

ANNUAL PLAN

1970-71



Planning Commission
Government of Pakistan



TABLE OF CONTENTS

PART I

THE ECONOMIC FRAMEWORK

CHAPTERS	PAGES
1. Major objectives of the Annual Plan	1
2. Resources and Financing	5
3. Balance of Payments and Resources	9
4. Consumption Plan	13
5. Manpower and Employment	19
6. Provincial Programmes	23

PART II

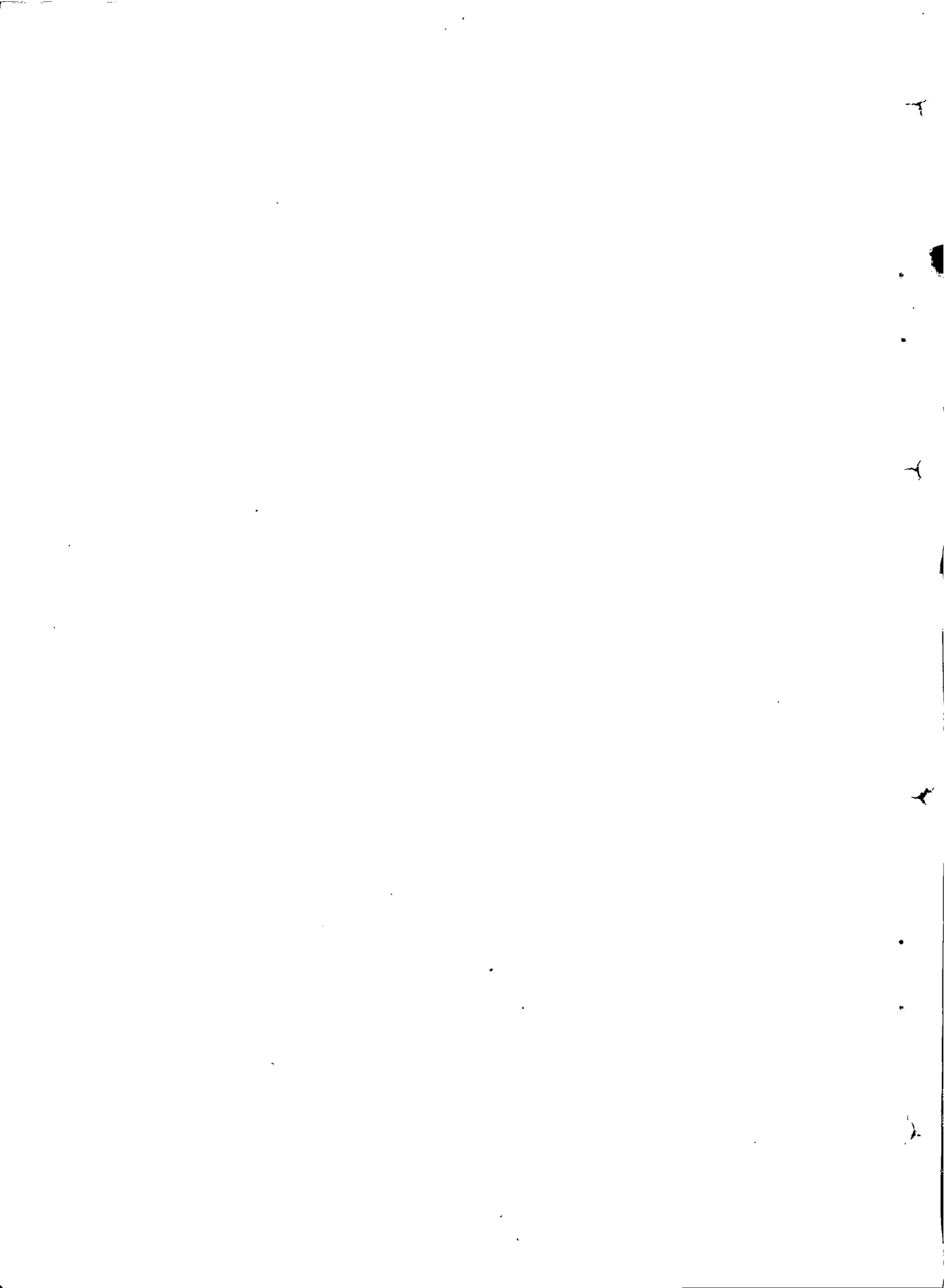
SOCIAL POLICIES AND DEVELOPMENT OF HUMAN RESOURCES

7. Policies for Social Justice	41
8. Education and Training	45
9. Labour Policy and Services	49
10. Health and Family Planning	53
11. Social Welfare	57

PART III

PRODUCTION PROGRAMMES AND PHYSICAL INFRASTRUCTURE

12. Agriculture	67
13. Water Resources Development	77
14. Works Programme and Rural Development	83
15. Industry	87
16. Fuels and Minerals	93
17. Power Development	109
18. Transport and Communications	113
19. Physical Planning and Housing	123



PART I

THE ECONOMIC FRAMEWORK

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CHAPTER 1

MAJOR OBJECTIVES OF THE ANNUAL PLAN

The Annual Plan for the first year of the Fourth Plan (1970—75) is being formulated at a time when far reaching political and administrative changes are taking place in the country. Demands for a more balanced regional development, for social justice and welfare services are mounting and the economic situation continues to be under considerable strain. The basic aim of the Annual Plan for 1970-71 will be to contribute to the solution of some of these problems by protecting the basic development effort, by accelerating the pace of development in East Pakistan, and other less developed regions of West Pakistan, by paying greater attention to social objectives and by correcting some of the imbalances that have developed in the economy.

2. In the pursuit of these goals, the Annual Plan shall reflect all the main themes of the Fourth Five-Year Plan. The Fourth Five-Year Plan has made certain bold departures from the development strategy of the past. Signally important amongst the Plan objectives is a deep concern for better distribution of income, accelerated regional development, and programmes and policies of social justice. The Annual Plan must bear the formidable burdens associated with a period of adjustment. The performance of the Fourth Plan will depend crucially on the success of this year's Annual Plan in moulding economic development into another shape without wrenching loose from it the forces of growth which have served our economic progress so far.

