	 10,779	<del>804</del>				1,333	8,642	4.50
1955-56	 	 11,263	—28	1		1,184	857	9,195	4.50
1956-57	 	 11,836	—267			1,528	317	9,724	4.75
1957-58	 	 11,244	4,317			269	84	6,574	4.75
1958-59	 	 7,194	+ 49			434	3	6,806	5.00
1959-60	 	 10,312	585			439	4,193	5,095	5.00

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Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CBR. CBR. CSOYB. CSO. CSOB, 1952-60; quotations of Rock Salt at Lahore.

TABLE 15 Net Availability and Price of Cigarettes (West Pakistan)

			Produc-	Changes	Impor	ts from	Expo	rts to		Price
Year			tiond	in Stocksd	Abroadd	East Pakistan	Abroadd	East Pakistan	Net Avail- ability	Rs. per 1000 Cigarette
1951-52	 		2,764		36			182	2,618	31.94
1952-53	 		3,725	+31	18	19		134	3,659	32.25
1953-54	 	•••	4,206	+1	25	43		1,140	3,135	32.81
1954-55	 	•••	4,364	+8	22	41		814	3,621	31.56
1955-56	 		4,627	—27	1	89		724	3,966	31.56
1956-57	 	•••	5,425	16	21	23		635	4,818	34.25
1957-58	 		6,190	—1		18		356	5,851	27.50
1958-59	 		7,242	+ 18	1	36		724	5,573	
1959-60	 		8,172	+9	1	5		546	7,641	26.25 26.09

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price
- CBR. CBR. CSOYB; Quantity is estimated by dividing total value by average price during that year. CSO, CSOB, 1952-60; quotations of 'Scissors' at Karachi.

TABLE 16 Net Availability and Price of Tobacco (West Pakistan)

(Quantity in 000 lbs.)

	 		Used for	Impor	ts from	Expo	rts to	Net	Price
Year		Produc- tion	Manufac- ture of Cigarettes	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per Maund
1951-52	 	 66,277	6,991	3,494	860	4		63,636	74.94
1952-53	 	 78,369	9,338	1,980	2,156	12	1,632	71,523	82.06
1953-54	 	 57,369	10,515	2,188	1,112	9		51,145	116.94
1954-55	 	 83,990	-10,910	1,762	3,559	1	3,680	74,720	131.00
1955-56	 	 162,622	—11,563	3,222	4,654	125	10,757	148,053	97.38
1956-57	 	 107,606	—13,563	2,142	1,600	191	14,007	83,587	109.31
1957-58	 	 102,721	15,485	554	1,578	529	13,335	75,504	106.56
1958-59	 	 124,870	—18,105	138	2,996	72	14,659	95,168	103.13
1959-60	 	 122,000	-20,430	1,156	1,778	96	32,773	71,635	123.88

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- Sources: 1. Production
  - Changes in stocks
     Interwing Trade
     Foreign Trade
     Price

LCSP for 1951-59 and MFA for 1959-60. Production is assumed to be absorbed in subsequent year.
Tobacco used for cigarettes manufacturing is estimated @ one lb. per 400 cigarettes.
CSOYB.
CSO.
CSOB,1952-60; Average of prices at Sargodha and Mardan. Price is given per maund for convenience.

TABLE 17 Net Availability and Price of Fish (West Pakistan)

										(Quantity	in Ions)
				Produc-	Changes	Import	s from	Expo	rts to	1	
Year				tiond	in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Net Avail- ability	Price Rs. per Seer
1951-52		•••	•••	42,220				5,650		36,570	0.88
1952-53	•••	•••		51,342	-			5,205		46,137	0.70
1953-54		•••		59,700				7,954		51,746	0.70
1954-55			•••	62,325				7,587		54,738	0.61
1955-56				65,900				7,994		57,906	0.61
1956-57				67,100				5,769		61,331	0.83
1957-58				70,700				13,695			
1958-59				73,000					•••	57,005	0.88
1959-60						•••	•••	10,994		62,056	0.81
1939-00	•••		•••	80,000				14,333		65,667	1.16

Department of Fisheries, Government of Pakistan. Wingwise production for 1951-55 is estimated on the basis of calendar year production, which was available on wingwise basis.

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

CSO.
Cooperation & Marketing Department, Government of Pakistan, 'Markets & Prices,' 1951-60, quotations of 'Salmon' at Karachi. Price is given per seer for convenience.

TABLE 18 Net Availability and Price of Rapeseed and Mustard

(West Pakistan)

(Quantity in 000 Tons)

							`		, ,		
						Import	s from	Expo	rts to	Net	Price
Year				Produc- tion	Changes in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Avail- ability	Rs. per Maund
1951-52				196					55	141	17.94
1952-53			•••	198					50	148	19.50
1953-54			• • • •	125					65	60	23.88
1954-55				163					41	122	19.88
1955-56				216					42	174	17.75
1956-57				220					69	151	20.81
1957-58		•••		220					77	143	29.25
		•••		227	-				61	166	30.06
1958-59 1959-60	·			227	terred.				52	175	25.39

LCSP for 1951-59 and CSOB, September, 1960 for 1959-60. Production is assumed to be absorbed in subsequent year.

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

CSOYB.

CSOB, 1952-60; quotations at Lyallpur. Price is given per maund for convenience.

TABLE 19 Net Availability and Price of Fine Cloth

(Quantity	:-	$\Delta \Delta \Delta \Delta$	Colombia.

			Produc-	Changes	Impor	ts from	Expo	orts to	1	
Year		,	tiond	in Stocksd	Abroad	East Pakistan	Abroad	East Pakistan	Avail- ability	Price Rs. per Yard
1951-52	 		8,032	<b>—650</b>	more.				7,382	2.84
1952-53	 		14,064	+ 869		125		-	15,058	3.00
1953-54	 	•••	24,001	263		1,479	-		25,217	
1954-55	 		21,957	538	*****	1,745	name.		23,164	3.44b 3.06
1955-56	 •••		26,440	-3,519		1,304		5.1	177	
1956-57	 		49,123	<b>—86</b> 9		51			24,225 50,043	2.69 2.81 <sup>b</sup>
1957-58	 		39,701	642		413			1	
1958-59	 		34,241	+3,467					39,572	3.50
1050 60		•••	,	3,407		64	Manage Ma		37,772	4.38
1959-60	 		36,047	1,448	******	584	process	-	35,183	5.70

- Sources: 1. Production 2. Changes in stocks 3. Interwing Trade
  - Foreign Trade
     Price

- CBR.
  CSOYB. Imports into West Pakistan are assumed fine cloth while exports from West Pakistan are assumed medium cloth.
  CSO. Imports are not included for want of detailed information.
  CSOB. 1952 60, prices of imported long cloth (Holland) at Karachi for 1951-58. For 1958-60 prices of indigenous poplin W. 36" (Colony) at Karachi, adjusted for the difference between the prices of imported cloth and domestic cloth are used.

TABLE 20 Net Availability and Price of Medium Cloth

(West Pakistan)

(Quantity in 000 yards)

								, -	-	
		 			Impor	ts from	Expo	orts to	Net	Price
Year			Produc- tiond	Changes in Stocksd	Abroad	East Pakistan	Abroad	East Pakistan	Avail- ability	Rs. per Yard
1951-52		 	61,041	-4,943	_			26,821	29,277	1.28
1952-53		 	106,886	÷ 6,604		name of		16,086	97,404	1.316
1953-54		 	182,406	<b>—1,996</b>	-		1	23,444	156,965	1.56
1954-55		 	263,482	4,087	_		19	13,377	246,999	1.19
1955-56		 	329,457	-13,948	_		2,672	27,007	285,830	1.06
1956-57		 	239,837	-2,162	_	_	22,493	60,578	154,604	1.19
1957-58			213,222	÷7,683	_	_	2,726	65,210	152,969	1.31
	••		245,689	+4,305	_		13,223	64,394	171,822	1.19
1958-59 1959-60		 	294,097	-5,143	_	_	78,330	63,290	147,334	1.48

Sources:

59

- Production
   Changes in stocks
   Interwing Trade
- Foreign Trade
   Price

- CBR.
  CBR.
  CSOYB. Imports into West Pakistan are assumed to be fine cloth while exports from West Pakistan are assumed to be medium cloth.
  CSOB, 1952-60. Imports are not included for want of detailed information.
  CSO, 1952-60; price of long cloth 11000 w 36" (colony) at Karachi.

TABLE 21 Net Availability and Price of Coarse Cloth

(Quantity in 000 yards)

			Produc-	Changes	Impor	ts from	Expo	rts to	1	
Year	-	A	 tiond	in Stocksd	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Price Rs. per Yard
1951-52			 11,244	<b>—911</b>		_	_	_	10,333	0.88
1952-53			 19,690	+1,217		-		_	20,907	1.06
1953-54			 33,601	-368	_	_			33,235	1.19
1954-55			 28,230	<b>—753</b>	_	_	_		27,477	0.83
1955-56			 62,461	-9,262		_			53,199	0.78
1956-57			 163,038	-3,574	_		****		159,464	0.84
1957-58		1.	 261,855	<b>—3,877</b>			_		257,978	0.84
1958-59			 262,984	+9,299	bronesp	-	_		271,283	0.88
1959-60	'	••	 191,152	+ 853		, Tubi	<del>-</del>		192,005	0.98

- Sources: 1. Production 2. Changes in stocks 3. Interwing Trade

  - Foreign Trade
     Price

- CBR.
  CBR.
  CSOYB. Imports into West Pakistan are assumed to be fine cloth while exports from West Pakistan are assumed to be medium cloth.
  CSOB, 1952-60. Imports are not included for want of detailed information.
  CSOB; price of grey long cloth W. 44" at Karachi.

