

## Chapter 3

## OUTLINE OF THE PLAN

1. The draft First Five Year Plan (1955-60) was prepared in the latter part of 1955 and published in May, 1956. Following publication, comments were received from private and official sources ; these were carefully considered and in many cases discussed thoroughly with those who offered them. The draft Plan was revised in late 1956 and early 1957 to take account of the comments received, and also to take account of the developments in the economy during the period since April 1955 when the Plan period began. The revised Plan was considered by the National Economic Council in February and April 1957 and approved by the Council on April, 15, 1957.

2. The revised Plan retains the two most distinctive features of the draft Plan : the highest priority given to agricultural development (particularly food production), and the strong emphasis placed on rapidly increasing the developmental effort in East Pakistan and in the less-developed areas of West Pakistan. The revised Plan anticipates somewhat smaller total accomplishments by 1960 than did the draft Plan. Slow implementation of the Plan during the first two years means that the economy is growing somewhat less rapidly than was hoped, and consequently smaller resources are in sight for development. By the same token, the capacity for executing development schemes is not increasing as rapidly as had been hoped. Finally, the revised Plan takes account of the significant drop in supplies of marketed foodgrains in the first two years of the Plan period. The combination of reduced supplies of consumer goods (primarily food grains) and increasing money incomes has given rise to some inflationary tendencies. These tendencies must be considered very carefully when decisions are made concerning the size and composition of the annual development programmes in the remainder of the Plan period.

## I. SIZE AND OBJECTIVES OF THE PLAN

3. The revised development programme proposed for the country is estimated to cost 10,800 million (1,080 crore) rupees during the five-year period from 1955-56 to 1959-60, 7,500 million (750 crore) rupees in the public sector and 3,300 million (330 crore) rupees in the private sector. The public sector programme includes (a) the estimated cost of specific schemes which have been reviewed in some detail, and (b) reserves to cover the cost of possible schemes for East Pakistan, and for the less-developed areas of West Pakistan, which are worthy in objective but have not yet been prepared or reviewed in detail. These add up to a total amount of 9,350 million (935 crore) rupees. From this total is deducted an estimated short-fall of 1,850 million, (185 crore) rupees to arrive at the expenditure target of 7,500 million (750 crore) rupees for the public sector.

4. The revised Plan is designed to achieve the same fundamental objectives as was the draft Plan :
- (a) To raise the national income and the standard of living of the people ;
  - (b) To improve the balance of payments of the country by increasing exports and by production of substitutes for imports ;
  - (c) To increase the opportunities for useful employment in the country ;
  - (d) To make steady progress in providing social services : housing, education, health, and social welfare; and
  - (e) To increase rapidly the rate of development, especially in East Pakistan and other relatively less-developed areas.

5. Considering the resources that can be made available for development and the targets of development that are feasible within the limits of these resources, we now believe that an increase of about 15 per cent in national income can be achieved over the Plan period. As the population is expected to grow by about 7.5 per cent per capita income can rise by around 7 per cent. If the pace of economic development is to increase during the Plan period and in succeeding years, a substantial part of the increased national income must be saved and invested, but this would still allow for some small improvement in living standards.

6. At present the foreign exchange earnings are barely sufficient to meet the country's requirements for essential consumer goods (excluding food), raw materials, defence supplies, and other non-development imports. Necessary imports of foodgrains have required the use of our very limited foreign exchange reserves in 1956 and 1957. Had it not been for foreign loans and assistance for both food and development imports, the development programme would have had to be curtailed drastically. It is one of the major objectives of the Plan to improve the balance of payments by increasing exports and by raising the domestic production of goods that would otherwise have to be imported. We estimate that as a result of the development programmes in the various fields, the foreign exchange earnings in the last year of the Plan will exceed the requirements of essential imports for non-development purposes (excluding food) by about 200 million (20 crore) rupees, which will be available for development. In the succeeding years the surplus should be larger. If agricultural production is increased as proposed in the Plan, by the beginning of the next Plan period the country's dependence on external aid for development purposes will be substantially reduced.

7. Reliable information is not available about the increases that have been taking place in recent years in employment in the various industries and occupations, and we have not been able to make precise estimates about the changes that will take place in the Plan period. There is hardly any information about unemployment and under-employment in rural areas. We have roughly estimated that the labour force will increase by about 2 million (20 lakh) during the Plan period. While we have not been able to make precise estimates of the growth in work opportunities under the Plan, considering the fairly definite prospects for increased employment in large-scale industry, agriculture, and construction, and the likely increases in small-scale industry, trade and commerce, transport, and other fields, it is very roughly estimated that employment during the Plan period will rise by about as much as the rise in the labour force.

8. Increasing the social services available in the country is a major objective of any development Plan, although the resources that can be devoted to this purpose are limited by the necessity to provide a solid basis of agricultural and industrial progress upon which further social gains will depend. During the Plan period expenditures on housing, education, health, and social welfare will rise steadily. As a result of the public sector, development programme, about 250,000 new housing units are expected to be built ; large numbers of existing educational institutions will be imported ; increased opportunities will be provided for technical education and training ; over one million additional children will be in primary and secondary schools ; a country-wide anti-malaria campaign will be carried out, and in all the social fields a sound basis will be laid for more rapid progress in the future.

9. Although the rate of development activity has risen in recent years, it must rise very much further if the country is to enter a period of sustained progress. The Plan offers a great challenge to the country, especially to the officials who will be called upon to execute the public sector programme. We have proposed high targets ; even allowing for a short-fall, which seems inevitable in the early years of a national development programme, the Plan calls for raising the rate of development activity by 1960 to over three times what it was at the beginning. Only the most single-minded dedication will make it possible to achieve this objective.

10. The challenge will be especially great in East Pakistan and in the less-developed areas of West Pakistan, such as Kalat and Quetta Divisions and the Tribal Areas. East Pakistan has made appreciable progress since 1947 in building its Capital and administrative services, reorganising transport and constructing harbours, and establishing baling and manufacturing capacity for jute, all of which was needed for acquiring economic independence. The rate of development, however, has not been as high as in West Pakistan as a whole. In West Pakistan there are certain areas where most people live in extreme poverty ; some improvement has been made since independence, particularly in transport and in education, but development has not been as rapid as was necessary. One of the chief objectives of the Plan is to achieve a more balanced development of the country as a whole. Because of the deficiencies of administration and technical organisation, special efforts will be necessary throughout the country to attain the scale of investment envisaged in the Plan. But these deficiencies are greater in East Pakistan, and even more determined steps have to be taken to accelerate the pace of development in this Province.



14. In the private sector, monetary expenditure for development estimated at 3,300 million (330 crore) rupees will be concentrated in the fields of industry, transports, and housing. The programme in the private sector is, by and large, an estimate of what private investment will be in the various fields of development under the influence of appropriate government policies.

15. We expect that over one-third of this will be invested in large-scale industry, and have indicated the fields in which investment would be desirable and feasible. Given the encouragement provided by the public housing and settlements programme, we expect that private investment in construction will also increase, and may require about one-quarter or somewhat less of the resources available for private investment. The remainder of those resources would be for transport equipment (trucks, buses etc.), for minerals (mostly exploration for gas and oil), and other fields (agriculture, service trades, commerce etc.). While the Government cannot determine precisely the magnitude or the kind of private investment that will actually be made, it can, by suitable policies and its import licensing powers, greatly influence the magnitude of private investment, and ensure that it does not go into fields considered undesirable or of lower priority.

16. In addition to these expenditures in the public and private sectors, there is expected to be an investment of labour and local materials, which would not necessarily involve any expenditure of money, for private and communal purposes, such as the construction of houses, small irrigation and reclamation works, and other durable assets for private use, and the building of schools, dispensaries, roads, drains, wells, and bunds, by rural communities for collective use. Such non-monetary investment will be greatly encouraged under the Plan particularly the housing, Village AID, and urban community development programmes ; it may be of the order of 1,500 to 2,000 million (150 to 200 crore) rupees during the Plan period. No estimate of such investment has been included in the Plan, but it will have a substantial effect in raising living standards, particularly in rural areas.

17. In order to achieve the objectives of the Plan, the country's resources must be concentrated on purposes of the highest importance that are expected to give the greatest returns. Resources must not be employed on purposes of secondary importance. The Plan can succeed only if a strict scheme of priorities is followed. The targets which have been proposed for the different fields of development are as follows :

#### **Village AID**

18. The Village AID programme is of crucial importance as the means for bringing better living standards and a new spirit of hope confidence to the villages, where, according to the 1951 census, about 90 per cent of the people of the country live. The Plan provides for expanding Village AID as rapidly as the necessary staff can be trained ; about 5,000 village workers will be available by 1960 and posted to about 26,000 villages, some 25 per cent of the villages in the country. The bulk of the remainder can be covered by 1965.

#### **Agriculture**

19. The development of agriculture (including animal husbandry, fisheries, and forestry) has lagged in recent years. Yields per acre of most food crops have not risen, and even taking into account the new acreage brought under cultivation, the increase in food production does not seem to have kept up with the increasing population. This situation is serious and must be rectified. The basic target by 1960 must be to provide a secure food supply within the country for the growing population, and to make a substantial beginning, through research and extension programmes and the provision of fertilisers, equipment, pesticides and so on, towards more diversified and more valuable agricultural output. Targets recommended in the Plan include a 9 per cent increase in food grains, and larger increases in cotton, oilseeds, sugar cane, and fruits and vegetables. These will not be easy targets to reach, especially because sufficient attention has not been given so far to agricultural development. The drive and energy which characterise the field of industry must be matched by a determined leadership in agriculture, inspired by a resolve to achieve, and if possible exceed, the targets of production recommended in the Plan. A balance must be maintained between industry and agriculture by stimulating agricultural progress rather than by curtailing industrial progress.

### Water and power development

20. A large programme of irrigation development was under way in West Pakistan in 1955, and will be continued during the Plan period; by 1960 it is expected that 1.5 million (15 lakh) acres of new land will be brought under irrigation, and 3.5 million (35 lakh) more acres will have an improved water supply or have been reclaimed from salinity and waterlogging. In East Pakistan the water development programme under way at the beginning of the Plan period was much smaller than is required: the Plan provides for increasing the programme as rapidly as personnel can be trained and organisations established. By 1960, about 300,000 additional acres of land will be brought under winter irrigation and about 1.6 million (16 lakh) acres improved by drainage and flood regulation. The basis will have been laid for a larger programme in the future, particularly for long-range measures to diminish flood damage. In both Wings the Plan provides for increasing the supply of electric power sufficiently to overtake essential demands by 1960. Installed capacity is expected to rise from 280,000 kilowatts at the beginning of the Plan period to about 850,000 at the end, and the annual generation from 7 units to 23 units per capita.

### Industry

21. Industrial development has been very rapid in recent years. The Plan proposes further advances but in a better balanced manner, through the fuller use of existing industrial capacity and new projects of high priority—those that are expected to increase the national income substantially, to save or earn foreign exchange, or to create employment opportunities to the largest extent in relation to investment. Substantial increases in industrial research and a large expansion of the programme to assist small and cottage industries through research, training, finance, marketing, and advisory services, are included in the Plan. The production of large-scale industries is expected to increase by about seventy-five per cent during the Plan period. Important industrial targets include: raising the productive capacity of cement from 670,000 tons per year to 1,280,000 tons; of fertiliser from nil to 62,000 tons; of sugar from 115,000 tons to 235,000 tons; and the number of jute looms installed from 3,300 to 12,000.

### Transport and communications

22. The Plan provides for sizeable expenditures on the rehabilitation and replacement of railway track and rolling stock, on an expansion of the road network in both Wings particularly to open up areas now cut off from road communications, on the development of inland water transport, shipping, and civil aviation, and on the expansion of telephone, telegraph, and broadcasting facilities.

### Housing and settlements

23. The country's needs for more and better houses, and for community services such as water and sewerage systems, are enormous. During the present Plan period, priority in both rural and urban areas is given to providing pure water supplies and sewerage systems, because of their importance for health. The Plan provides also for about 250,000 new housing units in urban areas, 1,20,000 of which will be set aside for refugees. This work will be done in new ways designed to serve the needs of the people better at less cost, by the maximum use of local materials and "self-help" methods of construction.

### Education and training

24. During the Plan period, priority will be given to improving the quality of education at all levels, primary, secondary, college, and university; rapidly expanding education and training in the technical, vocational and professional fields to provide essential qualified personnel for all sectors of the development programme; and opening new schools, so far as resources permit, especially in areas which are relatively backward. Large numbers of pupils now drop out before completing their primary courses and revert to illiteracy. This results in great waste of effort. The planned improvements will enable schools to hold much larger numbers of pupils to the end of their courses than is the case at present. Besides, over one million (10 lakh) additional children will be attending primary and secondary schools and 1600 engineers and engineering technicians will be turned out each year by the end of the Plan period.

### Health

25. In the field of health, highest priority is given to preventive measures, including a country-wide anti-malaria campaign and a substantial expansion of the anti-tuberculosis programme. In addition, medical education will expand under the Plan, a beginning will be made on medical research, school health services, and health education, and some expansion of hospitals, dispensaries, and other curative services will take place. By the end of the Plan period, the anti-malaria measures are expected to have reached all those areas of the country where the disease is prevalent. The number of beds in hospitals and dispensaries will have risen from 23,000 to 32,000.

### Labour and employment and others

26. The Plan gives priority in the field of labour and employment to (a) the improvement of factory inspection to prevent exploitation and ill-treatment of workers; (b) support for trade unions and collective bargaining; and (c) the commencement of minimum wage regulation and social security provisions. The Plan also provides for the development of statistics and insurance.

### Social welfare

27. Social welfare, conceived as an endeavour to prevent serious social problems from accompanying the economic and social changes brought about by development, is a relatively new field in the country but is of very great importance. The Plan provides for the most rapid possible increase in the training of social workers. About 500 in all will be trained during the Plan period, and will be employed in urban community development projects, medical social work, and other activities designed to assist people to solve their own problems through co-operation and self-help.