Objectives

3. Keeping these basic aims in view, the following broad objectives are proposed for the Annual Plan for 1970-71 :—

- (i) to protect the development effort of the country by stepping up the investment level, by increasing agricultural and industrial production and by boosting exports ;
- (ii) to mount a sizeable effort to raise additional resources to meet the Plan's economic, social and regional objectives ;
- (iii) to accelerate the pace of development in East Pakistan and other less developed areas of West Pakistan ;
- (iv) to provide for a substantial increase in the allocation for social sectors, particularly education, health, transport and housing ;
- (v) to lay down specific consumption targets in respect of essential items of consumption such as food, cloth, sugar, edible oils, milk, fruits and vegetables ;
- (vi) to place greater emphasis on employment generating programmes to increase employment in the economy ;
- (vii) to formulate a price and income policy to narrow income differentials and stabilise prices of essential commodities, to protect the real wages of industrial workers and other fixed income groups ; and
- (viii) to devise special programmes to improve living conditions in urban areas.

Public Sector Programme

4. The size and structure of the public sector programme proposed for 1970-71 reflect the Fourth Plan's regional and social objectives. The Annual Plan represents an ambitious attempt, the maximum feasible under the circumstances, to shift development activity into a new set of priorities.

5. The size of the Public Sector programme effort has been fixed at Rs. 7,700 million (including Tarbela and Flood Control), an increase of 24 per cent over the estimated expenditure of Rs. 6,200 million in 1969-70. This increase of Rs. 1,500 million is a positive attempt to concentrate effort in the early years and to facilitate the implementation of the much larger public sector programme visualized in the Fourth Plan. The magnitude of the domestic burden, imposed by the proposed programme will be gauged from the fact that domestic resources will finance over 60 per cent of the additional effort and in addition substantial provision has been made for adjustment in salaries of low paid government employees.

6. The regional break-down of the proposed allocations is shown in the following table :—

TABLE I

Public Sector Development Expenditure for 1970-71

(Million Rs.)

	East Pakistan	West Pakistan	Total
1. Annual Development Programme	3,850	2,850	6,700
2. Development Expenditure outside the Plan	300	700	1,000
Flood Control	(300)	—	(300)
Indus Basin	—	(700)	(700)
3. Total Development Programme	4,150	3,550	7,700

7. Emphasis on regional redistribution of development spending is evident from the table. The allocation for West Pakistan provides for an increase of only Rs. 150 million whereas 90 per cent of the total increase in the size of the development programme (or Rs. 1,350 million) has been earmarked for East Pakistan. The proposed increase of Rs. 1,350 million is more than the total increase in public sector development outlay in East Pakistan in the last five years between 1964-65 and 1969-70.

8. Of the total allocation of Rs. 3,550 million for the West Pakistan Provinces, Rs. 700 million have been earmarked for Tarbela and Rs. 500 million for the Central Programmes to be executed in West Pakistan. Against the balance of Rs. 2,350 million, a gross programme of Rs. 2,420 million has been formulated. Of this, Rs. 780 million have been earmarked for non-allocable programmes in railways and power. The balance of Rs. 1,640 million will be distributed to the four provinces in the ratio of 52.9 per cent for Punjab, 27.4 per cent for Sind, 14.2 per cent for N.W.F.P. and 5.5 per cent for Baluchistan. The proposed allocations are summarized in the following table :—

TABLE 2

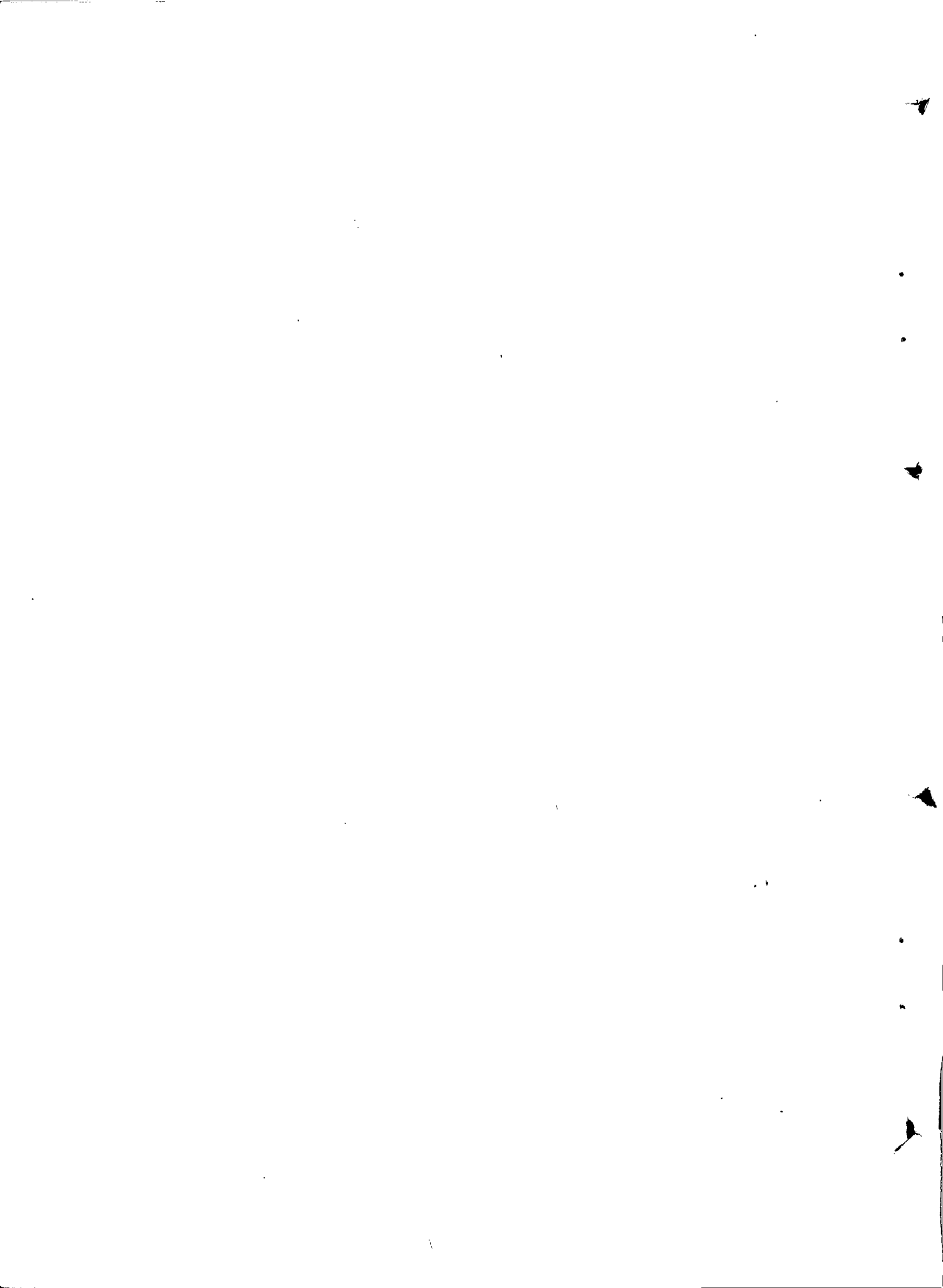
Allocations for West Pakistan's Provinces—1970-71

(Million Rs.)