TABLE 22 Net Availability and Price of Hessian Cloth

# (West Pakistan)

(Quantity in 000 yards)

				Import	s from	Expo	rts to	Net	Price
Year		Produc- tion	Changes in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per Yard
1951-52	 	 		2,743		w.		2,743	0.81
1952-53	 	 		3,448	2,457			5,905	0.69
1953-54	 	 			8,259	***		8,259	0.56
1954-55	 	 			9,204	9		9,195	0.45
1955-56	 	 			14,095			14,095	0.50
1956-57	 	 			19,176	3,195		15,981	0.42
1957-58	 	 			27,505	13,453		14,052	0.44
1958-59	 	 .511			25,417	16,045		9,372	0.50
1959-60	 	 - Cod	( spring bear		9,920	7,504	. (T	2,416	0.70
								-	

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- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

CSOYB CSO. CSOB, 1952-60; price of Hessian Cloth at Karachi.

TABLE 23 Net Availability and Price of Gunny Bags

(Quantity in 000 Numbers)

		Produc-	Changes	Import	ts from	Expo	orts to	17100	Price
Year		 tion	in Stocks	Abroad₫	East Pakistan	Abroadd	East Pakistan	Net Avail- ability	Rs. per hundred pieces
1951-52	 <b></b>	 	_	10,313	687	5		11,000	209.38
1952-53	 	 		5,143	21,119			26,262	128.89
1953-54	 	 			38,020	- 1		38,019	134.00
1954-55	 	 	_	·	31,921	19		31,902	134.19
1955-56	 	 	_		35,820	2,672		33,148	152.19
1956-57	 	 	_		37,532	1,074		36,458	152.256
1957-58	 	 	_		29,613	3,326		26,287	140.94
1958-59	 	 111	2000 P	1	33,148	3,322	hales and	29,826	130.75
1959-60	 	 Produs-		1000	22,372	2,649	10.	19,723	181.31

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CSOYB. CSO. CSOB, 1952-60, Price of gunny bags at Karachi.

TABLE 24 Net Availability and Price of Paper

(West Pakistan)

		`n .	Character	Imports	from	Expo	rts to	Net	Price
Year		Produc- tion	Changes in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per Ton
1951-52	 	 	18	8,282				8,282	2100.00
1952-53	 	 		5,244	•••			5,244	2696.00
1953-54	 	 	<del>- 1</del> 1	7,796	2,575			10,371	2240.00
1954-55	 	 •••		8,506	14,405			22,911	1680.00a
1955-56	 	 •••	7.4	6,697	12,566			19,263	2170.00
1956-57	 	 	_	6,908	15,229			22,137	2170.00
1957-58	 	 		7,880	13,404			21,284	2205.00
1958-59	 	 	-	4,243	18,236			22,479	2100.00
1959-60	 	 	Chapter.	13,065	13,437	y		26,502	2170.00

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

CSOYB. Data pertain to writing and printing paper only.
CSO. Data pertain to writing and printing paper only.
CSOB, 1952-60; average of imported printing paper and imported writing paper at Karachi for 1951-53; and of white printing and creamlaid in West Pakistan for 1954-60.
Price for 1953-54 is average of 1952-53 and 1954-55.

TABLE 25 Net Availability and Price of Matches

(Quantity in 000 gross boxes)

			Produc-	Changes	Import	s from	Expo	rts to	) NT-4	Price
Year	 		tiond	in Stocks	Abroad₫	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per gross boxes
1951-52	 		38	<b>⊹16</b>	2,257	63			2,374	7.19
1952-53	 		496	+ 132	619				1,251	7.19
1953-54	 		2,141	222	177	118			2,214	10.81
1954-55	 		1,577	44	7	504			2,132	7.19
1955-56	 	٠.	1,595	+135		1,462			3,192	7.25a
1956-57	 		1,634	-I- <b>24</b>		796			2,454	7.88
1957-58	 		785	—187		4,283			4,981	7.63
1958-59	 		752	+ 180		2,210			3,142	7.31
1959-60	 		542	+4	, T.	4,064	in the same	Habracan :	4,610	7.52

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

- CBR. Production is converted into boxes containing 50 sticks each.
  CBR.
  CSOYB. Match boxes are assumed to contain 50 sticks.
  CSO. Match boxes are assumed to contain 50 sticks.
  CSOB, 1952-60. Retail prices (less 20 per cent retail profit) of 50 sticks matches at Lahore for 1951-55; Wholesale prices of 50 sticks matches at Karachi for 1955-60.

TABLE 26 Net Availability and Price of Cycle Tyres

(West Pakistan)

(Quantity in dozens)

		-	<b>D</b>	Character	. Import	s from	Expo	rts to	Net	Price
Year			Produc- tion <sup>d</sup>	Changes in Stocksd	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per dozen
1951-52	 		30,820	<b>—931</b>	1,008	_		_	30,897	90.00
1952-53	 		23,134	-+- <b>717</b>	273	_		_	24,124	90.00
1953-54	 		62,207	—513	25	_			61,719	90.00
1954-55	 		58,860	+553	5	_		_	59,418	90.00
1955-56	 		71,306	+139				_	71,167	90.00
1956-57	 		70,393	479	13	_		_	69,932	91.00
1957-58	 		104,732	+ 342	3			_	105,077	92.00
1958-59	 		81,876	+ 333		-		J-17	82,209	95.69
1959-60	 		100,426	626			7 1/17	_	99,800	104.25

Sources: 1. Production

- Changes in stocks
   Interwing Trade
   Foreign Trade
   Price
- CBR. For 1951-56 production of cycle tyres and tubes was grouped together. Figures are segregated on the basis of 1956-60 ratio which was 2:3. CBR.
- CSO. CSOB, 1952-60; price of National Road Master 28"×1½" at Karachi.

TABLE 27 Net Availability and Price of Cycle Tule;

(Quantity in dozens)

				The state of					(Quantity i	n nozens)
			Produc-	Changes	Import	ts from	Ехро	rts to	Net	Ргісе
Year		-	tiond	in Stocksd	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per dozen
1951-52	 		46,230	1,398	4,156	_			48,988	40.50
1952-53	 		34,700	+1,077	15,972	_		_	51,749	40.13
1953-54	 		93,311	770	8			_	92,549	36.00
1954-55	 		88,290	+830		_		_	89,120	36.00
1955-56	 		106,459	<b>—20</b> 9	15	_		· —	106,765	34.50
1956-57	 		105,596	<b>—826</b>	5			_	104,775	32.50
1957-58	 		148,237	205		_		_	148,032	33.00
1958-59	 		113,949	+1,321		_			115,270	36.00
1959-60	 		152,932	-3,729		181			149,203	37.50

Sources: 1. Production

CBR. For 1951-56 production of cycle tyres and tubes was grouped together. Figures are segregated on the basis of 1956-60 ratio which was 2:3. CBR.

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

CSO. CSOB, 1952-60; prices of National Road Master 28" × 1½" at Karachi.

TABLE 28 Net Availability and Price of Motor Tyres (West Pakistan)

(Quantity in numbers)

Luci Ma			- 1	Character	Import	s from	Exp	orts to	Net	Price
	ear		Produc- tion	Changes in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per tyre
1951-52		 		_	69,850	_		_	69,850	279.69
1952-53		 		_	36,630				36,630	268.19
1953-54		 			66,516	_			66,516	237.2
1954-55		 			89,255	_		_	89,255	217.1
1955-56		 			68,737	_		_	68,737	296.5
1956-57		 			54,235	_			54,235	345.5
1957-58		 		_	44,782			_	44,782	359.6
1958-59		 	191	7 17	29,198			-	29,198	369.5
1959-60		 	1 9	1 - 1 - 1 - 1 - 1 - 1 - 1	15,277			le 🗀	15,277	349.0
1959-60	• •	 	•••	_	13,277	_	•••		,	٠.

Sources: 1. Production
2 Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

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CSO. CSOB, 1952-60; price of 32" × 6" cover Dunlop at Karachi.

TABLE 29 Net Availability and Price of Motor Tubes (West Pakistan)

			Produc-	Changes	Import	s from	Exp	orts to		3.2.3
Year			tion	in Stocks	Abroadd	East Pakistan	Abroad	d East Pakistan	Net Avail- ability	Price Rs. per tube
1951-52	٠		 		75,671		_		75,671	23.69
1952-53		٠,٠,	 	_	24,207	_		_	24,207	21.75
1953-54			 		62,416	_	_		62,416	19.25
1954-55			 		91,560	_		_	91,560	17.38
1955-56			 	_	24,968	_	_	_	26,968	23.88
1956-57			 	_	47,951	_		_	47,951	27.69
1957-58			 	-	26,228	_	_		26,228	28.69
1958-59	٠		 	is —	22,151	-	_		22,151	27.50
1959-60			 		48,617	-	-	_	48,617	27.80

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CSO. CSOB, 1952-60; price of 32" × 6" Tube at Karachi.

TABLE 30 Net Availability and Price of Cement

(West Pakistan)

(Quantity in 000 Tons)

jag I-	ega a re	 0.79,112	- 1	Imports	from	Expo	rts to	Net	Price
Year		Produc- tion	Changes in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per
1951-52	 	 470		6				476	95.31
1952-53	 	 493	_	82				575	95.31
1953-54	 	 538		2			_	540	95.31
1954-55	 	 622		113		_		735	83.25
1955-56	 	 627		27		5		649	78.50
1956-57	 	 720	_	13		64	11	658	82.81
1957-58		 1,021		6		117	20	890	95.25
1958-59		 1,018		29		7	52	988	100.69
1959-60	 	 968	7111	39	1		70	937	100.81

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CSOB, 1952-60. Calendar year figures are used for want of data on trade year basis.