### The Special Areas and other tribal territories

28. The greater part of development in these regions will take place as part of the regular programmes of education, irrigation, agriculture, etc., though certain sums have specifically been laid aside for the programme in these areas. The Board is more concerned with the approach which should be adopted with respect to these areas. The policy proposed might be summed up briefly as the gradual increase in political stability, in economic and social progress, and in contact with the rest of the country. The means by which these ends are to be achieved are by helping the people to lead their own lives more fully through programmes devised to meet their particular social and economic needs.

29. In summary, the Plan gives first priority to agriculture. Over one-third of planned public expenditures are devoted primarily to this field through the agriculture, Village AID, irrigation, reclamation and drainage programmes. Industry and power comprise about one-quarter of total estimated public expenditures on development. In addition, there is a large industrial investment programme in the private sector. Transport and communications absorb about one-fifth of total public expenditure, and social services the remaining one fifth of the public programme. These proportions reflect the order of priority assigned to the various fields. We believe that the provision for social services is as high as the country can afford with its present economic capacity.

## III. THE OBJECTIVE OF BALANCED DEVELOPMENT

30. The Plan is designed to increase the welfare of all the people of the country, whether they live in village or city, tribal area or administered area, East Pakistan or West Pakistan. The Plan should bring benefits everywhere, and maximum benefits where the needs are greatest. This makes it necessary to give special attention to East Pakistan, and the less-developed areas of West Pakistan.

31. The problem of a proper rate of development is acute as between East Pakistan and West Pakistan. Because there is little or no movement of people between the two Wings, it is necessary that economic opportunities should move to the people, rather than the people to economic opportunities. East Pakistan suffered

from neglect and exploitation for two centuries before independence. In recent years the energies of the Government have been concentrated on the high-priority objective of gaining a measure of economic independence by the improvement of basic facilities such as transport and communications which are a pre-requisite to the success of a development programme.

32. It has been our purpose to provide in the Plan for the greatest possible increase in the rate of development in East Pakistan. Before the draft Plan was published, we spent much time, in consultation with the Provincial Government, in considering schemes and proposals in each field in order to find out how the development programme can be expanded to the maximum extent. As a result, the schemes recommended in the Plan for execution by the Government of East Pakistan were considerably larger than the programme originally proposed by that Government in March, 1955. Furthermore, the draft Plan included a reserve of 1,000 million (100 crore) rupees to cover the cost of additional schemes to be designed in detail and approved for commencement during the Plan period.

33. Since the draft Plan was published, the problem of increasing the rate of development in East Pakistan has been considered further. A number of additional schemes and proposals have been received from the East Pakistan Government. While not all of these have been finally accepted, a number of schemes totalling about 3,00 million (30 crore) rupees, have been added to the Plan and the reserve has been reduced accordingly. The remainder of the reserve has been allocated to specific fields: 30 million (3 crore) to Village AID and rural development; 190 million (19 crore) to agriculture; 300 million (30 crore) to water and power development; and 180 million (18 crore) to industry.

34. The revised Plan allocations, by fields of development, for the different geographical areas of the country during the final three years of the Plan period are shown in Table 2.

TABLE 2

*Proposed allocations to fields of development public sector, 1957-60 by geographic area—Central and Provincial schemes combined*

(Figures can be read in millions by removing decimals)

	East Pakistan	West Pakistan	Karachi	Total
(Core rupees)				
1. Village AID and rural development ...	14	13	...	27
2. Agriculture ...	52(22)	47	3	102(22)
3. Water and power development ...	83(30)	133	1	217(30)
4. Industry, fuels and minerals ...	93(18)	38	7	138(18)
5. Transport and communications ...	45	65	10	120
6. Housing and settlements ...	27	21	20	68
7. Education and training ...	24	22	3	49
8. Health ...	12	12	...	24
9. Social welfare, labour and employment, and miscellaneous ...	2	2	1	5
10. Reserve for less developed areas of West Pakistan ...	...	8(8)	...	8(8)
Total ...	352(70)	361(8)	45	758(78)

*Note*:—Figures in brackets indicate the part of the programme against which schemes have not been received or, for which schemes have been submitted but require additional discussion before approval.

35. It is apparent that the programme for the development of East Pakistan is as large as is feasible, and perhaps larger. Very serious difficulties will have to be faced and overcome, and even then the rate of development is not likely to increase by 1960 as much as would be desirable. The shortages of trained personnel, both technical and administrative, and of detailed schemes are very great. It will necessarily be several years before East Pakistan will be able to plan and execute a development programme commensurate with the needs of the Province. The limiting factor in almost every field of development in East Pakistan will be not finance but trained personnel and competent organisations.

36. The areas of West Pakistan which are relatively less developed are largely the mountainous and desert regions of Kalat and Quetta Divisions, the Tribal Areas of the northwest, and districts such as Muzaffargarh and Dera Ghazi Khan. These areas share the common characteristics of low rainfall, difficult terrain, and dependence on a very primitive economic base in agriculture, livestock, and cottage industries. Since independence, the administrative structure in the areas has been improved to some extent particularly by the posting of technicians; some road development has occurred; certain water development and industrial schemes (notably the woollen mills at Harnai and Bannu) have been established; and considerable efforts have been made to develop educational institutions. In addition, certain general economic surveys (particularly in the former Baluchistan States Union), and aerial and ground reconnaissance geological surveys have been conducted.

37. One of the objectives of development policy must be to bring the less-developed areas up to the level of the rest of the country. This will be difficult owing to the lack of prepared and specific schemes, and the shortage of technical and administrative personnel. During the preparation of the Plan, and before the unification of West Pakistan, we considered carefully the proposals presented by the various States and provinces responsible for these areas; for the most part the proposals were inadequate because they were not supported by sufficient technical studies. In these circumstances we considered it necessary to include relatively large provisions for surveys and investigations, for training staff and establishing basic technical services (such as agricultural extension), and for opening up communications. For example:

- (a) We have included nearly 6 million (60 lakh) rupees for investigations of water resources and preparing schemes in Quetta and Kalat Divisions;
- (b) We have proposed that Peshawar University be aided in carrying out a social and economic survey of the Tribal Areas and developing a continuing research programme;
- (c) We have made special provision for educating boys from Tribal Areas, from the former Baluchistan States Union, and other areas virtually lacking in schools;
- (d) About one-third of the funds included for civil roads in West Pakistan are intended for the less developed areas; and
- (e) We have proposed a special provision for small development schemes in the Tribal Areas, which, if found useful, can be increased during the Plan period.

38. With the unification of West Pakistan, the problems of these less-developed areas have become the responsibility of the West Pakistan Government, who are alive to their urgency. This offers a considerable opportunity to improve the number of technicians and administrators in the less-developed areas by assigning them from the areas which are better staffed; a special posting allowance will undoubtedly be required in some cases. The West Pakistan Government wishes to move forward vigorously in the backward areas, and we believe a systematic approach can make good progress during the Plan period. A special reserve of 100 million (10 crore) rupees was included in the draft Plan for schemes to be prepared in detail and undertaken during the plan period. Of this amount, 20 million (2 crore) was subsequently allocated, at the request of the West Pakistan Government, primarily for the development of roads in the backward areas. For the remainder of the amount the West Pakistan Government is actively preparing schemes.



39. Refugees are another group in the population requiring special attention in the development programme. At the same time we believe it is essential that refugees are not set apart from the rest of the population, but integrated with them as rapidly as possible. To a large extent they are dispersed through the population, and improvement in their condition will come principally from the general improvement in the economy, and especially the new employment opportunities resulting from the Plan. In the fields of housing and social welfare, however, refugees have special problems to which we have given special attention. In the housing field we have provided for 100,000 building plots to be set aside for refugees out of a total programme of 250,000 new plots to be developed by the Government. We propose that these plots be reserved for refugees, but be part of new settlements created for the whole population, with refugees interspersed among other settlers. Similarly we have proposed that areas with a heavy concentration of refugees be given special priority under the urban community development programme. Twenty to twenty-five of the 70 projects under this programme are to be located in such areas. We expect that the development programme would go far towards eliminating the housing of refugees as a special problem by the end of this Plan period. In succeeding years it should be possible to plan for refugees as part of the general population in all fields.

#### IV. RESOURCES FOR DEVELOPMENT

40. The problem of finding resources for development could be approached from the standpoint of finding means for achieving pre-determined targets of national income, employment, and production. In this approach, all the resources of the community are regarded as available for being pressed into development work to achieve pre-determined physical goals the tasks imposed on the people are often larger than they can bear without suffering serious hardships, standards of consumption are reduced as necessary, and men and women are ordered into jobs and localities at the will of the Government. This necessarily means the imposition of extensive controls in order to direct all resources, physical and human, into desired channels for achieving the prescribed targets. This approach is foreign to this country's faith in individual freedom and democratic government, and we have rejected it.

41. We have approached the problem of resources rather from the standpoint of estimating the maximum amount of resources which the community will be willing to devote to development either through public or private saving. This approach does not mean absence of sacrifice ; we propose that the people should be asked to limit themselves to a small increase in consumption during this Plan period in the interest of development and more rapid gains in income in later periods. The development targets we have proposed can be met only if the Government and the people put forth their maximum effort. The targets are pitched high, but not so high as to be beyond reach. Everyone will have to accept a basic policy of hard work and plain living. The people must understand the benefits of development and the part they should play in it, and by their voluntary participation and individual initiative, work to achieve greater and more satisfying results than could be achieved under a system of rigid and centralised dictation.

42. The major source of finance for the Plan is the country's own saving. This takes two forms ; public saving and private saving. Public saving is the amount by which the public revenues exceed public expenditures for non-development purposes such as defence and civil administration. We are recommending some additions to government revenues from taxes and other sources, though these are not large. With these additions to revenue, and assuming strong efforts to hold down government expenditures for non-development purposes, we estimate that public saving by the Central and Provincial Governments combined can be made available to the tune of 1,000 million (100 crore) rupees for development.

43. Private saving is the amount by which private incomes (after taxes) exceed expenditures for consumption. We have estimated private saving at about 950 million (95 crore) rupees in 1954-55. Assuming that the national income grows by about 15 per cent over the Plan period, and that about 10 per cent of each year's addition to national income is added to private saving, the potential private saving over the Plan period may amount to 5,600 million (560 crore) rupees. It must be emphasised that these potential savings will not be



49. In the draft Plan, we estimated the country's total foreign exchange earnings during the Plan period at about 10,140 million (1014 crore) rupees, and minimum foreign exchange requirements for consumer goods, raw materials, defence, and other non-development imports at about 9,140 million (914 crore) rupees, leaving about 1,000 million (100 crore) rupees available for development. These estimates were based on the assumption that sizeable net imports of foodgrains would not be necessary during the Plan period or, if such imports did turn out to be necessary, that they would be financed by additional foreign assistance over and above the amounts necessary to finance the development programme. In the first two years of the Plan period, these assumptions were seriously upset. Foodgrains worth about 720 million (72 crore) rupees were imported to meet serious shortages of marketed grain in the country. The bulk of these imports were financed through foreign assistance of about 520 million (52 crore) rupees, but about 200 million (20 crore) rupees of the country's own foreign exchange was used for this purpose. The effect of this use of foreign exchange for food imports has been of course to reduce the foreign exchange available for imports of consumer goods and raw materials and for imports of development goods.

50. To a considerable extent the food shortage of the past two years was due to bad weather, but to some extent it reflected over-optimistic assumptions as to the likely rate of increase of food production in the country which led to the feeling that imports would probably not be necessary. Consequently when the shortage did arise it was necessary to make hasty arrangements for imports and even so prices in the country rose to high levels before the necessary imports could arrive. In an effort to avoid such improvised solutions in the future, the Government, in addition to giving maximum push to the programme for raising food production in the country, is endeavouring to make long-term arrangements for importing foodgrains over the last three years of the Plan period. These imports would be planned on a diminishing scale each year, after allowing for planned increases in domestic production, and would be for both consumption and for stockpiling, the latter to provide some margin for emergencies.

51. Considering the major revisions which have been required in the balance of payments projections by the altered assumptions concerning food imports, plus a number of less significant changes, the revised projections of sources and uses of foreign exchange may be summarised as in Table 4.

TABLE 4

*Sources and uses of foreign exchange, 1955-60*

(Figures can be read in millions by removing decimals)

Crore rupees

Sources		Amounts	Uses			Amounts
			Consumer goods, raw materials and other non-development imports (except food grains).			
Earnings		1050.0				940.0
Foodgrain assistance	...	177.0	Foodgrain imports	...	...	218.0
Private foreign investment	...	50.0	Development imports			
			Public	...	...	329.0
			Private	...	...	175.0
Foreign aid and loans	...	385.0				
<b>Total Sources</b>	...	<b>1662.0</b>	<b>Total uses</b>	...	...	<b>1662.0</b>

52. Of the amounts shown as foodgrain assistance in the above table, it is estimated that 660 million (66 crore) rupees arrived or were committed in the first two years of the Plan period. Of the amount shown as foreign aid and loans, estimated amount of 920 million (92 crore) rupees arrived during the first two years of the Plan period, and an additional 1070 million (107 crore) rupees were expected to arrive during the last three years from commitments made before April 1, 1957.

53. The figures in the table illustrate the difficulties the country faces in obtaining the foreign exchange necessary for the development programme. These difficulties are serious, and clearly will require continued austerity in the import of non-development goods, and careful allocation of available exchange according to a rational scheme of priorities. The five year totals, however, tend to conceal the substantial improvement which is expected to take place between the beginning and the end of the Plan period. As a result of investments previously made and to be made during the Plan period, agricultural and industrial product available for export will increase, and export earnings (setting aside temporary changes due to changes in stocks) are expected to rise by about 300 million (30 crore) rupees. At the same time, requirements for imports of essential consumer goods raw materials, and fuels are not likely to rise very much, and might even drop, since local production will expand substantially. Nevertheless, it is plain that the country's development programme at the end of the Plan period will still be heavily dependent on outside sources of foreign exchange.

#### V. EXECUTING THE PLAN

54. Taking account of the estimated actual expenditure in the first two years of the Plan period, expenditures over the five years to carry out the Plan would be somewhat as shown in Table 5.