	1969-70	1970-71	% Increase	% share in 1970-71	% share in population of West Pakistan
Punjab	777	867	11.6	52.9	62.5
Sind	422	450	6.6	27.4	20.2
N. W. F. P.	162	233	43.8	14.2	14.0
Baluchistan	75	90	20.0	5.5	3.3
Total	1,436	1,640*	14.2	100.0	100.0

* Includes about Rs. 500 million of the allocable programmes of centrally administered Corporations.

These allocations, attempt to take into account the share of population of each province, its present stage of under-development and its expenditure on development during the bench-mark year 1969-70. An effort has been made to provide for the most rapid acceleration in development expenditure in N. W. F. P. and Baluchistan so as to lay the basis for a reduction in economic disparities in future. It has not been possible, however, to relate the proposed allocations to physical targets or growth rates in each province, both because of the limitation of data and the present inadequacy of information regarding private sector activity in each province. Another specific constraint was that the on-going and aided programmes had also to be protected in each province while providing for a reasonable acceleration for the smaller provinces. The proposed allocations to the four provinces represent an *ad hoc* synthesis between the considerations of desirability and feasibility and provide a basis for making allocations in the Annual Plan for 1970-71. These allocations do not constitute a firm basis or the future pattern for the Fourth Plan period, nor can they be related at this stage to the objective of removal of intra-regional disparity. This task will need further work and discussion so as to determine the basis for allocations for the Plan period as a whole.



RESOURCES AND FINANCING

The size of the Investment programme proposed for 1970-71 reflects the Fourth Plan's regional and social objectives. The Annual Plan represents the maximum possible effort under the circumstances to shift the focus of development activity towards the new order of priorities.

The Third Plan witnessed a decline in the ratio of investment to GNP from 18.3 per cent in 1964-65 to 14.8 per cent in 1969-70. To facilitate faster progress towards the employment and social objectives, the Fourth Plan aims at reversing this process and raising the ratio to 15.7 per cent in the very first year of the Plan. The development expenditure during 1970-71 is projected at Rs. 12,200 million—Rs. 7,700 million in the public sector and Rs. 4,500 million in the private sector.

2. The projected resources and uses of national resources in 1970-71 are shown in Annexure I and summarized in the following table :—

TABLE 1
Sources and uses of National Resources

	(Rs. million)		
	1968-69	1969-70	1970-71
1. G.N.P. at market prices	72,060	78,600	85,380
2. Imports on Current Accounts	6,469	7,085	8,137
3. Total National Resources	78,529	85,685	93,517
4. Total Investment	10,743	11,600	13,400
✓ (a) Fixed Investment ✓	9,798	10,600	12,200 ✓
(b) Changes in Stocks	915	1,000	1,200
5. Government Consumption	4,600	6,000	6,500
6. Private Consumption (3-4-5)	58,986	63,835	69,007
7. Exports	4,200	4,250	4,610
8. Total National Expenditure	78,529	85,685	93,517
9. Net Resources Transfer	2,268	2,835	3,527
10. Savings	8,475	8,765	9,873

3. The above table which is essentially illustrative is based on the following main assumptions—
- (i) The GNP in real terms will increase by 6.5 per cent between 1969-70 and 1970-71.
 - (ii) Consumption will increase by about 5 per cent less than the increase in the GNP.
 - (iii) A determined effort will be made to mobilize at least about 20 per cent of the additional income in the form of saving.
 - (iv) The disbursements of foreign assistance will increase by Rs. 610 million between these two years.
 - (v) Foreign Exchange earnings will grow by at least 8.5 per cent during 1970-71.

4. In order to mobilize additional savings of the magnitude given above during 1970-71, the Government will have to rely primarily on additional taxation and deficit financing which are likely to yield Rs. 1,200 million during the year. Although the size of the private sector programme visualized for 1970-71 is only marginally higher than that in 1969-70, efforts to divert savings to this sector are likely to be partly frustrated due to the substantially higher claims of the public sector.

Public Sector Financing

5. Public Sector development allocation have been given in table I Chapter I.

Financing of the Public Sector programme is shown in table 2 below :—

TABLE 2
Financing of the Annual Plan

								(Rs. million)	
								1969-70	1970-71
Government Expenditure .. .. .	..	..	..	..	..	..	..	14,200	16,800
Development ¹ .. .. .	..	..	..	..	..	..	..	6,200	7,700
Non-development .. .. .	..	..	..	..	..	..	..	8,000	9,100
Government Resources .. .. .	..	..	..	..	..	..	..	14,200	16,800
Tax and other receipts .. .. .	..	..	..	..	..	..	..	11,080	12,350
Additional Tax ² .. .. .	..	..	..	..	..	..	..	—	600
Deficit financing .. .. .	..	..	..	..	..	..	..	450	600
Foreign resources .. .. .	..	..	..	..	..	..	..	2,670	3,250

Notes :— 1. Preliminary Estimates based upon Planning Commission's evaluation.

2. Shown with Tax and other receipts, to facilitate comparison.

The above table is based on the resource estimates of the Planning Commission. The estimates of the Ministry of Finance for 1970-71 are Rs. 720 million lower. According to the later estimates the domestic resource availability for development during 1970-71 would not exceed Rs. 3,730 million including Rs. 1,000 million of additional taxation and deficit financing. Their estimates of revenue receipts, both tax and non-tax and additional taxation are lower than those projected by Planning Commission by Rs. 300 million and Rs. 200 million respectively. Their estimates of the provincial contribution are also lower. In the light of the divergence of estimates, it is difficult at this stage to determine accurately the net size of the A.D.P.

