

P A K I S T A N
AN ECONOMIC PROPOSITION

By
M. RIAZUDDIN AHMAD

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PAKISTAN
AN ECONOMIC PROPOSITION

By

M. RIAZUDDIN AHMAD, M.A.

Lecturer in Economics, Majidia Islamia College, Allahabad

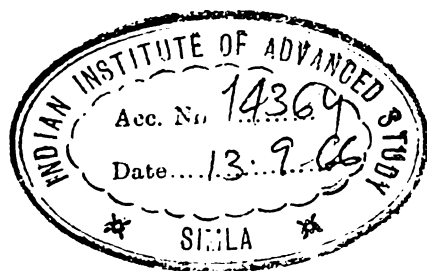
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PREFACE

This small book provides its readers with an economic study of the League as well as the 'CR' designs of Pakistan so far as the data are available. It is now for the aspirants of a separate Muslim State in India to make their choice between the two designs mentioned above and the United India, and build the edifice of their state on a sound economic and political policy free from all sentimentalism and narrow-mindedness.

ALLAHABAD

The 20th March, 1947

M. RIAZUDDIN AHMAD

CONTENTS

PART ONE

CHAPTER	ECONOMIC POSITION OF PAKISTAN	PAGE
I. Introduction		9
II. Mineral Position ..		11
III. Agriculture		20
IV. Agriculture (<i>Continued</i>) ..		36
V. Industry		48
VI. Trade		65
VII. Revenue and Expenditure		79

PART TWO

ECONOMIC IMPLICATIONS OF THE TRUNCATED MUSLIM STATE

I. Truncated Provinces		90
II. The Truncated Pakistan.		110

APPENDICES

I. Lahore Resolution of the All India Muslim League		118
II. Mr. Rajagopalachari's Formula		118
III. Mineral Resources		120
IV. Electrical energy in use		121
V. Agriculture—Area and its classification		122
VI. (A) Agriculture—Area under Irrigation		123
VI. (B) Agriculture—Agricultural Produce		124
VII. (A) Industry—Occupational Distribution of Population		125
VII. (B) Industry—Total Following Occupation		126
VII. (C) Industry—Industrial Yield		127

	PAGE
VIII. (A) Trade—Inland Trade	128
VIII. (B) Trade—Foreign Trade	129
IX. (A) Revenue and Expenditure—Central Budget ..	130
IX. (B) Revenue and Expenditure—Provincial Budget ..	132
IX. (C) Revenue and Expenditure—Subvention ..	133
Bibliography	134

PART ONE

ECONOMIC POSITION OF PAKISTAN

CHAPTER I

INTRODUCTION

Reckless and ruthless agitation does sometimes more harm than good to the cause of agitators. The best example of this is provided in the frenzy of opposition which has done miracles to the consolidation of Muslims on the issue of partition of India. The agitation against this demand has been so bitter and so intense that it fell flat upon Muslims even in the absence of a counter-agitation of the same intensity. And, though Muslim propagandists had to their credit little or no literary contributions barring cheap, but scanty press methods, nevertheless, their demand began to gain quick popularity among Muslim masses as well as the intelligentsia. This can be attributed to the large amount of unsympathetic literary stuff produced to disprove the utility of Pakistan, in the negative manner. This tended to stiffen the Muslim desire to separate even at the risk of contracting a bad bargain.

Among literary protagonists of United India, Dr. Rajendra Prasad ranks highest by virtue of his assertion to the principle of unity propounded through his famous book 'India Divided.' This literary feat may provide us with a masterpiece in the art of refutation, but unfortunately, it did not carry conviction to those who could not see eye to eye with him in political aspirations of the country. Why, then, Dr. Rajendra Prasad and his literary compatriots failed to influence the Muslim mind is a pertinent question under the circumstances, though it has been summarily rejected by the opponents of Muslim opinion on the plea of Muslim obliteration towards the realities of life, the British game of divide

and rule and the misguided leadership of Mr. Jinnah. The answer, however, lies in something more than that—the working of the majority mind, which has been accustomed to look upon minority aspirations with suspicion and prejudice. Writers from this section therefore contended in magnifying Muslim wrongs. Then came the Pakistan demand of the Muslim League. Instead of constructive criticism and fervent appeal to the majority community for magnanimity and justice they adopted the negative method of ruthless malignation of the minority demands and their literary giants focussed all their attention upon discrediting them.

Under the circumstances it was no unnatural impulse which dragged the present writer into the vital discussions regarding the economic aspect of the Muslim demand. The aim of this venture, however, is not to create new problems or revive old controversies, but to throw light on the economic aspects of the provinces which are intended to form into Muslim States on the lines of the League demand as well as according to the 'CR' offer. The conclusions have therefore been drawn on the basis of existing data, but without taking liberty on the fundamentals of the League or 'CR' notions about the formation of Pakistan.

It should, however, be admitted that the statistical data contained in the book are rather insufficient for the nature of the topic selected, but this shortcoming is a common feature of Indian studies in economic as well as political and social life of the country. Yet whatever niggardly data are available, they make it easy to conclude that the field for exploitation in the Muslim provinces is almost virgin, and any State formed on the lines of the League resolution may be a prosperous state from the very beginning. But if it is according to 'CR' Formula it will undoubtedly give headache to its economic administration in the beginning, and would make its constituent units more interdependent upon each other than they would otherwise have been.

CHAPTER II

MINERAL RESOURCES

Frequent references are being made from the press and the platform to the inadequacy of mineral resources in Pakistan. A recent study available on this subject is 'India Divided' by Dr. Rajendra Prasad. Statistics worked out by him under this head are on the presumption of a Pakistan of the C. R. design.

In this connection it should be borne in mind that the League considered the Rajajee Formula as presenting only the mutilated shape of Pakistan.¹ As such it was wrong to form this as the basis of an economic study of Pakistan though we would take it up at a later stage in course of this book. No matter if the League or the Congress fail to achieve their objective, it is the duty of an honest writer to present facts as they are and not to prejudice the public opinion by distorting them. The mineral resources of Pakistan should first be studied from the point of view of the League demand.

Outdated Analysis

Dr. Rajendra Prasad has contented himself with the statistics of the year 1938, making no allowance for the store of resources in existence, their future prospects and the developments already made during the last six years—the period of war. It was during this period that there was a change in the attitude of the Government to the exploitation of the existing resources of the country. This important feature cannot be ignored while

¹ The Rajajee Formula excludes from Pakistan parts of Bengal and the Punjab and the whole of Assam excluding Sylhet, but including Surma Valley, which has a Muslim majority of 50.42 per cent, as against Hindu minority of 33.06 and tribes 16.20 per cent.

studying the mineral economy of Pakistan. But in the absence of this, unfortunately, the exposition of Dr. Rajendra Prasad has been rendered outdated and cannot form the basis of correct economic conclusions. The latest mineral position of Pakistan, chiefly in respect of the trinity of coal, iron and oil upon which the industrial power of the modern world is based may be summed up as below:—

Coal position

Coal, which is 'easily and undoubtedly the most valuable mineral' has been made to exist by the author of 'India Divided' outside Pakistan, except for a small quantity (which is found in the Punjab and Baluchistan. According to the 'CR' Formula adopted for his reasoning, he has excluded from Pakistan 77.4 and 2.6 lakh tons of coal in Bengal and Assam respectively, though this possibility was not envisaged by the Lahore Resolution of 1940. Moreover, the learned writer has failed to reveal to his reader the following important facts about Pakistan coal:—

(a) There is a store of about 300,000,000,000 tons of coal in the Punjab, N.-W. F. P. and Baluchistan.¹

(b) The Punjab coal has been found by experience and experiment to be 'high in volatile matter, often very low in ash and remarkably rich in organic and pyritic sulphur' and 'excellent in coking quality.'²

(c) The coking coal which is found in Bengal and Bihar is likely to be exhausted soon,³ and hence in future, probably Hindustan will have to depend on Pakistan for coke.

(d) In Hindu majority provinces there is an excess of 126 thousand maunds of coal per annum. This coal is inferior in quality to the foreign coal and hence it has only one potent market—Pakistan.

¹ India's Mineral Resources, Statesman's Supplement, 1940.

² Ibid.

³ Dr. Baljit Singh, Our Economic Condition, p. 21 Table II.

(e) The supply of coal in Pakistan is increasing more rapidly than in Hindustan as would appear from the statement given below.

TABLE NO. V¹
Production of Coal During 1937 and 1938
 (In 1000 tons)

<i>Provinces</i>	1937	1938	<i>Increase</i>	<i>Decrease</i>
Assam	248	278	30	..
Baluchistan	17	22	5	..
Punjab	167	184	17	..
Bengal	6,528	7,745	1,218	..
Total Pakistan ..	6,960	8,229	1,270	..
Bihar	13,837	15,364	1,527	..
Central India	334	337	3	..
C. P.	1,504	1,659	155	..
Orissa	47	44	..	3
Rajputana	32	35	3	..
Total Hindustan	15,754	17,439	1,688	3

It can be easily calculated from the above that the increase of coal indicated in the year 1938 over the previous year is 18.6 per cent in Pakistan as against 10.6 per cent in Hindustan. Even the Punjab and Baluchistan taken alone the rate of increase is 12 p. c.

(f) Hydro-electricity is likely to replace much of coal demanded in Pakistan.

Thus, the present and potential position of coal supplies in Pakistan (as envisaged by the Lahore Resolution) in comparison with that of Hindustan is the following:—

¹ Indian Year Book, 1946-46, p. 704.

TABLE No. VI ¹*Coal Supplies in Pakistan and Hindustan*

(In Lakh tons)

Present annual output of Pakistan	Potential re- serve in Pak- istan	Present annual output of Hin- dustan	Potential re- serve of Hind- ustan
82.4	30,10,000	170.6	not available ²

Petroleum, position and prospects

As for petroleum it is the virtual monopoly of Pakistan, and is found at Digboi in Assam Valley, Badarpur and Masimpur in Surma Valley of Cachar, and Khaur and Dhulian at Attock (Punjab). 'The Digboi oil is particularly rich in waxes. The field at Badarpur has proved rather disappointing. Masimpur is passing through initial stages.' Of Khaur and Dhulian, the latter has proved to be most successful. Other fields are being prospected.³

Dr. Rajendra Prasad also agrees that 'mineral oil is to be found to some extent in the Punjab, N.-W. F. P. and Baluchistan' The 'extent' has been determined by him at 211.1 lakh gallons, produced in the Punjab, while 659.7 lakh gallons produced in Assam have been earmarked for Hindustan. But regarding the prospect of the Punjab oil he has quoted the following from Sir Edwin Pascoe: "In many parts of the Punjab, however, and in the Baluchistan area the rock fields have been too deeply truncated by agents of denudation or have been dislocated by earth movements and much of the original stores of oil have disappeared; oil seepages are common enough, but most of them appear to be mere "shows

¹ Based on Statistical Abstract.

² According to an estimate given by A. M. Heron, Director of H. E. H. the Nizam's Mines and Geology reserves of good quality coal in India amount to 4,850 million tons.

³ Heron—Mineral Resources, p. 16.

not connected with reservoirs that can be tapped by artificial means.”¹

But this statement stands challenged by the latest revelation made by Mr. D. N. Wadia on February 16, 1945 in which he claimed that ‘a new field lately discovered, Joya Mair field, about 40 miles south of Rawalpindi, holds out promise of greatly increased oil output in the Punjab.’ In its geological structure the Joya Mair area is a dome compassing about 50 square miles of country. Further exploration may enlarge the area of the dome. The structural features mapped in this dome and its area suggests possibility of underground oil storage of considerable magnitude. The initial flow of oil encountered in the trial boring...in this dome is highly satisfactory, the computed figure being at the rate of 5,000 barrels in 12 hours (a barrel is about 42 gallons).”²

If this flow is maintained we can easily expect an increase of about 500 lakh gallons of petrol per annum in the Punjab. An active exploration of the areas surrounding the new field has already commenced and ‘it appears that petroleum prospects in the Punjab may take a turn for the better.’³ The present position of petrol may be presented thus:—

TABLE NO. VII⁴

Petrol Position and Prospect
(In Lakh gallons)

Annual output of Pakistan	Prospective ⁵ output per annum	Annual output of Hindustan.
870.8	500	nil

Iron Ore

Pakistan areas are lacking in iron ore, but not in ferro-alloys

¹ Quoted by Dr. Rajendra Pd., op.cit., p. 273.

² Wadia, Petroleum for Punjab Railways.

³ Wadia, op.cit.

⁴ Based on Statistical Abstract.

⁵ Estimate.

which make good steel. Dr. Rajendra Prasad admits that 'Pakistan has as much of ferro-alloys, other than manganese and chromium, as Hindustan has.' We, however, find that Hindustan has an excess of 8,996,000 maunds of iron and steel, but has yet to consume a significant part of 9,964,000 maunds of iron and steel imported into the country (in normal times). While this import is not followed by a corresponding export, it means that India will continue to depend on foreign iron and steel. So long as this position does not change, the Hindustan surplus will be ready for use in Pakistan. But in future if Hindustan variety improves or the expanding industries leave no surplus to be sold, in Pakistan 'iron and copper ores are plentiful in the Punjab' though have not yet been worked on a large scale owing to the difficulty of transport and paucity of fuel resources within easy reach¹. Both the drawbacks can be overcome in course of time if coal and hydro-electric powers of Pakistan are properly worked and the railways and roads developed according to the needs of the areas concerned. To judge the iron and steel position of Pakistan the following trade figures may be helpful in the absence of other relevant data:—

TABLE NO. VIII²
Trade Position in Iron and Steel
(In '000 mds.)

PAKISTAN			HINDUSTAN		
<i>Import</i>	<i>Export</i>	<i>Deficit</i>	<i>Import</i>	<i>Export</i>	<i>Surplus</i>
20,031	13,488	6,543	18,449	27,445	8,996

Chromite and Manganese

Among important ferro-alloys, manganese and chromite, Hindustan enjoys virtual monopoly of the former and Pakistan partial monopoly of the latter. Chromite is mined in Pakistan at Hindubagh and Khanozai in Baluchistan. 'Most of the chro-

¹ Indian Finance, Eastern Group No.

² Based on Statistical Abstract.

mite is exported, but from the remainder chromite lining bricks of high quality are made for steel furnaces. Chromium has many uses as an alloy, specially in the stainless steels, and chromates and bichromates are of great importance in the tanning, dyeing and pigment industries.¹ It will not be surprising if the hitherto unknown industries which can be promoted through the help of chromium are pioneered from Baluchistan. The respective position of Pakistan and Hindustan in the matter of chromium and manganese is the following:—

TABLE NO. IX ²*Annual Output of Chromium and Manganese*

(in '000 tons)

C H R O M I U M		M A N G A N E S E	
Output in Pak- istan	Output in Hindustan	Output in Pakistan	Output in Hindustan
21.9	5.2	nil	23.3

Note—We have roughly in Pakistan the same amount of chromium as Hindustan has of manganese. Both are used as ferro-alloys.

Miscellaneous

Among other minerals for which unfortunately separate statistics for Pakistan are not available are the following:

(a) *Clay*—A kind of clay named 'Fuller's earth, 'non-plastic in nature' which absorbs colouring matter from oil, and is employed for cleansing cloth is found in Sind under the name of 'Multani matti,' a clay of Tertiary age. It is an ingredient of the edible earths sold in the bazar, and is used as filler in soap and paper and in paints.³

¹ Heron, op.cit., p. 25.

² Based on Statistical Abstract.

³ Heron, op.cit., p. 24.

(b) *Gypsum*—It is the bedded variety of mineral which in its crystalline form is known as selenite and when massive as alabaster. When calcined it is the well-known 'plaster of Paris' and is found in Eocene of Baluchistan, Punjab and N.-W. F. P.¹

(c) *Salt*—It is the most important mineral in the internal economy of India and is found in Sind from the evaporation of sea-water, and in the deposits of rocksalt in Salt Range and Kohat.²

(d) *Saltpetre*—It is extracted from the surface of the ground in some of the densely populated and dry districts of the Punjab. Saltpetre has immense value as a fertilizer.³

(e) *Slate*—It is an important mineral quarried near Dharamsala in the Kangra district, Punjab, and Kund near Rewari in the Gurgaon district.⁴

(f) Sillimanite occurs with corundum in Nongstoin State in Assam⁵.

Thus ultimately it would appear from the statement of per capita yield of important minerals in Pakistan and Hindustan given below that conditions in Pakistan are in no way depressing.

TABLE NO. X⁶

Distribution of Important Minerals Between Pakistan and Hindustan Distributed per capita. per annum

<i>Minerals</i>	P a k i s t a n		H i n d u s t a n	
	'CR' <i>Formula</i>	<i>League Plan</i>	'CR' <i>Formula</i>	<i>League Plan</i>
1. Coal (maunds)	0.05	3.00	3.50	2.4
2. Petroleum (galls.) ..	0.20	0.81	0.34	nil
3. K. oil (galls.)	0.04	0.26	0.12	nil
4. Iron (maunds)	nil	nil	0.20	0.20
5. Chromium (seers) ..	0.005	0.005	0.0008	0.0008
6. Manganese (maunds) ..	nil	nil	0.11	0.11

¹ Ibid., p. 25.

² Ibid., p. 20.

³ Ibid., p. 21.

⁴ Ibid., p. 19.

⁵ Ibid., p. 23.

⁶ Based mainly on Statistical Abstract.

Sulphur Reserves in Koh-i-Sultan

Besides these, reserves of nearly 85,000 tons of sulphur ore exist in the Koh-i-Sultan area in Baluchistan, some 10,000 tons of high grade ore being available at Nok-Kundi railhead. Finely pulverised plus 50 per cent Baluchistan sulphur ore was found to be very efficacious particularly in preventing grain smut in "Jwar".¹

The mineral position as shown above is exclusive of a further advantage which Pakistan enjoys in respect of the hydro-electricity. Dr. Matthai and Sir Homi Modi have revealed in their memorandum to the Sapru Committee that "the survey of India shows the probable minimum continuous water power available in Pakistan to be 2,877,000 kilowatts; 1,084,000 in the Eastern zone and 1,793,000 kilowatts in the Western zone; while in Hindustan it would be only 1,343,000 kilowatts." This means that the major part of coal which might be needed in Pakistan for metallurgical purposes may be easily dispensed with in future.

Hence it is a misleading propaganda that Pakistan is deficit in the trinity of mineral power. It may lack in miscellaneous mineral wealth; but the mineral power which is essential for the economic development of a country is plentiful in Pakistan.

¹ Journal of Scientific and Industrial Research, July 1946.

CHAPTER III AGRICULTURE

(A) NORTH-EASTERN ZONE

Pakistan areas are essentially agricultural and at least three of the Muslim majority provinces, namely, the Punjab and Sind in the North and Bengal in the East Pakistan stand out prominent among agricultural countries of the world. In the North-West Zone 'the Punjab and Sind are fortunate in having a very extensive system of irrigation by canals' and 'it may be hoped that there is much room not only for further expanding of agriculture, but also for intensive cultivations of the area already cultivated.'¹ In the North-East Zone, though Bengal is one of the biggest producers of agricultural raw materials in India it is so thickly populated that the expansion of agriculture cannot keep pace with the natural increase of population.²

Assam

In the North-East Zone, consisting of Assam and Bengal the former which 'occupies the middle course of the Brahmaputra, is very different from the broad alluvial plains of the Ganges. The Valley from its Western end, where it emerges into the plains of Bengal to the Eastern end, where it is closed round by mountains, is about 500 miles long, but has an average breadth of only 50 miles.... On either side there is often a waste of marshy belt, but a little distance from the river the flat alluvial lands are given over to rice growing. Palm trees in villages are dotted about amongst the paddy fields; further away from the river are found the

¹ Dr. Rajendra Pd., op.cit., p. 268.

² Ibid., p. 269.

gentle slopes covered with tea gardens'... Rice entirely for home consumption, is the chief crop; tea and oilseeds rank next. There is an increasing tendency for the tea gardens to spread from the hill side to the flat lands of the valley, which are equally suitable provided the drainage is good. Jute is important in the West.¹

Net area cultivated in Assam till 1940-41 was 35,484,800 acres. Land not available for cultivation was 4,577,400 acres, other uncultivated land excluding current fallows was 17,680,064 acres. Current fallows were 2,133,770 acres. Thus, net area actually sown was 6,788,823 acres. Of this, total area under irrigation by canals, tanks, wells, etc., was 965,122 acres. Area under different crops cultivated in Assam during the same year has been classified below:—

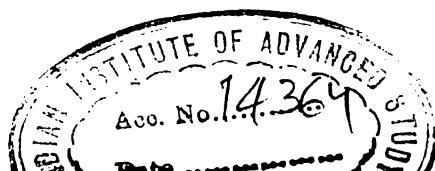
TABLE No. XI

Area under Different Crops in Assam

<i>Crops</i>			<i>Area in acres</i>	<i>Yield in tons</i>
FOODGRAINS				
1. Rice	..	..	5,425,943	1,806,000
2. Pulses	..	..	272,489	not available
OIL SEEDS				
3. Linseed	..	..	7,106	not available
4. Sesamum	..	..	23,298	below 500 tons.
5. Rape & mustard	..		386,537	59,000
6. Castor	..	..	3,193	not available
SUGAR				
7. Sugarcane	..	..	41,131	45,000

¹ Dudley Stamp, Asia, Pp. 306-8.

² Indian Year Book, op.cit., pp. 315, 316.



<i>Crops</i>	<i>Area in acres</i>	<i>Yield in tons</i>
FIBRES		
8. Cotton	40,706	16,000 (bales of 400 lbs. each)
9. Jute ..	3,607,100	607,000 (bales of 400 lbs. each)
FRUITS AND VEGETABLES		
10. Fruits and vegetables including root crop	519,012	..
DRUGS		
11. Tea	439,159	259,663,000 (lbs.)

Not much need be said about the agricultural possibilities of Assam, for the province lacks miscellaneous agricultural produce but enjoys the position of an specialist as a producer of tea for the world. It should be interesting to note that the tea market has been making a steady progress even during the great stress of the war.