TABLE 5

*Expenditures on development, 1955-60*

(Figures can be read in millions by removing decimals)

		Crore rupees					
		1955-56	1956-57	1957-58	1958-59	1959-60	Total
		(Estimated actuals)		(Projections)			
Public Development	...	73.0	104.0	140.0	190.0	243.0	750.0
Private Investment	...	50.0	55.0	55.0	80.0	90.0	330.0
<b>Total</b>	...	<b>123.0</b>	<b>159.0</b>	<b>195.0</b>	<b>270.0</b>	<b>333.0</b>	<b>1080.0</b>
Of which, foreign exchange:		56.0	74.0	93.0	125.0	156.0	504.0

55. The most conspicuous feature of these projections is of course the sharp rise which is proposed between the beginning and the end of the Plan period. This was true in the draft Plan projections also, but the projected

rise is even steeper now since the performance in the first two years was not as high as had originally been hoped. The two most important obstacles which must be overcome if the projected rise in development expenditure is to take place are : lack of financial resources, and lack of administrative capacity.

56. The problem of financial resources has two aspects : internal finance and foreign exchange. The latter has been discussed above. So far as internal finance is concerned, the events of the first two years of the Plan period have brought real concern about the degree of inflationary pressures in the economy. The serious elements in the inflationary situation have resulted from a reduction in marketed food stocks and a simultaneous increase in money supply and money incomes. Together they have resulted in somewhere about a 10 per cent increase in the general level of prices during the two-years plan. The way to contain the inflationary danger is on the one hand to step up food supplies—both by importing food and by increasing internal production—and on the other hand to hold the increase in the money supply to amounts which can be absorbed by the economy without substantial price increases.

57. It is with respect to the latter point—permissible increase in the money supply—that the most careful analysis and most astute judgement are called for. During the first two years of the Plan period, money supply in the country rose by about 1100 million (110 crore) rupees, or 28 per cent. About 300 million (30 crore) rupees of this was due to a net surplus in the balance of payments; about 250 million (25 crore) rupees was due to a net expansion in bank loans to the private sector ; and about 550 million (55 crore) rupees was due net expansion in Government borrowing from the banking system. The surplus in the balance of payments can and should be used during the Plan period to pay for imports, a good deal of it has already been committed for food imports. The other two factors—expansion of bank loans to the public sector and to the private sector—will undoubtedly continue to grow. There is agreement that they should not be allowed to grow at as rapid a rate during the remaining three years of the Plan period as they did during the first two years, but the exact amount to be planned for each year must be decided in the process of determining each year's Government budgets and foreign exchange allocations.

58. The most serious question raised by the experience of the first two years of the Plan period is whether the country is trying to do too much. During the first two years of the period, defence expenditures rose, government non-development expenditures rose, and public and private development expenditures rose. Even with a considerable inflow of foreign resources, the country suffered some degree of inflation. It is plain that if the development programme is to continue to expand as called for by the Five Year Plan, the resources can be found only by a combination of the following means : holding or cutting back the level of defence and other non-development expenditures, increasing taxes and other sources of revenue, and increasing the inflow of foreign resources. Some of these steps are painful or difficult or both. The alternative is to cut back the development programme and perpetuate poverty and low living standards. There is no escape, in the conditions of our country, from this dilemma.

59. The second major problem in executing the Plan is that of administrative capacity. In both the public and the private sectors the country is short of technical and managerial skills and experience. There are bound to be delays and shortfalls in the execution of development programmes. This is the normal experience of countries in the early stages of development. In a partial attempt to overcome this factor we have set allocations higher than foreseeable resources, in the expectation that a shortfall in actual expenditure will bring us out near the point of full use of resources. In the public sector, allocations total 9350 million (935 crore) rupees. If there were a shortfall of 1850 million (185 crore) rupees, the net expenditure would be about 7500 (750 crore) rupees, which is the estimate of resources which may be available.

60. The public sector programme would be executed by the three governments—East, West and Centre (including the administrative agencies for Karachi). The proposed allocations for the last three years of the Plan period (Central and Provincial schemes combined) are shown in Table 6.

TABLE 6

*Proposed annual allocations to public sector,  
1957-60, by geographical area.*

*Crore rupees*

(Figures can be read in millions by removing decimals)

					1957-58	1958-59	1959-60	Total
East Pakistan	...	...	...	...	74.0	116.0	162.0	352.0
West Pakistan	...	...	...	...	99.0	121.0	141.0	361.0
Karachi	...	...	...	...	17.0	14.0	14.0	45.0
				Total	190.0	251.0	317.0	758.0
				Less : likely shortfall	—50	—61.0	—74.0	—185.0
				Projected expenditures	140.0	190.0	243.0	573.0

61. There are of course differences among the governments and especially among different departments and agencies in the three governments, in the degree of readiness to execute the development programme. Taken as a whole, however, we have been deeply impressed in the course of preparing this Plan by the very great difficulties which will be encountered in executing it. In virtually every field the country is extremely short of trained technicians and administrators to carry out development work, and what is at least as serious in many fields, the country is also short of organisations with sufficient tradition, staff, and experience to implement large development schemes. In a great many cases the shortage of trained manpower or of experienced organisations, rather than lack of finance, is the factor limiting the speed of development. These conditions are only natural in a country in the first years of independence, breaking the crust of centuries of near-stagnation. Nevertheless, no one should underestimate the tremendous problem of achieving the objectives set in this Plan.

62. We have made such provision as was possible in the Plan itself to help in its execution. In each field of development we have attempted to estimate the number of trained persons required to execute the schemes proposed ; we have provided for increases in training to the largest extent feasible, and we have planned the rate of increase in programmes such as Village AID in accordance with the likely supply of trained workers. We have recommended many changes in organisation and administration in order to improve the ability of the Government to carry out development programmes. These include the establishment of survey and planning staffs in every sizeable department and ministry ; the establishment of new organisational units in several fields, notably natural resources, housing and settlements, and social welfare ; the improvement of procedures of budgeting and financial control, and of methods of recruiting, training, and posting of personnel ; and the improvement and strengthening of local government bodies. Above all a change is necessary in the outlook of Government officials and in the major concentration of their work, from emphasising law enforcement and revenue collection to improving the welfare of the people. This change has already started, but it has far to go before it is reflected in every aspect of the administration. Divisional Commissioners, officers in charge of districts, and other administrative officials must devote their major energies to welfare and development, and arrangements must be made to relieve them of some of the burden of police, revenue, and judicial work. The purpose must be to make the administration the strong core of the national development effort.

63. The execution of the development programme will strain the ability of the Government officials to the utmost and will necessitate great improvements in administrative organisations, methods, and outlook. Development, however, is far more than a matter of Government administration. The Plan has been designed to draw forth and utilise the energies of all the people in the country, and it will require for its success a strong nation-wide commitment to the actions and policies that will bring progress. The country is starting on a course of growth and expansion which will continue not just for one five-year period but for many years to come; it is undertaking nothing less than a peaceful revolution, and the fundamental requisite for success is a spirit of devotion and dedication permeating every part of our national life.

## PART VI—NATIONAL INCOME

64. Statistics on the national income of Pakistan are prepared annually by the Central Statistical office. The basic income concept and methods of estimation are described fully in the February, 1955 issue of the Statistical Bulletin published by the Central Statistical Office. Briefly, two methods are used: wherever the available data permit it, the estimates are based on actual production statistics in a given sector of the economy. Where such information does not exist, use is made of an alternative method: incomes (wages, salaries etc.) received by those employed in the sector.

65. Table 7 shows by major sectors the annual movements of national income from April 1949 through March, 1956—National income is measured in constant prices defined as the average of 1949-50 to 1952-53 prices.

TABLE 7

*Estimates of National Income of Pakistan at Constant Prices (By Industrial origin)  
1949-50 to 1955-56*

(Prices: Average of 1949-50 to 1952-53)

(Million rupees)

Sector	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
1. AGRICULTURE ...	<u>10,462</u>	<u>10,824</u>	<u>10,495</u>	<u>10,945</u>	11,663	<u>11,630</u>	<u>11,225</u>
Major Agricultural Crops.	6,326	6,584	6,122	6,379	6,951	6,782	6,377
Minor Agricultural Crops.	1,154	1,154	1,160	1,274	1,425	1,425	1,425
Livestock ...	2,273	2,323	2,369	2,415	2,415	2,415	2,415
Fisheries ...	676	730	811	844	839	975	975
Forestry ...	33	33	33	33	33	33	33
2. MINING ...	23	26	30	34	36	39	43
3. MANUFACTURING (1)	1,191	1,279	1,374	1,500	1,750	1,923	2,189
Large scale ...	250	313	391	500	734	890	1,142
Small scale ...	941	966	983	1,000	1,016	1,033	1,047
4. GOVERNMENT ...	808	858	1,048	1,032	1,052	1,049	1,130
5. BANK AND INSURANCE	43	51	58	68	69	71	75

TABLE 7—*contd.*

Sector	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56
6. TRANSPORT AND COMMUNICATION ...	442	504	513	529	536	546	565
7. SERVICE (2) ...	1,473	1,543	1,576	1,608	1,639	1,672	1,705
8. RENTAL INCOME ...	1,005	1,036	1,053	1,072	1,089	1,108	1,109
9. WHOLESALE AND RETAIL TRADE ...	1,607	1,669	1,637	1,717	1,851	1,871	1,851
10. INDIRECT TAXES ON EXPORTS ...	182	356	286	292	288	235	287
11. FACTOR INCOME PAYMENTS ...	-10	-9	-8	-14	...	-9	-26
12. TERMS OF TRADE ...	12	187	99	-301	-526	-278	-637
Total National Income ...	17,238	18,324	18,161	18,482	19,447	19,857	19,516
Estimated Population (in 000s) (3)	74,807	75,854	76,916	78,912	80,053	81,198	82,244
Per Capita Income (in rupees)	230	242	236	234	243	245	237

*Note.*—Estimates for the year 1955-56 are very rough and subject to revision. Income from Minor crops, Livestock, Fisheries and Forestry has been repeated in 1955-56 from previous years. Estimates relate to fiscal year April to March.

(1) Manufacturing includes contribution of both large scale industries and small and cottage industries. Income from large scale industries has been revised on the basis of 1954 Census of Manufacturing Industries and the estimates of Planning Board. Income from small-scale and cottage industries remains unchanged.

(2) Includes construction.

(3) Population figures are those estimated by the Planning Board and accepted by the Ministry of Interior.

SOURCE : Central Statistical Office.

66. In interpreting these statistics it should be kept clearly in mind that their accuracy is limited. In certain fields the estimates are based upon highly incomplete information ; in others, such as the key agricultural sector, statistics are available for major crops but due to inadequate reporting they do not rest upon a firm basis. For these reasons the table can only be used to show rough orders of magnitude.

67. In spite of the limitation just mentioned, it does seem possible to draw certain conclusions from the statistical material. In the first place, *total* national income shows a moderate upward trend since 1949. A study of the individual sectors of the economy makes it clear that this trend for total national income is the result of divergent movements. In particular, in agriculture the production of major crops, that is, foodgrains, cotton and jute, does not show any persistent upward movement. In industry, on the other hand, the trend is sharply rising, especially as far as large-scale manufacturing is concerned. Since agriculture is still the predominant economic activity, the fact that agricultural output has remained stationary explains why overall production has only increased moderately.



68. Secondly, while total production of goods and services has increased somewhat, so has population. As a consequence per capita production or income appears to have fluctuated around a constant level.

69. Thirdly, apart from the trend values of total and *per capita* income, both have displayed rather sharp annual variations in the past. The two reasons for these fluctuations are :

- (i) vicissitudes of the weather and pests which have had a major impact on agricultural output ; and
- (ii) fluctuations in the terms of trade, that is, in the ratio of export prices to import prices.

70. Turning to the first Five Year Plan, period, it was assumed in the Draft Plan that the resources that could be made available for development and the targets of development that were feasible within the limits of these resources would lead to an increase of about 20 per cent in national income. For the following reasons we now believe that this estimate must be revised downward :

- (i) As far as output in agriculture is concerned, the original estimate was based upon the assumption that both yields and acreage would increase. Our revised figures for the last year of the Plan, 1959-60, assume that yields will increase as postulated in the Draft Plan, which in turn implies that fertilizers and other inputs will be made available in sufficient quantities to achieve the yield targets. On the other hand, delays in the execution of irrigation and other projects, since the preparation of the Draft Plan, are such that new acreage will not be added at the rate assumed in the Draft Plan.
- (ii) In the Draft Plan it was assumed that throughout the Plan period the terms of trade would remain the same as they were in 1954-55. However, since the beginning of 1955 the terms of trade have deteriorated rather substantially, and for the old assumption we have now substituted a new one, viz., that on an average the terms of trade will remain at the 1955-56 level.
- (iii) In the final version of the Plan, as approved by the National Economic Council, the total size of the development programme has been somewhat reduced.

71. Taking account of the various factors mentioned in the previous paragraph we now believe that national income will not increase by more than 15 per cent during the five year period. Since the population is expected to grow by about 7.5 per cent, this implies that *per capita* income can rise by around 7 per cent.

## VII. PROGRAMMES OF DEVELOPMENT IN MAJOR FIELDS

72. A summary of the policies and programmes proposed for each major field of development is given below.

### Village AID

73. The enrichment of life in the villages and rural areas of the country is in our view the most important objective of the Plan, because about 90 per cent of the country's people live in rural areas, often in poor and primitive conditions. The major instrument for accomplishing this is the Village Agricultural and Industrial Development Programme, which aims at increasing the production from agriculture and village industries, and thereby increasing the incomes of the rural people. The programme also seeks to provide more schools and health centres, better water supplies, and other social and recreational facilities for the villages.

74. All this will be done mainly through the initiative and energy of village people themselves, co-operating and pooling their own resources. The Government will provide the assistance of village workers under the leadership of development officers, who will help the villagers to make plans for local development and to organise themselves for carrying them out. The Government will also provide the services of specialists from the different government departments—agriculture, animal husbandry, health, and so on—and will provide some funds and materials to enable the villagers to carry out work which they could not otherwise do.

75. Some rural areas, to be called development areas, will be selected for intensive development. Each development area will consist of 150—200 villages with a population of about 100,000. The area will be in the charge of a development officer who will have at his disposal the services of specialists in such fields as farm management, animal husbandry, co-operation and marketing, and health and sanitation. He will also, with

the help of two supervisors, direct the activities of the village workers, each of whom will be responsible for 5 to 7 villages.