CSOYB.
CSO.
CSOB. 1952-60; quotations at Karachi of Dalmia Portland for 1951-56 and average of Dalmia Portland and Zeal Pak for 1956-60.

TABLE 31 Net Availability and Price of Coal (West Pakistan)

			-	H.				(Quantity in 000 Tons)			
				Produc-	Changes	Impor	ts from	Expor	ts to		-
Year				tion	in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Net Avail- ability	Price Rs. per ton
1951-52	• •			575		759		·		1,334	96.53
1952-53				605	_	564				1,169	66.75
1953-54				543	_	546				1,089	66.75
1954-55				580	_	586			•••	1,166	54.88
1955-56				553	_	524d			•••	•	
1956-57				563		277d		•••		1,077	47.31
1957-58				567			•••	•••		840	75.44
			•			570ਖ	•••	•••	•••	1,137	89.00
1958-59	• •		••	558		359d				957	94.00
1959-60			•••	775		446d	5			1,221	76.81

CSOB, 1952-60

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CSOB, July 1955 for 1951-55; CSO for 1955-60.
CSOB, 1952-60; average of steam coal high grade (South Africa) and Selected 'A' Indian in West Pakistan. Prices in 1951-52 are estimated on the basis of import prices, adjusted for the difference with domestic prices. Prices for 1959-60 are for Indian coal only.

TABLE 32 Net Availability and Price of Steel Ingots (West Pakistan)

					ì			(Quantity	in Tons)		
				5.30	. 92	Import	s from	Expo	rts to	Net	Ргісе
Year				Produc- tion	Changes in Stocks	Abroadd	East Pakistan	Abroadd	East Pakistan	Avail- ability	Rs. per ton
1951-52				4,644	_	12,633				17,277	362.00
1951-52	••			9,000		29,324				38,324	346.00
		• •		10,507		46,795				57,302	250.00
1953-54				10,212		34,559				44,771	277.00
1954-55				9,267		65,350				74,617	505.00
1955-56				12,293		70,019				82,312	595.00
1956-57	••	• •				65,919				76,947	618.00
1957-58			• •	11,028	y 1/51 m					47,553	416.00
1958-59				7,898		39,655		•••	•••		
1959-60				9,484		37,194				46,678	466.75

CSOB 1952-60.

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CSO. CSOB, 1952-60; price obtained by dividing total value of imports by quantity imported.

TABLE 33 Net Availability and Price of Kerosene Oil (West Pakistan)

70.		rts to	Expor	s from	Import	Changes	Produc-			
Price Rs. pe gallor	Net Avail- ability	East Pakistan	Abroadd	East Pakistan	Abroadd	in Stocks <sup>d</sup>	tiond	 		Year
1.63	15,941	97		7	14,049	+35	1,947	 		1951-52
1.75	12,134	38		12	9,838	—10	2,332	 	••	1952-53
1.44	21,878	118		1	19,377	+38	2,580	 	• •	1953-54
1.13	14,960	90		23	12,343	<b>—76</b>	2,760	 		1954-55
1.25	16,030	16			12,186	+ 26	3,824	 		1955-56
1.38	6,702	24			2,268	<u>—</u> 9	4,467	 		1956-57
1.38	6,688	33			2,639	+31	4,051	 	••	1957-58
1.38	5,836	46		1	1,970	+44	3,868	 		1958-59
1.58	39,229	1,015	1	•••	35,569	<b>—65</b>	4,740	 		1959-60

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price
- CBR.
  CBR.
  CSOYB, Entire quantity of mineral oil is assumed to be kerosene oil.
  CSO.
  CSOB; 1952-60; price at Lahore.

TABLE 34 Net Availability and Price of Motor Spirit (Petrol)

(Quantity in 000 gallons)

	 	 		Import	s from	Expo	rts to	I late a si	_1.58
Year		Produc- tiond	Changes in Stocksd	Abroadd	East Pakistan	Abroadd	East Pakistan	Net Avail- ability	Price Rs. per gallon
1951-52	 	 13,716	—382	21,103				34,437	2.38
1952-53	 	 15,458	+ 333	10,194			•••	25,985	2.63
1953-54	 	 18,222	÷247	13,206				31,675	3.00
1954-55	 	 19,383	<b>—415</b>	17,615		_	•••	36,583	2.56
1955-56	 	 18,845	+1,225	5,931			•••	26,001	2.63
1956-57	 	 21,082	-1,058	158		_		20,182	2.69
1957-58	 	 21,201	+293	160				21,654	2.81
1958-59	 	 22,839	+ 176	530		-		23,545	2.81
1959-60	 	 26,325	—329	27,838				53,834	2.81

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

- CBR.
  CBR.
  ... Entire quantity of mineral oil is assumed to be Kerosene oil.
  CSO.
  CSOB, 1952-60; price at Karachi.

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TABLE 35 Net Availability and Price of Electricity (West Pakistan)

(Quantity in 000 Ksuh)

								(C	uantity in 0	000 Kwh)
1-1			Produc-	Changes	Impor	ts from	Expo	rts to	Net	Price
Year	and excellent and excels a		tion	in Stocks	Abroad	East Pakistan	Abroad	East Pakistan	Avail- ability	Rs. per Kwh
1951-52		 	241,105	<del>- 1</del> 11	54,369				295,474	0.28
1952-53		 	341,836	<del></del>	30,172	•••			372,008	0.28
1953-54		 	434,468		20,965	•••			455,433	0.28
1954-55		 	497,894	<u> </u>	19,208				517,102	0.28
1955-56		 	688,397		17,585				705,982	0.28
1956-57		 	809,654	_	20,482				821,136	. 0.28
1957-58		 	990,399	-,	21,095				1,011,494	0.28
1958-59		 	1,198,779	* - <u></u>	,	• • • • • • • • • • • • • • • • • • • •		1 1/1 11	1,198,779	0.28
1959-60		 	1,198,779	и р <u>-</u> 6			•••		1,198,779	0.28

Sources: 1. Production

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

Electricity Supply of Pakistan Statistics (1948-55) Govt. of Pakistan, for 1951-55; CSOB, 1955-59 for 1955-59. Figures of 1958-59 are repeated in 1959-60 for want of data.

CSOB. 1952-60. Karachi Electric Supply Corporation; price charged to domestic consumers.

# APPENDIX B

# TABLE 1

## Net Availability and Price of Wheat

## (East Pakistan)

(Quantity in 000 Tons)

1000			D	Change	Import	s from	Expo	orts to	Net	Price
Year	r		Produc- tion	Changes in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per maund
1951-52		••	 20	_		13			33	17.81
1952-53	٠		 23			7			30	16.13
1953-54			 24			4			28	13.00
1954-55			 24	-	10	4		•••	38	12.56
1955-56			 26	_	•••	21	•••	•••	47	19.19
1956-57			 22	<b>–</b> .	49	19			90	19.31
1957-58			 23	_	71	14			108	19.38
1958-59			 22	-	59	7			88	16.38
1959-60			 25	-	158	17			200	17.56

Sources: 1. Production

- Changes in stocks
   Interwing Trade
   Foreign Trade
   Price

LCSP for 1951-59 and CSOB, Feb. 1960 for 1959-60. Production is assumed to be absorbed in subsequent year.

CSOYB.
MFA.
CSOB, 1952-60; quotations at Dacca. Price is given per maund for convenience.

TABLE 2 Net Availability and Price of Rice (East Pakistan)

(Quantity in 000 Tons)

							(4	uantity in	JOO 1 0113)
		Produc-	Chances	Imp	orts from	Exp	orts to	NY-4	n in
Year		tion	Changes in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan	Net Avail- ability	Price Rs. per maund
1951-52	 	 7,034	<b>–</b> ,		74	21		7,087	25.25
1952-53	 	 7,335	-		67			7,401	24.69
1953-54	 	 8,245	-		50			8,295	18.00
1954-55	 	 7,589	-		2			7,591	13.25
1955-56	 	 6,384	_	55	26			6,465	20.94
1956-57	 	 8,184		533	3			8,720	30.83
1957-58	 	 7,598	_	540	50			8,188	28.58
1958-59	 	 6,921		124	164		100	7,209	30.50
1959-60	 	 8,482	( ) III 150	379	52			8,913	32.02

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

LCSP for 1951-59 and CSOB, Sept., 1960 for 1959-60.

CSOYB.
MFA.
CSOB, 1952-60; quotations of medium quality at Dacca, except for 1956-57 when Chittagong prices were used. Price is given per maund for convenience.

TABLE 3 Net Availability and Price of Grams (East Pakistan)

(Quantity in Tons)

		Produc-	Changes	Impor	ts from	Expo	orts to	Net	Price
Year		tion	in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Avail- ability	Rs. per Maund
1951-52	 	 46,600	_		5,298			51,898	11.63
1952-53	 	 51,700	_		2,315			54,015	12.44
1953-54	 	 52,800	_		1,786			54,586	9.44
1954-55	 	 53,700	-		1,961			55,661	7.69
1955-56	 	 62,600	_		1,869			64,469	10.50
1956-57	 	 43,400	_		30,003			73,403	21.25
1957-58	 	 35,000			13,053			48,053	15.38
1958-59	 	 35,100			1,681			36,781	16.00
1959-60	 •	 38,000	-		8,471			46,471	16.19

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

LCSP. Production is assumed to be absorbed in subsequent year.

CSOYB.

CSOB, 1952-60; quotations at Dacca. Price is given per maund for convenience.