TABLE No. XII¹*Export of Tea*

<i>Year</i>	<i>Amount exported (million of lbs.)</i>	<i>Value in lakhs of Rs.</i>
1937-38	334	24,39
1938-39	348	23,29
1939-40	359	26,31
1940-41	349	27,45
1941-42	382	39,57

Assam's future as a producer of tea is very bright, specially when we see that within a hundred years the province has won a significant position in the world and within less than half the century has added to its credit about 60 per cent to the area of tea gardens.

Bengal

'Agriculture is the main avocation of the people in Bengal as elsewhere in India.' Although the sown area is only 29.4

¹ Indian Year Book, op.cit., 750.

million acres, which is roughly about one-ninth of the net sown area in British India, the land being exceptionally fertile, the agricultural industry of Bengal is second to no other province in India. Of the 29.4 million acres, rice is grown on 22.0 million acres, other foodgrains and pulses are grown on 1.7 million acres, jute is grown on 2.2 million acres, oil seeds on 1.1 million acres and the various other crops such as cotton, tea, spices, tobacco, fodder, etc., on the remaining 2.4 million acres. The acreage under rice cultivation in Bengal is the largest, not only in India but also in the whole world. Bengal contributed in 1936-37, 9,805,000 tons of rice out of the total Indian production of 31,094,000 tons. The huge yield of rice in Bengal is rendered possible by the physical condition of the province such as the abundant supply of water, whether by means of annual floods or good rainfall, and also by the direct dependence of the population on it for their very food.

After rice, jute, which is the monopoly of India, is the most important crop of Bengal. Unlike rice which is produced all over Bengal, jute production is mainly concentrated in five districts—Mymensingh, Tippera, Dacca, Rangpur, and Faridpur. The total area, under jute in 1931-32 in India was 1,845,216 acres and in 1936-37, 2,539,933 acres. Of this Bengal itself contributed 1,596,700 acres and 2,154,800 acres respectively. The rest was divided between Assam and Bihar and Orissa. Indian production of jute in 1931, 1932, 1934, 1935, and 1936 was 5.5, 7.1, 7.99, 8.5, 7.2, and 7.9 million bales, respectively. The world depression hit the Bengal agriculturist hard. The fall in agricultural prices told heavily on the agriculturists who form the major portion of the population¹.

Population problem

Agricultural position of Bengal, in spite of its huge produce of agricultural raw materials, has been challenged on account of

¹ Indian Finance, op.cit., p. 200.

its population. It is the 'most highly populated province of India....It is most densely populated also. While the population of 100 acres of sown areas for British India is only 119, in Bengal it comes to as much as 213'¹. This element has made Dr. Rajendra Prasad to fear that 'the expansion of agriculture cannot keep pace with natural increase of population, And, 'leaving future increase of population out of consideration for the moment' he contends 'that the province cannot support its present population with the food grown on its own soil.'²

While the population of Bengal is giving alarm to some economists due to the absence of simultaneous increase in the food supply, it should not be forgotten that subsistence does not depend only on the supply of food "grown on the country's own soil." If the province has sufficient industrial prospects to supplement agriculture or run independent industries, food is sure to come of its own accord. And, 'Bengal's large population, too, can be construed to indicate its large man-power....As productive activity expands there will be need for a larger labour force, more hands required in the engineering trade, etc., so that the populous character of the province is nothing to be deplored at the present juncture,'³ specially because Bengal is perhaps alone among the provinces of India which enjoys vast industrial prospects along with agricultural possibilities.

Food Deficit in Bengal

Dr. Rajendra Prasad has quoted Sir Azizul Haque and Mr. Kalicharan Ghosh at length to prove that Bengal is a 'deficit province in respect of its food.'⁴ The deficit has been calculated on the assumption of a standard rice diet of 12 to 14 chhataks per head. Rice standard has been adopted because, the Bengali, 'takes

¹ Ibid.

² Dr. Prasad, op.cit., p. 260.

³ Indian Finance, op.cit., p. 199.

⁴ Dr. Prasad, op.cit., p. 260.

rice for his breakfast, for his lunch and for his dinner.'¹ Let us examine this position rather dispassionately.

Firstly, the term 'deficit' technically speaking applies to a commodity only when its supply is less than the demand. Learned writers² who have calculated deficit on the assumption of an ideal food standard have, but indulged themselves in loose thinking. In the face of the fact that no less than 4,859,000 maunds of rice failed to find market in Bengal in 1939-40 the presumption of an usual deficit is preposterous. It is interesting that in the same chapter at one place Dr. Rajendra Prasad is lucid about the deficit of food in Bengal and at another makes a mention of the food surplus in his Table No. XXXIII.³

Secondly, even if we presume that an attempt should be made to achieve the target of 12 to 14 chhataks of food for every citizen of Bengal, it must also be borne in mind that the food should not all be in terms of rice. Let us take advantage of the patient study of Sir Robert McCarrison, who reveals that an ill-balanced diet consisting mostly of rice, has done more harm than good to the people of Bengal and Madras.⁴ An attempt, towards making the diet well balanced therefore is a national necessity, and should not be overlooked at this hour of economic reconstruction and planning. Dr. Aykroyd's table showing a typical balanced and ill-balanced diet may prove helpful in this connection.

¹ Ibid., from Sir A. Haque, p. 260.

² Haque, Ghosh, and Dr. Prasad.

³ Dr. Prasad, *op.cit.*, pp. 260 and 281.

⁴ Wadia & Merchant, *Our Economic Problem*, p. 510.

TABLE NO. XIII¹
Diet per Consumption Unit a Day

Food	Ill balanced diet			Well balanced diet	
	oz.			oz.	cht.
Cereal	23			17	7.7
Pulses	0.5-1.5			3	1.4
Milk	negligible			8	3.6
Leafy vegetables ..	2.0-5.0			4	1.8
Fruits	negligible			2	0.9
Vegetable, fats and oils ..	Less than 1.0			2	0.9
Fish, meat and eggs ..	0.5-1.0			2-3 if milk { is not in- { 0.9-1.4 cluded }	

Note. 2.2 oz. is equal to 1 cht.

If a balanced diet is guaranteed to everybody according to the table given above the share of rice in the food quota should not be more than 7.7 chhataks against the total diet of 17.3 chhataks with milk, and 15.0 chhataks without milk (but with eggs, meat and fish). Thus, Bengal's demand for rice for four crore persons, deducting the non-rice-eating community and reducing the number of children, etc., who require less than full meal, on the lines of Sir Azizul Haque, will come to 176 million maunds instead of 319 million maunds, according to 14 chhataks and 273 million maunds according to 12 chhataks. These demands converted to paddy come to 264, 479 and 410 million maunds respectively. Taking the figure of production for years from 1927-8 to 1936-7 Sir Azizul Haque concludes that there has been an annual deficit of 16.1 crore maunds or 9.3 crore maunds on the basis of 14 and 12 chhataks respectively². This deficit is not only imaginary but also calculated on the basis of an ill-balanced diet. If, however, diet is well-balanced, as it ought to be in a civilized society, there would occur a surplus of rice to the extent of 132 million maunds.

¹ Ibid.

² Quoted by Dr. Prasad.

Further, could there be a patriot of the repute of Rajen Babu who would try to impress upon his readers that rice has enough calories to maintain the stamina and physique of a people, through an all-rice diet of 14 chhataks, while experts of public health contend that rice, without being supplemented with other food, containing chemical properties essential for a well-balanced diet will definitely harm the people rather than doing good to them. Dr. Aykryod is therefore disposed to opine that 'a more varied balanced diet, containing less cereal and more of everything else, is infinitely more satisfactory in quality'¹ In the table reproduced below he has given the proportion in which a well-balanced diet should have chemical composition assuming the cereal to be milled rice having 2,600 calories.

TABLE NO. XIV²

Proportion of Chemical Composition (assuming cereal to be milled rice)

Protein	..	..	..	..	..	(G)	80
Fat	..	..	..	..	..	(G)	70
Calcium	..	..	..	..	..	(G)	1.0
Phosphorus	..	..	..	..	..	(G)	1.2
Vitamin A	..	..	..	..	..	..	3,000
Vitamin C	..	..	..	..	..	(MG)	150

If, therefore, we insist on 14 chhataks of rice the quantity of other commodities which should be necessarily supplemented, would become rather too excessive. Even in the well-balanced diet worked out by Dr. Aykryod, where the quantity of rice has been determined at 7.7 chhataks the total food comes to no less than 18 chhataks. If rice on the other hand is 14 chhataks in a diet the total to be consumed should be about 36 chhataks.

As for pulses, its shortage has been calculated by Dr. Prasad to be at 80 per cent of the requirement. To this, however, should be added all the amount of vegetables and fishes which are produced in Bengal. This province is first in the whole of India as to the area

¹ Wadia and Merchant, op.cit., 511.

² Ibid.

of land put under vegetable crops, figures for 1940-41 being 834,500 acres. Next closely following is Madras, having 718,281 acres; others are below 600,000 acres. Fish is a more popular diet of the people of Bengal than 'dal.' There are '80 per cent of the people who consume fish as a regular item of diet.'¹ It is calculated that about 5 lakh persons in Bengal subsist on fishing and about 3 lakhs are maintained by the sale of fish.² A regular Government department for fisheries has been started only in 1942 and it is expected that the future will see great prosperity in the quality and quantity of Bengal fish.

Prospects of Intensive Cultivation

Dr. Rajendra Prasad has dwelt at length upon the inability of Bengal to develop intensive cultivation in which there is 'the only hope of making Bengal better supplied with food grown within its own boundaries.'³ The difficulty according to him is three-fold: Firstly, 'intensive cultivation is also not free from difficulty on account of the size of holdings and the constant sub-division even among the small existing holdings.'⁴ Secondly, 'as things stand there is no facility for irrigation in the Muslim zone by canal or otherwise.... It is also doubtful if any artificial irrigation in the Eastern Muslim zone is likely to lead to any considerable improvement in the productive capacity of the land, which for the most part is ordinarily moist and subject to floods and cyclone than to drought.'⁵ Thirdly, 'except for manuring it is difficult to see how the productive capacity of these small bits of land can be increased to any considerable extent, with its heavy rainfall washing away manure, and much of the land remaining for long periods under water.

Before examining these drawbacks one by one let us make clear to the readers that agriculture in Bengal is one of the most

¹ Indian Year Book—Fisheries in Bengal.

² Ibid.

³ Dr. Prasad op.cit., p. 261.

⁴ Ibid.

⁵ Ibid.

neglected industries of the province; and in spite of the increasing pressure on land the Government did not consider it their primary duty to adopt a proper irrigation and rice research policy. Consequently, we find that cultivation on scientific lines and development of improved varieties of rice is still a matter of the future. This negligence of duty could not go unnoticed even by the officials of the Government, one of whom commenting on the problem remarked, 'Central Bengal is at present a decadent tract, It is highly malarious, the population is steadily increasing and the land is going out of cultivation'. The neglect has proceeded so far that 'the tract in question is doomed to revert gradually into swamp and jungle.'¹ Similarly, rice, which covers 67,000,000 acres out of a total of 186,000,000 acres, devoted to food crops is still on the same stage of development as it was 100 years back. Wheat and cotton on the other hand have received continued attention of the agriculture department and research institutions. About a few researches, however, which have been carried on lately on the quality of rice, Dr. John Russel says, 'the term quality is "ambiguous."' It may mean market quality, which is really commercial desirability. It may also mean nutritive quality, which relates to 'value as a human food.'² What is really essential is that 'chemical investigation on the quality of rice be carried on by nutrition experts' and 'sample surveys be arranged in order to obtain definite information on the matter.'³

It is clear from these facts that the field of agricultural development in Bengal is quite virgin and even the elementary principles of intensive cultivation have not been applied to it. While conditions are such it is very surprising to learn from the learned writer of 'India Divided' that the possibilities of intensive cultivation have altogether disappeared from Bengal without being actually

¹ Report on Bengal Irrigation *vide* Wadia and Merchant, op. cit., p. 144.

² *Vide* Wadia and Merchant, op.cit., p. 116.

³ Ibid.

worked upon. Let us, however, deal with a bit more detail each of the points raised by him above.

Fragmentation, as a drawback

As for fragmentation of holdings, one would be wrong to start with the assumption that it is always an undesirable thing. Sometimes small holdings are better suited for cultivation specially that of paddy, which requires to be kept flooded with water for a pretty long time. Moreover, 'sub-division prevents concentration of property in a few hands only, and gives rise to an independent class of peasant proprietors with a more equitable distribution of land amongst them.¹ Nevertheless, the case for consolidation is always strong, for, beyond a certain limit fragmentation is detrimental to the development of agriculture. But, on the other side, things being as they are, scope for consolidation too, is comparatively limited in India. For 'given a large holding, in order that it may yield maximum return it will require a definite amount of capital in the form of seeds and mechanized implements and fertilizers, and also a definite amount of labour. If these are not available large-scale farming may prove unprofitable. If the holding is larger than what the "equipment"—capital and methods—can properly cultivate, economic considerations demand that it should be decreased in size. If the holding is smaller than what the equipment can allow, it must be enlarged.'²

Thus the question whether a holding is economic or uneconomic shall have to be settled first, though not in a rigid manner. Opinions on this subject vary according to the circumstances of the respective people and places. Keating defines an economic holding as one "which allows a man a chance of producing sufficient to support himself and his family in reasonable comfort after paying his necessary expenses. In Deccan an ideal economic holding would consist of (say) 40 to 50 acres of fair land in one block with at least one good irrigation well."

¹ Saxena and Mathur, Readings in Indian Economics, p. 160.

² *Vide* Wadia and Merchant, op.cit., p. 177.

Dr. Harold Mann considers that 'an economic holding is one which will provide an average family at the minimum standard of life considered satisfactory....the size of such a holding would be 20 acres.' Prof. Stanley Jevons fixed the size of a model holding 'which would enable the farmer to maintain a fairly good standard of life at about 30 acres.' Sir T. Vijayaraghavacharya regards 4 to 6 acres as 'the minimum subsistence family holding' although difference in soil, productivity, water supply, crop rotation and agricultural practice may alter the size of the holding.¹

In the light of this it may be noted that the condition of fragmentation is almost as acute in other provinces of India as in Bengal and some of them have actually made successful attempts towards remedying the disease. In Bombay 82 per cent of holdings are of 5 acres or below. The holdings in Madras vary between $\frac{1}{4}$ and 250 acres, and in the words of Sir Francis Floud, 'the subdivision of tenancies in this province is going on even more rapidly than in Bengal.'² In the Punjab average holding comes to 7.2 acres per family though 55.8 per cent of the total are below 5 acres. In U. P. holdings vary between 3.5 and 0.65 in certain districts. In comparison to this, in Bengal we find that 'the size of a standard holding of an agriculturist's family of five persons is 7 acres, of which 5.3 acres are cultivated and 1.7 acres fallow.'³ It may be recalled that keeping Indian conditions in view Sir Vijay held 4 to 6 acres as the minimum size of an economic holding³. From this point of view the position of Bengal does not appear to be alarming, though for future developments an advance in the process of consolidation will be essential.

Dr. Rajendra Prasad is, however, pessimistic about the success of collectivization as a means of consolidation of agricultural holdings on the ground that 'Indian peasant, whether Hindu or Muslim,

¹ Ibid.

² Ibid, pp. 168-173.

³ Wadia and Merchant, op.cit., pp. 170-177 & Dr. Prasad, op.cit., p. 262.

is attached to his little plots of land and will not be easily persuaded or coerced to agree to their being merged with those of others.¹ Though it might be difficult to agree with this contention, for financial gains accrued through such experiments may easily convert Indian peasants—there is another method, namely, co-operation which has achieved desirable results, and may be adopted in Bengal, as a means of consolidation. 'In U. P., about 77,672 pucca beghas have been consolidated through the co-operative agency, and an Act has been on the Statute Book since 1938, which gives power to the Revenue Department to start consolidation work in any village on the application of tenants, cultivating not less than one-third area in the village. C. P., however, was the first to make compulsory consolidation of holding in 1928. . . . 500,000 acres of land have been consolidated at an average cost of -/4/- per acre.'² In the Punjab the total area consolidated till 1941 was 1.18 million acres.³

Difficulty About Irrigation

From irrigation point of view Bengal can be divided into two sections, Eastern and Western. In Western Bengal there is the need for directing river water into the fields. Hence we find at least two canals in this area, in the districts of Burdwan and Midnapur of the Burdwan Division. In Eastern Bengal the problem is not generally of supplying water but of checking floods and evicting the excessive supply of water. Though Government have done something to supply water in the areas where it is needed unfortunately they have paid no attention to the other side of it—that of controlling the devastations caused by excessive water. We find today that in spite of all neglect on the part of the Government, canal irrigation in the Western area has increased from the average of 171,800 acres (during the triennium 1936-39) to 245,000 acres in 1941-42. Of this area irrigated by productive

¹ Dr. Prasad, op.cit.

² Dr. Baljit Singh, op.cit., p. 58-59.

³ Ibid.

works was 147,700 and by non-productive works 65,800¹ acres. But we find nowhere an account of the attempts made to reclaim flooded areas, though it is not 'beyond the resources of science to harness the big rivers and make them yield more food instead of the disaster which they periodically cause by flood to the people inhabiting those regions.'² The threatening pressure of population and the increasing need of food will not allow inventions and further developments in this area of Bengal to wait any more.

The Problem of Manuring

The question of manure is an all-India question and is of highest importance for the improvement of agriculture of Bengal. Here again the problem should be studied from various angles of vision. Firstly, manuring and irrigation are closely associated. Irrigation cannot be carried on beyond the limits which the supply of available manure fixes.³ A balanced supply of water and manure is a thing of rarity in India as also in Bengal. But this is not an inherent drawback and can be easily overcome by a sympathetic gesture of the Government. Secondly, there is difficulty also due to the floods in Eastern Bengal which wash away manures. Once the irrigation authorities are able to control the gush of water causing devastation, manures will be automatically saved. Thirdly, proper use of cow-dung manure, farmyard manure, bone and fish meal, oilseeds and cakes, night soil and chemical fertilizers is essential. The progress of manuring is so slow in the country that 35 years after the Report of Dr. Voelcker, the Agricultural Commission tells us: "There has been little advance in regard to preservation of manure since Dr. Voelcker wrote his report on Indian Agriculture in 1893. The practice of providing litter for cattle is rarely, if ever, adopted except on Government Farms....No attempts are made to preserve the manurial value of the contents."⁴ Of

¹ Indian Year Book, op.cit., pp. 327-28.

² Dr. Prasad, op.cit., p. 262.

³ Wadia & Merchant, quotation from Director, Land Records, Bombay, op.cit., p. 245.

⁴ Agriculture Commission quoted by Wadia & Merchant, p. 146.

farmyard manures, poudrette and urine earth may give strikingly increased results in the cultivation of paddy if experimented upon in Bengal. An estimate made By Dr. Bal, Agricultural Chemist to the C. P. Government reveals that the average yield of paddy per acre if no manure is applied is 992 lbs., but if farmyard manure is applied it will come to 1,623 lbs.¹ Bengal has a good prospect in fish manure, but little use of this is known to the cultivators of the province.

Real Causes of Backwardness

The real causes of backwardness of agriculture in Bengal, as throughout the country, have been summed up by Sir M. Visvesvaraya to be 'the appalling extent of illiteracy noticed in the country. Want of education keeps the people ignorant of the scientific methods which Western civilization has developed for increasing production and income. The people are still guided by the old-time traditions. They have no regard for time. Co-operation is wanting. There is much waste of resource; discipline is little understood; women who constitute about 50 per cent of the total population are employed only in the least gainful occupations. All these defects are in the main due to the absence of an active state policy to abolish illiteracy and to train the people to lead orderly and disciplined lives.'

Further he thinks that 'the rural population is at present usefully employed only for 4 to 6 months in the year, if suitable machinery and modern methods of production are utilized in cultivation, it is computed that all their work can be done in less than 90 days'.

Moreover 'sufficient diversity of occupation is lacking, modern machinery and scientific methods have not been introduced into the country on any appreciable scale to help the increasing production. If there were a balanced structure of occupations, less than half the population now employed in it would be sufficient for agriculture.'²

¹ Quoted by Wadia and Merchant, op. cit. p. 146.

² Visvesvaraya—Planned Economy for India, pp. 24, 25.

From these remarks and from what we have already studied in the foregoing pages it shall not be difficult to conclude that so far intensive margin has not been reached in Bengal—in fact intensive cultivation has not at all begun. As such it would not be quite correct to presume that the productive capacity of the land in this province has reached the point of satiety and it will no more be in a position to bear the pressure of an increased population.

CHAPTER IV

AGRICULTURE (*Continued*)

(B) NORTH-WESTERN ZONE

'The North-Western Pakistan, which comprises the Punjab, N.-W. F. P., Sind and Baluchistan, enjoys a better position in agriculture than any of the provinces in India, and it is hoped that with the extensive canal system the production of foodgrains will expand still further.'¹ At least two big provinces, of this zone the Punjab and Sind, which comprise the bulk of its population and area 'have been expanding agriculture at a quick pace and may very well be able soon to give a large surplus to other provinces of India.'²

Wheat

This zone enjoys the advantage of growing two main commercial food products of the world, namely, Wheat and Cotton. Both of these have excelled in quality and quantity so far as Indian produce of the two are concerned, while, in respect of world competition they hold out an excellent promise. Recent agricultural researches and developments made in irrigation through the Llyod Barrage canals in Sind and from the newer Punjab canals in the Punjab colonies, prospects of agricultural production in the North-West zone have all the more increased. This part has, therefore, pioneered agricultural experiment and has made much headway in large-scale production of wheat of an improved variety. C891 and C518 quality of the Punjab wheat have not yet been excelled in any part of India and show a definite attempt to grow improved varieties on large scale.³ A comparative study of the outturn of

¹ Dr. Prasad, op.cit., p. 270.

² Sardar Baldeo Singh, Development Minister, Punjab, quoted by Dr. Rajendra Prasad, op.cit., p. 270.