76. The Village AID programme will be successful if it releases and organises the very large and frequently unrecognised resources that exist in every village, and stimulates the spirit of self-help and co-operation which can lead to steady, progressive improvement in village life year after year. The key to this is the assistance and advice of the village worker, trained to help the villagers to find ways to solve their own problems, and directed and guided by the development officer. The programme is planned to expand as rapidly as the necessary staff can be trained. During the present Plan period, about one-quarter of the rural population will be covered by organised Village AID development areas, that is, about 26,000 villages and 17 million (1.7 Crore) people. By 1965 it should be possible to cover most of the rest of the country.

77. Village AID requires prompt and efficient assistance from government departments to enable the villagers to carry out their plans for improving agriculture and livestock ; building roads, bridges, schools, wells, drains, and other facilities ; planting trees ; removing health hazards ; stocking fish ponds ; and doing the many other kinds of work which they want to do. Most of the government departments are not equipped at present to furnish the assistance the villagers will need ; the Plan provides for substantial expansion and improvement in the services of the various departments.

78. The Village AID programme offers tremendous hope for the rural people. It will not only bring them rapid and steady economic and social improvement, but also show them how to organise together in co-operatives and other local democratic institutions which can provide the basis for a great strengthening of the country's political life.

#### Development outside Village AID areas

79. The Plan provides also for assisting the development of villages outside Village AID areas. These villages too can improve themselves with the help of technical advice and material help from the Government, although their progress will be faster when they can have the full benefits of the services of village workers in organised Village AID areas. The Plan makes provision to assist development schemes organised by villagers outside the Village AID areas to solve agriculture, health, or other problems ; the funds provided for this purpose will be disbursed under the control of the district officer. Special provisions have been made for the Tribal Areas.

80. The further expansion of the Village AID programme and the scheme for village improvement outside Village AID areas is especially desirable in East Pakistan, where the proportion of the population living in rural areas is higher than in the country as a whole.

81. The estimated cost of these programmes is as shown in Table 8.

TABLE 8  
*Public expenditure on Village AID, etc., 1955-60*  
(Figures can be read in millions by removing decimals)

<i>Village AID</i>							(Crore rupees)
Development funds (including credit funds)	...	...	...	...	...	...	13.2
Administrative costs	...	...	...	...	...	...	5.1
Training of village workers and other Village AID personnel	...	...	...	...	...	...	2.9
					Sub-total	...	21.2
<i>Development outside Village AID areas</i>							
General programme	...	...	...	...	...	...	8.0
Tribal Areas	...	...	...	...	...	...	0.5
					Sub-total	...	8.5
					Total	...	29.7

82. These sums do not include costs to be incurred by the departments furnishing the technical specialists for the Village AID programme, nor do they include the very sizeable amounts to be contributed by the villagers themselves either in money or in labour and materials.

### Agriculture

83. During the present five-year period, agricultural development must be given very high priority. Progress in the past has been inadequate—production per acre has fallen for some crops and total food production has not kept pace with the growth of population. Among the other reasons for high-priority treatment are: the country's food supply is vulnerable to poor weather conditions and must be made secure; the bulk of the people (about 75 per cent) depend upon agriculture for their living; improvements in income from agriculture are the best means to raise general standards of living; and the country's exports can be increased in the short run mainly through increasing the output of certain agricultural products.

84. The targets for increasing agricultural output during the Plan period are as shown in Table 9.

TABLE 9

#### Agricultural output targets, 1955-60

(Figures in crores can be read in millions by removing decimals)

	Unit	Output in base periods*	Output in 1959-60	Increase Percent
<b>Food grains—</b>				
Rice ... ..	Thousand tons	8,320	9,000	8
Wheat ... ..	" "	3,435	3,839	12
Maize ... ..	" "	395	456	15
Others ... ..	" "	723	781	8
<b>Fibre crops—</b>				
Jute ... ..	" bales	5,565	6,400	15
Cotton ... ..	" "	1,630	1,967	21
<b>Miscellaneous—</b>				
Fruit and vegetables ... ..	Thousand tons	4,200	4,977	19
Sugar cane (gur equivalent) ... ..	" "	1,060	1,411	33
Tea ... ..	Crepe pounds	5.28	6.07	15
Tobacco ... ..	" "	260	300	16
Fish ... ..	Thousand tons	256	334	30
<b>Forest Products—</b>				
Timber (sawn and square) ... ..	Thousand tons	5	43	750
Timber (round) ... ..	" "	550	585	6

\*Base period figures are usually averages of production in a recent three to five year period.

85. These targets are very ambitious in terms of past accomplishments, but not in terms of the country's needs. In general we have found that the expansion of programmes to improve agriculture will be limited during the Plan period more by shortages of trained staff and the lack of schemes and adequate administrative arrangements than by funds or physical resources. We have provided for the maximum expansion in agricultural

programmes which seems feasible if all out efforts are made, but we hope still greater efforts will prove to be possible, and we believe finance can be found if suitable schemes and the technical staff and organisation to carry them out are available.

### Field crops

86. Increases in the output of field crops will come in large part through increasing the yield of crops per acre—the present yields are among the lowest in the world—and in part through bringing more area under cultivation.

87. The Plan provides for research for the evolution of improved varieties of rice, wheat, sugar cane, maize, oil seeds, cotton, jute, and other crops. Because of the time taken to develop and test new varieties, however, most of the increase in production during the Plan period must come from the rapid adoption of the best varieties already evolved. The existing arrangements for the production and distribution of improved seeds are quite inadequate; the Plan provides for the establishment of a number of new government seed farms to produce nucleus seed, which would then be multiplied partly at government farms but primarily by registered private growers, and sold to cultivators.

88. The preparation and use of natural manures such as farmyard manure, green manure, compost, oil cakes, fish meal, and bone meal will be stimulated through the agricultural extension services and the Village AID programme. We expect the use of chemical fertilisers, now running at about 80,000 tons a year, to expand to over 360,000 tons a year by the end of the Plan period. In the initial years the use of fertiliser will be subsidised to encourage its widespread adoption, but the subsidy should be gradually reduced over a period of years.

89. Losses caused by insect pests and plant diseases probably average from 5 to 15 per cent of the total annual value of crops, and are much larger in epidemic years. For combating pests and diseases, there are some good research organisations, but means for control are inadequate. The Plan would strengthen the extension services to achieve effective control of the pests and diseases which attack the principal crops. The Plan provides also for research on control by aerial measures, power sprayers and dusters, and hand equipment in order to ascertain the methods best suited to local conditions.

90. Under present conditions, with a large unemployed and under-employed labour force available in rural areas, and a stringent shortage of foreign exchange, it is necessary to limit the import of new agricultural machinery. Only if it can be demonstrated that tractors are necessary to do work which could not be done otherwise—breaking heavy ground in certain newly-irrigated areas is a possible case—should new tractors be imported. This policy should be continued until the results of research proposed in the Plan give the basis for a longer-term policy. It is necessary to complete the several agricultural workshops which are being constructed, and which among other services will repair and maintain tractors.

91. About 1.6 million (16 lakh) acres of additional land will be brought under cultivation during the Plan period. Of this, about one million acres will be in large compact blocks of land not now cultivated and will require major colonisation efforts. Colonisation costs in these areas will be heavy. Where large areas of land are involved, new crop patterns need to be worked out, and extensive and complicated co-ordination of administration is necessary, we recommend that semi-autonomous development authorities should be set up to manage the development of the areas and to expedite colonisation and other activities necessary to put the water to use. To explore possibilities of rapid development, some of the new land might be allotted, on a pilot project basis, to actual cultivators for co-operative, colonization. The large area of the uncultivated land awaiting colonisation lies in Ghulam Mohammad Barrage. This will constitute a new task of development on a major scale. A Development Authority should be set up immediately to undertake colonisation; because of the shortage of labour it will present special problems, and the Government should settle the policies needed for rapid development including those relating to the imports of cultivators from congested areas in the country.

92. The Plan provides for additional measures to regulate markets, enforce uniform weights and measures, extend the grading of produce, arrange daily broadcasts of agricultural prices, and construct storage facilities including cold storage.

93. Storage is necessary in rural areas and market towns as a part of the credit and marketing system; the Plan provides for additional stores and warehouses, and for giving greater care to stored crops in order to protect them against insects, decay, and other types of loss. Storage facilities are required by the Government also in order to have reserves against bad crop years and to help to stabilise prices from year to year. Present targets of the Government are to raise the capacity for storing food grains to about 1.3 million (13 lakh) tons, in order to provide space for reserve stocks of about one million tons. In our view these targets for storage capacity and for reserves are inadequate. In order to give adequate consideration to this important matter, and reach agreement on a firm programme, we recommend a joint review of the food grain storage problem by the Central and Provincial Governments so as to reach conclusions on amounts and locations of further storage, purchase and sales arrangements, and related questions.

### **Fisheries**

94. Pakistan has large fisheries resources, both in the ocean and in inland waters, which can be used as an important source of high-quality food, and to some extent of foreign exchange earnings. Vessels for exploration of inshore and ocean fishing are provided in the Plan to supplement the two now in use, and a number of marine engines will be purchased for mechanising private fishing craft; co-operative societies for credit and marketing will be promoted in the fishing villages along the sea coasts; the fish harbour at Karachi will be completed, and will be provided with facilities for ice-making, cold storage, and net repair; and two diesel-powered vessels with refrigeration facilities are to be acquired for bringing fish from the coastal villages to the Karachi market. A terminal market is proposed for Chittagong in East Pakistan.

95. Inland fisheries are particularly important in East Pakistan. Research is under way concerning fish which can breed in confinement, such as tilapia from Thailand and tricho-gastor from Singapore. Provision has also been made for research on improving fishing gear, methods of feeding, cleaning ponds, fish culture in paddy fields, and allied subjects. A large number of fisheries specialists will be trained to carry out extension work, particularly in Village AID areas. Co-operatives for credit and marketing will be encouraged where fishing is an important commercial activity. A terminal market is proposed for Khulna in East Pakistan, together with a transport service for the collection of fish in the Khulna area. A number of derelict tanks, ponds, and *bhils* in East Pakistan will be reclaimed for fish production during the Plan period, and a number of lakes, tanks and ponds will be similarly developed in West Pakistan.

### **Animal husbandry**

96. The total number of livestock in the country is not known because no complete census has been taken since 1945. However, the present number is probably greater than the existing feed supplies available in the country can support efficiently. The improvement of the quality and productivity of livestock is therefore a matter of great importance. A livestock census for the entire country is badly needed; the Plan provides for this as a matter of high priority.

97. The Plan provides for strengthening the existing cattle-breeding farms and for opening 17 new ones. Sires from these farms will be distributed in the rural areas—if possible to village co-operative organisations for upgrading the local stock. The Plan also provides for fifteen new poultry farms, and five new sheep-breeding farms with the same end in view. In addition, private breeding farms, established with government assistance will be encouraged, particularly in the new areas to be colonised. The Plan provides for considerable improvement of the equipment and buildings of existing veterinary hospitals and dispensaries, and also for opening 52 new hospitals and dispensaries, and more than 20 mobile dispensaries. Preventive measures against disease will be strengthened, and quarantine restrictions are recommended to check the spread of contagious diseases. We also recommend research on the control of foot and mouth disease under local conditions.

98. Two milk supply schemes, for Dacca and for Lahore, are proposed during the Plan period, and a pilot meat-packing plant is suggested for Quetta. Salvage farms to protect dry cows from indiscriminate slaughter are proposed near Dacca, Lahore and Karachi.

99. Improvement in the number of animals as well as their quality requires an increase in supplies of feed and fodder. Provision has been made for research on the possibilities of making hay in areas where grains cannot be grown economically, on the best combinations of feed rations, on using plants and grasses not now used for feed, and on the possibilities of using waste products such as stubbles, bagasse, and molasses. When the results of this research are available, it will be possible to draw up complete programmes for improving the feeding of livestock.

#### Range management and soil conservation

100. In large part, the problem of increasing the amount of feed for livestock is a problem of improving the ranges. Particularly in large areas of West Pakistan, the ranges can be improved to support several times as many animals as they do now. The major steps needed are to control grazing, to conserve water, and to promote the growth of better grasses and plants. We propose the establishment of a Provincial Range Management Board comprising the heads of all departments concerned with the use of ranges, and the utilisation of District Development Committees to draw up and put into effect programmes for improving and using the ranges in their areas.

101. Similar action is required for soil conservation, which is an urgent problem particularly in some parts of West Pakistan where deforestation and the cultivation of sloping land and sandy soil has led to severe erosion. Soil conservation is necessary on range lands as well as in forests and cultivated areas; working plans for soil conservation should cover complete catchment basins. Existing research work centred in Quetta and Rawalpindi should be continued; to utilise the results of research we propose the establishment of Soil Conservation Committees at provincial headquarters and utilisation of District Development Committees.

#### Forestry

102. The country's major forest reserves are in the Chittagong Hill Tracts and Sunderbans of East Pakistan, and in the high hill ranges of northern West Pakistan. The Plan provides for building access roads to exploit these timber resources. In addition, in the Chittagong Hills where the terrain is too difficult for logging by human labour, provision has been made for the extensive use of modern logging machinery which has proved its worth in a pilot project. Sawmills, seasoning kilns, and creosoting plants are also provided for, some of which can and should be set up by private enterprise. The major development of the Sunderbans during the Plan period will be for the purpose of providing wood pulp for the newsprint factory to be erected at Khulna.

103. The Plan provides for surveying forest resources, and for bringing under scientific management the unmanaged forests of the high hill regions of the North-West, and the private "sal" forests of East Pakistan. New firewood resources will also be developed, through planting firewood species in the hill belts below the timber forests; in waste-lands; along railways, roads, and canals; and in the areas to be colonised.

#### Agricultural research, education, and extension

104. The heart of all these programmes in the fields of agriculture—whether affecting field crops, animal husbandry, range management, fisheries, or forestry—is the careful and steady expansion of research, education, and extension programmes. During the present Plan period, the fundamental factor which will limit the pace of agricultural development is the shortage of technical personnel. The Plan places very great emphasis on training and the need for higher salaries and better conditions for agricultural specialists, but the shortage will remain critical throughout the Plan period.