6. An important assumption in determining the gross size of the Programmes is the expectation that gross aid flow in the public sector would increase by 22%, from Rs. 2,670 million in 1969-70 to Rs. 3,250 million in 1970-71. This implies a substantial increase in the utilization of project assistance already in the pipeline and larger availability of non-project assistance.

Private Investment

7. The private investment during 1970-71 has been projected at Rs. 4,500 million as against Rs. 4,300 million during 1969-70. However, the Annual Plan for 1970-71 will seek a major acceleration of private investment in East Pakistan. To secure this acceleration a policy package designed to redress imbalances of the private investment activity has been formulated. The main elements in the policy packages are summarised below :—

- (i) Commercial banks, including National Bank will be encouraged to hold shares in Equity Participation Fund and participate in equity investment in less developed regions.
- (ii) Central Government and the State Bank of Pakistan shall formulate programmes, and assist in implementing these, for speedy development of capital market in East Pakistan including Dacca Stock Exchange.

- (iii) The system of joint ventures between the EPIDC/EPIC and the private entrepreneurs will be extended with greater responsibility of management vesting in the private entrepreneurs who should be selected on business considerations.
- (iv) Soft credits from traditional sources will be allocated to the Small Industries Corporations.
- (v) As far as Possible the debt equity ratio for IDBP/PICIC loans should be 60 : 40 for projects in less developed areas and even 70 : 30 in case of special projects.
- (vi) Incentives in the form of tax holiday will be strengthened and a scheme will be instituted to grant tax relief for purchase of debentures to be issued by the Equity Participation Fund.
- (vii) Preferential terms will be given to less developed regions by development Banks both for rupee and external financing.

8. In addition to the policy package presented above, the credit policies of financial institutions controlled by the government will be readjusted towards the objective of stimulating private investment in East Pakistan. Five of the six major institutions will have regional targets. The expected disbursements of these financial institutions given in Table 3 below indicate that during 1970-71 IDBP, PICIC, HBFC and ADBP plan to disburse 50 per cent of investment funds in East Pakistan while the ICP will earmark 64 per cent of its operations to East Pakistan.

TABLE 3

Proposed disbursements of Major Financial Institutions (1970-71)

								(Rs. million)		
								East Pakistan	West Pakistan	Total
PICIC	..	..	..	..	..	..	..	136	136	272
IDBP	..	..	..	..	..	..	..	140	140	280
ICP	..	..	..	..	..	..	..	143	82	225
HBFC	..	..	..	..	..	..	..	23	23	46
ABBP	..	..	..	..	..	..	..	125	125	250

9. The policy package, other measures already taken such as shifting IDBP headquarter to Dacca and creation of an Equity Participation Fund and the operations of financial institutions are expected to have a favourable impact on regional redistribution of private investment, which may increase by at least 20 to 25 per cent over the current level of private investment in East Pakistan. In West Pakistan, the overall level of private investment may not increase perceptibly but efforts will be made to stimulate private economic activity in less developed areas and to improve its composition and efficiency.

RESOURCES & EXPENDITURE (RS. MILLION AT CURRENT PRICES)

	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71	Value Index 3rd Plan period 1964-65 =100	Target Year 1969-70 =100	Price Index 3rd Plan period 1964-65 =100
	Actuals	Actuals	Actuals	Actuals	Actuals	Estima- ted	Projec- ted			
1. G.N.P. at market prices ..	48,616	53,037	62,411	66,082	72,060	78,600	85,380	161.7	108.6	124.5
2. Imports on Current Account ..	6,393	5,716	6,899	6,932	6,469	7,085	8,137	10.8	114.8	107.0
3. Total Resources ..	55,009	58,753	69,310	73,014	78,529	85,685	93,517	155.8	109.1	122.8
4. Total Investment ..	8,890	8,249	9,784	9,863	10,743	11,600	13,400	130.5	115.5	119.0
(a) Fixed Investment ..	8,332	7,674	8,449	9,345	9,798	10,600	12,200	127.2	115.1	119.0
(b) Changes in stocks ..	558	575	1,335	518	915	1,000	1,200	179.2	120.0	119.0
5. Government Consumption ..	3,141	4,818	4,253	4,340	4,600	6,000	6,500	191.0	108.3	124.5
6. Private Consumption (3 less 4,5&7)	39,777	42,250	51,683	55,047	58,986	63,835	69,007	160.5	107.8	125.1
7. Exports ..	3,201	3,436	3,590	3,764	4,200	4,250	4,610	132.8	108.5	102.6
8. Total National Expenditure ..	55,009	58,753	69,310	73,014	78,529	85,685	93,517	155.8	109.1	122.8
9. Net Resources Transfer ..	3,192	2,280	3,345	3,232	2,268	2,835	3,527	88.8	124.4	
10. Savings ..	5,698	5,969	6,439	6,631	8,475	8,765	9,873	153.8	112.6	
As percentage of G.N.P. ..										
Investment ..	18.3	15.6	15.7	14.9	14.9	14.8	15.7			
Savings ..	11.7	11.3	10.3	10.0	11.8	11.2	11.6			
Net Resources Inflow ..	6.6	4.3	5.4	4.9	3.1	3.6	4.1			

Note:—A price increase of 2 per cent has been assumed for target year Projections of GNP.

CHAPTER 3

BALANCE OF PAYMENTS AND EXTERNAL RESOURCES

Considerable progress was made during the Third Plan towards strengthening Pakistan's balance of payments by increasing exports at a rate faster than G.N.P. and by significant progress towards import substitution in major areas like foodgrains and fertilizer. The Fourth Plan aims at intensifying these efforts by accelerating the growth in exports, by eliminating food imports altogether, by virtually replacing fertilizer imports and by initiating a major import substitution programme for capital goods.