³ Indian Finance, op.cit., p. 178.

wheat in the various wheat-producing provinces of India and wheat centres of the world is given below:—

TABLE NO. XV¹
Outturn of Wheat in Indian Provinces

<i>Provinces</i>		<i>Acreage (in lakhs)</i>	<i>Average Outturn (in lakh tons)</i>	<i>Outturn per acre in mds.</i>
		1939-40	1940-41	1939-40 1940-41
Punjab	..	95.6	98.84	37.6 33.4 11.2
Sind	..	12.7	12.0	3.2 3.3 6.6
N.-W. F. P.	..	9.3	10.9	2.6 2.6 7.8
		<u>117.6</u>	<u>121.7</u>	<u>43.3</u> <u>39.3</u>

Average per acre—about 680 lb.

United Provinces	..	81.1	79.3	31.6 28.3 11.2
Bihar	..	11.4	10.9	4.2 4.1 9.8
Bombay	..	16.8	17.5	3.1 3.0 5.0
C. P. & Berar	..	31.8	32.2	6.1 5.7 4.7
		<u>141.1</u>	<u>139.9</u>	<u>45.9</u> <u>41.1</u>

Average per acre—about 600 lb.

But, if we compare these with the outturn of some of the foreign wheat-producing countries, we shall find that the Indian crop, both in Pakistan and Hindustan, gives very low yields.

TABLE NO. XVI²
Average Outturn of Wheat in Foreign Countries

<i>Name of the Country</i>						<i>Yield per acre in lbs.</i>
Egypt	..	..	..	..	..	1,918
Germany	..	..	..	..	..	2,017
Italy	..	..	..	..	..	1,383
Japan	..	..	..	..	..	1,713
U. S. A.	..	..	..	..	..	812
China	..	..	..	..	..	989

¹ Indian Year Book, 1945-6 and Statistical Abstract.

² Statistical Year Book of the League of Nations quoted by Sir M. B. Nanavati in 'Indian Rural Problems', p. 23.

Taking, however, the average total yield of various countries into account Pakistan occupies quite a respectable position:

TABLE NO. XVII¹*Total Yield of Wheat*

<i>Country</i>					<i>Production in 000 quintal</i>
Canada	..	..	..	..	95,259
Argentina	..	..	..	..	87,009
Australia	..	..	..	..	41,096
France	..	..	..	..	9,400
Germany	..	..	..	..	55,789
Roumania	..	..	..	..	48,214
U. S. A.	..	..	..	..	2,53,327
North Pakistan	..	..	..	..	89,376

Output of Cotton in North Pakistan

As for cotton, which is another important crop of the North - Western Zone, the following statement of Dr. Rajendra Prasad is conclusive: 'The N.-W. Zone, particularly the Punjab and Sind, have a cotton cultivation on an extensive scale. In 1939-1940 the Punjab produced 10,17,000 bales (400 lbs. each) of cotton, Sind 309,000 bales and the N.-W. F. P. 3,000 bales. The area under cotton in the three provinces was 26,41,105; 8,45,390 and 17,351 acres respectively. The importance of this crop which is a money crop will become apparent when it is remembered that out of a total of 33,81,000 bales or 39.3 per cent are produced in the N.-W. Zone and that the area under cultivation of cotton particularly of superior quality is increasing year by year in the Sukkar Barrage area of Sind—it has increased from 342,860 acres in the pre-barrage period of 1932-3 to 8,55,277 acres in 1939-40 as the result of assured perennial irrigation. Moreover, the increased cultivation has been entirely under American cotton for which a better price is obtained. Similar, though not to the same extent,

¹ Indian Financial.

is the case with the Punjab where also the area under improved variety is increasing year by year.¹

Under the circumstances it is not surprising that the average outturn of cotton is highest in the provinces of the North-Western zone as compared to those of other provinces in the country.

TABLE No. XVIII²

Average Output of Cotton from 1940-41 to 1942-43

<i>Provinces</i>					<i>Acreage (in lakhs)</i>	<i>Average output (in lakh tons)</i>
The Punjab ..	..	..	..	..	26.0	2.1
Sind ..	..	..	..	..	8.6	0.5
N.-W. F. P.	..	..	..	..	0.18	0.007
					34.78	2.607
Bombay ..	..	..	..	..	35.0	1.4
Madras ..	..	..	..	..	20.4	0.9
C. P. & Berar ..	..	..	..	..	35.0	1.4
					90.4	3.7
Average per acre North Pakistan ..					..	160 lbs.
Average per acre in Hindustan ..					..	92 lbs.

In comparison with the rate of cotton output in the foreign countries, North Pakistan is almost at par with Italy though very much below other advanced countries like Egypt, U. S. A., and Japan, etc., while the position of Hindustan is indeed very depressing.

¹ Dr. Prasad, op.cit., p. 271.

² Technological Possibilities of Agricultural Development in India.

TABLE NO. XIX¹
Cotton Acreage of the World 1933-34

<i>Country</i>							<i>Average per acre in lbs.</i>
Egypt .. .. .	..	..	..	..	..	..	535
Italy .. .. .	..	..	..	..	..	..	170
Japan .. .. .	..	..	..	..	..	..	196
U. S. A. .. .. .	..	..	..	..	..	..	268
China .. .. .	..	..	..	..	..	..	204

So far, however, as the total output is concerned the position of North Pakistan stands out quite significant—5th largest producer in the world.

TABLE NO. XX²
World Output of Cotton (1938-39)

<i>Country</i>							<i>Output in '000 bales (of 500 lbs.)</i>
Mexico .. .. .	..	..	..	..	..	..	2,25
Brazil .. .. .	..	..	..	..	..	..	18,77
Peru .. .. .	..	..	..	..	..	..	3,98
Argentina .. .. .	..	..	..	..	..	..	3,00
China .. .. .	..	..	..	..	..	..	22,00
Japan & Korea .. .. .	..	..	..	..	..	..	2,67
East Indies .. .. .	..	..	..	..	..	..	17
U. S. S. R. .. .. .	..	..	..	..	..	..	38,51
Persia .. .. .	..	..	..	..	..	..	1,50
Iraq, Ceylon, etc .. .. .	..	..	..	..	..	..	16
Asia Minor, etc. .. .. .	..	..	..	..	..	..	5,55
Egypt .. .. .	..	..	..	..	..	..	16,68
Sudan .. .. .	..	..	..	..	..	..	2,56
North British Africa .. .. .	..	..	..	..	..	..	3,00
Australia .. .. .	..	..	..	..	..	..	10
N.-W. Pakistan (1940-41) .. .. .	..	..	..	..	..	..	12,40

¹ Statistical Year Book, League of Nations, op.cit.,

² Indian Finance, op.cit., p. 190.

In spite of the heartening agricultural conditions revealed above the writer of 'India Divided' feels despondent about the future of North-Western zone as a supplier of food, because it seems to him that 'agriculture cannot keep pace with that in population which in the course of fifty years has risen by more than 52 per cent in the Punjab, 57 per cent in Sind and 63 per cent in the N.-W. F. P.'¹ This position should also be examined carefully.

Some Misconceptions Cleared

In the first place it must be remembered that the tremendous rate of increase in population indicated by the Census may not be quite real, because while accounting for the extraordinary rise in the population of India revealed by the Census of 1941, Mr. Yeatts, the Census Commissioner suggests that one of the reasons of rise may be 'active attitude of the people towards census as compared with passive in the past.'²

Secondly, India being second to no other country of the world in agricultural possibilities, is yet much less densely populated, her average being as low as 246 per sq. mile as compared to that of England which is 685 and of Belgium which is 645 per sq. mile. In the North-Western zone this average is lower still—151 per sq. mile. And it is admitted that in solving the problem of population 'it is better situated than any other province at present.'³ Density figures of the world are given below for the interest of the readers:—

¹ Dr. Prasad, op.cit., p. 270.

² Census Report, 1941.

³ Dr. Prasad, op.cit., p. 271.

TABLE No. XXI¹
Density Figures of the World

<i>Country</i>							<i>Average Density per sq. mile</i>
Belgium .. .. .	..	..	..	..	..	..	654 (1931)
England & Wales .. .. .	..	..	..	..	..	..	685 "
Germany .. .. .	..	..	..	..	..	..	332 "
Netherlands .. .. .	..	..	..	..	..	..	544 "
Japan .. .. .	..	..	..	..	..	..	215 "
China .. .. .	..	..	..	..	..	..	200 "
Austria .. .. .	..	..	..	..	..	..	199 "
India .. .. .	..	..	..	..	..	..	246 (1941)
North Pakistan .. .. .	..	..	..	..	..	..	151 "

Thirdly, population in India has the tendency to concentrate in areas which are predominantly agricultural. Such areas are continuously increasing in the North-West zone due to increasing facilities for irrigation and the possibilities for reclamation. But on the other hand areas where industries might develop have not yet been exploited. It is only a free state which can lead the development of mining, oil prospecting, fruit growing and canning, silk and wool industries, etc. It must also be remembered that manufacture is in a better position to create the ways and means of subsistence, than the production of agricultural raw-materials.

With this brief analysis of the agricultural proposition of North-Western Zone the condition of each of the province, falling within this zone may be taken into consideration separately.

The Punjab

'Punjab is essentially a country of peasant proprietors. Agriculture is the mainstay of the people, affording means of subsistence to 65.5 per cent of the population. The total area sown in 1935-36 in the province was 28 million acres....Wheat, the staple food of the people of the province occupies the largest acreage and the development of irrigation has led to the greatest expansion of the wheat area, which in 1935-36 occupied 9.3 million acres, being the largest acreage of any province in India covering nearly

¹ Saxena & Mathur, op.cit., p. 61.

36 per cent of the total wheat area in the country. Rice is cultivated in under one million acre, Bajra (or spited millet) 3 million acres, Maize over one million acres, Gram (pulse) 4.7 million acres. Punjab stands amongst Indian provinces first in the cultivation of wheat, second in bajra, third in barley and maize. Other important staples are oil seeds, rape, toria and sesamum, cotton and sugarcane. In 1935-36 2.8 million acres were under cotton cultivation as against 4.1 million acres in Bombay, 4 million acres in C. P. and 2.6 million acres in Madras. Large areas in canal colonies grow American cotton....Being predominantly agricultural, livestock occupies a prominent place in rural economy and the cattle dairy trade are well developed. Wool is a staple production in Lulu and Kangra and throughout the plains generally.¹

The Punjab consists of the largest area of irrigated land throughout the country, which is 16.9 million acres. Of this no less than 11.6 million acres are irrigated by Government canals. U. P. is only next to the Punjab, but canal irrigated area is only 3.8 million acres, while 5.9 million acres are irrigated by wells. The area of land still uncultivated in the Punjab is 14 million acres. The output of main agricultural crops in 1940-41 was the following:—

TABLE NO. XXII²

Agricultural Output of the Punjab, 1940-41

<i>Commodity</i>			<i>Yield</i>	
Rice	301,000 Tons
Wheat	3,339,000 „
Sugarcane	470,000 „
Tea	2,791,000 Lbs.
Cotton	1,215,000 Bales of 400 lbs. each.
Linseed	2,000 Tons
Rape and Mustard	177,000 „
Sesamum	7,000 „
Barley	219,000 „

¹ Indian Finance, op.cit., p. 206.

² Indian Year Book, 1945-6, p. 322.

Sind

Sind which has often been called the 'Unhappy Valley' was at the same time the 'shining promised land' of the Greeks and Arabs.¹ The province, as Dudley Stamp would call it 'is the gift of the Indus' just as Egypt is the gift of the Nile. Real developments in the agriculture of Sind came into existence with the construction of large-scale irrigation project, the Lloyd or Sukkar Barrage. In the pre-barrage days agriculture had to depend entirely on the inundation canal, which 'suffered with deficiency of water supply in those years when the rivers failed to reach its normal flood level.' But in the post-barrage days such drawbacks have disappeared and it is estimated that the Sukkar Canals are in a position to convert into agricultural usage no less than 7,500,000 acres, which had hitherto been lying waste. This is equal to considerably more than the total cultivated area of Egypt. The total irrigated area in the province is now 5.6 million acres. Of this 1.5 million acres are devoted to rice, 1.2 to wheat, 0.7 million acres to jowar and bajra, about 1 million acres to cotton and the rest to other crops.

The Indus Delta, however, in contrast with the rich rice-growing deltas of the Ganges, Irrawady, Mahanadi, Godawari, and Kistna rivers, is not irrigated.² But there is excellent pasture in parts of the Indus Delta, which can be either reclaimed by scientific processes or converted into livestock-breeding and dairying area.

Net area under cultivation in Sind is 5.4 million acres. Of this 1.20 million acres are devoted to the cultivation of wheat, 1.4 million acres to rice, 15,000 acres to barley, 500,000 acres to millet, 700,000 acres to spiked millet (bajra) and 4.6 million acres to other crops including maize and gram. Amongst oil seeds biggest acreage of Sind lies under rape and mustard, which is over 200,000, next is sesamum about 6,000 while the total is 242,000.

¹ Dudley Stamp, op.cit., p. 285.

² Dudley Stamp, op.cit., 281-282.

Among fibres, Sind produces cotton on 930,885 acres. Besides these the cultivation of sugarcane is carried on over an area of 8,599 and condiments and spices over 4,368 acres.¹ The amount of agricultural production in these areas is given below:—

TABLE No. XXIII^a

Agricultural Production of Sind, 1940-41

<i>Commodity</i>							<i>Yield</i>
Rice (Tons)	..	..	..	..	..	..	427,000
Wheat „	..	..	..	..	..	..	321,000
Sugarcane „	..	..	..	..	..	..	17,000
Cotton (Bales of 400 lbs. each)	..	..	..	..	..	..	330,000
Rape and Mustard (Tons)	..	..	..	..	..	..	18,000
Barley „	..	..	..	..	..	..	2,000

North-West Frontier Province

The N.-W. Frontier Province, which includes the districts of Peshawar, Kohat, Bannu and Dera Ismail Khan has an extremely diversified climatic conditions. Dera Ismail Khan is one of the hottest areas of the Indian continent, while on the mountain ranges the weather is temperate in summer and intensely cold in winter. The air is generally dry. The province has two wet seasons, one, the S.-W. Monsoon season, the other in winter. Both the sources of supply are precarious.

The population derives its subsistence almost wholly from agriculture. 'It may seem surprising, in so dry a region, that forests are indicated as covering 8. per cent of the area. This is largely a question of classification; most of the 'forests' are merely scrubland, but valuable because even the poorest timber and fire-wood have a value in such a dry country and the 'forests' are protected accordingly. Nearly half the region is occupied by hills, mountains and useless ground. The proportion of waste land which might be utilized is, but small. Most of this 'waste land' is found in the plain of Dera Ismail Khan, as yet unirrigated. The cultivated land comprises both irrigated land and land with dry

¹ Indian Year Book, op.cit., 319.

² Ibid, p. 322.

crops. The most important irrigated areas are in the vale of Peshawar, watered by the Government canals, known as the Upper Swat Canal, Lower Swat Canal and Kabul River Canal. Many of the crops of the Bannu Plains are also irrigated, but on the sandy plateau of Jhelum and Attock mainly dry crops (millet) are grown. In the region as a whole wheat is easily the leading crop. Seen in the spring after a few showers of rain, the irrigated plains of Bannu or Peshawar present to the eye a vast waving sea of wheat, with here and there streaks or patches of darker coloured gram. After the harvest the same area has been described as a 'bleak, howling, wilderness, fit home for the whistling heat laden dust storm which often sweeps across its surface.'¹ Millet is the chief dry crop. The areas of land placed under different crops and their output is given below:

TABLE NO. XXIV ²
Area of Agricultural Land and Output, 1940-41

<i>Commodity</i>				<i>Area</i> (in '000 acres)	<i>Output</i> (in '000 tons)
Rice .. .. .	..	..	..	34	not available
Wheat .. .. .	..	..	..	1,087	259
Sugarcane .. .. .	..	..	..	96	107
Cotton .. .. .	..	..	..	18	4
					(Bales of 400 lbs. each)
Rape and Mustard .. .. .	..	..	..	137	15
Barley .. .. .	..	..	..	159	42

Baluchistan

'Baluchistan lies outside the mountain wall of India and consequently outside the influence of the monsoon. It comprises several British districts—in general the most fertile parts are under direct British administration,—and the large native States of Kalat and Las Bela. Physically Baluchistan comprises an arid plateau surrounded by a ring of mountains and forming a region of inland drainage; the arid Makran coast in the South; a tract of tangled

¹ Dudley, Stamp, op.cit., 275-6.

² Indian Year Book, 1945-6, p. 319-22.

mountainous country in the north-east continuous with the mountain frontier tracts of Waziristan and Afghanistan. South of the Bolan Pass Baluchistan also includes a fragment of the Indus plains, but a portion not draining directly to the Indus. The total area of this huge tract is nearly 135,000 square miles—considerably more than the whole of the British Isles—but it has a total population of less than a million....'

The country as a whole has been aptly described as consisting 'largely of barren mountains, deserts and stony plains; its climate is subject to the extremes of heat and cold and the rainfall is uncertain and scanty....'

'There are no large rivers which can be used for irrigation as there are in those parts of India where the rivers flow from the Himalaya; the rivers are short, rushing torrents which flow after rains but are often dry for many months of the year. For the most part they drain into shallow lakes in the midst of the plateau—lakes which often dry up entirely in the hot weather....'

'The soil in some of the valleys and plains of Baluchistan is naturally very fertile, and in many areas the most has been made of the scanty water supplies available. The water from the mountain streams sinks into the ground at the foot of the hills some distance from where it might be of use in watering good alluvial soil. Long tunnels, known as Karez, have been constructed to tap these underground supplies....A few of the level tracts of alluvium in Baluchistan are irrigated by flood-water from the streams. Indeed in good season as many as three crops may be grown on the same piece of land....The most important crop in Baluchistan is Jowar (millet); other crops include wheat, barley and rice, and fodder (lucerne, etc.) is grown for the cattle and sheep. Fruits such as grapes, apricots, peaches, apples and melons grow well. Along the Makran coast dates, for which Panjgur is especially famous, provide food for man and beast. A little fishing is carried on along the coast itself¹.

¹ Dudley Stamp, op.c't.

CHAPTER V

INDUSTRY

Need of The Hour

The industrial position of Muslim regions in India has been frequently criticized by the opponents of Pakistan. But it is a surprise that most of them have given their verdict merely by counting the number of factories in operation, while in many cases cottage and village industries in Pakistan are more important than the large-scale industries and provide employment to a larger number of persons. Handloom, for instance, is one, which keeps nearly 700,000 persons in Pakistan engaged in weaving almost daily. This figure exceeds the total average of daily workers employed by all the 787 cotton factories of British India by no less than 200,000. Similarly, the fast developing wool industry in Pakistan is computed to be providing employment to 52,000 persons daily, against the small number of 7,000 workers employed by the 16 woollen mills of British India.

As regards the importance of cottage industries in the future economic structure of India it would be sufficient to express here some views of the economists of repute:

1. *National Planning Committee*

'The revival and expansion of old and introduction of new cottage industries and rural industries will be an important and indispensable means of rehabilitating the villages and ensuring to them a satisfactory level of income and resources'.¹

2. *Dr. V. K. R. V. Rao*

'When unemployment ceases to be merely fractional and takes the form of a chronic malady, it is high time that considerations

¹ R. V. Rao, *Cottage Industries & Their Roll in National Economy*, p. 39.

of economy cease to dominate the choice of the methods of production.¹

3. *Dr. Anstey*

'My own conclusion is that India cannot expect to proceed far or fast upon the road of large-scale industrial development and that intensification of protection would merely increase the profits of a small section of the population at the expense of the masses.'²

4. *G. D. H. Cole*

'This process (of rationalization) ought to be a sheer gain for it ought to give men the choice between higher and real incomes and more voluntary leisure. But, actually, it enforces idleness—which is a very different thing from leisure—upon some and in many cases, though not in all, makes work harder and more harder and more intensive for those who remain in employment. It does not cause necessarily any expansion in the total volume of production—for that depends on the expansion of the market—and the initial effect of rationalization is to decrease employment without proportionately raising wages.'³

5. *Wadia and Merchant*

'These advocates of large-scale production fail to take account of the fact that machinery increasingly displaces labour, and that with the drive towards economic self-sufficiency, protective policies and the industrialization of countries regarded as economically backward, a saturation point has been reached which places limitations upon an indefinite expansion of large-scale enterprise. With growing industrialization in India there will be growing need for finding resources of employment for those who are displaced by the use of machinery.'⁴

¹ Ibid., p. 51.

² Ibid., p.

³ Ibid., p. 45.

⁴ Wadia and Merchant, op.cit., p. 467.

6. *All-India Village Industries Association*

'We recognize, however, that large-scale production has under our present disruptive machinery brought with it unemployment on an unprecedented scale and has degraded or has a tendency to degrade human labour to the level of machine. The existence of cottage industries and handicrafts side by side with factory industries may not only absorb the population displaced by machine, but save them from degradation which idleness supported by unemployment does usually involve.'¹

Opinions quoted above lend their full support to 'the prospects of a successful development of village industries in India (not less in Pakistan) on economic lines,' because 'there are enormous resources in this country for the development of cheap electric power which could be utilized for small-scale production in villages.'² Our need of the hour therefore, is a 'balanced economy by properly devised industrial integration in which large-scale, small-scale and cottage industries can be dovetailed by means of a reoriented policy into agriculture, with a view to guaranteeing a minimum of decent life for all.'³

The anomaly created by the deliberate neglect of cottage industries from the consideration of Pakistan's industrial position has been further accentuated by the ruthless attempt of the opponents of Pakistan to split the Muslim provinces into non-Muslim and Muslim territories. This assumption has made Dr. Rajendra Prasad sceptical about the position of Bengal and the Punjab, because the figures of industrial development of these provinces are not for portions falling within the Muslim zone. They are therefore, (according to him) misleading and particularly so in the case of Bengal, as the industries in that province are concentrated in and around Calcutta, which falls outside the Muslim zone.'⁴

¹ All India Village Industries Association Report, 1941.