105. The Plan provides for substantial improvements in the Agriculture, Animal Husbandry, and Forestry Colleges and the research institutions associated with them, and for expanding their facilities to train additional types of specialists (fisheries specialists, for example). In order to meet the emergency needs for large numbers of extension workers, especially in connection with the Village AID programme, we also propose special short training and refresher courses.

106. Additional research stations will be established during the Plan period. The major need in the field of research, however, is to make better use of existing research facilities, by organising well-planned research programmes specifically designed to solve the major problems confronting the villagers in their daily lives. New lines of research need to be opened up, such as research in farm management—determining the best patterns of land use and crop production in different parts of the country, the best size of cultivation units, and the costs and returns of using different types of farm equipment. Provision has been made also for a census of agriculture and livestock.

107. Research in seed improvement or the best ways to use fertiliser or water is fruitless unless the results are made available to the cultivators through extension services. The Plan provides for a substantial increase in the number of extension workers, who will work through the Village AID programme in Village AID areas and under the Departments of Agriculture, Animal Husbandry, and so on, in other areas. It is of vital importance that better training and supervision should be given to extension workers and that their pay and status should be improved.

#### Co-operatives, rural credit and marketing

108. There is no doubt that a sound long-term credit programme should be based on the co-operative principle. Successful credit co-operatives must be large enough to afford paid secretaries. Members of the co-operative societies should understand the purpose of the co-operative movement and the business principles upon which it must operate. A start should be made, experimentally, by granting loans on the basis of sound farming plans, to ensure proper use of the borrowed resources. For these reasons very close co-ordination is necessary between the rural credit system and the Village AID and extension organisations.

109. At present large numbers of co-operatives are small and inefficient ; many of them are insolvent, and they can provide only a very small part of the credit requirement of the farmers. It will take a long time to infuse the co-operative spirit, establish more societies, and train the managers and other specialists who are essential for the successful operation of the co-operative societies. During the Plan period a beginning must be made with improvement of credit facilities through co-operative societies. After the provision of credit marketing needs of the agriculturist should be met. The Agricultural Bank should be the centre of initiative and planning for the new rural credit system, and will stimulate and organise the necessary training facilities. The Bank will work closely with the provincial co-operative banks in developing a programme for reviving and extending rural credit co-operatives. It will take some time to accomplish major results, but every effort must be made to ensure the maximum use of efficient co-operatives, and the development of those that can be revived and improved. The Agricultural Bank must try to make its facilities available as rapidly as possible, in particular where no credit agencies exist or present agencies cannot be used. In the immediate future *taccavi* loans should be used more widely than they have been in the past. District officers should be provided with funds and empowered to grant loans, under established policies concerning interest rates and amounts of loans for different purposes. The expanded *taccavi* system cannot be expected to meet more than a part of the need, but it offers a way to help to fill the gap while the permanent co-operative system is being rehabilitated, organised, and expanded.

#### Land reforms

110. In East Pakistan work on land reform has already started under the Act of 1950, which provided for eliminating the many intermediaries who had grown up under the Permanent Settlement. The East Pakistan

Government acquired all intermediary rights with effect from the 14th April 1956, as the first step towards a complete re-organisation of the pattern of land ownership and tenancy rights in the Province. According to press reports they had decided to acquire all intermediary rights with effect from 14th April 1956.

111. In West Pakistan, ownership and cultivation of land is governed by the different laws which were in force in the several Provinces and States before the unification of West Pakistan. It is necessary to provide for more uniform ownership and tenancy laws and to move towards an equitable system of rights in the land both to assure maximum production from the land and to improve social justice. It is also necessary to continue and increase the programme of consolidating small fragmented holdings into larger and more economical units.

112. Some additional schemes for the development of agriculture are under preparation in East Pakistan and more should be done in this field, which is so important to the economy of the country. If sound schemes can be prepared, the training of technical personnel expanded sufficiently, and the rate of execution on existing schemes stepped up, the programme should be enlarged, especially in such fields as extension, storage, distribution of manures and fertilisers, training of agricultural technicians, fisheries, and the setting up of co-operatives.

113. The following Table 10 shows the estimated cost of the different programmes under the general heading of Agriculture :

TABLE 10

*Public expenditure on agricultural development, 1955—60*

(Figures can be read in millions by removing decimals)

							(Crore rupees)
<b>Field crops</b>							
Crop breeding and seed schemes	...	...	...	...	...	...	8.6
Manures and fertilisers	...	...	...	...	...	...	20.0
Colonisation	...	...	...	...	...	...	11.5
Marketing and storage	...	...	...	...	...	...	5.9
Education, research and extension	...	...	...	...	...	...	5.2
Other	...	...	...	...	...	...	31.8
						Sub-total	83.0
<b>Fisheries</b>							3.5
<b>Animal husbandry—</b>							
Breeding	...	...	...	...	...	...	3.7
Disease control	...	...	...	...	...	...	1.7
Education and research	...	...	...	...	...	...	2.4
Other	...	...	...	...	...	...	3.6
						Sub-total	11.4



Range management and soil conservation	...	...	...	...	...	...	1.8
<b>Forestry—</b>							
Extraction and utilisation	...	...	...	...	...	...	3.4
Education and research	...	...	...	...	...	...	2.1
Afforestation and regeneration	...	...	...	...	...	...	3.0
Other	...	...	...	...	...	...	0.5
						Sub-total	9.0
Rural credit	...	...	...	...	...	...	10.7
Consolidation of land holdings	...	...	...	...	...	...	1.2
						Total	120.6

### Water and Power Development

114. A large programme of water and power resources development was under way at the beginning of the Plan period. The Plan provides for continuing the programme in West Pakistan, and a rapid increase in the size of the programme in East Pakistan.

115. Water resources must be developed in the most efficient manner to serve all possible uses—irrigation, flood regulation and drainage, hydro-electric power production, transport, and others. In addition, hydro-electric and thermal power stations must be planned to complement each other in an integrated programme of power supply. In order to accomplish these purposes, detailed surveys and comprehensive plans must be made to ensure the greatest benefits at the least cost, and to promote orderly and systematic development. The Plan places great emphasis upon general investigation of water and power resources, which are necessary in order to formulate long-range, comprehensive development programmes. Effective and unified organisations for water and power development are necessary to design, construct, and operate major interdependent works of the proposed systems.

116. Programmes for water and power development must be devised to take account of the natural conditions of different regions. There are three such natural regions in Pakistan: the humid region of East Pakistan; the area drained by the River Indus and its tributaries and the adjoining tracts in West Pakistan; and the area drained by the coastal tributaries and desert streams, comprising most of the Quetta and Kalat Divisions, and adjoining tracts.

#### East Pakistan

117. The major purposes to be served during the Plan period in East Pakistan are as follows:

- (a) To provide irrigation water to large areas for double cropping and increasing the production of single crops;
- (b) To increase agricultural production in many areas through local drainage and flood regulation schemes;
- (c) To prepare plans for and start on a comprehensive programme of new methods and major works for increasing agricultural productivity and reducing flood damage;
- (d) To protect large areas from the saline waters of the tides;
- (e) To improve waterways for inland water transport; and
- (f) To triple the power supply available at the beginning of the Plan period.

118. The delta-building rivers of East Pakistan affect all economic development and activities in the region—agricultural and industrial production, transport and communications, and every aspect of rural and urban life



123. The total area of crops irrigated, therefore, will be nearly 1 million (10 lakh) acres in 1960, and 6 million (60 lakh) acres when schemes included in the Plan are completed. The area benefited by flood regulation and drainage works will be over 2 million (20 lakh) acres in 1960, and nearly 3 million (30 lakh) acres when schemes included in the Plan are completed. Table 12 shows the expected results from power developments included in the Plan.

TABLE 12

*Power capacity to be installed in East Pakistan through development schemes, 1955-60*

(Megawatts)

	Capacity existing in 1955	Additions during 1955-60	Retirements during 1955-60	Net installed capacity in 1960	Total ultimate results
<b>Public supplies :</b>					
Hydro	...	80.0	...	80.0	160.0
Thermal	26.0	89.5	5.0	110.5	89.5
Industrial plants	41.0	...	16.0	25.0	...
Total	67.0	169.5	21.0	215.5	249.5

#### River Indus and Tributaries

124. The major purposes to be served during the Plan period in this area are :

- (a) To begin the regulation of the uncontrolled flows of the Indus river and its tributaries for beneficial use, and for the reduction of flood damage ;
- (b) To improve the water supply to irrigated land ;
- (c) To provide improved water supply for irrigation of lands now being cultivated ;
- (d) To provide irrigation water for lands which are now uncultivated ;
- (e) Reclaim areas now water-logged and saline ; and
- (f) To double the power supply available at the beginning of the Plan period.

125. Successful and continued agricultural production in the area depends on a satisfactory solution of the water supply problem. In the absence of storage facilities, the limit to cultivation is set by the low point in water supply during the critical irrigation periods. Additional water can be obtained only by the storage, regulation, and conservation of surface water, and the systematic development of underground sources. The future development of irrigation on a large scale will depend on the storage of high river flows. The Plan includes provision for the investigation and selection of suitable reservoir sites, the preparation of detailed plans and the starting of construction of major multi-purpose reservoirs, including the very large Mangla scheme.

126. To provide additional supplies for reclamation and improvement of existing irrigation, it is necessary that the Indus and its tributaries should be inter-connected. By the end of the Plan period, the Chenab and Ravi rivers will have been linked to the Sutlej river and work will have started on the Jhelum-Chenab link.

127. In the absence of regular and adequate rainfall, and of sufficient and suitably distributed surface water supplies, it is necessary to mobilise ever-increasing quantities of ground water for primary and supplementary

irrigation. The Plan provides for an intensive and systematic investigation of ground water potential, and also for a programme of ground water development which can reasonably be achieved by 1960, taking into account the serious physical, technical and economic limitations.

128. Drainage problems inevitably accompany irrigation development. Lack of drainage, if not remedied, may ultimately upset the agricultural economy of the region. Considerable research and investigation are necessary to evolve techniques of reclamation and drainage suitable to each particular area. The Plan provides for continuing and enlarging pilot reclamation schemes, and for extending proven methods to other affected areas. It is likely that during the Plan period the work accomplished in some areas will suffice only to offset progressive deterioration of land from salinity and water-logging in other areas. If progress in developing reclamation methods is as rapid as we hope it will be, it should be possible in later years, particularly when Mangla is completed, to accomplish considerably larger results.

129. Two large multi-purpose schemes are included in the Plan—Warsak and Mangla. Three major irrigation projects are included—Ghulam Mohammad, Taunsa, and Gudu barrages—as well as a large number of smaller schemes. Power demands for industrial and other purposes have risen rapidly since independence and will continue to rise during the Plan period. Reclamation requirements and the need for additional water supplies have led to plans for exploiting ground water resources by means of electrically-driven pumps for tube-wells. The Plan provides for integrated systems of power generation and transmission in West Pakistan to give more power at a smaller cost. The power development programme is designed to provide sufficient power for all essential needs by 1960. The bulk of the additional power will come from the Warsak hydro-electric plant, and from steam plants using Sui gas for fuel in the lower Punjab area and at Karachi. Power from the Mangla project will become available after 1960.

130. The total area of irrigated crops in 1955 was about 22 million (2·2 crore) acres. Table 13 shows the expected results from irrigation developments included in the Plan.

TABLE 13

*Acreage affected by Indus Basin development schemes, 1955-60*

(Figures can be read in thousands by removing decimals)

	During 1955—60	Total ultimate results
	(Lakh acres)	
New areas brought under cultivation	14·53	42·60
Old areas given improved water supply and area reclaimed from water logging and salinity	40·44	87·60
Total area affected	54·97	130·20

131. The figures in this Table do not include the development of irrigation, during or after the Plan period on the schemes completed before independence, such as the Sukkur barrage, because the information is not now available. But apart from such additions the total area of irrigated crops will exceed 24 million (2·4 crore) acres in 1960, and 26 million (2·6 crore) acres when schemes included in the Plan are completed. Table 14 shows the expected installed capacity resulting from power developments included in the Plan.

TABLE 14

*Power capacity to be installed in the Indus Basin through development schemes, 1955-60*

(Megawatts)

	Capacity existing in 1955	Additions during 1955-60	Retirements during 1955-60	Net installed capacity in 1960	Total ultimate results
<b>Public supplies :</b>					
Hydro ... ..	62.7	176.0	...	238.7	500.0
Thermal ... ..	98.0	250.7	40.0	308.7	340.7
Industrial plants ... ..	51.0	47.0	12.0	86.0	47.0
<b>Total ... ..</b>	<b>211.7</b>	<b>473.7</b>	<b>52.0</b>	<b>633.4</b>	<b>887.7</b>

132. With respect to the Indus River and its tributaries it should be pointed out that India has claimed that it is entitled to withdraw supplies traditionally used or earmarked for projects in Pakistan. This has given rise to a water dispute and efforts are being made to solve it through the good offices of the International Bank for Reconstruction and Development. Depending upon the outcome of these efforts, the present Plan will be revised as necessary. Negotiations are proceeding on the basis that the costs necessary to implement a settlement of the dispute will be shared in proportion to the benefits received by each country. As for the apportionment of expenditures incurred under the present Plan the matter would be considered in due course.

#### **Coastal Tributaries and Desert Streams Region**

133. This area is the least populated and developed in the whole of Pakistan. The Plan provides for a rapid expansion of water and power development, but the total results compared with other regions will be small, because the start is from such a low point. Investigation of further possibilities has, therefore, been given high priority as the key to further development. The principal purposes to be served by the programme during the Plan period are :

- (a) To improve water supplies to lands now irrigated ;
- (b) To provide irrigation water to new lands ; and
- (c) To expand the power supply.

134. The perennial stream flows in the region are limited. The greatest possibility for the development of water resources lies in the conversion of short-term flood discharges into useable flows continuing over long periods. The Plan provides for the construction of a number of simple diversion structures, detention reservoirs, and canals. The scope for the construction of larger projects in this area is limited. There are, however, a few coastal tributaries which offer opportunities for major irrigation development. The Plan makes provision for exploratory work on two of the big schemes, and for building control structures on some of the major streams.