2. The Balance of Payments strategy for Annual Plan for 1970-71 reflects the Fourth Plan objectives. It aims at increasing foreign exchange earnings by 8.5 per cent during the year. In line with the Plan strategy of higher aid flow in the initial period, the aid utilization will increase substantially leading to a substantial increase in the imports of capital goods and raw material for capital goods. The balance of payments projections for the year 1970-71 together with the estimates for 1969-70 are given below :—

TABLE 1

Balance of Payment 1969-70 and 1970-71

							(Rs. Million)		
							1969-70 (Estimates)	1970-71 (Projections)	
A. Payments									
1. Merchandize Imports	..	..	..	..	..	..	5,307	6,060
2. Invisible including freight and Technical Assistance	..	..	..	..	..	..	1,600	1,650
3. Debt servicing	..	..	..	..	..	..	800	1,000
Total Payments							..	<u>7,707</u>	<u>8,710</u>
B. Financed by									
1. Own earnings	..	..	..	..	..	..	4,250	4,610
2. Foreign resources	..	..	..	..	..	..	3,307	4,100
3. Changes in Reserves	..	..	..	..	..	..	150	—

Foreign Exchange Earnings

3. Export performance during the Third Five Year Plan has been uneven. In the first three years the annual increase in exports was somewhat higher than the Plan target of 9.5 per cent per annum. There was a slight slow-down in the last two years and as a result the annual increase in the Plan period as a whole was about 7 per cent. For the first year of the Fourth Plan growth target in foreign exchange earnings has been fixed at 8.5 per cent. This is in line with the higher G.N.P growth and physical exportable surpluses planned for 1970-71. The export targets for the year 1970-71 together with the corresponding data for the

preceding year are shown below :—

TABLE 2

Foreign Exchange Receipts during 1969-70 and Projections for 1970-71

							(Rs. Million)		
							1969-70 (Estimates)	1970-71 (Projections)	Percentage (increase)
Primary Products									
Raw Jute	..	..	..	..	..	780	670	—14
Raw Cotton	..	..	..	..	..	215	243	13
Rice	..	..	..	..	..	85	159	87
Others	..	..	..	..	..	270	300	11
Sub-Total						1,350	1,372	2	
Manufactures									
Jute products	..	..	..	..	..	810	890	10
Cotton cloth	..	..	..	..	..	270	290	7
Cotton yarn	..	..	..	..	..	270	290	7
Others	..	..	..	..	..	550	738	34
Sub-Total						1,900	2,208	16	
Invisible earnings	..	..	..	..	..	1,000	1,030	3
GRAND TOTAL						4,250	4,610	8.5	

5. These targets visualise an increase of 2 per cent in primary exports and 16 per cent in the manufactured exports over the estimated level of exports in 1969-70. The attainment of these targets will require a careful review of incentives, particularly for primary exports and concerted efforts to increase the export of non-traditional items.

6. The achievement of export target in manufactures will require a careful mix of policies to bring about a balance between the country's external and domestic objectives. Adequate incentives will have to be provided and foreign exchange requirements of export industries need to be ensured.

Foreign Resources

7. The Fourth Plan projects a sharp acceleration in the utilization of external assistance in the initial years, but the aid flow will start declining towards the end of the Plan when increased domestic production of both capital goods and raw materials for capital goods will reduce the need for imports. In line with this strategy, foreign aid utilization is expected to increase from a level of Rs. 3,307 million in 1969-70 to Rs. 4,100 million in 1970-71. Detailed projections of this estimate are given in Table 3 below :—

TABLE 3

Inflow of Foreign Resources

							(Rs. Million)	
							1969-70	1970-71
1. Project grants and loans and technical assistance	..	..	..	..	..	1,558	1,900
2. Non-project loans and grants	..	..	..	..	..	917	1,187
3. PL-480	..	..	..	..	..	332	453
4. Indus/Tarbela	..	..	..	..	..	400	460
5. Foreign private investment	..	..	..	..	..	100	100
Total						3,307	4,100	

8. The estimate of foreign aid utilization is based on the assumption that the level of pledges during the first year of the Fourth Plan would be around \$ 575 million and that fresh pledges of non-project assistance for 1970-71 would be at least \$ 250 million.

9. The increase in project aid disbursements, though fairly substantial, will be primarily from the project aid pipeline. A major portion of the fresh pledges in respect of project assistance will have to be earmarked for projects located in East Pakistan simultaneously with a quicker pace of utilization as public sector expenditure is expected to increase by 45 per cent in this region. A major part of increase in the aid utilization will be in government sector where the utilization is expected to increase from Rs. 2,670 million to Rs. 3,350 million. The increase in aid utilization in the private sector will be smaller, increasing from a level of Rs. 630 million in 1969-70 to about Rs. 750 million in 1970-71.

Import projections and policies

10. The import requirements during 1970-71 are projected to increase by about 10 per cent against the estimates for 1969-70. These projections are based on the findings of the Working Group on Import Policy which worked out item by item details of merchandise imports.