² Wadia and Merchant, op.cit., p. 470.

³ Ibid., p. 486.

⁴ Dr. Rajendra Prasad, op.cit.

Large-scale Industries

Let us now have a glance on the present position of large-scale industries in the Muslim provinces. It may be noted in this connection that 3.2 per cent of the total population of Pakistan, as compared with 4.8 per cent of the total population of Hindustan is engaged in industrial pursuits. Of this, large-scale industries provide employment to 0.74 per cent of the population in Pakistan and 0.54 per cent in Hindustan.¹ Thus in general, though the number of factories in Pakistan is smaller, they provide employment to a larger number of workers.

Statistical position of employment provided by the respective groups of industries is revealed from the table given below:—

TABLE NO. XXV

Employment Provided by Large-scale Industries in 1939¹

<i>Industry</i>	<i>P a k i s t a n</i>		<i>H i n d u s t a n</i>	
	<i>No. of facto- ries</i>	<i>No. of wor- kers employ- ed daily</i>	<i>No. of facto- ries</i>	<i>No. of wor- kers employ- ed daily</i>
I. GOVERNMENT & LOCAL FUND FACTORIES				
(Perennial)	148	64,900	197	66,100
(Seasonal)	159	65,000	215	67,400
II. OTHER FACTORIES				
(Perennial):				
1. Textiles	287	334,100	1,116	482,900
2. Engineering ..	356	71,500	645	76,900
3. Mineral and metal foundries	90	24,100	97	31,000

¹ The figures are exclusive of dependents supported by workers.

4. Food, drink and tobacco	641	27,200	870	58,000
5. Chemicals	23	4,000	8	700
6. Paper	5	7,300	9	4,300
7. Printing and book binding	161	9,600	494	21,300
8. Processes re. wood, stone, etc.	88	11,400	337	40,900
9. Gins and presses ..	33	19,100	148	6,900
10. Rope works, etc. ..	66	10,100	152	9,600
(Seasonal)	1,967	142,600	1,527	146,800
TOTAL .. ..	..	790,900	..	1,012,800

Percentage of total population of Pakistan employed in factories 0.74

Percentage of total population of Hindustan employed in factories 0.54

Cottage Industries

Though scanty statistical data are available about cottage industries, there is no doubt that the economic salvation of both Hindustan and Pakistan lies in a judicious policy regarding the expansion of cottage industries. At present, only 2.5 per cent of the Pakistan population is engaged in village industries and various kinds of cottage industries. It must be remembered that our obvious need is 'not for substituting the machine for the hand worker but for developing rural industries which would not supplant labour so much as supplement it and increase the workers' income, even though on a modest scale. This is illustrated by the following table relating to the manufacture of textile fabrics in India by four different methods of production.¹

¹ Sir M. B. Nanavati and J. J. Anjaria, *The Indian Rural Problem*, p. 348.

TABLE NO. XXVI¹
Four Different Methods of Production

<i>Method of production</i>	<i>Capital investment per head of worker</i>	<i>Output per head</i>	<i>Ratio</i>	<i>Amount of labour employed per unit of capital</i>
	Rs.	Rs.		
1. Modern mill (Large-scale industry)	1,200	650	1.9	1
2. Power loom (Small-scale industry)	300	200	1.5	3
3. Automatic loom (Cottage industry)..	90	80	1.1	15
4. Handloom (Cottage industry)..	35	45	9.8	25

Assuming, therefore, that the backbone of future industrial organization will be the cottage industries, let us examine the present position of the handloom, silk and wool industries for which statistics are, at present, available.

TABLE NO. XXVII
Cottage (textile) Industries

<i>Industry</i>	<i>Pakistan No. of looms</i>	<i>Hindustan No. of looms</i>
Handloom	700,000	550,000
Silk loom	222,500	88,700
Wool loom	51,900	10,460
	<u>974,400</u>	<u>648,160</u>

Other cottage industries for which statistics are not available are (a) hosiery, (b) Iron works, (c) furniture, (d) surgical instru-

¹ Ibid, quoted from Eastern Economist, July 23, 1943.

ments, (e) games and sports materials, (f) pottery, (g) cutlery and (h) gold and silver ornaments, etc.

Sericulture

Besides these, sericulture is being carried on in Assam, Bengal and the Punjab. In Assam eri, mulberry and muga silk worms are being reared and about Rs. 1,70,000 worth of silk is annually produced there. Bengal produces Rs. 20,00,000 worth of mulberry silk, while the produce of the Punjab values at Rs. 16,600 annually. If silk rearing is further organized in these provinces, there is scope for a big silk spinning and weaving industry in Pakistan.

Wool Industry

Wool is another important industry of Pakistan. The main collecting centres of wool are Quetta, Shikarpur, Amritsar, Multan, Kulu, Fazilka, Lahore and Panipat. Wool weaving is a popular industry of Pakistan, but its chief centre is the Punjab. Amritsar had a considerable trade at one time in weaving 'shawl' from 'Pashmina,' the fine under fleece of the Tibetan goat. Sind has recently developed handloom wool weaving extensively. The province has at present the highest number of looms for wool weaving. The present position of Pakistan with regard to silk, wool and cotton handloom industry is borne out by the figures collected below:—

TABLE NO. XXVIII ¹

The Position of Silk & Wool Weaving

<i>Province</i>	<i>Number of cotton looms</i>	<i>Number of silk looms</i>	<i>Number of wool looms</i>
PAKISTAN:			
Bengal	200,000	14,200	2,849
Assam	425,000	203,000	..
Punjab	75,000	4,700	18,500

¹ Figures collected from (a) Indian Finance Eastern Group Number; (b) Cotton Textile Tariff Board, presided over by Dr. Matthai (1932); (c) Indian Year Book, 1945-46.

Sind	600	30,585
N.-W. F. P.	500	..
TOTAL ..	700,000	222,500
		51,934

HINDUSTAN:

Bihar & Orissa ..	125,000	4,000	6,166
U. P.	200,000	51,700	..
Bombay	100,000	11,500	..
C. P. & Berar ..	100,000	2,500	4,021
Madras	225,000	19,200	286
Delhi	450	..	..
TOTAL ..	750,000	88,700	10,460

We can see from the above that 48.2 per cent of the total cotton handloom industry, 71.5 per cent of the silk industry and 83.2 per cent of the wool industry of the total of British India is carried on in Pakistan. This aspect has been altogether ignored by Dr. Rajendra Prasad and other opponents of Pakistan.

In the light of the facts mentioned above, we may now examine the industrial position and possibilities of each province in Pakistan separately. Let us start with the provinces of North-Western Zone.

North-Western Zone

In the North-Western zone the Punjab and Sind are industrially important, while N.-W. F. P. and Baluchistan are practically undeveloped areas, but not without prospects.

The Punjab

Though 'the Punjab is not a large manufacturing province, it stands foremost in the large percentage of workers who are supported by small-scale and cottage industries. Thus, while percentage of total workers and working dependents supported by industry is 11.3 in Bombay, 8.8 in Madras, and 11.7 in U. P., the figure of the Punjab is as high as 17.0.¹ Handloom weaving is one of the major cottage industries both as regards the number

¹ Indian Finance, op.cit.

of workers engaged and the value of products. Production in blankets and woollen rugs is considerable. Amritsar is the chief centre of the carpet industry. Silk weaving is also widely carried on. Craftsmanship in gold, silver, ivory, brass, copper and earthenware is fairly widely distributed.' 'Other cottage industries of commercial importance are iron safes at Gujranwala, veterinary and surgical instruments and hospital furniture at Sialkot, Lahore and Multan. Pottery making at Gujrat, glue industry at Rewari, ivory carving at Amritsar and Leh; copper and brass utensils at Jagadhri, Gujranwala and Rewari; and cutlery at Nizamabad and Wazirabad.'¹

Coming now to large-scale industries, the Punjab has been making steady progress in the establishment of new factories during the last decade. The number of registered factories has increased from 1,191 in 1943 to 1,253 in 1944, including a large number of cotton ginning and pressing factories located all over the province and several modern cotton spinning and weaving mills at Amritsar, Lahore, Lyallpur, Okara and Montgomery. In raw wool pressing and bailing the Punjab occupies an important position, it is a large exporter of raw wool and has large wool spinning and weaving mills at Amritsar and one at Dhariwal. Other industrial concerns of note are a ribbon and trimming mills, two absorbent cotton and antiseptic dressing factories, several carpet factories and silk weaving factories at Amritsar, a paper products factory, stationery and drawing materials factories and metal foundries at Lahore; a turpentine and rosin factory at Jallo; a pulp and paper mill, a starch factory and a sugar mill at Abdullahpur; two plywood factories, one at Sahdra and the other at Ludhiana; factories for the manufacture of nuts and bolts at Jullundur and Ludhiana; a factory for the hydrogenation of vegetable oils at Lyallpur; a factory for the manufacture of machine tools at Batala; several sports gear and rubber factories at Sialkot; cement, tile factories and steel re-rolling mills at Lahore, Amritsar, Khanna and

¹ Indian Year Book, 1945-46.

Ludhiana; a cement factory at Wah; tanneries at Wazirabad, Sialkot and Jullundur; hosiery factories at Ludhiana and Lahore; factories for the dehydration of foodstuffs at Lahore, Ludhiana, Ambala, Sialkot and Amritsar, for the manufacture of electrical and scientific apparatus at Lahore, Amritsar and Ambala; for chemical and pharmaceutical products at Amritsar, Rawalpindi and Lahore and two glue factories, one at Amritsar and the other at Ambala'.¹

A comparative list of the present and prospective industries of the Punjab prepared by the All-India Manufacturers' Organization, Bombay is being reproduced below for the interest of the readers:

TABLE NO. XXIX²*Present and Prospective Industries of the Punjab*

<i>Present</i>	<i>Prospective</i>
1. TEXTILE	1. TEXTILE
(a) Cotton—eight mills	There is scope for the development of cotton and woolen textiles.
(b) Wool—six mills	
(c) Silk and Art silk—five mills	
2. HEAVY CHEMICALS	2. HEAVY CHEMICALS
(a) Sulphuric acid and related salts	Fertilizers
(b) A Soda Ash plant at Kherwa.	
3. MINERALS	3. MINERALS
(a) Petroleum at Attock, Khaur and Rawalpindi.	(a) Petroleum and Petroleum products. (Dhulian, Joya Mair and Chharat have good prospects).
(b) Coal. Worked in Jhelum, Mianwala & Shahpur districts.	(b) Coal
4. SALT	4. RAYON
5. CEMENT	5. INDUSTRIAL MACHINERY & PLANT

¹ Indian Year Book, 1945-46, p. 141.

² Heavy Industries in British India, A. I. M. O. Monograph No. 5, p. 26.

- | | |
|---|---|
| 6. OTHER INDUSTRIES:
1. Sugar.
2. Starch.
3. Paper and Pulp.
4. Plywood.
5. Matches.
6. Hydrogenation and refining of oils.
7. Glass.
8. Electric goods.
9. Cutlery & surgical instruments.
10. Sports goods.
11. Oil mills.
12. Carpets.
13. Hosiery.
14. Cotton ginning.
15. Soaps.
16. Resins.
17. Alcoholic beverages.
18. Foundry.
19. Metal rolling.
20. Tools, hardware.
21. Leather goods. | 6. HYDRO-ELECTRIC POWER GENERATION
7. AGRICULTURAL MACHINERY
8. CEMENT
9. PAPER AND PULP
10. OTHER INDUSTRIES
1. Hardware & small tools.
2. Starch.
3. Paints and varnishes.
4. Essential oils.
5. Perfumery.
6. Oils and soaps.
7. Electrical accessories.
8. Fine chemicals and pharmaceuticals.
9. Tanning.
10. Fruit canning.
11. Dehydration of vegetables.
12. Plywood. |
|---|---|

Sind

Sind at present is an industrially backward province. Her only principal industries are Salt and Cement. But the completion of Lloyd Barrage across the Indus at Sukkar has given Sind wider scope for development in agriculture as well as industry. Among large-scale industries at present there are, a salt factory at Mauripur, two silk factories, 102 rice factories and one sugar factory. The following heavy industries have the prospects of developing in the province:—¹

1. Textile
 Cotton factories.
2. Heavy chemicals.
 - (a) Acids.
 - (b) Alkalies.
 - (c) Miscellaneous chemicals.

3. Sea Transport.
 - (a) Coastal.
 - (b) Overseas.
4. Machinery.

Agricultural machinery and implements.

N.-W. F. P.

The province is practically without manufacture, but there are great prospects of industrial development after the completion of the Malakhand Hydro-Electric scheme, because in mineral supplies the province is rich. There is 'an inexhaustible supply of lime stone and marble. Coal, petroleum and salt are some of the important minerals but they are not yet adequately surveyed.'¹

The following industries have prospects of development in the province:—²

1. Hydro-electric power generation.
2. Exploitation of minerals—coal, petroleum and other minerals.
3. Heavy chemicals—Fertilizers.
4. Wool and woollen textile (both on cottage and factory lines.)
5. Fruit canning (both on cottage and factory lines).

NORTH-EASTERN ZONE

Bengal

On the North-Eastern side Bengal is by far the most important. Industrially it is only next to Bombay. 'Of late, Bengal has been showing signs of being industrialized at a faster rate than before. Among the industries of the province, the jute industry naturally occupies the pre-eminent position. The history of the industry upto the year 1925-26 has been practically one of continuous progress in respect of number of mill looms and output. The number of mills has increased from 60 in 1900 to 94 in 1936-37.

¹ Ibid., p. 28.

² Ibid.

The looms have risen in the same period from 15,000 to 62,875. The Indian jute mills consume nearly half the jute goods in India.

'The cotton mill industry of Bengal which comes next in order of importance is of a more recent growth. There are now 21 cotton mills in existence having about 7,871 looms in all.

'The quantity of piecegoods produced in the province is nearly ten times what it was twenty years back. Though the achievement is by no means negligible, there is plenty of room for further development. On the basis of 14.17 yards per capita consumption in India, Bengal's demand for piecegoods amounts to 730 million yards. The mills in Bengal are able to supply only about one-seventh of this demand, the rest being met from the supply of other provinces and foreign countries. The scope for development in the province is, therefore, about sixfold.'

'The other major industries of the province are coal mining, tea, sugar, paper and iron and steel industry. The coal mines of Bengal contribute one-fourth of the total Indian coal production. In 1936 Bengal's output was 6.7 million tons out of 22.6 millions in India. Raneegunge is the most important coalfield of Bengal. The welfare of the industry is of great importance to this province. The tea industry of Bengal has absorbed a large amount of capital and is concentrated in Jalpaiguri and Chittagong. This industry engages on an average 200,000 people. As regards the sugar industry, though it has made rapid progress elsewhere in India under the aegis of protection, in Bengal its development has been very poor. This is really a matter of surprise when the soil and climate are very favourable for the cultivation of sugarcane. When the various natural advantages which Bengal enjoys in regard to this industry by way of favourable soil, cheap labour price, advantage in railway freight as compared with sugar from other provinces are considered, it is apparent that the industry has a great future when it begins to be developed in right earnest. In regard to the paper industry Bengal stands supreme in India. There are three well-equipped and large paper mills in the Province. The paper production of Bengal in 1938 was 49,000 tons out of

the total Indian production of 66,000 tons.

‘Apart from these large-scale industries, there are the medium-sized industries and the small-scale industries providing employment for many in the province as well as occupying an important position in the economic structure of the Province. Some of the medium-sized industries are chemicals, toilettes and soaps, electric fans, electric bulbs, paints, varnish, glass, match, shoe-making, hosiery, flour mills, oil mills, rice mills, etc. All these have shown considerable expansion during the last few years. The small-scale or cottage industries are those which have been carried on from times immemorial in the villages. They form a vital part in the economic structure in that they provide alternate source of employment to millions of under-employed agriculturists.

‘Handloom weaving is the most important cottage industry and is widely spread throughout the province. It is true that the world-famous muslin weavers of Dacca are all dead and gone and the very cotton with which they wove their fine webs is grown no more and is probably even extinct. And yet even today their descendants are carrying on against great odds, if not the weaving of muslins, at least the manufacture of some fine hand-woven cloth. Though no statistics are available as to the total output and the price realized for these handloom products, both must be very appreciable. . . . The brass and the bellmetal industry of Bengal is the next most important cottage industry of the province and the products annually produced amounts to several lakhs of rupees amongst other cottage industries, the more important ones are cutlery, pottery, fishing, silk weaving and rearing, mat and coir making, ceramics, toy making, button making, etc. The cottage industries of Bengal have recently been given a fillip by the keen interest shown by the Department of Industries in Bengal¹.

Below is given an exhaustive list of the heavy industries being at present carried on in Bengal and the industries for which there is bright future prospect :—

¹ Indian Finance, op. cit. p. 201.

TABLE NO. XXX¹*Present and Prospective Industries of Bengal*

<i>Present</i>	<i>Prospective</i>
1. Textile.	1. Textile, Cotton.
(a) Jute, 96 mills & 40 presses.	There is scope for further development.
(b) Cotton 33 mills, some more under construction.	2. Rayon.
(c) Hosiery.	3. Ship-building.
2. Tea 442 tea estates.	4. Machine tools.
3. Coal mining.	5. Locomotives and Power machinery.
4. Iron and steel—Two iron & steel works.	6. Automobile.
5. Aluminium—one factory.	7. Further development of electric power generation.
6. Ship-building.	8. Heavy chemicals.
7. Heavy chemicals—manufacturing sulphuric, hydrochloric and nitric acids and related salts.	(a) Salt.
Caustic Soda and chlorine plant.	(b) Coal tar distillation products.
Bleaching powder plant.	9. Dye-stuffs.
Plants for organic and inorganic chemicals.	10. Petroleum from coal.
8. Engineering.	11. Sea and river transport.
(a) Iron and steel rolling.	12. Others:
(b) Foundry.	(a) Paper and pulp.
(c) Refining of non-ferrous metals.	(b) Ply-wood.
(d) Structural engineering.	(c) Electrical accessories.
(e) Machine tools	(d) Railway wagons.
(f) Railway equipment, etc.	(e) Air transport.
9. Sugar, 9 factories.	(f) Plastics.
10. Paper and Pulp, three factories.	(g) Paints & Varnishes.
	(h) Power alcohol.
	(i) Fisheries and fish canning.
	(j) Dehydration.
	(k) Organic acids.
	(l) Solvents.

¹ Heavy Industries in British India of Gt.

11. Others:
- | | |
|---|-----------------|
| (a) Cycles. | (m) Alkaloids. |
| (b) Plywood. | (n) Acid steel. |
| (c) Oils and soaps. | (o) Silk, etc. |
| (d) Rubber tyres & tubes & leather goods. | |
| (e) Electric motors, bulbs & fans. | |
| (f) Glass and glassware. | |
| (g) Matches. | |
| (h) Paints and varnishes. | |
| (i) Pottery & enamelware. | |
| (j) Plastics. | |
| (k) Gramophone records. | |
| (l) Scientific and surgical instruments. | |
| (m) Lac. | |
| (n) Pharmaceuticals. | |
| (o) Drugs & fine chemicals. | |
| (p) Celluloid goods. | |
| (q) Batteries. | |
| (r) Waterproofing. | |
| (s) Cigarettes. | |

Assam

Most of the labour in Assam is employed in mining and tea industries. This province is also rich in forests which provide timber, bamboos, grass, lac, medicinal herbs and essential oil-bearing plants. The industrial development of the province has not yet taken place in an organized form. Future prospects are, therefore, very great.

Amongst the present industries tea is most prominent. There were 1,126 tea gardens and 638 tea estates in the Province in 1939. Two petroleum refineries have been established at Lakhmi-pur district. One paper factory at Silchar. Besides these labour is employed in excavating coal, producing cement and plywood.

Prospects of future development have been noted by the A.I. Manufacturers' Organization in the following:—

1. Further development of petroleum industry.
2. Dye-stuffs.
3. Paper and pulp plywood.
4. Hydro-electric power generation.
5. Essential oils.
6. Canning.

CHAPTER VI

TRADE

(A) INLAND TRADE

Inland Trade in General

The present position of Pakistan trade may be judged from trade statistics of the year 1939-40, (which have been taken as normal year) for the purpose of our present study.

TABLE NO. XXXI

Inland Trade Position of Pakistan and Hindustan¹
(in '000,000 mds.)

<i>Commodity</i>	<i>P a k i s t a n</i>			<i>H i n d u s t a n</i>		
	<i>Import</i>	<i>Export</i>	<i>Balance</i>	<i>Import</i>	<i>Export</i>	<i>Balance</i>
Raw cotton	7.0	9.3	+ 2.3	13.2	8.8	— 4.4
Rice (husk)	16.3	23.0	+ 6.7	30.1	28.5	— 1.6
Wheat ..	12.5	20.2	+ 7.7	10.1	4.2	— 5.9
Salt ..	10.6	13.4	+ 2.8	20.0	10.9	— 9.1
TOTAL ..	46.4	65.9	19.5	73.4	52.4	—21.0
Sugar ..	8.2	2.4	— 5.8	5.8	12.8	+7.0
C o t t o n piecegood	5.0	3.0	— 2.0	5.3	7.6	+ 2.3
Iron and Steel ..	20.0	13.5	— 6.5	18.4	27.7	+ 9.0
Oil seeds ..	13.2	6.6	— 6.6	23.8	26.3	+ 2.5
TOTAL ..	46.4	25.5	—20.9	53.3	74.1	20.8
GRAND TOTAL	92.8	91.4	—1.4	126.7	126.5	—0.2

¹ Statistical Abstract, op.cit.

From this statement jute and coal have been excluded for the obvious reasons that 'the excess of import of jute implies that it is imported for export to foreign countries.'¹ The balance which comes to 2,000,000 maunds against Pakistan is, therefore, not real.