TABLE 4 Net Availability and Price of Mash (East Pakistan)

(Quantity in Ions)

		 	Donator	Change	Impor	ts from	Expo	orts to	Net	Price
Year			Produc- tion	Changes in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Avail- ability	Rs. per Maund
1951-52		 	36,300		1.	_		_	36,300	9.44
1952-53		 	38,450			100			38,450	10.06
1953-54		 	39,300	_		المسر أ	•••	_	39,300	10.38
1954-55		 	39,700			-	•••	_	39,700	8.69
1955-56	:	 	50,600	_		·		-	50,600	10.06
1956-57		 	35,700			1-1		_	35,700	28.50
1957-58		 	36,500			-		-	36,500	15.44
1958-59		 ·	37,700	Liles I		1		. <del> </del>	37,700	12.13
1959-60		 	37,700	11	21111		14.1 177	14.50	37,700	17.16

- Sources: 1. Production
  - Changes in stocks
     Interwing Trade
     Foreign Trade
     Price

LCSP for 1951-59. Figure of 1958-59 is repeated in 1959-60 for want of data. Production is assumed to be absorbed in subsequent year.

... Entire quantity of pulses is assumed to be Masur.

CSOB, 1952-60; quotation of Mash, Kali (whole) at Dacca. Price is given per maund for convenience.

TABLE 5 Net Availability and Price of Moong (East Pakistan)

(Quantity in Tons)

		Produc-	Channe	Import	s from	Expo	orts to	N	D-!
Year		tion	Changes in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Net Avail- ability	Price Rs. per maund
1951-52	 	 31,250	_		_			31,250	19.31
1952-53	 	 30,700	_		_		1( )	30,700	18.00
1953-54	 	 31,200	-	•••	_		_	31,200	16.63
1954-55	 	 34,200					_^	34,200	14.06
1955-56	 	 17,600	_		_	•••		17,600	18.69
1956-57	 	 15,400			_		2 <u>1</u> 9	15,400	29.50
1957-58	 	 10,700	_	•••	_			10,700	27.06
1958-59	 	 10,700	· .		_		, <del>'</del> , , , , '	10,700	23.38
1959-60	 	 10,700			_		254 04.8	10,700	27.27

Sources: 1.

- Production
   Changes in stocks
   Interwing Trade
   Foreign Trade
   Price

- LCSO for 1951-58. Figure of 1957-58 is repeated in 1958-60 for want of data.
- ... Entire quantity of pulses is assumed to be Masur.
- CSOB, 1952-60; quotations at Dacca. Price is given per maund for convenience.

TABLE 6 Net Availability and Price of Masur (East Pakistan)

								(Quantity	in Tons)
		 Produc-	Changes	Impo	orts from	Exp	orts to	Net	Price
Year	 	tion	in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Avail- ability	Rs. per maund
1951-52	 	 63,100	****		3,374		422	66,052	23.44
1952-53	 	 71,200	_				7,144	64,056	13.31
1953-54	 	 72,500	_				1,789	70,711	11.69
1954-55	 	 74,700	_				160	74,540	11.81
1955-56	 	 85,400	_				455	84,945	13.63
1956-57	 	 58,900					103	58,797	22.44
1957-58	 	 58,700	_				523	58,177	21.44
1958-59	 	 48,900	_				3,692	45,208	19.38
1959-60	 	 48,900	_				748	48,152	20.14

- Changes in stocks Interwing Trade Foreign Trade Price
- LCSP for 1951-59. Figure of 1958-59 is repeated in 1959-60 for want of data, Production is assumed to be absorbed in subsequent year.
- CSOYB; Entire quantity of pulses is assumed to be Masur.
- CSOB, 1952-60; quotations of Masur 'whole' at Dacca. Price is given per maund for

TABLE 7 Net Availability and Price of Raw Sugar

(East Pakistan)

(Quantity in 000 Tons)

			Produc-	Changes	Impor	ts from	! Expo	orts to	Net	Price
Year			tion	Changes in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Avail- ability	Rs. per Maund
1951-52	 		298	<u> </u>					298	23.06
1952-53	 		331	_					331	20.69
1953-54	 		366						366	25.00
1954-55	 		318	_				•••	318	19.56
1955-56	 	٠	341	_			•••	•••	341	19.81
1956-57	 		352						352	28.69
1957-58	 		336						336	38.00
1958-59	 		323	_					323	24.52
1959-60	 ,		293	_		7			293	22.19

Sources: 1. Production

LCSP and CSOB, Sept., 1960 for production of sugarcane; Report on Sugar Industry of Pakistan, March, 1958 for consumption of cane by mills. Figures for 1957-60 are based on information obtained from C.B.R. Production is estimated at 10 per cent of the total sugarcane produced minus cane consumed by mills for production of refined sugar. Mill consumption of sugarcane in 1957-60 is estimated on the basis of average yield and production of refined sugar.

- 2. Changes in stocks—
  3. Interwing Trade ...
  4. Foreign Trade
  5. Price CS

8

CSOB, 1952-60; quotations of first quality gur at Dacca. Price is given per maund for convenience.

TABLE 8 Net Availability and Price of Refined Sugar (East Pakistan)

1 14 1			Produc-	Changes	Import	s from	Expo	orts to	NT-4	D-i-
Year			 tion	in Stocksd	Abroadd	West Pakistan	Abroad	West Pakistan	Net Avail- ability	Price Rs. per Maund
1951-52	<i>:</i> .	.:	 40	—20	31				51	42.88
1952-53			 31	+13					44	44.00
1953-54			 28	+11	7	11			57	44.00
1954-55			 47	—19	24	13			65	42.88
1955-56			 47	+ 5	1	1			54	40.81
1956-57			 31	+8	7	2			48	. 36.884
1957-58			 36d	+ 3	12	8			59	49.00
1958-59			 56d	—27	18	27			74	51.25
1959-60			 61 <i>d</i>	<b>—4</b>				•••	57	53.75

Report on Sugar Industry of Pakistan, National Planning Board, March 1958 (Page 140) for 1951-57; and CBR for 1957-60.
CBR.
CSOYB.
MFA.
CSOB,1952-60; controlled price at Chittagong. Price is given per maund for convenience.

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

TABLE 9 Net Availability and Price of Tea

(East	Pakistan)
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(Quantity in 000 lbs)

***************************************				<b>C</b> 1	Import	s from	Expo	rts to	Net	Price
Year			Produc- tion	Changes in Stocksd	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per lb
1951-52		 ::	53,000	÷ 277	92		33,008	17,137	3,224	0.89 <i>b</i>
1952-53	1.	 :.	51,274	+798	161		23,533	26,627	2,073	1.11
1953-54		 	52,024	<b>—74</b>	99		22,124	25,918	4,007	1.84
1954-55	:.	 	54,006	+1,291	82		24,364	23,161	7,854	2.41
1955-56		 :.	52,629	-1,037	121		12,976	34,585	4,152	2.25
1956-57		 	54,734	+2,665	58		19,546	28,577	9,334	1.86
1957-58		 :.	44,500	844	90		6,202	33,218	4,326	2.28
1958-59		 · · · · · ·	53,760	-1,776	88		8,830	38,118	5,124	2.33c
1959-60		 	56,000	+ 2,234	84	4.5	15,436	40,124	2,758	3.06

Sources: 1. Production:

MFA, Crops, Vegetables and Fruits in Pakistan, Fact Series No. 2, Sept. 1959 for 1952-58 and CSOB, October 1960 for 1958-60. Figure for 1951-52 is taken from Report of the Economic Appraisal Committee, Nov. 1952, Published by Government of Pakistan. CBR.
CSOYB.
CSO.
CSOB 1952-60; price is average of 'Pekoe' and 'Plain Sylhet' Dust at Chittagong.

- Changes in stocks
   Interwing Trade
   Foreign Trade
   Price

TABLE 10 Net Availability and Price of Sa t (East Pakistan)

							(Quantity in 000 Maunts)				
			Produc-	Changes	Impor	ts from	Expo	orts to			
Year			tion	in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Net Avail- ability	Price Rs. per maund	
1951-52	 	ï	5,987			_			5,987	8.50	
1952-53	 		6,083						6,083	7.88	
1953-54	 .:	·	6,180				-	-	6,180	7.25	
1954-55	 		6,279	-	parent.		-		6,279	6.13	
1955-56	 		6,380						6,380	6.00	
1956-57	 		6,482		-				6,482	8.38	
1957-58	 		6,585			and a			6,585	7.50	
1958-59	 		6,691					. —	6,691	7.00	
1959-60	 		6,798	-				_	6,798	6.25	

- Availability is estimated directly on the basis of consumption during 1948-51 (which according to CBR was 58,00,000 maunds) after adjusting for 1.6 per cent per annum increases in population.
- Changes in stocks Interwing Trade Foreign Trade Price

- CSOB, 1952-60; price of sea salt at Chittagong.

TABLE 11 Net Availability and Price of Cigarettes (East Pakistan)

(Quantity in Millions)

	 			Import	s from	Ехро	rts to	Net	Price Rs. per
Year		Produc- tiond	Changes in Stocksd	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	1000 Cigarettes
1951-52	 	 		25	182			207	32.69
1952-53	 	 		4	134		19	119	32.63
1953-54	 	 		1	1,140		43	1,018	32.75
1954-55	 	 382	—1	1	814		41	1,155	32.81
1955-56	 	 411	+4		724		89	1,050	34.38
1956-57	 	 478	5		635		23	1,085	37.00
1957-58	 	 773	—1		356		18	1,110	30.56b
1958-59		 900	+4		724		36	1,592	27.50
1959-60	 	 1,103			546	•••	5	1,644	26.00

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price
- CBR.
  CBR.
  CSOYB. Quantity is estimated by dividing total value by average price during that year.
  CSO.
  CSOB, 1952-60; price of 'Scissors' at Chittagong.