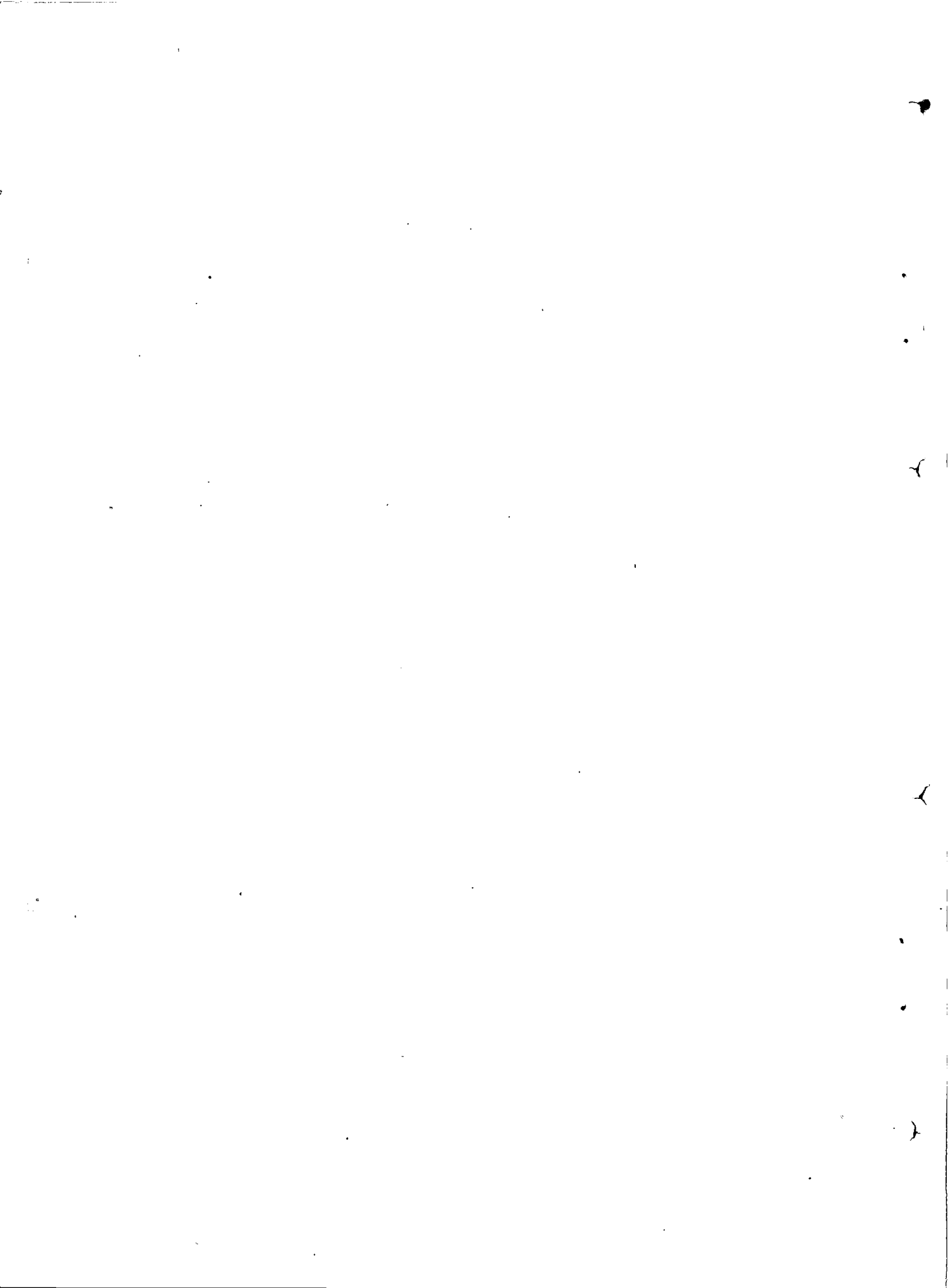
11. The expected increase in foreign exchange inflow during 1970-71 is estimated to be Rs. 1,000 million—Rs. 360 million from own earnings and the balance from the gross availability of foreign assistance. About one-third of this increase will be absorbed by larger debt service and invisible payments and food imports under PL-480, permitting an increase of Rs. 50 million in development imports, viz, capital goods, spare parts and like, steel and steel products, chemical non-ferrous metals, fertilizer and pesticides. An approximate magnitude of these estimates is shown in the following table :—

TABLE 4

Composition of Merchandise import c.i.f.

		(Rs. Million)	
		1969-70 (Estimates)	1970-71 (Projections)
1.	Capital goods	2,695	3,000
2.	Consumer goods of which food imports	824 (300)	960 (450)
3.	Raw materials	1,788	2,100
Total ..		5,307	6,060

12. A sizeable increase of 14 per cent is planned in merchandise imports during the year, mainly in the form of capital goods and raw materials. Consumer goods imports excluding foodgrains will be stabilized almost at the level of 1969-70. Larger food imports are planned for East Pakistan with a view to stabilizing the price situation in the Province.



CONSUMPTION PLAN, 1970-71

The annual consumption plan has been introduced for the first time from this year within the framework of the consumption plan drawn up for the Fourth Five-Year Plan. The objective of the consumption plan is to ensure improvements in the levels of living for the common man alongside the growth of the economy. A consumption plan aims either at supplying goods and commodities at reasonable prices in response to the growth in demand on account of increase in income and population or fashioning consumption to a desirable pattern in accordance with certain pre-determined norms. While the latter should be the ultimate goal of consumption planning, a short-term plan for a year can take care only of the former. The consumption plan for 1970-71, therefore, aims at estimating the demand level of some important consumption goods and indicating the means by which these demands can be met.

2. The determinants of consumption demand can be many ; but for a short period of one year, the growth of income and population are the most important ones. The procedure followed in the preparation of this consumption plan has been the determination of current levels of consumption and then projection of the levels of demand in 1970-71 as a consequence of increase in income and population in that year. The plan does not cover all the commodities that go into the consumption schedule of an average consumer because of inadequate information and has been restricted only to some eleven essential commodities covering food and clothing. The commodities selected for inclusion are wheat, rice, pulses, meat, fish, milk, vegetables, refined sugar, tea, fats and oils, and cotton cloth. Annexure I shows the level of the total and *per capita* consumption of these commodities in East and West Pakistan in 1969-70 which provide the benchmarks for future demand projections. Assuming a G.N.P. growth rate of 7% for East Pakistan and 5.5% for West Pakistan and population growth rate of 2.8% for East Pakistan and 2.7% for West Pakistan and with the application of some assumed income elasticity of demand the consumption demand for the year 1970-71 for East and West Pakistan have been projected on the basis of the 1969-70 benchmarks. These are placed at Annexure II. An analysis of the implications of these demand levels for the supply of the goods and commodities in 1970-71 is given below. The sources of supply of each of these commodities in 1970-71 have been indicated at Annexure III.

3. *Foodgrains.*—The consumption requirements and the production targets of rice and wheat in East and West Pakistan for the year 1970-71 are given below :—

Item	Consumption requirement	Production		Deficit (—) or Surplus (+)
		Gross	Net	
(' 000 ' tons)				
EAST PAKISTAN				
Rice	11,371	12,500	11,250	—121
Wheat	1,125	100	90	—1,035
Total	12,496	12,600	11,340	—1,156
WEST PAKISTAN				
Rice	1,503	2,500	2,250	+ 747
Wheat	6,457	7,000*	6,300	—157
Total	7,960	9,500	8,550	590

Production in 1969-70 which will be available for consumption in 1970-71.

4. According to these projections East Pakistan will be deficit in both rice and wheat—rice by about 121 thousand tons and wheat by about 1,035 thousand tons. The recent floods in East Pakistan will have a severe demaging effect on food crops. It is not possible at this stage to estimate the extent of damage. However, it is certain that the deficit in East Pakistan will be bigger than that shown above. The import programming to meet the food deficit of East Pakistan should take this fact into account. It will be safer to put the total deficit at 1,800 thousand tons. East Pakistan's food deficit can be met by import from West Pakistan and from abroad in the manner shown below :—

								(' 000 ' tons)		
								Import from West Pakistan	Import from abroad	Total
Rice	..	..	..	..	..	..	..	400	200	600
Wheat	..	..	..	..	..	..	..	—	1,200	1,200
Total								400	1,400	1,800

West Pakistan will have surplus in rice but a slight deficit in wheat. After meeting the requirements of East Pakistan, West Pakistan will be left with a surplus of about 300 to 350 thousand tons of rice. This rice surplus will be available for export abroad, except to the extent it helps to cover the national wheat deficit of about 157 thousand tons. Total wheat import requirements for 1970-71 will, therefore, amount to about 1,200 thousand tons, and rice 200 thousand tons. Arrangements for import at these levels have already been finalized under PL-480, World Food Programme and certain other sources.