Coal and Coke

As for coal and coke the wartime explorations and experiments have revealed that in Pakistan areas we have almost a monopoly of the latter (though at present insufficient for export) and the total quantity of coal has an upward trend, more in favour of Pakistan than Hindustan. The year 1938-39 indicated an increase of 15.8 per cent in Pakistan and only 8.5 per cent in Hindustan over the previous year.²

Moreover, in recent years the development of hydro-electricity in Pakistan is fast reducing her dependence on Hindustan for coal supplies. It may also be added here that Pakistan coal, which was considered to be poor in quality has undergone a welcome change during the war. Scientific treatment has turned it into coal of an 'excellent quality.' We have also to take into account the fact that coke is being quickly exhausted in Hindustan, and she might have ultimately to depend on Pakistan for it.

Trade Position Analysed

If the trade position is now analysed it would be revealed that the deficit of Hindustan is with regard to wheat, rice, salt and cotton. Of these, the former three commodities can be regarded as prime necessities of life. Pakistan, on the other hand, is deficit in sugar, oilseeds, cotton piecegoods, and iron and steel. None of these commodities are so essential for existence as the above three, and most of them are such as can be dispensed with and substituted for if necessary. Moreover, Hindustan is not in a position at present to supply the entire demand of Pakistan, in respect of cotton piecegoods, iron and steel and oilseeds. While

¹ Rajendra Prasad, op.cit., p. 283.

² On the basis of Indian Year Book, 1945-46, p. 704.

Pakistan is able to meet the entire demand of Hindustan in wheat and rice, yet leaving a surplus to be exported elsewhere. Furthermore, Pakistan has an increasing trend in the supply of high-grade wheat and rice, and can export it to market outside India, while Hindustan has no good prospects in the export of iron and steel outside Pakistan.

So far, however, as the total balance of inland trade is concerned the statistical statement provided above is, to a certain extent misleading, for, the data supplied have not been adjusted with reference to the amount of jute imported to Bengal for being exported to other countries. Eastern Pakistan being itself the biggest centre of jute produced in the world, does not stand in need of the 31,700,000 maunds of jute, shown on the import side. Naturally, therefore, the major part of this amount should be meant for export abroad. If this fact is taken into account, Pakistan will be found enjoying a big favourable balance in total inland trade, against Hindustan, which shall still suffer a deficit of 200,000 maunds.

Dr. Rajendra Prasad's Reading

Dr. Rajendra Prasad has, on the other hand, summed up the position of inland trade of Pakistan to be just the reverse. 'Both the zones,' he writes, 'have an excess of imports in respect of coal and coke, cotton piecegoods, iron and steel and sugar; and excess of exports in respect of salt and grains including rice, but excluding wheat in the Eastern zone. In raw cotton, wheat and oil seeds in the North-Western zone has an excess of export over imports. . . The excess of import of jute implies that it is imported for export to foreign countries. This is because coal, coke and iron and steel are produced in the Western non-Muslim districts and jute is produced very largely in the Eastern Muslim districts. As regards wheat which is one of the principal exports from the Punjab it may be pointed out that non-Muslim India will not have to be dependent on the Punjab for wheat in the way the Muslim zones will have to be dependent on non-Muslims zones for coal and iron and steel, inasmuch as non-Muslim India produces almost as much

of wheat as it consumes at present. Punjab wheat has also to face heavy competition with Australian wheat whose import into India increased from 13,000 tons in 1935-36 to 150,000 tons in 1938-39.¹

Coal and coke position having already been cleared: other allegations made in the statement can be challenged word for word on the following grounds:—

Cotton Piecegoods

We are short in cotton piecegoods to the extent of 1,304,000 maunds. But, so long as we have a surplus of 2,610,000 maunds of raw cotton, and Hindustan has to depend upon the import of no less than 4,315,000 maunds of cotton, the position does in no way stand threatened.

It may further be noted that according to the present rate of average output of Pakistan cotton mills, the whole deficit which has to be made up by imports is a question of only 12 additional cotton mills. If in spite of the climatic drawbacks 46 cotton mills can work successfully in Pakistan, there is hardly any reason to be pessimistic about establishing a dozen more on sound commercial basis. "This view is also endorsed by the All India Manufacturer's Association."²

Hence it will always be in the interest of Hindustan cotton mills to import supplies of the long staple Pakistan cotton.

What About Wheat?

As for wheat Dr. Prasad has presumably based his argument regarding Hindustan's wheat sufficiency on conjecture rather than fact. Unfortunately, the Statistical Abstract of the Government of India reveals that the non-Muslim provinces had to import 1,01,30,000 maunds of wheat in 1939-40 against the export of 42,04,000 maunds, which means a clear deficit of 59,26,000 maunds. On all-India basis the magnitude of deficit was all the more greater

¹ Rajendra Prasad, op.cit., p. 283.

² See A.I. M. A. Pamphlet, No. 5.

—1,20,16,000 maunds, 2,74,79,000 being the import and 1,54,73,000 maunds the export.

Dr. Rajendra Prasad's analogy of wheat neediness with iron and steel neediness of Pakistan also belies the facts. Who can say that iron and steel create more economic dependence than wheat, specially when one country (Pakistan) is short of 65,43,000 maunds of steel and iron, while the other country (Hindustan) is also short of 59,26,000 maunds of wheat?

The apprehension of Australian competition has lost all importance in view of the conditions described above. Further, the imagined situation will never arise so long as Pakistan wheat continues to find a ready market in Hindustan. As for the future, Pakistan wheat is of a much superior quality and will always be preferred to the Hindustan quality. The danger of displacement by competition, if any, is for the Hindustan wheat and not for that of Pakistan. Hindustan will always have to ward off the danger of Australian competition in her own interest, which would mean an additional safety for Pakistan wheat.

The Real Position

The real position, now, emerges to be one of hope and prospect, rather than disappointment and despondency, which is the outcome of the gloomy picture painted by the learned author of 'India Divided.' This, he has done by summing up the adverse trade position of Pakistan in a statistical statement, presenting her inland trade balances in respect of certain commodities. Judging the results of each separately, he has construed that there is a general insufficiency of consumption goods in the Muslim Provinces; and this would lead her to a perpetual economic dependence of Hindustan. Perhaps, he should be reminded here that the better method of judging the trade position of a country is to examine her total trade balance and not the balances of commodities taken individually. We have seen already that if this is done all the conclusions drawn by Dr. Rajendra Prasad on this aspect stand virtually reversed.

(B) FOREIGN TRADE

Unfortunately, sufficient data are not available to show exactly the position of respective provinces in the matter of foreign trade. Nevertheless, even from whatever meagre resources of information can be tapped, it would not be difficult to establish that the position of Pakistan is encouraging. Happily, the two Pakistan zones are so situated that they would place the Muslim India in closer touch with the Middle East on one side, through the North-Western zone and the Far East, on the other side through the North-Eastern zone, than any other part of India. Thus, Pakistan enjoys prospects of newer markets in Malaya, East Indies, China and Japan, on the North-Eastern side and the Middle East, on the North-Western side.

Let us now review these prospects in the light of the existing foreign trade conditions of Pakistan. Among important agricultural products of the Muslim regions, featuring in the international market are wheat and cotton from the North-West and jute and tea from the North-East. Both of these regions enjoy the services of some of our very important ports, namely, Karachi, Chittagong and Calcutta. The total volume of merchandise carried through them in 1939-40 valued at Rs. 20,36,000,000 against the total trade carried through the rest of the ports in India, which amounted to Rs. 16,56,000,000.

Wheat

Wheat is by far the most important commodity exported from Pakistan. Its high quality and surplus produce has been playing an important role in the foreign as well as inland trade of the sub-continent. In the absence of provincial data regarding the export of wheat, the following all-India statistics will be helpful in indicating the direction of wheat trade.

TABLE No. XXXII¹
Wheat Export (in '000 Tons)

<i>Countries to which exported</i>	<i>Average 1919-20 to</i>					
	1923-24	1934-5	35-6	36-7	37-8	38-9
United Kingdom	162	8.6	7.0	209.9	290.2	205.0
France	18	..	..	..	..	..
Italy	11	..	..	..	..	..
Belgium	16	..	..	..	..	7.4
Germany	8	..	..	..	140.0	47.6
Egypt	9	..	..	9.8	..	..
Arabia .. ..	..	0.7	0.6	..	..	..
Other countries	13	1.7	2.0	11.8	21.6	18.6
Total Br. Empire	173	8.0	7.0	209.9	290.2	205.6
TOTAL ..	237	11.0	9.6	231.5	459.8	279.2

It appears from this table that since 1934-35 there is a regular upward trend in wheat export of India, but the British Empire had been enjoying the largest share of the supply. Evidently, our export policy has long remained in the hands of British interest. But when we are free to move in a wider region, it should not be doubted that Pakistan will capture good markets in the Middle East. From the table given below it will appear that at least four of the Middle East countries, Cyprus, Palestine, Syria and Egypt are in a perpetual demand of wheat, while N.-W. Pakistan is their only immediate neighbour in a position to help them if free to do so.

TABLE No. XXXIII
Extent of Wheat Shortage in the Middle East
 (Latest Figures Available for 1934-35)²

<i>Country</i>	<i>Amount of shortage (in 1,000 International Units)</i>				
1. Cyprus	566
2. Palestine	2,304
3. Syria	391
4. Egypt	1,405
TOTAL	4,666

¹ Indian Finance, op.cit.

² Bonne, *The Economic Development of the Middle East*, p. 44.

It might be argued here that Turkey and Iraq who have more wheat than actually needed by them are better placed to capture these markets, than Pakistan. Statistics, however, reveal that both these countries taken together could make up only 3,114,000 I. U. of their wheat shortage. Thus, there still remains a balance of 1,552,000 I. U. which can be shared by Pakistan. Another objection intended to rule out this hope may be the future prospects of agricultural developments in the Middle East. But if we take into consideration the fact 'that the population here has multiplied in a fashion which can scarcely find its parallel anywhere else during the same period,'¹ we shall be convinced that it would be impossible for them to cope with the food requirements of the growing population. In Turkey much of agricultural improvements have already been made and moreover it is too small a country to supply food to the remaining countries of the Middle East. In Pakistan the soil is almost virgin for intensive cultivation and, her agricultural potentialities are vast. Under these conditions a prosperous foreign trade with the Middle East will be no surprise.

Cotton

Next is Cotton. It plays a very prominent part in the international trade of India, and is one of the most rapidly developing agricultural products of North-Western Pakistan regions. Yet it is noteworthy that 'though more than half of the produce of Indian cotton finds an export outlet, it does not figure as much in the international trade as the Australian or Egyptian cotton.'² This is due to 'notably the short staple of the Indian cotton' and 'the enormous admixture of dirt in the cotton'³. It is only the North-Western Pakistan regions that have to a very great extent overcome the drawback by cultivating successfully the American and the Egyptian quality of cotton. Hence the future of Pakistan cotton

¹ Ibid., p. 11. The growth of population in 1938, taking the year 1800 as the base increased by 667.5% in Egypt, 350.0% in Iraq, 437.0% in Syria and 500.0% in Palestine.

² Indian Finance, op.cit., p. 191.

³ Gadgil, Industrial Evolution, p. 15.

is brighter in the international market than that of Hindustan cotton, which has not yet succeeded in replacing short staple with the long staple variety. The famous black cotton has not yet revealed any prospects for an yield in a better variety of cotton. An idea of the total cotton exports for India may be given through the figures given below:—

TABLE NO. XXIV¹
Export Trade of Cotton in 1938-39

<i>Country</i>	<i>Amount exported ('000 bales of 400 lbs.)</i>	<i>Value of export (in lakhs of Rs.)</i>
1. United Kingdom ..	411	355
2. Other parts of British Empire	6	6
3. Japan	1,221	8,49
4. Italy	102	69
5. France	169	1,45
6. China (exclusive of H.K. & Hong Kong) ..	193	1,71
7. Belgium	141	1,24
8. Spain	2	1
9. Germany	189	1,58
10. Other Countries. ..	269	2,30
Total Br. Empire ..	417	3,61
Total Foreign Countries	2,286	20,15
Grand Total.. ..	2,703	23,89

Jute

On the North-Eastern side Jute and Tea are the monopoly of Pakistan. Jute is 'among the industries which have put up a mixed showing under the influence of the wartime conditions,the main problems confronting the industry being loss of export markets, the lack of freight, and difficulty in exporting to markets which are still open.'² The industry is at the moment entirely dependent on the American markets. The present position of jute (raw and manufactures) trade may be judged from the figures given below:—

¹ Indian Finance, op.cit., p. 283.

² Ibid., p. 155

TABLE No. XXXV¹*Exports of Jute Manufactures 1938-39*

<i>Country</i>	<i>GUNNY CLOTH</i>				<i>JUTE BAGS</i>			
	<i>Quantity in lakhs yards</i>	<i>Value in lakhs of Rs.</i>	<i>Quantity in lakhs of yards</i>	<i>Value in lakhs of Rs.²</i>	<i>Quantity in lakhs of yards</i>	<i>Value in lakhs of Rs.²</i>	<i>Quantity in lakhs of yards</i>	<i>Value in lakhs of Rs.²</i>
	1938-39	39-40	38-39	39-40	38-39	39-40	38-39	39-40
United Kingdom	1,713	2,133	158	308	752	4,843	110	556
S. Africa ..	102	120	11	20	282	170	67	99
Canada ..	845	1,212	71	136	..	..	..	..
Australia & Newzealand	351	345	42	71	788	805	189	384
Philippine Is- lands & Guam ..	228	221	25	36	..	..	..	..
Egypt ..	86	116	9	18	220	179	53	54
U. S. A. ..	8,413	6,753	670	882	104	106	12	31
Argentina	2,909	2,024	262	270	..	..	..	..
Straits Settlement	..	..	..	..	235	204	53	70
Indo-China ..	..	..	..	..	153	135	17	20
Java ..	..	..	..	..	234	265	60	99
Cuba & W. Indies ..	..	..	..	..	314	327	85	125

TABLE No. XXXVI³*Export of Raw Jute*

<i>Country</i>	<i>Quantity '000 Bales</i>		<i>Value in '00,000 Rs.⁴</i>	
	1938-9	39-40	1938-9	39-40
United Kingdom	1,025	745
Belgium	287	237
Other parts of Br. Empire	14	11
Germany	829	578
U. S. A.	174	232
Spain	26	57
France	365	426
Italy	258	95
Brazil	137	168
Japan	81	62

¹ Indian Finance, op. cit. p. 283.³ Indian Finance, op. cit. p. 282.² For 10 months only.⁴ For 10 months only.

As for the future of jute 'the immediate outlook is not regarded altogether bad, as the American consumption is considered to be satisfactory and demand is restricted only by the difficulty in obtaining shipments. There is no doubt that the stimulus of war to this industry has spent itself out and it cannot expect much on that account. But by the easier freight situation and the careful policy of the Indian Jute Mills Association, the industry will be spared, the difficulty of the last period of unrestricted production.¹ It should also be remembered that in future the prospects of jute manufacture are much brighter, than that of raw jute, and it will not be surprising if in the next few years a variety of jute manufactures, other than jute bags and gunny cloth, may be put up for sale widely.

Tea

Tea, which has been passing through many a vicissitude since the Great War I, has now attained a fairly solid footing. After the outbreak of Great War II, tea prices assumed a marked rising trend. 'The demand for practically all kinds of tea was strong and the prices advanced steadily till they reached their peak at the beginning of December.' From 1939 to 1942 the export quota remained between 90 and 110 per cent of the standard export. The following figures represent the export quota of Indian tea.²

¹ Ibid., p. 156.

² Indian Year Book, 1945-46. p.

TABLE No. XXXVII¹
Proportion of Exports of Tea

<i>Country</i>					1939-40 p. c.	1940-41 p. c.
To United Kingdom	..	..	..	..	80.6	90.2
To rest of Europe	..	..	..	..	1.1	0.1
To Asia ..	..	..	..	..	4.9	4.9
To America	..	..	..	..	11.4	11.4
To Australia	..	..	..	..	1.2	1.2
To Africa	..	..	..	..	0.8	0.8
					<hr/> 100.0	<hr/> 100.0

Usually stable position of tea exports may, however, be noted from the figures given below:—

TABLE No. XXXVII²
Export of Tea (in millions of lbs.)

<i>Year</i>					<i>Amount exported</i>
1927-28	..	..	..	..	362
1928-29	..	..	..	..	360
1929-30	..	..	..	..	377
1930-31	..	..	..	..	356
1931-32	..	..	..	..	341
1932-33	..	..	..	..	379
1933-34	..	..	..	..	318
1934-35	..	..	..	..	325
1935-36	..	..	..	..	313
1936-37	..	..	..	..	302
1937-38	..	..	..	..	334
1938-39	..	..	..	..	348
1939-40	..	..	..	..	359
1940-41	..	..	..	..	349
1941-42	..	..	..	..	382

The fall in the years 1933-34 to 1936-37 was followed by the catastrophic fall in tea prices which started in 1932-33.

¹ Indian Year Book, 1945-46.

² L. C. Jain, Indian Economy During the War, p. 57.

IMPORT TRADE

The import trade of Pakistan comprises mainly of manufactured goods. Some of the important items of import are cotton piece-goods, machinery, dyes and colours and chemicals. Unfortunately, provincial figures of import are not at our disposal, but the main trends of the country's import policy will be revealed from the figures provided below:—

TABLE NO. XXXIX

Composition of India's Wartime Imports
(Value in Crores of Rs.)

<i>Commodity</i>	1938-39	1939-40	1940-41	1941-42	1942-43
Foodstuffs ..	31.3	31.3	26.1	16.3	7.6
Raw materials ..	32.4	40.0	47.0	44.7	51.8
Manufactures ..	96.9	88.3	100.4	71.8	49.4

It is evident from the above that the country's import trade sustained a severe shock during the Great War II. How does its revival take place is yet to be seen; for, on that will depend the future of India's economic prosperity.

As for the composition of import trade one observes first of all, a substantial increase in imports of raw materials which is largely accounted for by increased imports of raw wool and Egyptian cotton needed for the production of final varieties of cotton goods.¹ Naturally as most of the manufacturing centres of cotton and wool are located in Hindustan the excess of imports in raw goods can be regarded mainly due to the requirements of manufacture in Hindustan, but of consumption both in Hindustan and Pakistan. With the rising trend of cotton and wool production in the N.-W. Pakistan provinces we can hope that in future the huge demand of Hindustan in the commodities concerned will be met by Pakistan.

As for the import of manufactured goods which showed some decline in the first twelve months of war recorded a rise in the second war year but there was a marked decline in the third

¹ L. C. Jain, op. cit. p. 58.

and fourth war years. Vehicles (including locomotives, cutlery and hardware, rubber, woollen manufactures, dyes and colours accounted for a large part of the rise in 1940-41. There has been much decline since the outbreak of war in the imports of cotton manufactures and machinery. The main causes of the fall are the preoccupation of the Allies with the production of war materials, the lack of adequate shipping facilities and the conservation of dollar resources by the Government for the purchase of essential war goods.¹ The development, so far made, in this direction is an auspicious sign for both Pakistan and Hindustan. And, if it continues it is likely that Pakistan will get most of her requirements of manufactured goods from her neighbour, rather than import it from foreign countries. In the meantime she will get opportunity to exploit her own resources and develop her own manufactures, wherever and whatever they are possible. An indication to such possibilities has been made in the preceding chapters. Economic and geological surveys will indicate the lines more clearly and precisely, if taken up by the national Pakistan Government.

¹ Ibid.

CHAPTER VII

REVENUE AND EXPENDITURE

A Vexed Question

Another vexed question is the budgetary position of the Muslim State. Much has been written to prove that on this side, a State comprising of the Muslim provinces of India would be a total failure. Opening his discourse on this subject, Dr. Rajendra Prasad comments upon the implications of the Lahore Resolution as to the Revenue and Expenditure of Muslim Zones thus: 'The League Resolution contemplates 'Independent States' in the North-Western and Eastern Zones of India with full control finally of Defence, Foreign Affairs, Communications, Customs, Currency and Exchange, etc. The word 'States' is used in plural in the Resolution of the League as also by Mr. Jinnah in his presidential address at the Madras session of the League (1941) and it would seem that the two States are to be independent not only of the rest of India but also of each other. It is also contemplated that the constituent units will be 'autonomous and sovereign'. It is not quite clear that there will be a Federation of autonomous and sovereign units. The omission to use the word Federation and the use of the word sovereign in regard to units would indicate the contrary. But let us assume that a Federation of the units in each of the North-Western and Eastern Zones is contemplated. Each Federation will have to maintain a Federal administration with all the departments and paraphernalia of an independent Federal State. The units will have, further, to maintain each its own administrative machinery. We shall have something corresponding to the Central Government of India and in each Federation there will be units corresponding to the Province of British India. We shall have accordingly two sets of budgets of revenue and expenditure, viz., the Federal or Central Budget of each zone and the budget of each unit or the provincial budget. We know that each

provincial Government has its own revenue derived from various sources such as land revenue, provincial excise, etc., and has to maintain the provincial administrative machinery as also what are called social services or nation-building departments such as education, public health, etc. The central Government has its own sources of revenue such as customs; and has to maintain its own administrative machinery to deal with the Federal subjects among which the most important are Defence and Foreign Affairs. It may be assumed that the units as also the Federal State will have machinery more or less similar to that of provincial Governments and the central Government of British India.¹

This wordy description, which is also full of repetitions, has been provided to make a couple of otherwise simple assumptions, viz., there would be two Muslim Federations, constituted out of their respective units in the North-West and the North-East Zones; and they will be something like the present central and provincial Governments in regard to their sources of income and expenditure as well as administrative machinery.

It may be noted here that the League plan for 'autonomous and sovereign' units in the two Muslim zones of India would have fallen at the very brink if two strong centres of the nature of the present Central Government had been contemplated. And, for the League Resolution it would have been unfair as well as premature to have dictated the constitution.

It is for the public to press for the Federation of all the units in North-Western and North-Eastern Zones as a pre-requisite of a stable Muslim State. This Federation, if it is in keeping with the spirit of the League Resolution, should control only the general policy of the Federated States and administer Communications, Foreign Affairs, Currency and Defence. The constituent units, it should also be remembered, will have to be reconstituted on economic basis, so that they may be in a position to maintain their autonomy, both politically and economically.