135. Ground water is destined to play an important role in the future development of this region. Efficient methods of recovering ground water at a reasonable cost, in tracts where cheap power is not available, have yet to be explored. The programme provides for the exploration and development of ground waters by means of open and tube wells. The Plan also includes experimental schemes for replenishing the underground sources of water supply by diverting flood waters.

136. Because of the scarcity of water, development must proceed on the basis of the most economical use of existing supplies. The Plan provides for conservation of water by reducing transport losses in the canal system, through lining channels in sections of greatest loss, and by devising methods for improving the efficiency of karezes and for controlling flowing springs.

137. The total area irrigated in the region by all methods was about 400,000 acres per year before the Plan period, and the total installed power capacity at that time was about 3,000 k. w., all thermal. Table 15 shows the expected results from the projects included in the Plan.

TABLE 15

*Expected results from Coastal Tributaries and Desert Streams Region development schemes, 1955-60.*

									During 1955-60	Total ultimate results
Area served by irrigation facilities (acres) ...	...	...	...	...	...	...	...	...	186,000	907,000
Installed power capacity (kw) ...	...	...	...	...	...	...	...	...	...	5,000

The total irrigated area will, therefore, be about 186,000 acres in 1960, and about 1.3 million (13 lakh) acres when the schemes included in the Plan are completed.

### Atomic energy

138. The advent of atomic energy marks the beginning of a new chapter in the history of mankind. Apart from its potential destructive uses, atomic energy has numerous peaceful uses. Among these the most important are the generation of power ; medical diagnosis, therapy and research ; agricultural studies ; physical and chemical research, industry, and the preservation and processing of foods and so on.

139. The Government of Pakistan have set up an Atomic Energy Council consisting of a Governing Body and a Commission in order to study and exploit the possibilities of the use of the atomic energy in this country. Its functions will include the procurement, supply, manufacture and disposal of radio-active substances, carrying out surveys of the radio-active minerals, assessing the country's requirements and taking necessary steps for their fulfilment, and the planning and establishment of atomic energy and nuclear research institutes at suitable centres. We understand that progress is being accelerated in several ways. A training programme is in hand and several of our men have received training abroad. Exploration is underway for radio-active mineral. Necessary steps are being taken and a site chosen for the installation of the first research reactor.

140. The programme for the development and use of atomic energy prepared by the Atomic Energy Commission was received by us too late for inclusion in the Plan. It is now under consideration of the Board. This programme as finalised will be partly or wholly accommodated in the annual development programmes.

141. The estimated costs of the water and power development programmes for the whole of Pakistan during the Plan period are shown in Table 16.

TABLE 16

*Public expenditure on water and power development, 1955-60.*

(Figures can be read in millions by removing decimals)

										(crore rupees)	
<b>General investigations</b>											
Ground water	...	...	...	...	...	...	...	...	...	5.0	
Other	...	...	...	...	...	...	...	...	...	5.8	
									<b>Sub-total</b>		10.8
<b>Multi-purpose development</b>											
Karnafuli	...	...	...	...	...	...	...	...	...	21.7	
Warsak	...	...	...	...	...	...	...	...	...	23.6	
Teesta	...	...	...	...	...	...	...	...	...	5.0	
Ganges Kobadak	...	...	...	...	...	...	...	...	...	8.5	
Mangla	...	...	...	...	...	...	...	...	...	6.0	
Other	...	...	...	...	...	...	...	...	...	8.5	
									<b>Sub-total</b>		73.3
<b>Irrigation</b>											
Taunsa Barrage	...	...	...	...	...	...	...	...	...	12.7	
Gudu Barrage	...	...	...	...	...	...	...	...	...	15.0	
Ghulam Mohammad barrage	...	...	...	...	...	...	...	...	...	12.7	
Link canals	...	...	...	...	...	...	...	...	...	8.7	
Other	...	...	...	...	...	...	...	...	...	29.7	
									<b>Sub-total</b>		78.8
<b>Flood regulation and drainage</b>											
Ganges Flushing-cum-drainage	...	...	...	...	...	...	...	...	...	3.7	
Other	...	...	...	...	...	...	...	...	...	16.0	
									<b>Sub-total</b>		19.7
<b>Power</b>											
Sidhirganj thermal	...	...	...	...	...	...	...	...	...	3.2	
*Karachi electric supply	...	...	...	...	...	...	...	...	...	6.2	
West Pakistan H.T. Grid	...	...	...	...	...	...	...	...	...	8.0	
Natural Gas power station, Multan	...	...	...	...	...	...	...	...	...	11.0	
Hyderabad and Sukkur thermal systems	...	...	...	...	...	...	...	...	...	4.1	
East Pakistan transmission and distribution schemes	...	...	...	...	...	...	...	...	...	4.8	
Other	...	...	...	...	...	...	...	...	...	19.8	
									<b>Sub-total</b>		57.1
									<b>Total</b>		239.7
									<b>Reserve</b>		30.0
									<b>Grand Total</b>		269.7

\*In addition to this amount, about Rs. 7.7 crore are provided against this scheme as private investment.

Since the allocation of costs on multi-purpose schemes cannot be done exactly, we can only estimate very roughly that about Rs. 1,100 million (110 crore) of this expenditure is for power, something less than Rs. 1,400 million (140 crore) for irrigation, drainage, and flood regulation and the remainder for other purposes.

## Industry

142. The principal method of increasing national output and raising standards of living, in the long run, must be that of industrialisation. The Plan, accordingly, gives industry a priority second only to that given to agriculture.

143. Output may be increased, first, by making better use of present plants. Plants that now work one or two shifts should work two or three. An adequate supply of imported raw materials and replacement parts should be assured. Equipment should be properly maintained. Methods of management should be improved. The numbers of skilled workmen, supervisors, and managers should be increased by educational programmes. More effort should be devoted to applied industrial research.

144. Output may also be increased by investing in the modernisation of existing plants, in auxiliary equipment to balance existing operations, in further expansion of existing firms, in the establishment of new firms in existing industries, and in the creation of new industries. Of the new investment proposed by the Plan, approximately 30 per cent. is in the field of industry.

145. Since resources are inadequate to permit all of the industrial investments that would be desirable, choices have had to be made. The primary factor to be considered in making such choices, of necessity, has been that of prospective foreign exchange benefits, in the form either of the rate of exchange savings to be realised by substituting domestic production for imports, or of the rate of exchange earnings to be obtained by producing for export. In addition, consideration has been given to the comparative profitability of different investments and to their comparative contributions to national income. Recognition has been given, too, to the desirability of promoting the use of indigenous raw materials, and to the need for maintaining opportunities for employment, particularly in the case of small industries.

146. The Government promotes industrial development by itself engaging in productive undertakings. Through the Pakistan Industrial Development Corporation, it builds new plants, establishes them as going concerns, and sells them to private owners. It is also the policy of Government to encourage, assist, and guide private enterprise. It does so by providing credit, granting tax concessions, giving tariff protection, setting up industrial estates, and inviting foreign investment. In addition, the Government controls private development by granting or denying the right to start new enterprises, to issue securities, and to import capital equipment and raw materials.

147. The Plan sets a target of Rs. 300 crore for added investments in the capacity of large-scale industry. Even when allowance is made for probable short-falls, this will more than double the investment that existed in 1955. Of the 300 crores, nearly 160 would come from private investors. More than 140 crores would take the form of public investment, principally through the P.I.D.C. It is expected, however, that a large part of the public investment will ultimately pass into private hands as the P.I.D.C. disposes of its holdings in seasoned enterprises and turns its attention to new undertakings.

148. Of the public investment definitely planned, Rs. 74 crore is assigned to East Pakistan, Rs. 39 crore to West Pakistan, and Rs. 9 crore to Karachi, giving 60 per cent. of new public investment in large-scale industry to East Pakistan, 33 per cent. to West Pakistan, and 8 per cent. to Karachi. In addition, further provision has been made for industrial development in East Pakistan by setting aside another Rs. 17 crore for suggested undertakings, pending the preparation of specific schemes. This brings the total provision for East Pakistan to more than Rs. 91 crore, or 65 per cent. of the total for the country as a whole, leaving West Pakistan with 28 per cent. and Karachi with 7 per cent.

149. Realisation of the Plan will change the present pattern of the nation's large-scale industry. It will leave the cotton textile industry at the top of the list, in terms of capital invested, but will increase the relative importance of fertiliser production, sugar refining, gas transmission, cement manufacturing, and ship-building.



It will increase the capacity of the jute goods industry by three quarters. It will double capacity in sugar, cigarettes, and cement, and quadruple capacity in ship-building. It will provide capacity where none existed before for the production of fertiliser, card and strawboard, newsprint, and rayon and cellophane.

150. For the development of fuels and minerals, the Plan provides a total of Rs. 47 crore. Of this, Rs. 35 crore is private investment and Rs. 12 crore public. The two major items are Rs. 42 crore for oil and gas prospecting, of which Rs. 34 crore is private and Rs. 8 crore public, and Rs. 3 crore for the expansion of coal production, of which one third is private and two-thirds public. The latter provision will allow the output of coal to be more than doubled, increasing capacity by approximately 6,00,000 tons per year.

151. The Plan provides for a large increase in the size of the existing Geological Survey and for the establishment of a Minerals Development Corporation by the Government of West Pakistan. It proposes to increase the production of chromite by 40 per cent, and provides for the investigation of other minerals, such as magnetite and antimony in Chitral and lignite in East Pakistan. It also recommends the revision of existing mining laws and regulations and the training of mining personnel.

152. The Plan calls for an additional investment of Rs. 17 crore in small-scale and cottage industry. Of this, nearly three-fourths would be provided by private investors and more than a fourth by the Central and Provincial Governments. A Small Industries Corporation has been established at the Centre to import raw materials for distribution to small producers and to export their products for sale abroad. The Corporation has also been given power, by law, to make loans for small industry, though no funds have been provided for the purpose. Similar corporations are to be established by the Governments of the Provinces. These bodies are to distribute raw materials to small industries and to assist in marketing their finished products. They are also to establish model units and demonstration and training centres, and to set up common facilities to prepare materials, to complete the finishing of semi-finished goods, and to meet other common needs of small producers. A similar function is to be fulfilled by the Central Small Industries Corporation on behalf of small industries in Karachi. A toolshop and training centre to serve small metals industries has been established by the Central Ministry of Industries in Lahore; another is to be set up in the near future in Dacca. Further measures to aid small industry are proposed in the Plan. These include the provision of loan funds, the re-equipment of a substantial part of the handloom industry in order to increase its efficiency, the inauguration of research on markets and design for the products of small industry, and on materials, equipment, and production techniques, studies of the particular problems of individual industries, and the provision of advisory services.

153. The development programme for both large and small-scale industry may be expected to increase the output of all industry from about 750 crore rupees in 1954 to about 1,300 crore in 1960. The programme for large-scale industry alone should increase direct employment by about 2,35,000 jobs. It should result in a saving, by 1960, of more than 50 crore rupees a year in foreign exchange.

### Transport and Communications

154. There is a very marked contrast between the transport problems of East and West Pakistan. East Pakistan depends mainly on inland waterways, with shipping at present privately owned. West Pakistan relies mainly on the railways, which are publicly owned. Both need, though in different degrees, better roads; both need port improvements.

#### Railways

155. The railways could not be properly maintained during the depression of the nineteen thirties and World War II, and the arrears of replacements and repairs have only been partially overtaken since partition. The railways programme during the Plan period is, therefore, mainly a programme of rehabilitation, but the effect should be substantially to increase their transport capacity.

156. First priority is given to the track, much of which is in a poor state, requiring the rolling stock to be operated slowly and inefficiently. During the Plan period it is proposed to recondition all the main lines and the more important branch lines, at an estimated cost of 248 million (24·8 Crore) rupees.

157. Sizeable orders for rolling stock have been placed since independence ; some 100 locomotives, 275 carriages and 6,800 wagons had been delivered before the Plan period in addition to about 120 carriages, 4,700 wagons and other stock manufactured in the railway workshops. About 100 locomotives, 450 carriages, 7,250 wagons and a small number of other items of rolling stock, such as rail cars, are expected to be delivered during the Plan period. Some of the new wagons and coaches will be manufactured in the Railway workshops, which will be expanded and improved for the purpose. Expenditure on rolling stock is expected to be about 312 million (31·2 crore) rupees. Additional funds are provided in the Plan for development works, bridges, and other structures. Although no extension of the railway mileage is proposed, apart from sidings for industry and similar minor additions, the improvement of track and rolling stock, if accompanied by measures to increase railway transport efficiency, should enable the railways to handle the increasing volume of traffic expected to develop during the Plan period. But the position will have to be kept under scrutiny to deal with any congestion which may appear.

### **Tourism**

158. The Railways have in the past taken some interest in the expansion of tourism, but we believe that a broader approach and better organised efforts are required if tourism is to be developed as a source of foreign exchange by attracting increasing numbers of visitors from abroad. This requires improvement of transport for meeting the special needs of tourists, as well as the development of good hotel accommodation, guide services, places of interest and publicity. The Communications and Transport Division of the Ministry of Communications has now been charged with drawing up plans to exploit more fully Pakistan's places of recreational, historical and cultural interest.

### **Roads and road transport**

159. About 1800 miles of new roads are to be constructed, mainly in the least developed areas of the country, and 2000 miles of existing roads improved. In addition, rural communities will be encouraged to construct village roads for their own use, with help from the Government. Strong emphasis will be placed also on better maintenance of existing roads. East Pakistan faces special problems in road construction and maintenance because of the extensive waterways in the region, the liability to flooding, and the need to avoid interference with natural drainage in areas of heavy rainfall. The Plan provides for road-building research in both Wings ; this is especially important in East Pakistan.

160. Road transport services are provided by the Provincial Government on certain routes in West Pakistan. The efficiency of the existing services will be improved and the services will be extended to a limited extent to new routes otherwise unlikely to be provided with road transport services. The efficient development of road transport services by private enterprise will be encouraged in both Wings of the country.