TABLE 12 Net Availability and Price of Tobacco

(Quantity in 000 lbc)

			Produc-	Used for manufacture	Import	s from	Expo	orts to	1	
Year			tion	of Cigarettes	Abroadd	West Pakistan	Abroadd	West Pakistan	Net Avail- ability	Price Rs. per Maund
1951-52	 ••		96,074		11,419		19	860	106,614	119.63
1952-53	 		100,576		2,015	1,632	14	2,156	102,053	82.50
1953-54	 		109,763		85		13	2,112	107,723	134.05
1954-55	 		110,443	<b>—955</b>		3,681	8	3,559	109,602	121.94
1955-56	 		118,274	1,028		10,757	9	4,654	123,340	88.19
1956-57	 ,		89,822	—1,195		14,007	12	1,600	101,022	104.69
1957-58	 		89,376	1,933	77	13,335	2	1,578	99,275	125.56
1958-59	 '	٠.	77,503	-2,250	88	14,659		2,996	87,004	122.94
1959-60	 		59,000	<b>—2,758</b>	1117	32,773	A.,	1,778	87,237	143.05

Sources: 1. Production

LCSP for 1951-59 and MFA for 1959-60. Production is assumed to be absorbed in subsequent year. Tobacco used for cigarette manufacturing is estimated @ one lb per 400 cigarettes.

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

CSOYB.
CSO.
CSOB, 1952-60; quotations of 'Motihari' at Dacca. Price is given per maund for convenience.

TABLE 13 Net Availability and Price of Fish

(East Pakistan)

(Quantity in Tons)

		 		Import	s from	Ехро	rts to	Net	Price
Year		Produc- tiond	Changes in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per Seer
1951-52	 	 84,000	_	483		11,024		73,459	1.58b
1952-53	 	 128,000	_	111		20,191	•••	107,920	1.24
1953-54	 	 200,000				14,129		185,871	1.15
1954-55	 	 209,000	_			26,390		182,610	1.09
1955-56	 	 211,000				24,325		186,675	1.16
1956-57	 	 216,000				21,911		194,089	0.83
1957-58	 	 213,000	<u></u>			12,641		200,359	1.23
1958-59	 	 217,000	-	234	·	15,337	To the Later	201,897	1.37
1959-60	 	 220,000				15,430		204,570	1.43

Sources: 1. Production

Dept. of Fisheries, Govt. of Pakistan. Wingwise production for 1951-55 is estimated on the basis of calendar year production, which was available on wingwise basis.

Changes in stocks
 Interwing Trade
 Foreign 1 rade
 Price

CSO. Cooperation & Marketing Adviser, Govt. of Pakistan, "Markets & Prices", 1951-60; price of 'chingri' at Dacca. Price is given per seer for convenience.

TABLE 14 Net Availability and Price of Rapeseed and Mustard

(Quantity in 000 Ions)

	 						(Qui	andity in o	oo i ons)
		Produc-	Changes	Impor	ts from	Expo	orts to	NT	n ·
Year		tion	in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Net Avail- ability	Price Rs. per Maund
1951-52	 	 89	_		55			144	23.13
1952-53	 	 100	-		50		•	150	23.13
1953-54	 	 103	_		65			168	27.56
1954-55	 	 100	_		41			141	22.81
1955-56	 	 105	_		42			146	22.81
1956-57	 	 104	_		69			173	32.94
1957-58	 	 93	_		77			170	38.75
1958-59	 	 67	_		61		•••	128	40.63
1959-60	 	 105	_		52			157	35.64

- Sources: 1. Production

  - Changes in stocks
     Interwing Trade
     Foreign Trade
     Price
- LCSP for 1951-59; and CSOB, Feb. 1960 for 1959-60. Production is assumed to be absorbed in subsequent year.
- CSOYB.
- CSOB, 1952-60; quotations at Mymensingh. Price is given per maund for convenience.

TABLE 15 Net Availability and Price of Indigenous Cloth

# (East Pakistan)

(Quantity in 000 yards)

			Produc- tiond	~	Impor	ts from	Expo	rts to	Not	Price
Year				Changes in Stocksd	Abroad	West Pakistan	Abroadd	West Pakistan	Net Avail- ability	Rs. per Yard
1951-52	 		48,231	3,194	_	26,821			71,858	1.08
1952-53	 		54,844	+2,736		16,086		125	73,541	1.30
1953-54	 		61,353	849		23,444		1,479	82,469	1.31
1954-55	 		68,166	6,541		13,377		1,745	73,267	1.09
1955-56	 		57,926	-3,035		27,007		1,304	80,594	1.16
1956-57	 		44,977	+1,498		60,578		51	107,002	1.05
1957-58	 		74,118	5,870		65,210		413	144,785	1.17
1958-59	 		77,459	6,089		64,349		64	135,655	1.08
1959-60	 		80,626	-6,479		63,290	788	584	149,023	1.38

- Sources: 1. Production 2. Changes in stocks
  - 3. Interwing Trade
  - Foreign Trade
     Price

- CBR.
  CBR.
  CSOYB. Imports from West Pakistan are assumed to be medium cloth and exports to
  West Pakistan are assumed to be fine cloth.
  CSO. Imports are not included for want of detailed information.
  CSOB, 1952-60; price is average of retail price of shirting at Dacca, Chittagong, Narayanganj and Sylhet, less 20 per cent profit for retailers.

TABLE 16 Net Availability and Price of Hessian Cloth

(Quantity in 000 yards)

			Produc-	Changes	Import	s from	Expo	rts to	NY - 4	<b>v</b> . ·
Year			tion	in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan	Net Avail- ability	Price Rs. per yard
1951-52	 		757	. —	43		206		594	0.81
1952-53	 		4,560		63		1,344	2,457	822	0.69
1953-54	 		24,161				7,566	8,259	8,336	0.56
1954-55	 		26,422		·		12,429	9,204	4,789	0.45
1955-56			81,409				40,870	14,095	26,444	0.50
1956-57	 		1,33,807	1. 1			69,312	19,176	45,319	0.42
1957-58	 	***	1,43,407	-1,129d		٠,	70,185	27,505	44,588	0.44
1958-59	 		1,94,149	5,003 <i>d</i>			60,666	25,417	1,03,063	0.50
1959-60	 		2,47,808	-735d			1,96,735	9,920	40,418	0.70

Sources: 1. Production

- Changes in stocks
   Interwing Trade
   Foreign Trade
- 5. Price

CSOB, 1952-60. Production is estimated on the assumption that one ton hessian produces 3750 yards of cloth.
CBR.
CSOYB.
CSO. Exports to abroad at 85059 thousand yards in 1955-56 were inconsistent with production. Average of exports in 1954-55 and 1956-57 is therefore used for 1955-56.
CSOB, 1952-60; price of hessian cloth at Karachi.

TABLE 17 Net Availability and Price of Gunny Bags

## (East Pakistan)

(Quantity in 000 Numbers)

							(2				
				Produc-	Channe	Impor	ts from	Expo	orts to	Net	Price
Year				tion	Changes in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per 100 pieces
1951-52				688	_	142			687	141	209.38
1952-53				14,875		7			21,119	taji ( <del>)</del>	128.88
1953-54				40,081		•••			38,020	2,061	134.00
1954-55				45,375	_			8,137	31,921	5,317	134.19
1955-56				94,931	_			57,459	35,820	1,652	152.19
1956-57				1,05,356	_			45,353	37,532	22,471	152.256
1957-58				1,10,191	—958d			32,651	29,613	46,969	140.94
1958-59				1,40,771	$-3,512^d$			89,306	33,148	14,805	130.75
1959-60				1,78,935	-3,825d			130,463	22,372	22,275	181.31

Sources: 1. Production

CSOB 1952-60. Production is estimated on the assumption that one ton sacking produces 1000 bags. Availability in 1952-53 is shown nil because of the discrepancy in production and exports to West Pakistan.

- Changes in stocks
   Interwing Trade
   Foreign Trade
   Price

CBR.
CSOYB.
CSO, 1952-60; prices of gunny bags at Karachi.

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TABLE 18 Net Availability and Price of Paper

(Quantity in Tons)

							(Quan		in Tons)
		n	Characa	Import	s from	Expo	rts to	Net	Price
Year		Produc- tion	Changes in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per Ton
1951-52	 	 	_	3,647				3,647	2100.00
1952-53	 	 		2,169				2,169	2696.00
1953-54	 	 5,680d	_	2,402		•	2,575	5,507	2380.00
1954-55	 	 19,772d	_	1,689			14,405	7,056	2030.00a
1955-56	 	 21,590	_	1,770		•••	12,566	10,794	2030.00
1956-57	 	 24,398	_	955			15,229	10,124	2030.00
1957-58	 	 23,752	_	1,385		•••	13,404	11,733	2030.00
1958-59	 	 24,142	_	899		•••	18,236	6,805	2065.00
1959-60	 	 17,813	_	1,688			13,437	6,064	2135.00

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

PIDC—Karnafuli Paper Mills, for 1953-55 and CSOB, 1956-60 for 1955-60.

CSOYB.
CSO.
CSOB, 1952-60; price is average of imported writing paper and printing paper at Karachi for 1951-53; and of domestic white printing paper and creamlaid in East Pakistan for 1954-60. Price in 1953-54 is the average of price in 1952-53 and 1954-55.