¹ Dr. R. Prasad, op. cit. pp. 283-84.

Budgetary Position of the Constituent Units of the Muslim State

Next, he has discussed the revenue and expenditure position of the constituent units of Pakistan, taking them to be the British provinces, as they are today. 'Their revenue and expenditure', he writes, 'are balanced and if they are maintained at the same level after these provinces are separated, they will continue to balance each other. It may be noted, however, that Assam, N.-W. F. P. and Sind are able to balance their budgets with the subventions of 30 lakhs, 1 crore and 1 crore 5 lakhs.' In the foot note he has added further 'that Sind having paid off its debt, needs no subvention which has accordingly been discontinued since 1933-34.' Unfortunately, provincial figures of Central revenues are not available, separately, yet we can conjure from the totals provided below that if the provinces, are made fully autonomous, and the contribution to the centre is optional there will be a big surplus of funds in every province.

TABLE NO. XL

Budgetary Position of Muslim Provinces in 1939-40
(In Lakhs of Rupees)

<i>Province</i>			<i>Central revenue, if trans- ferred to provinces¹</i>	<i>Provin- cial Revenue</i>	<i>Total Revenue</i>	<i>Total Expen- diture</i>	<i>Surplus Deficit</i>
Punjab .. ..	..	..	..	12,11	..	11,96	..
Sind .. ..	..	..	..	4,29	..	4,06	..
N.-W. F. P. ..	..	..	..	0,83 ²	..	1,87	..
Bengal .. ..	..	..	..	14,32	..	13,71	..
Assam .. ..	..	..	..	2,63	..	2,92	..
TOTAL .. ..	..	..	30,74	34,52	64,92	34,52	+30,40

¹ Provincial figures cannot be adjusted with the help of the existing data available.

² Revenue obtained through subvention has been deducted.

Who can doubt now that real capacity of Muslim provinces to yield revenue is much more than what is actually revealed by the present provincial budgets? This is why Dr. Ambedkar has predicted that 'time may come when even to Hindus, who are the strongest supporters of a Central Government in India, the financial considerations may make a greater appeal than what purely patriotic considerations do now....

If this were to happen, it is better if it happens before the foundation of a new constitution is laid down. If it happens after the foundation of the new constitution envisaging one Central Government were laid down, it would be the greatest disaster. Out of this general wreck, not only India as an entity will vanish, but it will not be possible to save even the Hindu unity.¹

Though one may not agree with this view entirely, there is no doubt that the more the provinces are relieved of the burden of the Centre, the better it will be for the prosperity of their people, much more so in the case of Pakistan when the provinces are reconstituted into several economic units.

The Pakistan Federation

Coming to the Centre 'it now remains,' says Dr. Rajendra Prasad, 'to consider what proportion of the revenue and expenditure of the Central Government of India would be allotted to the North-Western and the Eastern Muslim Federations.' It is, however, surprising that while calculating the figures of revenue and expenditure of the Centre, the learned doctor has taken into consideration only two Muslim Federations, though in case of two being formed the third—a confederation, might also be a necessity. This omission has left his readers only to guess that if two Federations make the financial position of the Muslim States worse, the Confederation of the two, if it comes into being, would mean an immeasurable disaster to the Muslims of India. Arguing his case on the lines adopted by Sir Homi Modi and Dr. Matthai

¹ Dr. Ambedkar, *Pakistan or the Partition of India*, p. 11.

he has been led to conclude that even if the North-Western and Eastern Zones yield a surplus of 2,38.5 and 10,44.9 lakhs respectively, it would not be possible for the Muslim State to stand the burden of Defence. But the position as revealed from the following budget of the proposed Federation is much different from what has been calculated by Dr. Rajendra Prasad, Prof. Coupland and Sir Homi Modi and Dr. Matthai.

TABLE NO. XLI

Financial Position of the Proposed Pakistan Federation
(In Lakhs of Rupees)

Item	1939-40		1944-45		Remarks
	Revenue	Expenditure	Revenue	Expenditure	
Railway ..	6,71	..	19,25	..	..
Post and Telegraph, etc. ..	20	23	4,11	34	for 1940-41
Debt services ..	0,24	4,09	48	6,78	..
Currency & mint	0,30	0,14	3,33	78	..
Defence ..	5,89	55,17	5,89	97,65	..
TOTAL ..	13,14	59,65	33,06	105,55	
Surplus from provinces. ..	30,40		1,00,02		
Grand Total ..	43,54	59,65	1,36,08	105,55	

All the items in this above table except Defence have been apportioned to the total population of the Muslim State. The Revenue and Expenditure on Defence has been assumed to be the same for Pakistan as for the whole of India in 1939-40. In 1944-45 an increase of about 77 per cent has taken place on the expenditure side. The normal expenditure on Defence has, therefore, also been made 77 per cent higher than the figures of 1939-40. This comes to 97,65 lakhs. If, therefore, the financial position of the Muslim State reduces to the level of 1939, we shall be able to provide

Rs. 39.06 crores for Defence. But, if, on the other hand revenue and expenditure remain near about the figures of 1944-45 there is the possibility of a clear surplus, which it would be premature to forecast at present. There are, however, no indications to show that our finances shall revert to the level of 1939-40.

DEFENCE

The Central Subjects

By far the most important of all subjects of the Central Government is Defence. Even in normal times the expenditure on Military services reveals highest figures. It is alleged that 'the Pakistan area which is the main recruiting ground of the present Indian Army contributes very little to the Central Exchequer,' as will be seen from the following figures:

Contributions to the Central Exchequer

				Rs.
Punjab ..	..	..	..	1,18,01,385
N.-W. F. P.	..	..	..	9,28,294
Sind ..	..	..	..	5,86,46,915
Baluchistan	..	..	..	Nil
TOTAL ..				7,13,76,594

Against this the provinces of Hindustan contribute as follows:

				Rs.	
Madras ..	..	..	..	9,53,26,745	
Bombay ..	..	..	..	22,53,44,247	
Bengal ..	..	..	..	12,00,00,000	(only half revenue
U. P. ..	..	..	..	4,05,53,000	is shown because
Bihar ..	..	..	..	1,54,37,742	nearly half popula-
C. P. & Berar	..	..	..	31,42,682	tion is Hindu).
Assam ..	..	..	..	1,87,55,967	
Orissa ..	..	..	..	5,67,346	
TOTAL ..				51,91,27,729 ¹	

We can see from this, firstly, that the League-claimed provinces Bengal and Assam have been included in Hindustan. If they be transferred to their right place, the contribution of Pakistan and

¹ Dr. Ambedkar, op. cit. p. 86.

Hindustan would come to be nearly the same—32,90,34,144 for the former and 38,03,71,792 for the latter. Secondly, the contribution of Bengal has been divided half and half and, thus, 12 crores out of the total of about 24 crores have been included under Hindustan, but the remaining 12 crores have not been added to the figures of Pakistan. If this clerical error is corrected, even on the basis of the above presumptions the Muslim contribution will come to Rs. 19 crores instead of 7 crores. On the basis of the League demand, however, the sum of 33 crores, contributed by the Muslim provinces is in excess by 9 crores of their actual share on population basis.¹

Some writers further apprehend that if the Muslim zones are separated with the rest of India, 'Hindustan will naturally recruit its Defence Forces from amongst its own nationals and all those belonging to the North-West Zone will be thrown out of the Defence Forces.'² It is amusing that on one side they believe that Pakistan will have to maintain big Defence Force—almost as big as the British India has to-day, yet on the other hand they apprehend a drastic curtailment in the Defence personnel, which would set a large number of them out of employment. We have at present only 58 per cent of the nationals of North-West Pakistan in the Indian Army. The cost of their maintenance on the basis of 1939-40 is about 32 crores. If conditions remain the worse we shall still have something about 39 crores to spend on Army. This assures that country's strongest fighting forces have no danger of being reverted to the plough.

Debt Services

The next important expenditure on the budget of the Central Government is on defence services. The public debt of the Government of India stood as follows at the close of the years 1939-40 and 1944-45:

¹ If Dr. Ambedkar's figures of Provincial contributions to centre, are distributed between Pakistan and Hindustan according to population, the share of the former will be 24 crores.

² Dr. R. Prasad, *op. cit.*, p. 295.

			1939-40	1944-45
Public Debt	..	..	9,44,61,55,000	13,36,06,64,000
Debt Services	..	..	12,26,24,000	20,33,15,000

About these debts, Dr. Rajendra Prasad has pointed out that 'any calculation based on the figures of 1939-40 will be thoroughly misleading. It will be nearly 2,000 crores in place of 944½ crores in 1939-40; and even on the basis of a *pro rate* distribution according to the population of the Muslim districts in the two zones, their share together with their own debts will come to something like 500 crores, the interest on which at 3 per cent will come to something like 15 crores a year—which is nearly double of what the two zones will have in hand after meeting the administrative expenses alone exclusive of the cost of Defence.'¹

If we look into this aspect closely we shall find that the affairs are not quite the same as have been described above. Because, while considering the debt position of the Muslim provinces it is not sufficient only to apportion the amount of debt according to population and declare it to be more than the total revenues. We must rather note the expenditure on debt services, for this really explains the extent of burden on the budget and not the actual indebtedness. If the latter were the basis of our estimates, British India would have to pay no less than 60,00 lakhs as annual interest at 3 per cent, against her Public Debt. But we know that the Government of India had absolutely no surplus in 1939-40 and 1944-45 to pay any part of this sum. The only provision made by them in this connection was the allocation of 12,26 lakhs and 20,13 towards Debt Services in the respective years.

Railways

Of the principal railways, the Bengal and Assam Railways (formerly Assam Bengal and Eastern Bengal Railways) falls within the North-Eastern and the N.-W. Railways within the North-Western Muslim Zone. They account for over 9 thousand route miles of

¹ Ibid., p. 298.

the total of 11,000 route miles of railways in Pakistan. These railways have, undoubtedly, been yielding lesser net earnings, than the railways in Hindustan in the pre-war years. Besides initial difficulties, however, which they have passed through already, there is nothing intrinsically wrong with these systems. Only a better administration and a more thoughtful policy of control and co-ordination with other means of transport will enable them to keep their net earnings nearabout the level which they have achieved during the period of war. Now, since both the important railways mentioned above have been brought under state control, their net revenues, which rose to 19,25 lakhs in 1944-45 from 671 lakhs in 1939-40 can be regarded as the revenue of the Federal Pakistan State Railway. These figures do not include the working results of the strategic lines as they should be considered in connection with Defence.

Post and Telegraph, etc.

Post and telegraph services have, for some time, been a liability to the Central Government, but since 1935 they have been a regular source of Revenue. Rapid increase in the income of post offices, etc., which soared high to Rs. 12,33 lakhs in 1944-45 from Rs. 9,22 lakhs of 1943-44 and Rs. 5,22 lakhs of 1932-33, should be regarded as the result of increasing popularity of telephones, radios and other wireless services and hence a permanent source of income. In an independent state these services are likely to develop still further, and there is no danger of their income to fall to the level of pre-war normal years.

Currency and Mint

An independent currency, in the same manner, may be far more lucrative to the Muslim State than it has been at present under the yoke of the sterling or the dollar.

Finally it may be concluded that the figures of Central Revenue and Expenditure of the Muslim State show proximity of a balanced budget including Defence and Debt services in case 1939-40 is taken to be the future normal. It would, however, leave room

for further development and a rise in the standard of living only if the top-heavy expenditure on Civil Administration of the provinces is reduced to a reasonable minimum. Figures under this head, as revealed by the provincial budgets, are amazingly a high proportion of the total income. The first attempt of any popular Government will be to scrap this from the top and effect a saving of at least 25 per cent in each province:

TABLE No. XLII¹
Cost of Civil Administration in Muslim Provinces
 (In Lakhs of Rupees)

<i>Province</i>	<i>Total Ex- penditure</i>	<i>Cost of Civil Ad- ministra- tion</i>	<i>Percentage to the total</i>	<i>Saving after reducing expenses by 25% in C. A.</i>
Punjab	18,68	6,62	56.6	1,65
Sind	3,76	1,43	38.0	35
N.-W. F. P. ..	1,88	1,16	61.7	29
Bengal	14,17	8,73	61.6	2,18
Assam	2,10	1,57	74.8	39

This can bring us a saving of about 5 crores a year on the basis of the year 1939-40. The sum compares favourably with the amount of Rs. 8 crores which the Government of India have allocated towards planning and rehabilitation of the whole of India. The cost of a Ten-Year economic plan for Bombay, (a very important province of India) has been estimated to be 65 lakhs annually for 10 years by Sir M. Visvesvaraya. We have seen in Table XL that each of our province is in a position to effect enough saving for providing necessary expenditure on planning.

¹ Provincial Budgets.

If, however, the basis of our estimates be the year 1944-45 our surplus for effecting an all-round improvement in Pakistan and raising the general standard of living of the people in the Muslim State will be sufficiently high.

PART TWO

ECONOMIC IMPLICATIONS OF THE TRUNCATED MUSLIM STATE

CHAPTER I

TRUNCATED PROVINCES

Economic implications of the League plan for a Sovereign Muslim State in India, having been dealt with at some length, it may further be of interest to assess, the economic possibilities of the 'CR' Formula, which concedes to the Muslims a truncated Pakistan. For, once the principle of partition is accepted this Formula is bound to constitute the maximum Congress offer. Whether, then the League would accept it as a compromise or not should naturally depend upon a dispassionate study of the economic potentialities of the areas concerned.

Theoretical aspect

Howsoever distorting the economic features of the Pakistan demanded by the CR. Formula might be, it no doubt, recognised the existence of two nations in India, the Muslim claim for a separate homeland and their right of self-determination. It also fulfils their aspiration of a sovereign state in a country where they have ruled for several centuries and in which their population consists of about 100 million men, women and children. Further it does not also jeopardise the prospects of reciprocal arrangements between the two states, which are calculated to protect the minorities in them and assist them in promoting peace and prosperity of the sub-continent as a whole.

Area and population

Nevertheless, the formula suggests an amendment upon the Lahore Resolution and as such entails losses to the would-be Pakistan Muslims in other matters. So far as land surface and population are concerned the loss comes to 111,719 square miles (35,314 square miles in the Punjab, 26,912 in Bengal and 49,493 in Assam) and 97 lakhs of Muslim population (43 lakhs in the Punjab, 39 lakhs in Bengal and 15 lakhs in Assam). Details of these losses are given below:—

TABLE NO. XLIII

Area and Population to be Transferred from the proposed Pakistan Provinces to the Rest of India

			Area in sq. miles	Total popula- tion	Hindus	Muslims	Sikhs	Others
<i>From the Punjab</i>								
Ambala	..	..	14,750	46,95,462	30,99,483	13,18,136	2,40,296	34,547
Jullundar Dn.	..	..	18,992	54,38,581	19,50,802	18,77,742	13,22,405	2,87,632
Amritsar	..	..	1,572	14,13,876	2,16,778	6,57,695	5,10,845	28,558
Total	..		35,314	1,15,47,919	52,67,063	38,53,573	20,73,546	3,53,737
<i>From Bengal</i>								
Burdawan Dn.	..	..	14,135	1,02,87,369	81,25,185	14,29,500	..	7,32,684
24 Parganas	..	..	3,696	35,36,386	32,09,995	11,48,180	..	84,210
Calcutta	..	..	34	21,08,891	15,31,512	4,97,535	..	79,844
Khulna	..	..	4,905	19,43,218	9,77,693	9,59,172	..	6,353
Jalpaiguri	..	..	3,050	10,89,513	5,51,647	2,51,460	..	2,86,402
Darjeeling	..	..	1,192	3,76,369	1,78,496	9,125	..	1,88,748
Total	..		26,912	1,93,41,746	1,36,74,529	42,94,972	..	13,72,245
<i>From Assam</i>								
Assam excluding Sylhet	..		49,473	70,88,131	30,63,709	15,50,362	Tribes 24,15,089 Sikhs	58,971
Total	..		1,11,499	3,05,89,660	1,89,41,592	96,98,907	20,73,546	17,84,953

Economic resources

In the event of the partition of Bengal and the Punjab on the lines of the 'CR' Formula, the industrial dislocation will not be only onesided. West Bengal which may, though, start with a premium, should ultimately prove to be as much a sufferer as the East. For, the latter will have to stabilize its position in due course of time, and it would be to a very great extent at the cost of the former. The position in the Punjab is, however, quite a different one. Industries falling both in the West and the East will continue to grow comparatively unhampered, as they can be fed locally and in the case of the West Punjab, also from Hindustan as opposed to West Bengal which will have to depend for its major portion of raw jute supply upon the East.

In agriculture, both West Bengal and East Punjab will be placed at a discount as all the regions of high jute yield, almost the whole of sugarcane growing area and a considerable acreage of rice will fall in the West and East Pakistan, while in the Punjab most of the irrigated areas and wheat and cotton-growing regions will be in the West.

Distribution of Economic Resources

To be more definite let us note the distribution of industries and agricultural resources as it would take place in the event of the partition of the Punjab and Bengal. The figures given below, though not at all exhaustive, give us at least the trend of potential development in respective parts of the provinces concerned.

TABLE No. XLIV
Distribution of Industrial Resources

Commodities	West Bengal	East Bengal	West Punjab	East Punjab	Assam	Sylhet
<i>Minerals:</i>						
Coal (in lakh tons)	77.4	nil	nil	1.9	2.6	nil
Manganese (Value in lakh Rs.) ..	310.9	nil	nil	10.2	24.2	nil
Petroleum (in lakh gallons)	nil	nil	nil	211.1	659.7	nil
<i>Important industries:</i>						
(No. of factories)						
Acid manufacture	13	nil	2	2	nil	nil
Aluminium	8	1	1	2	nil	nil
Bellmetal	9	6	1	1	nil	nil
Brush	4	2	1	2	nil	nil
Canned goods	10	1	2	nil	nil	nil
Chemical works	11	8	11	1	nil	nil
Cement .. ..	..	..	nil	4	nil	nil
Cigarette	6	nil	nil	2	nil	nil

TABLE NO. XLIV—(concl'd.)

Commodities	West Bengal	East Bengal	West Punjab	East Punjab	Assam	Sylhet
Cinema Film	16	1	5	nil	nil	nil
Cotton mills	33	11	6	5	2	nil
Coal mines	29	nil	4	nil	..	nil
Cycle manufacturing	1	nil	3	nil	nil	nil
Hosiery	23	15	3	20	nil	nil
Iron and metal foundries	15	2	4	1	nil	nil
Iron safe	7	nil	3	nil	nil	nil
Jute (mill and presses)	119	7	nil	nil	nil	nil
Match factories	4	2	2	1	nil	nil
Oil mills	13	1	3	nil	nil	nil
Paper mills	5	nil	1	nil	nil	nil
Pharmaceutical works	11	nil	2	1	nil	nil
Petrol refineries	nil	nil	3	nil	2	nil
Rice mills	325	67	33	1	nil	nil
Soap	18	3	3	2	3	nil
Sports goods	1	nil	26	5	nil	nil
Sugar mills	7	9	3	4	nil	nil
Imp. Tea gardens	50	4	nil	nil	35	11

TRUNCATED PROVINCES

In agriculture the position is estimated to be roughly as given below:

TABLE NO. XLV

Distribution of Agricultural Produce

	West Bengal	East Bengal	West Punjab	East Punjab	Assam	Sylhet
	%	%	%	%	%	%
Jute	36.4	63.6	nil	nil	15.0	85.0
Sugarcane	40.0	60.0	50.0	50.0	nil	nil
Rice	60.0	40.0	85.6	14.4	25.0	75.0
Wheat .. .. .	..	..	71.0	29.0	nil	nil
Cotton (American) .. .. .	..	..	94.0	6.0	nil	nil
Tea	90.0	10.0	nil	nil	67.0	33.0

PAKISTAN

The above figures are based on Statistical Abstract,
Investor's Indian Year Book 1943-4,
Industry Year Book 1946,
Bhat's Import & Export 1945.
Marketing Reports Location of Industries by Dr. T. R. Sharma.

*Prospects of Industrial Development in Partitioned Areas
East Bengal*

(a) Jute industry

Economic development of West Bengal owes much to the raw jute of the East. But, for this, areas near Calcutta, which have become thriving industrial centres with increasing population, would have remained devoted to agriculture and fishing, the only important vocations of the pre-jute days. After the division of the province the most natural impulse would be to start jute industry in the East, which is the home of raw jute. If the attempt succeeds it would mean a great setback to the industrial prosperity of West Bengal. But before giving out any hope for the transfer of jute industry from the West to the East we should look into the reasons which led to the establishment of the industry in the West though the jute-producing areas were mostly located in the East.

Reason for this process of localization is to be found in the nature of the means of communications. The Indian jute mills purchase most of their requirements of raw jute from the East Bengal area, i.e., Mymensingh, Dacca, Tipperah and Faridpur. In about all 70 per cent of the total purchases of the mills are of this class of jute. Of the four remaining districts mentioned above, the first three districts which supply the major portion of raw jute to the Indian mills, lie on the opposite bank of the river Brahmaputra, which is unbridged, and the transport across this river involves the problem of transshipment. The jute moving to Calcutta on the Dacca section of the E. B. Railway has to be transferred to flats either at Jagannathganj or Narainganj and loaded on wagons on E. B. Railway (Broad gauge) at Sirajgang and Khulna respectively.¹

Such conditions in prevailing transport would involve heavy terminal charges, if the jute mills were located in the main jute belt in Eastern Bengal, because in this case transshipment hurdles

¹ Dr. T. R. Sharma: Location of Industries in India, p. 80

will have to be crossed twice—once in moving the coal, mills store, labour, etc., to the mills and again in moving the finished goods to Calcutta for export to consumers, markets overseas and other parts of India. But in the case of mills in the Hoogly area transshipment ordeal has to be faced only once—in moving the raw jute to the mills.¹

From the above it is clear that the East Bengal does not suffer from any inherent deficiency as to the development of jute industry and the industrial backwardness of the area is mainly due to the wilful neglect of the following on the part of the Government:—

1. Facilities for transport and communication: Such facilities are scarce in East Bengal. The Brahmaputra across which lies the jute belt is still unbridged. Its bridging would have, no doubt, been a costly affair, but the development of jute industry resulting from this endeavour would have repaid much more than its cost.