### **Inland water transport**

161. The flat deltaic country, full of water courses, and the heavy rainfall point to waterways as the principal means of transport in East Pakistan : indeed, during the monsoon they are liable to become the only practicable form of transport in large parts of the Province. We recommend that during the Plan period a programme should be started to improve and develop the waterways and the craft plying on them. First, we propose the establishment of an Inland Waterways Board, to be responsible for dredging the channels, providing buoys lights and other aids to navigation, developing inland ports and improving inland water craft and traffic operation. Second, we propose that government funds should be invested in improving water transport services. Third, we propose a large programme of research and development for the evolution of improved vessels suitable and economical on the inland waterways of East Pakistan.

## Shipping

162. The country's merchant marine consists of some 20 ships with a total tonnage about 180,000. Most of these ships are old and obsolete, and need replacement. Provision of 60 million (6 Crore) rupees of government funds has been made in the Plan for the purchase of about 6 or 7 ships as the first step in a programme of rehabilitation and development, to enable Pakistani shipping to carry the coastal trade between East Pakistan and West Pakistan by efficient, cheap, and regular services, and to make a modest beginning in international shipping. We suggest also that a public corporation should be established to provide shipping services as well as leadership for the shipping industry. A dynamic programme in shipping is overdue and essential to impart reality to the unity of the country's economy. A Merchant Navy Academy is to be established at Juldia Point near Chittagong to train personnel for the merchant fleet.

## Ports

163. During the Plan period 13 old berths of Karachi Port's East Wharf will be rebuilt along modern lines. The major portion of the development work on the port of Chittagong has already been carried out, but the construction of transit sheds and a few other items will be completed during the Plan period. Work will be continued also on Mangla Anchorage, mainly to improve the navigational aids, mooring facilities, and shore installations.

## Air transport

164. Pakistan's air transport services are in a process of rapid change, and the programme for their improvement and expansion is necessarily somewhat tentative. The Plan provides for improving airports, communications, and navigation facilities, for training Pakistani personnel for civil aviation, and for extending air services, particularly in East Pakistan where surface transport is often slow and difficult. Provision has been made for new and replacement aircraft, particularly for local services.

## Postal services

165. The Plan provides for a substantial increase in postal facilities, notably in rural areas, where some 1,500 new post offices are to be opened, bringing the postal service within range of nearly every village. In addition, night services are to be added in many of the larger post offices, and a moderate programme for constructing new post offices and other buildings is included.

## Telecommunications

166. A long-term plan was started in 1954 for the installation of 48 new telephone exchanges and 62 extensions, permitting 49,000 new telephone connections. This plan also includes the construction of 24 trunk telephone exchanges and the expansion of high frequency wireless telephone connections between East and West, and with overseas points. We endorse this large programme, because of the crucial importance of good communications for a developing country, but we do not think the full programme now under way can be completed by 1960. We suggest that during the Plan period, about 202 million (20.2 Crore) rupees should be spent on this programme with the following results :

	1955	1960
Telephone exchanges ... ..	439	479
Telephone connections ... ..	37,000	75,000

The full programme would be completed shortly after 1960.



## Housing and Settlements

170. The development programme for Housing and Settlements has been prepared as the foundation for a systematic and continuous effort to provide the physical facilities such as houses, water supply and sewerage systems, and community buildings, necessary for a healthy and harmonious community life. The policies and plans are conceived in these comprehensive terms, and mark a new departure in this field. Government funds are to be devoted primarily to preparing surveys and plans, conducting research and training, installing water supply and sewerage facilities, and providing materials for assistance in house-building. Government housing programmes will be directed almost entirely to meeting the needs of the lower-income groups. In addition there will be considerable private investment in housing.

### Surveys, planning, design, research, and education

171. The first need for better housing and settlements is to make adequate surveys and detailed plans and designs for towns, houses, other buildings, and community facilities such as water and sewerage systems. The number of persons trained in planning and design must be rapidly increased, because the existing staff in the Centre and the Provinces is far too small. It will be necessary to establish special organisations, aided by experts, to prepare detailed plans and designs. Two schools of architecture and town planning are also proposed to be started during the Plan period, one at Dacca and the other at Lahore. In addition, vocational training centres will be set up for the building trades.

172. It would not be feasible to prepare individual designs for every building, house, school, health centre, or other structure—to be built in the country. Instead, designs for basic types of houses and other structures will be prepared, suitable to the climatic conditions, ways of life, and local materials in different parts of the country. These type designs can be combined in different ways to provide solutions for individual cases.

173. Research and experimentation are needed to find the best and most economical building materials, methods of construction, house plans, and so on. Too many of the country's present buildings are copies of western structures—too expensive for available resources and ill-adapted to the climate, family requirements, and other conditions. Experiments are especially needed to design houses which will be better than the average low cost house of today, and which can be built largely or wholly by the house owner. Building research centres are to be established in Dacca and Lahore, in addition to the one recently established in Karachi, and experimental houses will be built as part of the new settlements.

### Rural housing and community facilities

174. The major effort to improve the facilities for rural communities during the Plan period will be to provide good drinking water supplies. Substantial numbers of village tube wells and wells are required in both Wings ; the objective in East Pakistan, for instance, is to provide 50,000, though not all of these can be installed during the Plan period. In addition, various types of model village houses and buildings will be constructed in rural areas, to guide the villagers in building for themselves. These activities will lay the basis for larger-scale efforts in rural areas in the future.

### Housing in towns and cities

175. The basic system for building new houses under the Plan in urban areas will be for the Government to prepare building plots, complete with water supply, drainage and sanitary services and roads. On many such plots, people will be able to build houses with their own resources ; for some plots the Government will provide materials with which houses can be erected by prospective residents ; for other plots the Government will provide nucleus houses, which can be completed by the owners ; and for a small proportion of the plots, the Government will build complete houses.

176. This system has two great advantages. First, the underground facilities will be put in at the beginning, providing a permanent, healthy basis for a growing community. With the water and sanitary services

installed to begin with, the houses on the plots can be gradually improved or rebuilt as the years go by and the owners' means permit. It will not be necessary at a later stage to go through the expensive process of digging up developed areas in order to install water or sewerage systems, etc.

177. The second advantage is that the system is flexible enough to provide for a wide variety of income levels and family circumstances. Many different combinations of assistance are possible, to meet the needs of people with very low, moderately low, and average incomes ; no government assistance would be provided for those with higher incomes. In any case, arrangements would be made for virtually all the houses to be privately-owned, either immediately or by instalments. The Government would own permanently only the houses necessary for those civil servants who are moved from place to place to suit the needs of the public service.

178. Under the Plan, 250,000 building plots will be created, of which a considerable number will be allotted to the refugees, not in separate colonies, but as part of ordinary communities, so that refugees and other people would live together. Of the 250,000 plots, it is proposed that the Government should assist house construction on about 125,000, either by providing materials for "self-build" housing, or by building nucleus houses or complete houses.

#### Improving existing towns and cities

179. A number of towns will be assisted to create appropriate local development authorities (such as improvement trusts), to prepare plans and begin their implementation. The Plan provides for large-scale water supply, drainage, and sewerage works for Dacca, Karachi, Chittagong and several other cities.

#### Government administrative centres

180. New administrative centres are needed in East as well as West Pakistan ; additional facilities will be required for the Federal Capital ; and improvements or re-location are necessary for a number of division and district headquarters in both Wings. It is essential that these centres should be constructed on the basis of careful surveys and plans, because they will be built to serve for many decades, will be examples for much other construction, and will have much to do with the efficiency of government services. During the Plan period it will not be easy to go much beyond the stage of surveys, planning, acquisition of land, and preliminary work for which provision has been made.

181. The problems of rural and urban water supplies, of a new administrative centre for the Province and of making a start in improving some of the old over-crowded sections of the towns, are acute in East Pakistan, but the technical manpower to carry out these schemes is severely limited. If technical manpower can be made available, the development programme in these fields can be expanded.

182. The proposed public expenditure on housing and settlements during the Plan period is as shown in Table 18.

TABLE 18

*Public expenditure on housing and settlements, 1955-60.*

(Figures can be read in millions by removing decimals)

						(Crore rupees)
Surveys, planning, design, research, and education ...	...	...	...	...	...	2.2
Rural housing and community facilities ...	...	...	...	...	...	7.1
New housing in towns and cities ...	...	...	...	...	...	41.2
Improving existing towns and cities ...	...	...	...	...	...	34.6
Administrative centres ...	...	...	...	...	...	1.0
					<b>Total</b>	<b>86.1</b>

### Education and Training

183. Efforts during the Plan period to develop educational facilities will be concentrated on :

- (a) Substantial improvement in the quality of primary, secondary, college and university education ;
- (b) A large expansion of facilities for education and training in the technical, vocational, and professional fields to provide the trained manpower needed in all sectors of the development programme ; and
- (c) Opening new schools, as fast as resources permit, especially in areas which are relatively backward.

#### Teacher training and educational research

184. The key to the improvement and expansion of education is to increase the number of trained teachers. Thirty-five per cent of the teachers working in the existing primary schools, and fifty-two per cent of the teachers employed in the existing secondary schools are untrained.

185. There are 106 institutions for the training of primary school teachers, providing training facilities for 7,500 teachers a year. These institutions will be improved and 25 new institutions for the training of primary teachers will be opened, increasing the capacity of primary teacher training institutions to 10,500 a year.

186. Institutions for the training of middle-school teachers now number 13, with an annual output of 500 teachers. These institutions will be strengthened and two new institutions will be opened, raising the number of teachers trained annually to 750.

187. Six training colleges and two departments of education attached to universities now give professional training to graduates. These institutions train 500 persons annually. Two new colleges will be opened, bringing the output of trained graduate teachers to 800 per year. Five education extension centres will be opened to provide refresher and special training courses to teachers and inspecting officers already in service.

188. By the end of the Plan period the number of untrained teachers in primary and secondary schools will be reduced to small proportions, and the quality of training will be improved.

189. Educational research is imperative to provide leadership capable of critically examining the inherited methodology and curriculum, and of replacing its outmoded elements by new and better systems to produce citizens educated for a democratic and rapidly-developing country. Institutes of Educational Research are to be established at two universities during the Plan period, and research will be conducted also at teacher training colleges and other educational institutions. Each university will be encouraged to establish or strengthen a faculty and a department of education.

#### Primary and secondary education

190. A system of universal primary education is imperative, but considering the costs and the problem of supplying trained teachers, we do not think it reasonable to expect to reach this goal in less than twenty years. During the present Plan period, about 21,000 existing primary schools will be improved and approximately 4,500 new ones opened. The emphasis in West Pakistan will be on improving quality and adding new schools in previously neglected areas ; in East Pakistan, which is relatively better off in so far as the number of schools is concerned, the emphasis will be on widespread improvement in the quality of primary education. Normally, local communities will be expected to provide land and buildings ; the Government will provide teachers and supervision ; the cost of supplies and learning materials will be shared by both. By the end of the Plan period, the increase in the number of children attending primary schools will be more than one million. But the main benefit will be that education will improve in quality and effectiveness. At present over 43 per cent of the school age population is in school, but in large parts of the country most of the pupils in primary school drop out before completing their courses. We expect that with the improvement in quality, the schools will be enabled to retain most of their pupils till the end.

191. Secondary education greatly needs strengthening through emphasising the history and ideals of the country, to develop individual character and dignity ; balancing literary studies with improved courses in mathematics and science ; and adding courses to prepare pupils for careers in agriculture, teaching, social welfare, commerce, and industry. The aim is to develop well-rounded, multi-purpose secondary schools, with an agricultural, technical, or commercial bias depending upon the location, but giving to secondary school pupils a good general education, rather than limiting them to a narrow and premature specialisation. In East Pakistan, it is proposed to strengthen 500 high schools by grants-in-aid, providing for increase in teachers' salaries, curriculum diversification, and additions to buildings and equipment ; to introduce vocational agriculture in twenty high schools and commercial and industrial arts in another 16 ; and to develop junior high schools by upgrading some primary schools, down grading some weak high schools, improving some of the existing schools and changing 80 of these into multi-purpose schools. In West Pakistan, 150 will be upgraded to high schools ; 75 new government schools will be established ; grants-in-aid will be given to 100 private schools ; 500 middle schools and 100 high schools will be improved by adding or strengthening science and pre-vocational and industrial arts courses.

192. This programme for primary and secondary education is very ambitious and will stretch the administrative and teaching capacity of the educational system to the maximum. Its results are expected to be substantial ; it will not only bring about a better distribution, but will also shift the emphasis from mere book-learning to a more creative and purposeful education.

#### **Colleges and universities**

193. Colleges will be improved during the Plan period primarily through better training of staff, provision of adequate hostel accommodation, addition of scientific and laboratory equipment, and improvement of libraries. These needs must in general take priority over construction of new buildings, though in some cases the latter are equally important. The Plan provides for furthering the education of promising students whose financial means prevent them from carrying their education to the fullest limits of their promise and talent. It is proposed to meet from public funds the average cost of Rs. 1,200 per year, excluding tuition fees, which will be waived, for 600 talented boys and girls each year ; provision is made for the continued education of about 25 per cent, for some of them in professional colleges, such as medicine and engineering. If this programme meets with success, it should be expanded, first to include pupils in matriculation classes and subsequently to increase the numbers. Provision has also been made with a similar purpose for awarding overseas scholarships to 25 outstanding boys and girls to continue their studies in foreign universities.

194. Four of the country's six universities—Rajshahi, Peshawar, Hyderabad and Karachi—are in the early stage of development, and the two older universities—Lahore and Dacca—badly need extension. A sizeable programme of construction for the universities is unavoidable. As in the case of the colleges, however, the first needs of the universities are to improve their staff, equipment, laboratories, and libraries. A number of new departments of study will also be opened. In order to improve the quality of teaching, 220 overseas scholarships for further education and training are proposed for college and university teachers.

195. It is essential to develop an integrated and unified system of higher education in order to raise standards and to avoid wasting large amounts of money through duplication. At the same time higher education must be freed from too close political and administrative control by government departments. We therefore recommend the establishment of a Central University Grants Commission and Provincial University Grants Committees to make grants to universities on the basis of comprehensive long-range plans.