5. *Pulses, vegetables, milk, meat and fish.*—Production targets for pulses, vegetables, milk, meat and fish are not available and so it is not possible to calculate the expected deficit or surplus in respect of these commodities. The additional requirements in respect of these commodities will, however, have to be met by increased domestic production. The magnitudes of the required increase in domestic production of these commodities are shown below :—

								(' 000 ' tons)	
								East	West
Pulses	..	..	..	..	..	..	..	12	8
Vegetables	..	..	..	..	..	..	..	156	114
Milk	..	..	..	..	..	..	..	62	336
Meat	..	..	..	..	..	..	..	20	15
Fish	..	..	..	..	..	..	..	44	8

6. *White sugar.*—The total consumption requirements of white sugar is estimated to be 197 and 445 thousand tons for East and West Pakistan respectively. The current level of production of white sugar in West Pakistan is about 650 thousand tons which indicates that there will be sufficient surplus of sugar in West Pakistan after meeting her internal demand. East Pakistan will have some deficit in sugar. The surplus in West Pakistan can be utilised in meeting this deficit and the balance exported abroad.

7. *Tea.*—The consumption requirements of tea in East and West Pakistan are estimated at 77 million lbs.—19 million lbs. in East and 58 million lbs. in West Pakistan. Production target for the year has been fixed at 75 million lbs. Thus the deficit of 2 million lbs. will have to be met by imports from abroad. Recently the government decided to import 10 million lbs. of tea during 1970-71. This larger import would provide a cushion against any shortfall in production and stabilize prices. If the production target is achieved the *per capita* consumption of tea in Pakistan will go up to 0.63 lb. per annum.

8. *Fats and oils.*—The production and consumption requirements of fats and oils for the year 1970-71 in East and West Pakistan are shown below :—

(' 000 ' tons)

							Consumption requirements	Production	Deficit
East Pakistan	..	..	..	..	..	..	222	68	154
West Pakistan	..	..	..	..	..	..	398	279	119
						Total ..	620	347	273

It will be seen from the above table that there will be a total deficit of 273 thousand tons of fats and oils—154 thousand tons in East Pakistan and 119 thousand tons in West Pakistan. Thus the deficit will have to be met by imports. The traditional source of edible oil is U.S.A. under PL-480 but a world wide-shortage of edible oil is developing and prices are showing an upward trend ; special arrangements to import oil and keeping its prices stable during 1970-71 would therefore be necessary.

9. *Cotton cloth.*—The requirements of cotton cloth in 1970-71 are estimated at 851 and 836 million yards for East and West Pakistan respectively. Internal production will be sufficient to meet these levels of consumption. However, unless the level of production of cotton cloth is increased, sufficient exportable surplus will not be available after meeting the domestic consumption requirements.

CONSUMPTION OF SOME PRINCIPAL COMMODITIES 1969-70

Item	Total demand (' 000 ' tons)			<i>Per capita per annum (lbs.)</i>		
	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan
1. Wheat	1,070	6,194	7,264	33.10	231.63	123.48
2. Rice	10,818	1,442	12,260	334.70	53.93	207.56
3. Pulses (excluding gram)	216	216	432	6.68	8.08	7.31
4. Fats and oils ..	208	374	582	6.44	13.99	9.85
5. Milk	680	6,100	6,780	21.04	228.12	114.79
6. Meat	194	213	407	6.00	7.97	6.89
7. Fish	795*	120	915	24.60	4.49	15.49
8. Vegetables (including potato)	2,610	2,080	4,690	80.75	77.78	79.40
9. Refined Sugar ..	181	425	606	5.60	15.89	10.26
10. Tea	17 (mln. lbs.)	55 (mln. lbs.)	72 (mln. lbs.)	0.23	0.92	0.54
11. Cotton cloth ..	786 (mln. yds.)	792 (mln.yds.)	1,578 (mln. yds.)	10.86 (yds.)	13.22 (yds.)	11.93 (yds.)

*Excludes subsistence consumption.

PROJECTED LEVELS OF DEMAND IN 1970-71

Item	Total demand ('000' tons)			Per capita per annum (lbs.)		
	East Pakistan	West Pakistan	Pakistan	East Pakistan	West Pakistan	Pakistan
1. Wheat	1,125	6,457	7,582	33.87	235.18	124.97
2. Rice	11,371	1,503	12,874	342.36	54.74	212.20
3. Pulses (excluding gram)	228	224	452	6.86	8.16	7.45
4. Fats and oils ..	222	398	620	6.68	14.50	10.22
5. Milk	742	6,436	7,178	22.34	234.42	118.31
6. Meat	214	228	442	6.44	8.30	7.29
7. Fish	839	128	967	25.26	4.66	15.94
8. Vegetables (including potato)	2,760	2,194	4,954	83.10	79.91	81.66
9. Refined sugar ..	197	445	642	5.93	16.21	10.58
10. Tea	19 (mln. lbs.)	58 (mln. lbs.)	77 (mln. lbs.)	0.26	0.94	0.57
11. Cotton cloth ..	851 (mln. yds.)	836 (mln. yds.)	1,687 (mln. yds.)	11.44 (yds.)	13.59 (yds.)	12.41 (yds.)

SOURCES OF SUPPLY OF CONSUMPTION REQUIREMENTS IN 1970-71

(' 000 ' tons)

Item	East Pakistan				West Pakistan			
	Consumption requirements	Sources			Consumption requirements	Sources		
		Production (Net)	Imports from West Pakistan	Imports from abroad		Production (Net)	Imports from East Pakistan	Imports from abroad
1. Foodgrains ..	12,496	11,340*	156	1,000	7,960	7,803	—	157
2. Pulses (excluding gram) ..	228	228	—	—	224	224	—	—
3. Fats and oils ..	222	68	28	126	398**	279	—	119
4. Milk ..	742	742	—	—	6,436	6,436	—	—
5. Meat ..	214	214	—	—	228	228	—	—
6. Fish ..	839	839	—	—	128	128	—	—
7. Vegetables (including potato).	2,760	2,760	—	—	2,194	2,194	—	—
8. Refined sugar ..	197	130	67	—	445	445	—	—
9. Tea (Million lbs.)	19	19	—	—	58	—	56	2
10. Cotton cloth (Million yds.) ..	851	851	—	—	836	836	—	—

*Production may be lower than this due to damage caused by the recent floods. The gap may be met by imports.