2. Port services near at hand: The presence of a well-developed port at the Hoogly (Calcutta) did not call for further investment on Chittagong. But in the event of partition it would be the pre-requisite of Eastern Bengal trade and industrial development. Hence the expansion of Chittagong as a new port for jute trade may be taken as a foregone conclusion.

3. Development of hydro-electricity: West Bengal has no doubt one natural advantage over the East, i.e., nearness to coalfields. Against this it has the disadvantage of being away from the raw jute. Coal difficulty will, however, be overcome to a great extent by the replacement of coal with hydro-electricity, a considerable potential store of which is located in the areas in question.

Re-organisation of Jute Industry

The authors of the Report on the Marketing of Jute Products (1941) saw with great apprehension the developments of jute

¹ Ibid.

manufactures and substitutes which had been taking place in America and other countries after the First Great War and felt convinced that the re-organization of the industry on the lines suggested by the Jute Inquiry Committee of 1940 was the only method of safeguarding the position of jute in India.

They feared that with the end of the war our usual hessian, sacking and canvas products of jute may have little demand and it might not be a surprise if in due course of time they outnumber the demand. They, therefore, suggested that the industry should be captured in its manifold possibilities, before it is too late. The lines of development put forward by them were the following:—

(1) In housing—heat insulation, plastic furniture, carpets, curtains, upholstery, blankets and wall coverings should be manufactured.

(2) In transport—Car upholstery, waterproof covers, tarpaulins, canvas, fire, water and rat proof materials and cardage and ropes have still prospect.

(3) In Industry—Electric insulation, plastic re-inforcement, etc., can be taken up for manufacture.

(4) In clothes—Mercerised and bleached fibres and their blending with wool and cotton would reduce the shortage of textile piecegoods in the country.

New conditions

To fit in the new order of things Eastern Bengal enjoys an indisputable superiority over the West for the reasons given below:—

(1) It will have to start the industry from the very beginning without displacing a single old plant, while in the West huge capital stocks have already been sunk, and it would not be easy to replace or remodel them quickly.

(2) It has an abundant supply of raw jute, the export of which to West Bengal may be considerably minimized with the advent of new jute factories in the East.

(3) The competition among buyers of jute is likely to intensify due to the introduction of new uses of jute in foreign countries.

(4) There is, at least for the present, more abundance of cheap labour supply in the East as compared to the Western parts of Bengal.

(5) Above all, the greatest advantage of the East lies in its ability to organize the industry on socialistic lines, which would be a most difficult task in West Bengal, where capitalism is deep-rooted. The task would be equally difficult in an united Bengal, for war against capitalism has yet to determine the future of the present industries, and it is very unlikely that labour unrest would spare them till a revolution sets in.

Jute growing in West Bengal

One may here be inclined to believe that if Eastern Bengal, fails to feed the jute mills located in the West, it would be possible for the latter to grow their own jute. But as we find from the table given below climatic conditions of the West with its average annual rainfall does not favour jute-growing in the manner as it does in the East:—

TABLE NO. XLVI
Distribution of Rainfall in jute-growing districts of
East and West Bengal

Regions of high jute yield	Feb. to May	June to August	Regions of low jute growing	Feb. to May	June to August
<i>In East Bengal.</i>			<i>In West Bengal.</i>		
Dacca ..	18.7	39.0	Burdwan	9.0	33.3
Mymensingh	24.0	47.0	Midnapur	9.6	35.4
Tipperah ..	20.7	45.8			
Faridpur ..	17.6	37.6			
<i>In West Bengal</i>			<i>In East Bengal</i>		
	nil	nil	Murshidabad	8.5	33.0
			Dinajpur	..	10.0

It is therefore evident that so long as the prosperity of West Bengal, is linked with jute, it would continue also to depend on East Bengal for the supply of raw jute. But if the partition of Bengal takes place this supply may not, in the face of competition, remain unrestricted.

Bengal Sugar Industry

So far as the sugar industry is concerned the proportion of the mills is in the ratio of 7:9 favouring East Bengal with two more mills. But the sugarcane-growing areas are mostly located in the East, where in the districts of Dinajpur, Dacca, Mymensingh, Rangpur, Malda, Bogra, Rajshahi, Pabna, Murshidabad and Nadia climatic conditions for growing sugarcane 'approach very near the ideal', and these districts are considered to be even better situated for cane growing than U. P. and Bihar, 'because the soils of U. P. and Bihar are mostly formed on old alluvium, but in the Southern, Eastern and Northern Bengal the soils formed in the new alluvium of the Ganges, the Brahmaputra and the Meghna occupy extensive areas.'¹

In Western Bengal the soil of the Burdwan Division is not very retentive of moisture and artificial irrigation on a large scale is not feasible because suitable alignment for perennial canals is absent. The absence of coarse-grained sand in the water-bearing stratum of these tracts bars the construction of tube wells.²

'In Jalpaiguri, which lies in the North-East and would go along with the non-Muslim area 'waterlogging conditions create special problems and tea is a formidable rival of sugar.'³ Under the conditions only the above mentioned districts of East Bengal are fitted to develop sugarcane growing.

Amongst the sugarcane-producing areas of the country these districts compare favourably with U. P. and Bihar so far as their

¹ Dr. T. R. Sharma, op. cit. p. 123.

² Ibid.

³ Ibid.

nearness to the ideal sugarcane-growing temperature is concerned,

TABLE No. XLVII
Temperature favourable for Cane Growing in typical
Sugar Areas of Various Provinces

					Average	Temp.
					January	July
East Bengal	..	..	..	..	60	84
U. P. ..	..	..	..	..	61	85
Delhi ..	..	..	..	..	59	88
Punjab	..	..	..	..	55	91
N.-W. F. P.	..	..	..	..	51	91
Ideal .. ..	..	..	..	..	59	78

In humidity needed during the period of growth East Bengal jute belt excels that of U. P. and Bihar. Moreover though like other provinces, East Bengal lies in the sub-tropical zone, which is less suitable for sugarcane growing, than the areas lying in the Tropical Zones, yet on account of its nearness to sea, it enjoys certain tropical advantages, which makes it superior to any of the districts producing sugarcane in Northern India.

Future of East Bengal Sugar Industry.

Sugar industry depends mostly upon the extent of sugarcane grown in a particular area. From this point of view East Bengal may be divided into two sections: one, the present sugarcane-growing areas and two, the prospective areas which are at present more or less submerged under water during the monsoon and create conditions more suitable to jute and rice than cane. So far as the former regions are concerned Dr. T. R. Sharma rightly contends that 'the length of prevailing crushing season and the lower recovery percentages seem to be incompatible with natural conditions and it appears that the potentialities of the province in this respect

have not been given a fair trial as yet.¹ As to the latter, it would not be very unlikely if with the harnessing of rivers sugarcane growing develops there due to the ideal conditions of rainfall and climate. Sugarcane growing may even develop in this area by giving up jute growing in certain parts if new lands are taken under cultivation, for both are money crops and the internal demand for sugar is likely to remain at a very high level, because the producing capacity of Northern India is almost on the brink and 'there is little room for further expansion.'² The demand for sugar is, continuously on increase.

Comparison with Prospects of Sugar Industry in other Provinces

Stress has been laid above upon the need of sugarcane growing in East Bengal, because mainly of the limiting conditions in this respect in other provinces, the position of which may be summed up as below:—

United Provinces and Bihar

'In U. P. and Bihar the industry has not only reached its climax . . . but in many areas there exists even an undesirable congestion of mills . . . The cane development schemes have been pushed to the utmost limits. Between 1935-36 and 1938-39, on an average 94 per cent of the total area under cane in Bihar and the U. P. respectively was under improved varieties of cane. On the whole there is no scope for expansion in these two provinces.'¹

The Punjab

In the Punjab the extreme climate 'sets a limit to the development of sugar industry'² and it is not likely that much expansion can take place for some time to come.

West Bengal

In the West Bengal the whole of the Burdwan Division is wholly unsuited for sugarcane development and the future pros-

¹ Dr. T. D. Sharma op. cit.

² Ibid.

pects for cane cultivation or sugar industry are not very bright. In Jalpaiguri waterlogging conditions provide a great setback to the industry. Even if we presume that they can be overcome in course of time it is doubtful whether local economy would favour the development of sugar at the cost of tea, which is a more promising industry than sugar itself.

Location of Industries in East Bengal

In order to have an idea of the present industrial position of East Bengal let us have a glimpse of the location of industries in that area. Though, unfortunately exhaustive figures are not available, it would, however, be possible from the following to judge the trends of industrial location for future guidance:—

TABLE NO. XLVIII

Location of Industries in East Bengal

Industrial District	Industries	number
Dacca	Cotton mills	5
	Glassware	1
	Sugar mills	2
	Jute mills	2
	Match factories	2
	Battery manufacturing factory	1
	Hosiery factories	5
	Button manufactures	26
	Iron and metal foundry	1
Murshidabad	Sugar mill	1
	Bellmetal	1
	Rice mill	1
	Silk and Cotton mill	1
Jessore	Celluloid factories	2
	Sugar mill	1
Malda	Bellmetal factory	1
	Rice mill	1
Nadia	Bellmetal factories	2
	Sugar mill	1
	Iron and metal foundry	1

Industrial District	Industries	Number
Rangpur	Sugar mill	1
	Hoisery factory	1
	Rice mill	1
Dinajpur	Sugar mill	1
	Rice mills	2
Mymensingh	Rice mill	1
	Cotton mill	1
Pabna	Chemical works	1
	Rice mill	1
	Hosiery factories	6
Comilla	Cotton mill	1
Comnagar	Cotton mill	1
Khulna	Cotton mill	1
Bankura	Bellmetal factories	2
Chittagong	Film producer	1
Rajshahi	Sugar mill	1
	Rice mills	2
Bakarganj	Rice mill	1

The West Punjab

By the separation of West Punjab from the East the latter would evidently suffer a great disadvantage, because almost the whole of the cotton and wheat areas, major portions of the irrigated colonies, almost all the minerals, substantial portion of the sugar belt and about 67 per cent of industrial concerns will fall in the West. Industrial position of some of these may be noted below:—

Cotton Industry

Though the Punjab stands out superior to any of the cotton-growing provinces in India, so far as quality is concerned, yet in mill production this area 'ranks lower even than the minor province of Delhi.' This, however, does not reflect upon the unsuitability of the province to expand mill industry, for the Punjab's failure in this direction is clearly accounted for by the facts given below:—

1. 'Before the advent of the canals, vast areas of land in the province were lying uncultivated. Canal water brought life to

millions of acres of this land, and a rapid expansion of agriculture that followed brought the well-known canal colonies into existence where the standard of living of the farmer is not much below that of the Central European farmer and yet the pressure of population on land is much less in comparison with other provinces. Consequently, the wages in the Punjab are higher than in any other province except Bombay.¹

2. 'The employment in the Indian army is a subsidiary occupation of a considerable section of the agricultural and rural population of the Punjab and the money received in the form of salaries and pensions of some of the members of such families in villages is a very important source of their income. Thus the advantage of cheap local labour obtainable in the cotton-growing regions of other provinces is lacking in this region.'²

3. Of all the most important reason, however, is, 'the lack of suitable source of power, which in the recent times is being rapidly overcome through the development of hydro-electricity.'³ This has resulted in the establishment of cotton mills at Lahore, Lyallpur and Montgomery in the Western Punjab and Amritsar and Ludhiana in the Eastern.

4. The lack of proper amount of humidity for the manufacture of cotton textiles in the Punjab is also considered to be a drawback in the development of the industry, but with the scientific inventions which are now taking place this cannot be regarded as an insurmountable difficulty. Artificial methods can be evoked to create humidity necessary for the manufacture of cotton yarn and piecegoods.

Punjab—The Japan of India

Motive power has given encouragement to small factories working power looms with the help of electricity. This is a novel

¹ Dr. T. D. Sharma op. cit.

² Ibid.

³ Ibid.

feature of its kind and resembles the organization of the textile industry of Japan.¹ There are 227,295 working looms in the province, which give employment to 355,854 workers per day. This is the highest figure for any of the provinces in Northern India and is only second to that of Madras, which is the largest producer of handloom products in India. These figures compare very favourably with the number of workers employed by textile mills. In 1943-44 about 400 cotton mills of India gave employment only to 502,650 persons, while the Punjab handloom industry alone provided work for over 350,000 workers².

At present the spinning side of the industry appears to be comparatively weak and if, after the development of hydro-electric power from the new schemes, the establishment of a regional grid becomes a possibility, a development of the cotton industry on the lines of the Madras industry may not be surprising. The areas round Lyallpur and Lahore in the West Punjab and round Amritsar in the East are likely to become very important so far as the manufacture of cotton and mixed textiles are concerned.

'The scope for future development of cotton industry in this region is very great, not only for the production of coarse type of goods but also for finer materials as the Punjab American cotton is available to the industry at its door'.³

Location of Industries in the West Punjab

The development of other industries in the Western Punjab is not a question of doubt, but a question of planning alone. From the following industries which have already been developed in various districts of the areas concerned, it is quite evident that even in the Muslim majority districts of the Punjab the economic position of people will not at all be precarious.

¹ Dr. T. D. Sharma op. cit.

² Mehta, Sir Chunni Lal B. and Murthy R. V.—Industrial India, pp. 147 and 175.

³ Dr. T. Sharma, op. cit.

TABLE NO. XLIX

Location of Industries in West Punjab

Districts	Name of the Industry	Number of factories
Lahore	Art ware	1
	Acid manufacturing	3
	Bolt and nut	1
	Brush	1
	Carpet weaving	2
	Celluloid	1
	Film producing	5
	Cotton	3
	Glassware	1
	Match	1
	Oil	1
	Publishers	7
	Paper mill	1
	Pharmaceutical	2
	Sugar mill	1
	Soap	2
Lyallpur	Tanners	1
	Hydrogeneration of vegetables	1
	Cotton	1
	Publishers	2
Rawalpindi	Iron and metal foundry	1
	Sugar mill	1
	Button	1
	Chemical works	3
	Distillery	1
Gujranwala	Glassware	1
	Metal foundry	1
	Bellmetal	1
	Iron safe	1
	Aluminium	2
	Match	1
	Biscuit	1
	Sugar mill	1
	Boot factory	1
	Tannery	1

Districts	Name of the Industry	Number of facto- ries		
Sargodha	Agricultural machinery	..	..	1
	Brush .. ..	..	..	1
	Sports .. ..	..	..	18
	Oil .. ..	..	..	1
	Boot factory .. ..	..	..	1
	Sports .. ..	..	..	1
	Steel rolling .. ..	..	..	1
Jhelum	Acratell water .. ..	..	..	1
	Cement .. ..	..	..	1
	Saw mill .. ..	..	..	1
Gurdaspur	Distillery .. ..	..	..	1
	Canned goods .. ..	..	..	1
Attock	Cement .. ..	..	..	1
	Petroleum refining .. ..	..	..	1
Ferozepur	Chemical works .. ..	..	..	1
Shahpur	„ .. ..	..	..	1
Jagadhri	„ .. ..	..	..	1
Sheikhupura	„ .. ..	..	..	1
Gujrat	„ .. ..	..	..	1
Okara	Ironsafce .. ..	..	..	1
	Cotton .. ..	..	..	1
	Glassware .. ..	..	..	1
	Canned goods .. ..	..	..	1
	Metal .. ..	..	..	1
Jungshahi	Biscuit .. ..	..	..	1
	Publishers .. ..	..	..	1
	Button .. ..	..	..	2
	Publishers .. ..	..	..	1
	Button .. ..	..	..	1
Gojra	Sports .. ..	..	..	10
	Surgical instruments .. ..	..	..	6
Multan				
Rawalpindi				

CHAPTER II

THE TRUNCATED PAKISTAN

As for the economic position of the truncated Muslim State, taken as whole, even the scanty data available, testify to the fact that it would not be an economic impossibility, if a well-planned scheme of industrial organization is adopted from the very outset, and the disease of capitalism is carefully warded off. With the quick development of motive power, a courageous policy regarding private enterprise, the nationalization of key industries and a judicious trade policy the country may yet emerge out happy and prosperous, and earn for herself a high international reputation. Among Muslim countries, however, it would still prove to be the biggest in man power and economic resources, as would appear from the following:—

TABLE NO. XLX¹

Area and Population in Muslim Countries

Country	Area in sq. miles	Popula- tion (in '000)
Pakistan	293,366	9,68,01
Truncated Pakistan	231,140	6,59,11
Egypt	386,000	1,66,80
Afghanistan	251,000	1,20,00
Arabia	1,004,000	70,00
Iraq	117,000	37,00
Iran	634,000	1,50,00
Turkey	296,500	1,76,20
Palestine	10,000	15,02
Syria & Lebanon	76,000	37,00

¹ Nalanda Year Book, pp. 3-5.

Economic Resources

In the matter of economic resources the truncated Pakistan will be in the initial stages deficient in industries but self-sufficient in agricultural and food products. In minerals, coal deficiency will continue so long as the reserves mentioned in preceding chapters are not exploited. At present, nevertheless, coal will be more serious problem in Eastern than Western Pakistan, for in the former there are no coal mines at all, while in the latter there exists an annual supply of about 2 lakh tons of coal, (being 5 lakh tons per crore of population against 10 lakh tons per crore of Hindustan). The difference between the two can be made up by the excess of motive power available in the Muslim areas. But in the North-East, some people are inclined to think, that there might remain a perpetual coal famine, due to the failure of supply from Hindustan, as it would need her surplus for internal development of industries. But West Bengal, whose main industry is jute manufacture, will have still to depend upon the East for raw jute. The supply of coal to East Pakistan and of jute to West Bengal, will therefore be a subject of reciprocal arrangement, and in the near future there appears to be no danger of a total starvation of either countries in respect of coal or jute.

Amongst Muslim countries of the world, Pakistan like one of them, is primarily an agricultural country and can be compared in fertility and production only to Egypt. In industrial prospects it excels all of them. Wheat and cotton are the most important agricultural products of Egypt; Pakistan has rice in addition. The total acreage of wheat is about 67 lakhs in Egypt and 120 lakhs in Pakistan. In cotton, North-West Pakistan alone produces as much as Egypt does, namely 18 and 17 lakh bales (of 500 lbs.) respectively. Potentiality of further production in Egypt is limited, while the development on right lines has not yet started in Pakistan and the field is virgin. So far as Hindustan and Pakistan are concerned the distribution of agricultural products is given below:—

TABLE No. XLXIII¹
Distribution of Agricultural Products

Commodity	H I N D U S T A N				P A K I S T A N			
	Total		Per crore of population		Total		Per crore of population	
	Acreage (lakhs)	Yield (lakhs)	Acreage (lakhs)	Yield (lakhs)	Acreage (lakhs)	Yield (lakhs)	Acreage (lakhs)	Yield (lakhs)
Jute	11.1	6.3	0.5	0.9	20.0	10.9	2.9	1.6
Cotton	96.4	2.1	2.2	0.3	28.6	4.2	4.1	0.2
Tea	5.5	2.0	0.2	0.08	1.0	0.5	0.14	0.07
Rice	556.4	184.7	24.2	8.0	147.4	50.4	21.1	7.2
Wheat	173.4	56.1	7.5	2.4	85.8	30.7	12.2	4.4
Sugarcane	25.0	33.0	1.1	1.4	6.5	7.1	0.9	1.0
Total	867.8	284.2	37.7	12.3	289.7	103.8	41.4	14.8

¹ Statistical Abstract, (calculations based on 1940 figures.)

This indicates clearly that in agricultural produce, per capita yield of the truncated Pakistan is more than that of the remaining parts of India, though in the 'trinity of minerals' essential for industrial development only the supply of oil is equally distributed. In coal we do find a clear deficiency, Iron at present there is none in Pakistan, but iron and copper ores are said to be in plentiful in the Punjab and have only to be worked for industrial development. The table below gives the distribution of such important minerals between Hindustan and Pakistan as are common between them:—

TABLE No. XLXII¹

Distribution of Important Minerals and Motive Power

Commodity	Yield	Hindustan		Pakistan	
			Per crore of popula- tion		Per crore of popula- tion
Coal (in lakh tons)	..	248.0	10.7	2.0	0.3
Petroleum (in lakh gallons)		659.0	28.7	211.0	30.1
Chromite (in '000 tons)		0.05	0.004	0.21	0.3
Potential water power (in lakh kilowatts)	..	13.43	0.58	28.47	4.07

The industrial position of Pakistan, after the partition of the provinces in question may be something as revealed by the figures given below:—

¹ Based on Statistical Abstract.

TABLE NO. XLXIII¹
Distribution of Mill Industry

Industry	Hindu- stan	Adjusted per crore of population	Paki- stan	Adjusted per crore of population
Cotton ..	227	12.1	15	2.5
Jute (mills and presses) ..	126	5.4	7	1.0
Sugar mills ..	143	6.2	15	2.5
Iron and steel	21	0.9	1	0.14
Cement	19	0.8	3	0.4
Paper ..	22	0.9	1	0.14
Glass	75	3.2	3	0.4

In the matter of incomes from various sources the position of the two States will be as follows:—

TABLE NO. XLXIV
Distribution of Income
(in Rs. '00,000)

Sources	Hindu- stan	Adjusted per crore of population	Paki- stan	Adjusted per crore of population
Mines ..	4491.47	40.93	235.40	33.61
Textiles ..	4486.81	151.60	272.18	38.90
Metal goods ..	652.45	28.36	186.34	26.62
Finances ..	16400.10	713.00	4867.10	694.80

¹ Based on Industry Year Book 1946

Economic condition of Muslims

Yet another phase of the picture is revealed in the statistics given below relating to the share of Muslims in the economic life of Bengal and the Punjab, as under the 'CR' scheme.