TABLE 19 Net Availability and Price of Matches

# (East Pakistan)

(Quantity in 000 Gross Boxes)

	 							(Qualitity I		Jo Bones,
			Produc-	Changes	Import	s from	Expo	rts to	Net	Price
Year			tiond	Changes in Stocksd	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per Gross Boxes
1951-52	 		157		2,022			63	2,116	5.38
1952-53	 		455	—2	776				1,229	5.38
1953-54	 		1,481	146	93			118	1,310	7.19
1954-55	 		2,402	93	3			504	1,808	7.25a
1955-56	 		3,083	36	·			1,462	1,585	7.19
1956-57	 	٠	4,342	<b>—</b> 6	Y			796	3,540	6.316
1957-58	 		5,343	+19	0			4,283	1,079	5.50
1958-59	 		5,827	+146	•••			2,210	3,763	5.25
1959-60	 		8,595	17			G., 11 h	4,064	4,514	6.38

Sources: 1. 2. 3.

- Production
   Changes in stocks
   Interwing Trade
   Foreign Trade
   Price

- CBR. Production is converted into boxes containing 50 sticks each.
  CBR.
  CSOYB. Match boxes are assumed to contain 50 sticks.
  CSO. Match boxes are assumed to contain 50 sticks.
  CSOB; 1952-60; Retail price of 50 Sticks matches at Chittagong (less 20 per cent) for 1951-54 and 1955-56. Wholesale price of 'cock' 50 sticks at Chittagong for 1954-55 and 1956-60.

TABLE 20 Net Availability and Price of Motor Tyres (East Pakistan)

			.114.					(Qu	antity in I	Numbers)
	1		Produc-	Chancoa	Import	s from	Expo	rts to	Net	Price
Year			tion	Changes in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per Tyre
1951-52		 	Ylen	واطب	9,014			The Line	9,014	279.69
1952-53		 	1.7rg		3,856				3,856	268.19
1953-54		 	:11.23		8,286	_		$\Gamma \rightarrow 0$	8,286	237.25
1954-55		 	ا <b>بیدا</b> د	—:	7,152	_		1	7,152	217.13
1955-56		 	11421	-:	2,917	_		<del></del> :	2,917	296.56
1956-57		 		-:	21,531			and the same of	21,531	345.36
1957-58		 	202	_	1,452			- ;	1,452	359.63
1958-59		 		<u></u>	4,480	· <u>-</u> ·	·		4,480	369.50
1959-60		 	partie Li Tarre	7	11,051		··· : ).	1,000 at 1	11,051	349.00

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

CSO. CSOB, 1952-60; price of 32"×6" cover Dunlop at Karachi.

TABLE 21 Net Availability and Price of Motor Tubes (East Pakistan)

			110-111	34 I to 1 O		(Quantity in Numbers)					
		7.5	Produc-	- Changes in Stocks	Imports from		Exports to		NI	D-:	
Year			tion		Abroadd	West Pakistan	Abroadd	West Pakistan	Net Avail- ability	Price Rs. per Tube	
1951-52		 		_	8,355	_		_	8,355	23.69	
1952-53		 		—,	3,985	_		_	3,985	21.75	
1953-54		 		_	8,570	_		_	8,570	19.25	
1954-55		 			6,421	_			6,421	17.38	
1955-56		 		_	2,188				2,188	23.88	
1956-57		 		_	14,217	_		_	14,217	27.69	
1957-58		 			763	_		_	763	28.69	
1958-59	·	 		ph <del>on</del> ica	4,309	<del>-</del>		- <u> </u>	4,309	27.50	
1959-60		 		1 to 10 to 1	5,599	<del>-</del> .		-3-10	5,599	27.80	

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- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price

CSO. CSOB, 1952-60; price of 32"×6" Tube at Karachi.

TABLE 22 Net Availability and Price of Coll (East Pakistan)

(Quantity in 000 Ions)

			Produc- tion	Changes in Stocks	Imports from		Exports to		Nat	D-1
Year					Abroad	West Pakistan	Abroad	West Pakistan	Net Avail- ability	Price Rs. per Ton
1951-52	 				874	•••		•••	874	50.91
1952-53	 ,			Name of the last o	775	•••	•••		775	46.50
1953-54	 			***************************************	567				567	46.50
1954-55	 			******	595			•••	595	41.31
1955-56	 			erennes,	495d		•••	•••	495	34.75
1956-57	 				$312^d$				312	52.06
1957-58	 			***************************************	702				702	56.50
1958-59	 			**********	861				861	63.00
1959-60	 			-	623			·	623	63.38

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade

  - 5. Price

CSOB, July 1955 for 1951-55; Coal Commissioner's Office for 1955-57; and Foreign Trade Statistics of Pakistan. C.S.O. (quarterly issues) for 1957-60.

CSOB, 1952-60. Price in 1951-52 is estimated on the basis of import prices, adjusted for the difference with domestic prices in subsequent years. For 1952-59 price is average of steam coal High grade (South Africa) and selected 'A' Indian. Price in 1959-60 is of Indian coal only.

TABLE 23 Net Availability and Price of Kerosene Oil (East Pakistan)

(Quantity in 000 Gallons)

¥7		Produc-	Changes in Stocks	Import	s from	Exports to		Net	Price
Year		tion		Abroadd	West Pakistan	Abroadd	West Pakistan	Avail- ability	Rs. per Gallon
1951-52	 	 	_	21,223	97		7	21,313	1.53
1952-53	 	 	_	23,836	38		12	23,862	1.59
1953-54	 	 	_	33,394	118		1	33,511	1.59
1954-55	 	 		35,407	90		23	35,474	1.39
1955-56	 	 	_	14,796	16			14,812	1.63
1956-57	 	 	_	33,246	24			33,270	1.75
1957-58	 	 	<del>_</del> ,	17,060	33			17,093	1.75
1958-59	 	 	-	14,556	46	<u> </u>		14,602	1.88
1959-60	 	 		28,626	1,015	1779		29,641	1.58
								The series	

- Sources: 1. Production
  2. Changes in stocks
  3. Interwing Trade
  4. Foreign Trade
  5. Price
- CSOYB. Entire quantity of mineral oil is assumed to be Kerosene Oil. CSO.
  CSOB, 1952-60. Price at Chittagong.

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TABLE 24 Net Availability and Price of Motor Spirit (Petrol) (East Pakistan)

(Quantity in 000 Gallons)

Year			Produc- Changes	Changes	Import	s from	Expo	rts to	Net Avail- ability	Price Rs. per Gallon
		annual annua	tion	in Stocks	Abroadd	West Pakistan	Abroadd	West Pakistan		
1951-52	 			_	4,445				4,445	2.50
1952-53	 			_	1,853				1,853	2.75
1953-54	 • •			_	4,824				4,824	3.25
1954-55	 				4,590	:::			4,590	2.636
1955-56	 				4,734				4,734	2.756
1956-57	 			_	6,393	1			6,393	2.81
1957-58	 				6,172				6,172	2.94
1958-59	 		*	, , <del>-</del>	6,500	, 4 <u></u>			6,500	2.94
1959-60	 			_	7,357				7,357	2.94

Sources: 1. Production
2. Changes in stocks
3. Interwing Trade
4. Foreign Trade
5. Price

CSOYB. Entire quantity of mineral oil is assumed to be Kerosene oil. CSO. CSOB, 1952-60; price at Chittagong.

TABLE 25 Net Availability and Price of Electricity

(East Pakistan)

(Quantity in 000 Kwh)

										-	
				Dander	CI	Imports from		Expo	orts to	NY-4	Price
Year		- 71	-W - W	Produc- tion	Changes in Stocks	Abroad	West Pakistan	Abroad	West Pakistan	Net Avail- ability	Rs. per Kwh
1951-52				20,225	_					20,225	0.44
1952-53	;:	•••		22,029	_					22,029	0.44
1953-54				22,846	·	i				22,846	0.44
1954-55	[			31,781	_					31,781	0.44
1955-56	5	:		43,964		3	7			43,964	0.44
1956-57				51,106	$-10^{\circ}$	·				51,106	0.44
1957-58	(3	· · :		63,217	15	,	·, ··· ·			63,217	0.44
1958-59	9		·	77,226	· -:	3	·			77,226	0.44
1959-60				77,226						77,226	0.44

Sources: 1. Production:

Electricity Supply of Pakistan Statistics (1948-55) Govt. of Pakistan for 1951-56; CSOB 1956-59 for 1956-59; figures of 1958-59 are repeated in 1959-60 for want of data.

Changes in stocks
 Interwing Trade
 Foreign Trade
 Price

Electricity Supply of Pakistan Statistics (1948-55), Govt. of Pakistan. Average of price charged to domestic consumers at Dacca and Chittagong.