#### **Technical education and training**

196. Technical training is exceptionally important in a rapidly developing economy. Much of this training is the responsibility of private business concerns : the best way to train skilled personnel, who do not require





## Labour and Employment

200. The labour force in the country is undergoing three major changes which will continue for many years. First, it is growing in size with the growth in population. We do not have accurate current estimates, but the labour force in 1955 probably numbered 25 million (2.5 Crore) and in 1960 it will probably number about 27 million (2.7 Crore). Second, the labour force is becoming more educated and better trained. Every year more and more young people are going to school and to institutions for specialised training. The country is desperately short of skilled workers and technicians in every field, and the deficiencies can be overcome only slowly, but nevertheless the average level of skill and training of the workers is rising. Third, there is a sizeable shift taking place from agricultural employment to industrial, commercial, and other non-agricultural employment, and a corresponding increase in the number of people living in urban areas. The available statistics cannot measure this shift accurately, but there is no doubt that it is taking place.

201. It is not possible to estimate precisely how many employment opportunities will be created by the development programme, but it is very roughly estimated that the total number of employment opportunities created during the Plan period will be about as large as the number of extra people seeking work. A manpower survey organisation has recently been established and as more information becomes available, it will be possible to make more accurate estimates of employment needs and employment opportunities.

202. Labour conditions in the country leave much to be desired. The workers are not well organised and the trade union movement is yet in its infancy. Labour laws are not effectively enforced, and some new legislation is needed. These problems will become more acute as industrialisation proceeds.

203. During the Plan period the growth of trade unions will be encouraged, and, in order to promote joint consultation and collective bargaining, legislation is recommended to provide for statutory recognition of trade unions and to prevent victimisation on account of union activity. Conciliation staff is to be increased to improve relations between workers and employers and to reduce the incidence of industrial disputes.

204. Factory inspectorates are to be strengthened to permit more effective enforcement of labour laws. As the inspectorates grow stronger, labour legislation can and should be extended in scope to cover small establishments. Special officers to look after contract labour are to be appointed. A small factory advisory service is recommended for advising the Government on occupational health and safety, enforcement of labour laws, and the special problems of women workers.

205. A study is recommended to determine how best to fix and enforce minimum wages in industries now paying very low wages for long hours. Fair wage clauses are to be inserted in all public contracts.

206. The 20 existing employment exchanges are to be strengthened and improved, and 6 new exchanges are proposed. Labour Welfare Commissioners or other senior whole-time officers are proposed to be appointed both at the Centre and in the Provinces to study and introduce modern welfare practices, and to advise government organisations and private industry on labour welfare matters. A number of labour welfare centres are to be established in important industrial areas to provide health, education, and welfare services, and to stimulate self-help among workers and their families.

207. A social security scheme covering sickness, accident, and maternity benefits for certain classes of workers is recommended, to start in one or two industrial centres, and to be gradually extended to other centres as experience is gained. The scheme would be financed by compulsory contributions made by employers and employees. In addition, the larger employers would be required by law to establish provident funds to which workers and employers would make contributions.

208. Research and training are of very high priority in this field as in all others. We recommend that a Directorate of Labour Research and Planning be established in the Ministry of Labour, which would undertake research on manpower, wage rates, working conditions, and labour productivity. In addition, universities will

be encouraged to undertake research and training on labour matters, and aid will be given to private organisations undertaking research and training in the labour field. The Government will establish training facilities for the various types of labour officers.

209. The development programme in the field of labour and employment is largely a programme of strengthening labour organisations, enforcing labour laws, improving worker-management relations, and advancing research and training. Its direct cost to the Government will be small, amounting to 12 million rupees (1.2 Crore) only. Its results, however, will be far reaching, both from the social and economic points of view.

### Health

210. The Plan provides for increased agricultural production, better nutrition, more widespread education, and better housing. All this will make a major contribution to improving health conditions. In particular a very high priority has been given to the prevention of disease through the provision of safe water supply and improved sewerage; a sum of about 300 million (30 Crore) rupees has been provided for these purposes including that for new settlements in the Housing and Settlements programme.

211. Among direct expenditures on health measures, we propose the highest priority for preventive measures, including malaria and tuberculosis control, medical education, and maternal and child welfare. A country-wide malaria control programme will be undertaken during the Plan period, covering all areas of the country where this disease is prevalent. This programme is designed to take the country far towards eradicating malaria altogether. A BCG vaccination programme will be carried forward to protect people against tuberculosis; to provide facilities for the isolation and treatment of existing cases, the number of beds in the tuberculosis hospitals will be increased by 1,500. In order to afford protection against infection from other contagious diseases, the number of beds in infectious diseases hospitals will be increased by 380. Sixty-six new maternity and child health centres will be established and will serve about 4 million (40 lakh) people.

212. In order to meet the shortage of medical personnel, the existing medical colleges and medical schools will be strengthened. Three medical colleges will turn out their first graduates, and one of the existing medical schools will be upgraded to a medical college. As a result of these improvements, the number of doctors produced annually will reach 600 at the end of the Plan period, as against 500 in 1955, and will rise further there after.

213. There are now 13 nurses training centres having a capacity for 700 students, but only 50 per cent of these training facilities are being used at present. Steps will be taken to assure full use of the existing facilities, and, in addition, to establish a new nurses training college and a post-graduate nursing college which would produce teachers for the nurses' training institutions. It is hoped that by the end of the Plan period the country will be turning out 200 qualified nurses every year.

214. Facilities for the training of sanitary inspectors, health visitors, compounders and midwives are also to be extended and improved. It is expected that the number of qualified sanitary inspectors or equivalent technicians will be increased by 1,500, and of health visitors by 600 during the Plan period. Four new centres are proposed for the training of compounders and four for the training of midwives.

215. There were in 1954 about 453 hospitals and 2,000 dispensaries in the country with a total of 23,000 beds. The Plan provides for developing and expanding a number of these institutions and for constructing a limited number of new ones in areas now poorly served. The number of beds in hospitals and dispensaries will be increased by about 9,000 during the Plan period; but the improvement in the quality of medical services from increased numbers of fully-trained doctors, better buildings, and more equipment will probably prove at least as great a gain to the health services as the increase in the number of beds.

216. There will be an extension of school health services, and health education work in schools and communities will be assisted. Research work, particularly on nutrition and on vital statistics, will be increased.

217. We recommend that the decisions of the Health Conference in regard to the role of Government in the provision of health services and changes in the system of Nursing should be implemented with the minimum delay. Indigenous and Homoeopathic systems of medicine may make some contribution to solving the problem by providing medical facilities to the extent needed in the country. Some funds should be allocated for research in the indigenous systems of medicine.

218. Development expenditure in the various fields of health during the Plan period is estimated as shown in Table 20.

TABLE 20

*Public expenditure on health, 1955-60*

(Figures can be read in millions by removing decimals)

								(Crore rupees)
Tuberculosis control	...	...	...	...	...	...	...	3.0
Malaria control	...	...	...	...	...	...	...	5.3
Infectious disease hospitals	...	...	...	...	...	...	...	0.4
Maternal and child health	...	...	...	...	...	...	...	1.2
Medical and technical education	...	...	...	...	...	...	...	8.8
Hospital and dispensaries	...	...	...	...	...	...	...	9.4
School health education, nutrition, research, and statistics	...	...	...	...	...	...	...	0.6
							Total	28.7

**Social Welfare**

219. Modern social welfare work, like modern medicine, has two aspects—preventive and curative. Preventive social welfare is designed to foresee the problems which will arise from social changes of the type that are going on so rapidly in the country, with the shift to urban living and to industrial employment, the change from the extended family to the small family, the change from subsistence agriculture to a money economy, and the rise in population, education, mobility, and income. If these and many other changes are foreseen, steps can be taken to prevent the squalor, misery, frustration, and crime which so often accompanied similar changes in other countries passing through the stage of rapid economic and social development. The curative aspect of social welfare deals with the public responsibility for the care of the destitute, the handicapped, orphaned and neglected children, women deprived of support, and other people unable to meet with their own resources the problems that confront them. Preventive social welfare is less spectacular than the institutional treatment of special cases, but it is much more important, especially in a country where resources are so limited.

220. Social welfare work in the modern sense is very new in this country. Training and research are therefore of first importance to provide a nucleus of professionally-trained people, and the basic knowledge they need for successful work. It is also highly important to start pilot projects of various types which can later be expanded, and to establish suitable organisations for executing government programmes and for co-ordinating public and private effort.

221. The extent of the programme in this first five-year Plan period hinges on the number of persons who can be trained. Professionally-trained people are not the only group needed to carry on social welfare work; experienced amateurs and private volunteers are needed in large numbers, but their efforts must be organised around a core of trained people. The Plan provides for training about 500 workers during the five-year period, through the social welfare courses at the Universities of Lahore and Dacca, and through special short courses for people with some experience.

222. About half of these trained workers will be used in 70 urban community development projects (rural community development being in the main the province of the Village AID programme). As in the case of Village AID, the purpose of these urban community development projects will be to help the people in neighbourhood units to co-operate in solving their own problems, with assistance from the appropriate government agencies. Problems of education, sanitation and health, cottage industries, and housing can all be successfully attacked through the co-operative efforts of the people themselves, aided by the Government. Special emphasis will be given to establishing such projects in areas with heavy concentrations of refugees.

223. Most of the other trained social workers will be employed in research, and in various special programmes for the handicapped, for destitute children, for the rehabilitation of delinquents and of other special groups, and in co-operative arrangements with other agencies in such fields as medical social work, recreation, and education.

224. In order to provide for effective planning and co-ordination of these various programmes, Social Welfare Boards/Councils will be established in the Central and Provincial Governments, which will make grants to official and voluntary organisations. These Boards will include representatives of government ministries dealing with social services, and of private social welfare organisations.

225. The social welfare programme during this five-year period must be regarded as a pioneering effort ; it cannot be large, but it can be of very far-reaching importance if a sound foundation is laid for expansion in later periods. Development expenditure during the Plan period is estimated as shown in Table 21.

TABLE 21

*Public expenditure on social welfare, 1955-60*

(Figures can be read in thousands by removing decimals)

									(Lakh rupees)
Training ...	...	...	...	...	...	...	...	...	28
Research	...	...	...	...	...	...	...	...	11
Administration	...	...	...	...	...	...	...	...	22
Urban community development projects	...	...	...	...	...	...	...	...	99
Remedial establishments	...	...	...	...	...	...	...	...	165
								Total	325

**THE SPECIAL AREAS AND OTHER TRIBAL TERRITORIES**

226. The great majority of the schemes for the tribal zones form part of the general programmes for agriculture, irrigation, education etc., and are not as such discussed in the chapter on the Special areas and other Tribal Territories, which is more concerned with the general approach and lines of policy pertaining to these zones. In view of the special problems of these areas, however, a special fund has been provided, in addition, for general development purposes. In many respects the development problems of the tribal areas are identical, with those of other parts of the country : how to make best use for both national and local purposes, of natural resources with available funds. But those responsible for planning and executing development have to take account not only of what is economically, but also of what is socially feasible and expedient. Above all, they have to recognise the particular responsibility of the nation towards these areas. Our view is that with the passage of time, a closer integration of tribal peoples into the wider national life is inevitable. But this must occur spontaneously through the gradual growth of larger loyalties which should follow upon the spread of education, the improvement of communications and the general raising of the living standard. In view of this, the general approach of the Board is to help the people in question to lead their own lives as effectively as possible but not to propose radical alterations of conditions which might prematurely affect the fabric of tribal life, causing social and incidentally, economic disruption.

### **The Special Areas of the North-Western Frontier Regions**

227. The first effort must be to increase the prosperity of the area, not only because of the great existing poverty, but because it has been found that where life is a little less hard, the people themselves are more peaceable, and the socially disruptive bloodfeud less prevalent. We propose that considerable discretion be permitted to Political Agents in expending funds allocated by the Divisional Development Boards, and that a premium be placed on the provision of free local labour and materials. Other schemes relate to education; the improvement of communications; the expansion of facilities for employment, including employment in government services and the armed forces; and the prosecution of social and economic research. More general policy recommendations relate to the improvement of medical services and to industrial development, particularly on fringes of the special areas.

### **Quetta & Kalat Divisions**

228. There is much similarity between the problems of this region and those of the north-west frontier area, but there are also marked differences socially and administratively. Our proposals aim at improving living standards (especially among the semi-nomadic population of Kalat), exploiting natural resources, and relieving the people from a condition which all too often approaches servility.

### **The Chittagong Hill Tracts**

229. The prime needs for the population of the Hill Tracts are for guidance in improved methods of cultivation, in the growing of new types of cash crops and the improvement of marketing facilities, including better communications and for better education and health services. Special funds should be placed at the disposal of the Deputy Commissioner for this purpose, who would administer them with the advice of the Council of Chiefs. One matter requiring energetic action is the dispossession of some 75,000 people by the flooding resulting from completion of the Karnafuli Dam.

### **Statistics**

230. Substantial progress has been made in the collection, compilation and publication of statistics since Independence. But many important series are lacking while most of those that are available are seriously deficient. The necessary statistical services must be organised and developed as rapidly as possible. Statistics are a basic requirement for the formulation of social and economic policies, for the preparation of national development programmes, for private investment decisions and for an appraisal of the results achieved.

231. The Central Statistical Office should be strengthened and the scope of its work should be enlarged. A National Sample Survey organisation should be created as a part of the C. S. O. to fill the major gaps in the national statistical system. The responsibility for census operations should be transferred to the C. S. O. A programme for a complete agriculture and livestock census should be put into effect. A statistical organisation exists in East Pakistan and one should be established in West Pakistan also. We have provided Rs. 3.5 million (35 lakh) in the Plan for the creation of a National Sample Survey Organisation, the establishment of a statistical organisation for West Pakistan and the expansion of statistical services in general. Provision for an agriculture and livestock census has been included in the agriculture programme.

### **Insurance**

232. In the field of insurance we believe that Pakistani companies need to be strengthened to take on an increasing share of the insurance business, among other reasons, in order to save foreign exchange. The strengthening of life insurance as a means for collecting and channelling small savings is particularly important. A sum of Rs. 2 million (20 lakh) has been provided in the Plan for establishing a public corporation to promote life insurance.