TABLE NO. XLXV
Distribution of Industries between Muslims and non-Muslims

Industries	B E N G A L				T H E P U N J A B			
	Total Number		No. belonging to Muslims		Total Number		No. belonging to Muslims	
	West Bengal	East Bengal	East Bengal	West Bengal	East Punjab	West Punjab	East Punjab	West Punjab
Jute mills .. ,	119	7	1	nil	nil	nil	nil	nil
Coal mines	29	nil	nil	nil	nil	4	nil	nil
Insurance Coys.	38	nil	1	nil	nil	18	nil	2
Sugar mills	7	9	nil	nil	4	3	nil	nil
Tea gardens ..	50	4	nil	nil	nil	nil	nil	nil
Cotton mills	33	11	1	nil	5	6	nil	nil
Engineering Companies	15	nil	nil	nil	nil	1	nil	nil

Based on Industry Year Book 1946.

Anyone can see from the above that Muslims have so far lived in a state of extreme poverty and backwardness throughout the country and neither the Government of India, who claimed themselves as the custodians of minority interests, nor the sister communities, which sang aloud the hymn of nationalism and of the development of national economy, ever cared to offer protection to 100 million Muslims of the country. Non-Muslims on the other hand, who were financially better off, and had also the patronage of the State, took long strides towards economic development. This narrow-minded nationalism is considered by many to be the real cause of the Muslim demand for a separate Muslim State.

APPENDIX I

LAHORE RESOLUTION OF THE ALL-INDIA MUSLIM LEAGUE,
LAHORE SESSION, 23rd MARCH, 1940

Resolved that it is the considered view of this session of the All-India Muslim League that no constitutional plan would be workable in this country or acceptable to Muslims unless it is designed on the following basic principle, viz., that geographically contiguous units are demarcated into regions which should be constituted, with such territorial readjustments as may be necessary, that the areas in which the Muslims are numerically in a majority as in the North-Western and Eastern Zones of India should be grouped to constitute 'Independent States' in which the constituent units shall be autonomous and sovereign.

That adequate, effective and mandatory safeguards should be specifically provided in the constitution for minorities in these units and in these regions for the protection of their religious, cultural, economic, political, administrative and other rights and interests in consultation with them; and in other parts of India where the Mussalmans are in a minority, adequate, effective and mandatory safeguards shall be specifically provided in the constitution for them and other minorities for the protection of their religious, cultural, economic, political, administrative and other rights and interests in consultation with them.

This session further authorizes the Working Committee to frame a scheme of constitution in accordance with these basic principles, providing for the assumption finally by the respective regions of all powers such as defence, external affairs, communications, customs and such other matters as may be necessary.

APPENDIX II

MR. RAJAGOPALACHARI'S FORMULA

The scheme of Mr. Rajagopalachari lays down that such districts in the North-West as are contiguous and have Muslim

majority should be permitted to constitute a separate region, if they so desire. According to Rajajee's Formula the seventeen districts in the North-West, viz.

Gujrat	Multan	Lahore	Shahpur
Lyallpur	Gurdaspur	Jhelum	Jhang
Gujranwala	Rawalpindi	Montgomery, Sialkot and	
Attock	Muzaffargarh	Sheikhupura	
Mianwali	Dera Ghazi Khan.		

will go with the Muslim majority areas of North-Western Frontier Province, Sind and Baluchistan and the remaining 12 districts will form part of Hindu India.

On this basis the population of the two demarcated areas of the Punjab according to the census of 1941 will be as follows:—

North-West Punjab

<i>Total Population</i>	<i>Muslims</i>	<i>Hindus</i>	<i>Sikhs</i>
16,870,900	12,363,669	2,823,267	1,683,855
	73.3%	16.7%	10.0%

South-East Punjab

11,547,919	3,853,593	5,620,800	2,073,546
	32.6%	49.9%	17.5%

From the above table it is evident that in the North-West region of the Punjab as against 73.3 per cent Muhammadans there will be 26.7 per cent non-Muslims, and similarly in the South-East region there will be 32.6 per cent as against 67.4 per cent non-Muslims. Working on the basis of Rajajee's formula we find that in the North-West Muslim majority zone consisting of Sind, Baluchistan, N.-W. F. P., and the 17 districts of the Punjab, the population percentage of Muslims and non-Muslims will be as follows:—

Muslims—75.2 per cent.

Non-Muslims—24.8 per cent.

APPENDIX III

MINERAL RESOURCES (ANNUAL)

(Quantity and Value in Lakhs)

	BENGAL		ASSAM		PUNJAB		N.-W. F. P.		SIND		BALUCHISTAN		PAKISTAN		HINDUSTAN	
	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.	Quantity	Value Rs.
Coal ..	77.4 Tons	310.9	2.6 Tons	24.5	1.9 Tons	10.2	.. Tons	..	.. Tons	..	0.1 Tons	0.9	82.0 Tons	346.5	170.6 Tons	599.7
Petroleum ..	..	..	659.7 gal.	112.7	211.1 gal.	52.8	..	..	..	..	..	..	870.8 gal.	165.5	..	..
Kerosene	..	..	237.9 gal.	..	45.8 gal.	..	..	..	..	..	..	..	281.7 gal.	..	..	..
Chromite	..	..	..	..	..	..	..	..	..	..	.219	326.0	.219	326.0	.052	99.9

Reference—Statistical Abstract (Eighteenth Print).

APPENDIX IV
ELECTRICAL ENERGY OF K. W.
(In thousands)

	<i>Units generated</i>	<i>Units consumed for industrial purposes</i>
Bengal ..	6,81,011	4,87,884
Assam ..	1,472	297
Punjab	1,06,008	45,976
N.-W. F. P.	1,108	469
Sind	29,263	8,720
Baluchistan ..	2,346	533
TOTAL IN PAKISTAN ..	8,21,208	5,43,279
TOTAL IN HINDUSTAN	18,93,130	11,26,360

APPENDIX V
AGRICULTURE (AREA AND ITS CLASSIFICATION)

1939-40

(In Lakhs of Acres)

	<i>Bengal</i>	<i>Assam</i>	<i>Punjab</i>	<i>N-W.F.P.</i>	<i>Sind</i>	<i>Baluchistan</i>	<i>Total in Pakistan</i>	<i>Total in Hindustan</i>
Total net area ..	503.7	354.8	601.7	85.7	301.8	<i>Not available</i>	1847.7	3270.9
Forest	46.1	41.6	19.7	3.5	7.2		118.1	562.5
Area not available for cultivation ..	94.6	45.7	129.8	26.6	112.0		408.7	483.8
Current fallows ..	47.4	14.1	49.8	6.3	51.6		169.2	303.7
Uncultivated land excluding current fallows	66.3	186.9	144.9	29.2	81.4		508.7	462.9
Net area actually sown	249.1	66.4	257.4	20.0	49.4		642.3	1457.1

PAKISTAN

Reference—Statistical Abstract (Eighteenth Print).

APPENDIX VI (A)

AGRICULTURE

Area Under Irrigation

	<i>Bengal</i>	<i>Assam</i>	<i>Punjab</i>	<i>N-W.F.P.</i>	<i>Sind</i>	<i>Baluchistan</i>	<i>Total in Pakistan</i>	<i>Total in Hindustan</i>
Total area sown (including area sown more than once)	302.2	75.0	299.5	23.6	56.2	<i>Not available</i>	756.5	1688.9
Total area irrigated	20.5	6.5	167.6	9.3	46.1		250.0	299.1
By Govt. Canals ..	2.3		114.0	3.98	41.5		161.8	85.3

Reference—Statistical Abstract (Eighteenth Print).

APPENDIX VI (B)
AGRICULTURE
(Acreage in Lakhs and Production in Lakhs of Tons)

1939-40

		BENGAL		ASSAM		PUNJAB		N.-W. F. P.		SIND		BALUCHISTAN *		PAKISTAN		HINDUSTAN	
		Acre- age	Produc- tion	Acre- age	Produc- tion	Acre- age	Produc- tion	Acre- age	Produc- tion	Acre- age	Produc- tion	Acre- age	Produc- tion	Acre- age	Produc- tion	Acre- age	Produc- tion
(1)	Food Crops																
	Rice ..	222.5	84.5	53.5	17.4	9.7	2.8	3.6	*	13.3	4.4	..	..	302.6	109.1	401.3	136.0
	Wheat ..	1.8	0.4	..	..	95.6	37.6	9.3	2.6	12.7	3.2	..	..	119.4	43.8	141.6	45.1
	Barley ..	1.0	0.3	..	..	7.5	2.6	1.4	0.4	0.2	0.04	..	..	9.9	3.34	50.8	16.3
	Jowar ..	0.04	0.01	..	..	7.7	0.6	0.7	0.09	4.3	0.8	..	..	12.7	1.5	203.6	43.3
	Bajra ..	0.02	0.01	..	..	30.6	2.4	0.9	0.2	4.8	0.5	..	..	36.3	3.1	96.8	16.9
	Maize ..	0.6	0.2	..	..	11.4	4.0	4.6	2.3	0.03	0.01	..	..	16.6	6.5	40.6	14.4
(2)	Non-Food Crops																
	Rape & Mustard	7.9	1.4	3.8	0.34	10.8	1.6	..	..	..	..	..	..	22.5	3.34	33.3	6.66
	Sugar-cane	3.1	4.7	..	..	4.9	4.4	..	..	..	..	..	—	8.0	9.1	25.0	31.0
	Cotton ..	..	..	..	..	26.0	2.1	..	..	8.6	0.5	..	..	34.6	2.6	90.4	3.7
	Jute ..	25.0	14.7	3.2	1.2	..	..	..	..	..	..	..	..	28.2	15.9	2.9	1.3
	Tobacco	3.2	..	0.15	..	0.6	..	..	..	..	..	..	..	3.95	..	7.8	..

Reference—¹ Statistical Abstract (Eighteenth Print).

² Technological Possibilities of Agricultural Development in India.

APPENDIX VII (A)
INDUSTRY
Occupational Distribution of Population
Actual number of workers (in thousands)

	<i>Bengal</i>	<i>Assam</i>	<i>Punjab</i>	<i>N-W.F.P.</i>	<i>Sind*</i>	<i>Baluchistan</i>	<i>Total in Pakistan</i>	<i>Total in Hindustan</i>
Pasture & Agriculture	10,350	3,505	5,419	557	1,000	139	2,970	57,510
Fishing and Hunting ..	218	82	5		13		318	423
Extraction of minerals	45	16	6	..	3	1	71	202
Industry ..	1,383	355	1,664	113	178	17	3,710	8,785
Transport	313	77	214	22	36	17	679	1,099
Trade ..	1,067	164	520	65	65	16	1,897	4,125
Public Force	69	13	89	44	25	24	264	459
Public Administration ..	52	13	93	11	26	3	198	469
Professional and liberal arts ..	323	54	196	23	155	3	754	1,822
Domestic services	876	34	242	15	86	7	1,260	9,043
Others ..	913	79	460	62	64	4	1,582	6,068

* Reference—Census, 1931.

APPENDIX VII (B)

INDUSTRY

Total Following Occupation (Earners and Working Dependents)

(In Thousands)

	<i>Bengal</i>	<i>Assam</i>	<i>Punjab</i>	<i>N-W.F.P.</i>	<i>Sind*</i>	<i>Baluchistan</i>	<i>Total in Pakistan</i>	<i>Total in Hindustan</i>
Non-cultivating proprietors tak- ing rents in kind or money ..	783.7	41.4	390.8	54.0	35.5	17.0	1322.2	1732.1
Cultivating owners	5318.0	1171.5	435.9	232.3	153.5	56.6	7367.8	10614.2
Tenant cultivators	873.1	710.5	2156.8	205.2	205.8	22.6	4174.0	23597.7
Agricultural Labourers ..	2874.8	536.7	655.4	59.3	515.5	11.0	4652.7	19025.5

*Reference—Census 1931.

APPENDIX VII (C)
INDUSTRIAL YIELD
(Number of Workers in Thousand)

1939-40

	BENGAL		ASSAM		PUNJAB		N.-W. F. P.		SIND		BALUCHISTAN		PAKISTAN		HINDUSTAN	
	Factories	Daily Workers	Factories	Daily Workers	Factories	Daily Workers	Factories	Daily Workers	Factories	Daily Workers	Factories	Daily Workers	Factories	Daily Workers	Factories	Daily Workers
Silk ..	6	1.9	..	..	3	0.5	..	..	2	0.07	..	..	11	2.47	56	3.46
Jute ..	97	281.2	..	..	..	..	..	..	..	..	..	..	97	281.2	9	17.7
Cotton	32	31.8	..	..	14	9.4	..	..	..	..	..	..	46	41.2	741	446.6
Match ..	14	4.7	3	0.6	2	0.4	..	..	..	..	..	..	19	5.7	66	6.8
Paper ..	4	6.3	..	..	1	1.0	..	..	..	..	..	..	5	7.3	9	4.3
Iron & Steel	6	17.0	..	..	..	..	..	..	..	..	..	..	6	17.0	11	23.9
Chemical	18	3.9	..	..	5	0.2	..	..	..	..	..	..	23	4.1	8	0.7
Rice ..	400	18.7	45	0.8	43	1.0	..	..	102	2.0	..	..	590	22.5	670	24.7
Glass ..	12	2.3	..	..	3	0.2	..	..	..	..	..	..	15	2.5	58	6.4
General Engineering ..	152	27.1	7	0.8	21	2.1	..	..	13	1.3	1	0.05	194	31.35	151	17.2
Cement	1	0.23	..	..	1	0.75	..	..	2	0.52	..	..	4	1.5	9	5.6
Sugar ..	11	3.5	1	0.02	2	1.3	..	..	1	0.18	..	..	15	5.0	138	69.3
Soap ¹ ..	11	0.81	..	..	1	0.02	..	..	..	..	..	..	12	0.83	5	1.02
Woollen	1	0.2	..	..	6	2.6	..	..	..	..	..	..	7	2.8	9	4.6

Reference—Large Industrial Establishments in India by Gregory.

¹ Report of the Indian Tariff Board on the Woollen Industry.

APPENDIX VIII (A)

INLAND TRADE OF INDIA 1939-40

Movement of Certain Principal Articles; by Rail and River Between Provinces

(In Thousands of Maunds)

	BENGAL		ASSAM		PUNJAB		N.-W. F. P.		SIND		BALUCHISTAN		PAKISTAN		HINDUSTAN	
	<i>Im- port</i>	<i>Ex- port</i>	<i>Im- port</i>	<i>Ex- port</i>	<i>Im- port</i>	<i>Ex- port</i>	<i>Im- port</i>	<i>Ex- port</i>	<i>Im- port</i>	<i>Ex- port</i>	<i>Im- port</i>	<i>Ex- port</i>	<i>Im- port</i>	<i>Ex- port</i>	<i>Im- port</i>	<i>Ex- port</i>
Wheat ..	3694	207	73	..	79	13542	278	18	8378	6474	..	..	12502	20241	10130	4184
Raw Jute	31724	26261	2	2851	2	6	..	..	..	..	..	..	31728	29118	626	3626
Oilseeds	9039	891	20	473	462	2252	56	43	2601	2960	..	..	12178	6619	23780	26335
Salt ..	5932	11201	1290	2	313	1946	334	..	2727	243	..	..	10596	13392	21026	10890
Sugar ..	2596	1182	475	4	3624	64	322	53	1145	1069	..	..	8162	2372	5778	12848
Iron & Steel	14372	11319	1266	112	3010	392	260	12	1123	1653	..	..	20031	13488	18349	27445
Coal & Coke	217098	151006	3345	70	48866	706	2531	..	10529	914	..	..	282369	152696	150106	308844
Raw Cotton ..	636	205	2	123	12	6637	1	133	6312	2165	..	..	6963	9263	11291	7232
Cotton piece-goods	2520	1866	266	2	1358	176	300	4	522	696	..	..	4966	2744	4553	6961
Rice not in husk	10654	15795	1180	207	1310	1483	174	29	3000	5509	..	..	16318	23023	30144	28482

Reference—Statistical Abstract (Eighteenth Print).

APPENDIX VIII (B)
FOREIGN TRADE OF INDIA (1939-40)
(Value in thousands of Rupees) .

	Bengal	Assam	Punjab	N-WFP	Sind	Baluchistan	Pakistan	Hindustan
Import ..	56,11,53				15,55,10		71,66,63	93,62,59
Export of Indian Merchandise	11,24,5,90			..	18,63,90		13,10,980	72,82,32
Export of foreign merchandise ..	1,41,76				1,04,99		2,46,75	7,18,56
Total Trade	16,99,9,19				35,23,99	20,52,3,18		17,56,347

Reference—Statistical Abstract (Eighteenth Print).

APPENDIX IX (A)

GENERAL STATEMENT OF THE REVENUE AND EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

130

PAKISTAN

REVENUE			EXPENDITURE		
	<i>Budget Estimate 1939-40</i>	<i>Budget Estimate 1944-45</i>		<i>Budget Estimate 1939-40</i>	<i>Budget Estimate 1944-45</i>
<i>Principal Heads of Revenue:</i>					
Customs	43,94,00	28,00,00	Direct demands on the revenue	3,87,17	7,39,20
Central Excise Duties ..	..	40,90,50	Capital outlay on salt works met from Reve- nue	25	2,08
Corporation Tax ..	..	81,61,00	Railways	29,57,64	40,35,32
Taxes on Income other than Corporation Tax	13,13,00	77,20,00	Irrigation	967	13,25
Salt	9,00,00	9,25,00	Post and Telegraphs ..	73,78	1,01,87
Opium	48,82	80,00	Debt Services	12,66,34	20,13,98
Other Heads	9,27,54	1,53,04	Civil Administration ..	11,12,47	18,59,89
TOTAL PRINCIPAL HEADS	75,83,36	2,39,29,54	Currency and Mint ..	41,73	2,33,89

Railways	33,18,41	71,53,56	Civil Works	2,76,11	3,65,47
Irrigation	14	2,51	Miscellaneous	3,77,60	6,72,84
Posts and Telegraphs ..	..	12,33,12	Defence Services	55,17,48	2,86,94,94
Debt Services	72,98	1,44,72	Contributions and Misc.		
Civil Administration ..	1,04,43	1,43,31	Adjustments between		
Currency and Mint ..	88,57	9,99,21	Central and Provincial		
Civil Works	28,29	56,71	Governments	3,05,77	4,50,78
Miscellaneous	1,42,65	1,61,70	Extraordinary Items ..	1,10,88	22,86,21
Defence Services ..	5,88,57	10,33,88			
Contribution and Misc.					
Adjustments between					
Central and Provincial					
Governments	3,09,80	..			
Extraordinary Items ..	..	11,40,55			
TOTAL REVENUE ..	1,23,96,89	3,59,98,81	TOTAL EXPENDITURE ..	1,23,96,89	4,14,69,72

Reference—Budgets 1939-40 and 1944-45

APPENDIX IX (B)
PROVINCIAL GOVERNMENT BUDGETS
(In lakhs of Rupees)

Provinces	1938-39			REVISED ESTIMATES—1939-40		
	Revenue	Expenditure	Surplus (+) or Deficit (—)	Revenue	Expenditure	Surplus (+) or Deficit (—)
<i>Pakistan:</i>						
Bengal	12,77	12,77	..	14,03	14,17	—14
Assam	2,58	2,99	—41	2,82	3,00	—18
Punjab	11,17	11,61	—44	11,69	12,19	—50
N.-W. F. P.	1,81	1,78	+ 3	1,85	1,88	— 3
Sind	3,70*	3,46*	+24	4,01	3,95	+ 6
TOTAL ..	32,03	32,61	—58	34,40	35,19	—79
<i>Hindustan:</i>						
Madras	16,13	16,10	+ 3	16,41	16,41	..
Bombay	12,45	12,80	—35	13,02	13,03	— 1
United Provinces	12,80	12,80	..	13,32	13,62	—30
Bihar	5,24	4,93	+31	5,46	5,50	— 4
Central Provinces	4,27	4,71	—44	4,87	4,84	+ 3
Orissa	1,82	1,81	+ 1	1,94	1,96	— 2
TOTAL ..	52,71	53,15	—44	55,02	55,36	—34

Reference—Indian Finance Eastern Group Number, 1940.

* 8 months.

APPENDIX IX (C)
SUBVENTIONS AND OTHER PAYMENTS MADE BY THE CENTRE TO THE PROVINCES UNDER NIEMEYER AWARD
(In lakhs of Rupees)

PAID TO	Income Tax			Jute Duty			Subventions		
	1938-39	1939-40	1940-41	1938-39	1939-40	1940-41	1938-39	1939-40	1940-41
<i>Pakistan:</i>									
Bengal ..	30.00	55.80	60.00	221.27	221.97	226.62	..	..	..
Assam ..	3.00	5.58	6.00	11.69	13.39	13.68	30.00	30.00	30.00
Punjab ..	12.00	22.32	24.00	..	..	..	..	..	..
N.-W. F. P. ..	1.50	22.79	3.00	..	..	..	100.00	100.00	100.00
Sind ..	3.00	5.58	6.00	..	..	..	105.00	105.00	105.00
TOTAL ..	49.50	92.07	99.00	232.96	235.36	240.30	235.00	235.00	235.00
<i>Hindustan:</i>									
Madras ..	22.50	41.85	45.00	..	..	..	..	..	..
Bombay ..	30.00	55.80	60.00	..	..	..	..	..	..
United Provinces ..	22.50	41.85	45.00	..	..	..	25.00	25.00	25.00
Bihar ..	15.00	27.90	30.00	17.12	19.34	19.76	..	..	..
Central Provinces ..	7.50	13.95	15.00	..	..	..	..	..	..
Orissa ..	3.00	5.58	6.00	0.92	0.92	0.94	43.00	43.00	43.00
TOTAL ..	100.50	186.93	201.00	18.04	20.26	20.70	68.00	68.00	68.00

Reference—Indian Finance Eastern Group Number, 1940.

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