APPENDIX C

# Calculation of the Indices

TABLE C-1

# West Pakistan

Year		$\sum_{i}^{\infty} p_{i}^{o} q_{i}^{t}$	$\sum_{i}^{\Sigma} p_{i}^{t} q_{i}^{o}$	$\begin{bmatrix} \mathbf{z} & \mathbf{p}_i^t & \mathbf{q}_i^t \end{bmatrix}$	Laspeyres Index	Paasche Index	Fisher Index
		(1)	(2)	(3)	(4)	(5)	(6)
1951-52	٠.	3406096	3406096	3406096	100.0	100.0	100.0
1952-53		3510817	3986757	3910071	117.1	111.4	114.2
1953-54		3821574	3446596	3685081	101.2	96.4	98.8
1954-55		4199540	2781264	3431308	81.7	81.7	81.7
1955-56		4288104	3172814	4000840	93.2	93.3	93.2
1956-57		4523526	3861725	4999401	113.4	110.5	112.0
1957-58		4887102	3806036	5238577	111.7	107.2	109.4
1958-59		5012022	3985822	5489195	117.0	109.5	113.2
959-60		5250408	4127604	6225203	121.2	118.6	119.9

Explanation.—Column (4) is computed by  $\sum_{i}^{x} p_{i}^{t} q_{i}^{o} \div \sum_{i}^{x} p_{i}^{o} q_{i}^{o}$ Column (5) is computed by  $\sum_{i}^{x} p_{i}^{t} q_{i}^{t} \div \sum_{i}^{x} p_{i}^{o} q_{i}^{t}$ 

Column (6) is  $\sqrt{\text{col. (4). col. (5)}}$ 1951-52 is year 0 in the index

TABLE C-2

East Pakistan

Year	$\stackrel{\Xi}{i} \ p^o_{\ i} \ q^t_i$	15 pt q0	$\left[ \begin{array}{ccc} \mathbf{z} & \mathbf{p}_i^t & \mathbf{q}_i^t \end{array} \right]$	Laspeyres Index	Paasche   Index	Fisher Index
	 (1)	(2)	(3)	(4)	(5)	(6)
1951-52	 5849631	5849631	5849631	100.0	100.0	100.0
1952-53	 6113706	5641760	5887699	96.5	96.3	96.4
1953-54	 6995052	4458324	5321126	76.2	76.1	76.1
1954-55	 6495727	3415668	3834209	58.4	59.0	58.7
1955-56	 5748229	4883293	4785938	83.5	83.3	83.4
1956-57	 7447808	6973606	8726475	119.2	117.2	118.2
1957-58	 7146020	6694716	8023609	114.5	112.3	113.4
1958-59	 6425091	6961262	7468329	119.0	116.2	117.6
1959-60	 7635781	7280828	9382743	124.5	122.9	123.7

Explanation:—Column (4) is computed by  $\stackrel{\Sigma}{i}$   $p_i^t$   $q_i^0 \div \stackrel{\Sigma}{i}$   $p_i^0$   $q_i^0$  Column (5) is computed by  $\stackrel{\Sigma}{i}$   $p_i^t$   $q_i^t \div \stackrel{\Sigma}{i}$   $p_i^0$   $q_i^t$ 

Column (6) is  $\sqrt{\text{col. (4). col. (5)}}$ 

1951-52 is year 0 in the index.

TABLE C-3

All-Pakistan Price Index

Year				Fisher Index
1951-52			 	 100.0
1952-53			 	 105.3
1953-54			 	 87.5
1954-55			 	 70.2
1955-56			 	 88.3
1956-57			 	 115.1
1957-58			 	 111.4
1958-59			 	 115.4
1959-60	and referring	aibpolys r =	 	 121.8

Explanation:—Arithmetic average of the Fisher indices of East and West Pakistan.

#### APPENDIX D

#### **EFFECTS OF ALTERNATIVE WEIGHTS**

It is suggested in the Appendix on Methodology (page 23) that the coverage of agricultural goods is probably more nearly complete than the coverage of other commodities. The purpose of this Appendix is to examine the effects on the index of such a coverage-differential between the two broad classes of food-grain 1 and other commodities.

Two new indices are constructed (for each wing), one where the absorption of each food-grain is reduced 20 per cent and another where that of each food-grain is reduced 40 per cent. These give the same results as raising the absorption of non-food-grains by 25 per cent and 67 per cent, respectively. Implicit in such a procedure is the assumption that there are many non-food-grains that escaped inclusion in the index and that their prices behaved, over the 1950's, in much the same way as those of the non-food-grains that are included in the index. If this is so, raising the weights of included non-food-grains will yield a more accurate estimate of the "true" index.<sup>2</sup>

Three values of the Fisher index (for each wing) are given in the table below: in column (1), the original index (see Appendix C), in column (2), the index with food-grains absorption reduced 20 per cent; and in column (3), the index with food-grains absorptions reduced 40 per cent.

<sup>1.</sup> Food-grains are defined to include, in this Appendix, wheat, rice, jowar, bajra, maize, barley, gram, mash, moong, and masur.

<sup>2.</sup> The "true" index is, of course, not a "true" measure of inflation but only the index that would result if perfect coverage of commodities were achieved.

TABLE D-1

Year	Oı	iginal					
	_!	(1)	(20%)	(40%) (3)	Original (1)	(20 %) (2)	(40 %) (3)
1951-52		100	100	100	100	100	100
1952-53		114	111	108	96	96	96
1953-54		99	98	96	76	77	7
1954-55		82	82	82	59	60	6
1955-56		93	93	92	83	83	8
1956-57		112	110	109	118	117	11
1957-58		109	108	106	113	113	11
1958-59		113	111	108	118	117	11
1959-60		120	119	117	124	123	12

The suspicion of the text that better coverage of excluded non-food-grains would have reduced the volatility of the index is supported by these figures—but the support is indeed slight. Rarely does the vastly increased weight of non-food-grains move the index by more than three points in the direction of 100. One must conclude that it is the volatility of the prices, and not a bias of the weights, that induces the volatility of the price index.

<sup>1.</sup> The index is "volatile" only in comparison to other indices, of course. See Section 3 for these comparisons.

### APPENDIX E

# WEIGHTS

The Paasche index formula (equation 15) may be rewritten (with base year 0):

(23) 100. 
$$\sum_{i=1}^{N} \left(\frac{p_i^t}{p_i^o}\right) w_i^t$$

where

$$(24) w_t^t = \frac{p^o q_t^t}{\sum_{i=1}^{N} p_i q_i^t}$$

When the price index is written in this manner, it is more clearly seen as the weighted sum of the percentage price changes of each commodity (between year 0 and year t). The weight is the amount of the commodity absorbed by the economy in that year (t), valued at its price in the base year; and the sum of the weights is unity.

The Laspeyre formula (14) may also be rewritten as (23), but the weight formula is

$$(25) \quad \mathbf{w}_{i} = \frac{\mathbf{p}_{i}^{\circ} \mathbf{q}_{i}^{\circ}}{\mathbf{p}_{i}^{\circ} \mathbf{q}_{i}^{\circ}}$$

$$\mathbf{v}_{i} = \mathbf{v}_{i}$$

The Laspeyres weights, unlike the Paasche, are invariant over time; the percentage price change of a commodity is always weighted proportionately to its base year value.

The weights in the index are presented in Tables E-1 and E-2. The first column is the Laspeyre weight, (25), and the next eight columns are the Paasche weights for 1952-53, 1953-54, ..., 1959-60 (i.e., (24) for t=1, 2, ..., 8).

The most interesting feature of these Tables is the decline in the weights of food items over the 1950's. One may interpret this, opti-

mistically, as evidence of an increasing variety to consumption concomitant to development and industrialisation; or pessimistically, as testimony of the failure of agricultural expansion plans. It is more wise to refrain from drawing conclusions from either the level or the changes in these weights; the index does not contain all the commodities it would ideally cover and hence the weights may mislead an analyst of the relative importance in the economy of different commodities. <sup>1</sup>

<sup>1.</sup> As an example, consider "steel" in West Pakistan. Is it really so insignificant (less than 1 per cent of the weights) in the economy? The answer is no; only steel tubing is considered in the index to avoid the biassing effects of quality and compositional change. Other such examples exist.

TABLE E-1
Percentage Weights of Commodities in West Pakistan

	Name of comm	odity		1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
1.	Wheat		 	36.59	32.22	26.11	27-47	23.72	27.06	27.60	26.35	28.35
2.	Rice		 ٠	7.99	8.88	9.94	8.37	7.64	8.62	7.10	7.24	7.32
3.	Jawar		 	1.29	1.34	1.62	1.13	1.25	1.21	0.79	0.90	0.94
4.	Bajra		 	2.52	2.46	3.90	2.68	2.56	2.59	1.81	1.95	2.00
5.	Maize		 	3.39	3.02	3.22	3.10	3.22	3.03	2.76	2.84	2.79
6.	Barley		 	0.82	0.62	0.52	0.66	0.53	0.61	0.50	0.68	0.60
7.	Grams		 	5.35	2.95	2.03	3.29	3.40	3.59	3.37	3.20	3.19
8.	Mash		 	0.29	0.28	0.40	0.25	0.25	0.20	0.17	0.19	0.18
9.	Moong		 	0.66	0.58	0.63	0.49	0.51	0.45	0.35	0.34	0.32
10.	Masoor		 	0.26	0.36	0.23	0.26	0.35	0.28	0.27	0.26	0.23
11.	Raw Sugar		 	11.86	15.02	17.43	15.65	13.97	13.66	15.63	16.17	14.39
12.	Refined Sugar		 	4.45	2.72	3.04	3.00	4.16	3.68	3.78	2.29	2.82
13.	Tea		 	1.04	1.63	1.43	1.11	1.69	1.29	1.37	1.56	1.63
14.	Salt		 	0.88	0.95	0.82	0.87	0.91	0.91	0.57	0.58	0.41
15.	Cigarettes		 	2.45	3.33	2.62	2.75	2.95	3.40	3.82	4.19	4.65
16.	Tobacco		 	1.70	1.85	1.22	1.62	3.14	1.68	1.40	1.89	1.24
17.	Fish		 	1.03	1.26	1.30	1.25	1.29	1.30	1.12	1.19	1.20

TABLE E-1—Contd.

Percentage Weigths of Commodities in West Pakistan

	Name of commo	odity		1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
18.	Cement		 	1.33	1.56	1.35	1.67	1.44	1.39	1.74	1.88	1.70
19.	Hessian Cloth		 	0.07	0.14	0.18	0.18	0.27	0.29	0.23	0.15	0.04
20.	Gunny Bags		 	0.68	1.57	2.08	1.59	1.62	1.69	1.13	1.25	0.79
21.	Matches		 	0.50	0.26	0.42	0.37	0.54	0.39	0.73	0.45	0.63
22.	Rape seed & M	ustard	 	2.02	2.06	0.75	1.42	1.98	1.63	1.43	1.62	1.80
23.	Coal		 	3.78	3.21	2.75	2.68	2.42	1.79	2.25	1.84	2.24
24.	Paper		 	0.51	0.31	0.57	1.15	0.94	1.03	0.91	0.94	1.06
25.	Cycle Tyres		 	0.08	0.06	0.15	0.13	0.15	0.14	0.19	0.15	0.17
26.	Cycle Tubes		 	0.06	0.06	0.10	0.09	0.10	0.09	0.12	0.09	0.12
27.	Motor Tyres		 	0.57	0.29	0.49	0.59	0.45	0.34	0.26	0.16	0.08
28.	Motor Tubes		 	0.05	0.02	0.04	0.05	0.01	0.03	0.01	0.01	0.02
29.	Steel Ingots		 	0.18	0.40	0.54	0.39	0.63	0.66	0.57	0.34	0.32
30.	Kerosene Oil		 	0.76	0.56	0.93	0.58	0.61	0.24	0.22	0.19	1.22
31.	Motor Spirit		 	2.41	1.76	1.97	2.07	1.44	1.06	1.05	1.12	2.44
32.	Fine Cloth		 	0.62	1.22	1.87	1.57	1.60	3.14	2.23	2.14	1.90
33.	Medium Cloth		 	1.10	3.55	5.26	7.53	8.53	4.37	4.01	4.39	3.59
34.	Coarse Cloth		 	0.27	0.52	0.77	0.58	1.09	3.10	4.65	4.76	3.22
35.	Electricity		 	2.43	2.97	3.34	3.45	4.61	5.08	4.80	6.70	6.39

TABLE E-2
Percentage Weights of Commodities in East Pakistan

	Name of com	modity		1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
1.	Wheat		 	0.27	0.24	[0.19	ζ0.29	0.40	0.59	0.73	0.66	1.27
2.	Rice		 	83.27	83.20	81.50	80.32	77.30	80.47	78.75	77.12	80.23
3.	Grams		 	0.28	0.28	0.25	0.27	0.36	0.31	0.21	0.18	0.19
4.	Mash		 	0.16	0.16	0.14	0.16	0.23	0.12	0.13	0.15	0.13
5.	Moong		 	0.28	0.26	0.23	0.28	0.16	0.11	0.08	0.09	0.07
6.	Маѕоог		 	0.72	0.67	0.64	0.73	0.94	0.73	0.52	0.48	0.40
7.	Raw Sugar		 	3.20	3.40	3.28	3.07	3.72	2.97	2.95	3.16	2.41
8.	Refined Sugar		 	1.04	0.84	0.95	1.17	1.10	0.75	0.96	1.34	0.87
9.	Tea		 	0.05	0.03	0.05	0.11	0.06	0.11	0.05	0.07	0.03
10.	Salt		 	0.87	0.85	0.75	0.82	0.94	0.74	0.78	0.89	0.76
11.	Cigarettes		 	0.12	0.06	0.48	0.58	0.60	0.48	0.51	0.81	0.70
12.	Tobacco		 	2.65	2.43	2.24	2.45	3.12	1.97	2.02	1.97	1.66
13.	Fish		 	2.17	3.05	4.57	4.83	5.59	4.47	4.82	5.40	4.61
14.	Rape Seed and	Mustard	 	1.55	1.54	1.51	1.37	1.60	1.46	1.50	1.25	1.29

TABLE E-2—Contd.

Percentage Weights of Commodities in East Pakistan

	Name of commo	odity		1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
15.	Gunny Bags		 	0.01	0.00	0.06	0.17	0.06	0.63	1.38	0.48	0.61
16.	Matches		 	0.19	0.11	0.10	0.15	0.15	0.26	0.08	0.32	0.32
17.	Hessian Cloth		 	0.01	0.01	0.10	0.06	0.37	0.49	0.51	1.30	0.43
18.	Cotton Textile	(Cloth)	 	1.33	1.30	1.27	1.22	1.51	1.55	2.19	2.28	2.11
19.	Motor Tyres		 	0.04	0.02	0.03	0.03	0.01	0.08	0.01	0.01	0.04
20.	Motor Tubes		 	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21.	Paper		 	0.13	0.07	0.17	0.23	0.39	0.29	0.34	0.22	0.17
22.	Coal		 	0.76	0.65	0.41	0.47	0.44	0.21	0.50	0.68	0.42
23.	Kerosene Oil		 	0.56	0.60	0.73	0.84	0.39	0.68	0.37	0.35	0.59
24.	Motor Spirit		 	0.19	0.08	0.17	0.18	0.21	0.21	0.22	0.25	0.24
25.	Electricity		 	0.15	0.16	0.14	0.22	0.34	0.30	0.39	0.53	0.44

#### APPENDIX F

# CORRELATION OF CHANGES IN PRICES WITH INDICES

In this appendix the coefficients of correlation between the percentage changes of each of the commodities in the index and the percentage changes of the indices are shown. As mentioned in section II, the commodities are grouped into four classes:

- (1) Agricultural.
- (2) Foreign-Oriented.
- (3) Domestically Manufactured and Consumed.
- (4) Primarily Imported from the other Wing.

This classification is made for each of the wings, and a particular commodity is not necessarily in the same category in both the wings (e.g., tea is a foreign-oriented commodity in the East Pakistan Index but an other-wing-oriented commodity in the West Pakistan Index).

Overlapping has been particularly conspicuous for many of the manufactured items which are partially imported (or exported) and partially domestically produced (or consumed). In classifying these items a somewhat arbitrary method has been adopted. Commodities are considered to be foreign-oriented if more than 40 per cent are bought (or sold) internationally.

Some of the commodities changed groups in course of events. Paper was a foreign-oriented commodity during the early years of the index but became a domestically manufactured commodity from 1953-54. In all such cases classification has been made only after considering in which group the commodities continued to remain for at least two-thirds of the years.

Controlled prices are indicated by asterisks. Table F-1 shows the correlations between annual percentage price changes in East Pakistan of each good with (1) the percentage change of the East Pakistan Fisher index of that year and (2) the percentage change of the same index in the preceding year. Table F-2 presents the same correlations for West Pakistan.

TABLE F-1
East Pakistan

Commodity		Correlation Current Year's Inde	Previous
050.4			J. Wheek
Agricultural			
*1. Wheat		 +.682	<b>—</b> .271
2. Rice		 +.994	+.414
3. Grams		 +.887	+.361
4. Mash		 +.659	+.427
5. Moong		 +.893	+.104
6. Masur		 + .688	+.457
7. Raw Sugar		 ÷.122	+.714
8. Rape & Mustard		 +.418	÷.746
Foreign Oriented			
1. Tea		 854	<b>—.237</b>
2. Motor Tyres		 +.898	.000
3. Motor Tubes		 +.899	.000
4. Gunny Bags		 +212	<b>—.241</b>
5. Kerosene Oil		 +.745	+.032
6. Motor Spirit		 ÷.141	+.316
7. Coal		 +.436	+.793
8. Hessian Cloth		 +.253	—.063
Domestically Manufactured & Co	nsnmed		
*1. Refined Sugar		 354	+ .448
2. Salt		 +.464	+ .452
3. Electricity		 .000	.000
4. Paper		 ÷ .207	-1.406
5. Matches		 443	425
Delmonity Temperand from the other	- XX/!	 	
Primarily Imported from the other	vving		
1. Cigarettes		 +.486	<b>—</b> .103
2. Indigenous Cloth		 +.032	+.161
Miscellaneous			
1. Tobacco		307	406
2. Fish		 —.307 —.184	÷.406 —.195
2. 1 1511		 164	195

TABLE F-2
West Pakistan

Commodity	,, ,	-	and the second second second sec	Correlation: Current Year's Index	Correlation Previous Year's Index
Agricultural					
1. Wheat				+ .930	055
*2. Rice				+.509	+.680
3. Jawar				+.765	<b>—</b> .020
4. Bajra				+.799	<b>—.045</b>
5. Maize				÷.910	<b>—.232</b>
6. Barley			**	+.867	.000
7. Grams				+ .740	+.110
8. Mash				+.812	<b>—.288</b>
9. Moong				884	155
10. Masoor				÷.596	+.760
11. Raw Sugar				+.239	<b>—.427</b>
12. Rape Seed &	& Mustard			.000	+.857
Foreign Oriented					ar Kina
1. Coal				+.274	+.632
2. Motor Tyre	s			+ .646	—.332
3. Motor Tube	es			+.622	<b>—.307</b>
4. Steel Ingots				÷.424	<b>—.434</b>
5. Kerosene O	iI			+.911	.000
Domestically Manu	factured &	Consun	1ed		
*1. Refined Sug	gar			+ .077	+ .711
2. Salt				<b>—</b> .158	+.359
3. Cigarettes				+.404	<b>—.130</b>
4. Cement				+ .274	+.810
5. Cycle Tyres				+.148	+.084
6. Cycle Tube	s			÷.045	207
112					

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C	Commodity			Correlation: Current Year's Index	Correlation Previous Year's Index
7.	Motor Spirit			 +.283	+.610
8.	Fine Cloth			 032	+.640
9.	Medium Clo	th		 +.190	+.777
10.	Coarse Cloth			 +.508	+.643
11.	Electricity			 .000	.000
rima	rily Imported fi	rom the	other Wing		
1.	Tea			 857	381
2.	Hessian Cloth	n		 +.245	138
3.	Gunny Bags			 100	207
4.	Matches			 .000	+.546
5.	Paper			 + .791	214
liscel	laneous				
1.	Tobacco			 443	+.501
2.	Fish			 +.345	+.422

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