**Including Desi Ghee.

MANPOWER AND EMPLOYMENT

Pakistan has a very large population and labour force in relation to its physical capital, productive land and mineral resources. The prevalence of this situation, which may be called over-population, explains not only the low level of labour productivity and *per capita* income but also the fact that a large part of labour force is not fully utilized. It means that the same gross domestic product (GDP) could be produced with much less labour force without substantially increasing the amount of capital or changing the production techniques.

Problems

2. Most of the surplus is invisible and manifests itself in fragmentation of jobs and consequent low production per worker. The remaining visible part takes the form of underemployment rather than unemployment in the usual sense. It means that although the bulk of the labour force is somehow employed, the amount of work done is far below its capacity.

3. In contrast to this overall surplus of manpower, certain categories of skilled manpower are in short supply. Skilled manpower must not be identified with educated manpower. Skill in performing a certain occupation is something much more than education. Education and pre-service training can only provide a basis for further skill formation through formal or informal in-service training or simply through work practice. In fact, lack of properly skilled manpower exists simultaneously with surplus of almost all kinds of educated manpower. Unemployment among educated youth is an increasingly serious problem, not only among generalists but also to some extent among graduates in technology, engineering, agriculture and other areas of specialised education. The present distribution of labour force by level and area of education is shown in the table at *Annexure 1*.

Objectives

4. Broadly speaking, the objectives of manpower policy are to increase employment, reduce the growth of unemployment and underemployment, to increase labour productivity and to meet the present shortage and growing demand for skilled manpower. In other words, the aim is to balance supply and demand, overall as well as for specific categories of manpower. Moreover, the development of manpower resources will be viewed as investment in human capital ultimately aiming at faster economic growth. These objectives will be pursued in short term as well as medium and long term planning.

5. In the medium and especially long run, increase in employment and productivity depends largely on the amount of investment and its distribution among labour and capital intensive sectors on the one side, and the growth of population, skilled and unskilled labour force on the other. The key to progress is to obtain a favourable ratio between population growth and economic growth and to maintain a high saving ratio. The medium and long term strategy, which has been elaborated in the Fourth Five Year Plan 1970—75, is essentially a coordination of sectoral development programmes having a direct or indirect impact on the manpower and employment situation, such as the programmes for agriculture, industry, education and training, labour policy and services and family planning.

6. In the short run of an annual plan, increases in employment depend chiefly on the increases in production and its sectoral distribution. The short term strategy, therefore, aims at increasing utilization of the existing production capacity, e.g. through relaxation of import of raw materials and stimulating export of finished products rather than raw materials and half products.

Pattern of Future Employment Trend

7. The sectoral production targets of the annual plan for 1970-71 imply an increase in total employment of about 2.9% which is close to the estimated increase in labour force. Employment growth is estimated at 4.5% in non-agricultural sectors as against only 2.3% in agriculture inclusive of forestry and fishery. Among the non-agricultural sectors, the percentage growth of employment will be highest in electricity, gas and water services (7.5%) and construction (7.1%), followed by transport and communications (4.8%), services (4.4%), mining and manufacturing (4.3%) and commerce (4.3%). The numerical estimates are shown in the table at *Annexure 2*.

8. The structural change from agricultural to non-agricultural employment tends to reduce the relative amount of underemployment because the latter is more widespread in agriculture than in non-agricultural sectors. To further ease the problem of underemployment, the Works Programme will receive an increased

allocation of Rs. 352.7 million as against Rs. 210 million in 1969-70. The Works Programme is by far the most efficient short term measure for improving the employment situation, particularly in rural areas where seasonal underemployment prevails on a large scale during periods of slack agricultural activity.

9. The percentages of wholly unemployed, underemployed and wholly employed workers in the labour force are not expected to change noticeably during a period of only one year. This is because short term fluctuations in the volume of production are not likely to affect so much the number of workers as the number of working hours of each worker. This is typically so in agriculture which employs more than 90% of the underemployed. An estimate has been made in units of man-years which indicates that the percentage of wholly and partially unemployed, *i.e.*, non-utilized, labour force will decline from 17.7 in 1969-70 to 16.8 in 1970-71. In absolute terms, unemployment will be reduced by 200 thousand man-years.

10. As stated earlier, one of the objectives of manpower policy is to meet the present shortage and growing demand for skilled manpower. The formation of skill, through education, pre-service training and in-service training is a long process and its strategy, therefore, belongs to the five-year and perspective plans. During an annual plan period, additional skill requirements must be met in other ways of adjustment. These include further utilisation of the present skilled labour force, reduction of the "brain drain", partial dependence on foreign technical assistance and attracting the key categories of Pakistanis employed or studying abroad. It is believed that some adjustment of this nature will come about automatically as employment opportunities increase. But special measures should also be considered, including a more flexible policy of wages and incentives.

11. Although most employees are working in the private sector, government and semi-government institutions employ very high shares of various categories of educated and trained labour. Often the wages and other conditions of work set in the public sector are strong guidelines for the private sector. Thus, for higher skill categories, the market mechanism does not work properly and the government has responsibility to make sure that there is reasonable correspondence between development needs and the structure of wages and other incentives. Consideration should be given to this aspect of the employment policy, allowing both for appropriate long term structures of pay scales and within this framework, for flexible adjustment of incentives to meet the current market situation.

Manpower Planning

12. A major problem faced by the country has been that of removing the existing deficiencies in manpower planning and evolving an effective approach to this vital aspect of development planning. The Second and Third Plans recognized the deficiencies in manpower planning and proposed several administrative steps for their solution, which included the establishment of a high level inter-ministerial National Manpower Council. The Council which was set up in 1962, has, however, not been able to function effectively. The existing organisational arrangements continue to be very inadequate to deal with the tasks and functions of manpower planning in an effective manner. There is still wide dispersal of efforts and energies in the field of manpower planning and development and much of the efforts lack a sense of direction and purpose. The statistical base for manpower planning is poor. Existing arrangements for periodical review and assessment of the manpower situation or follow up programmes in terms of Plan objectives and targets are also inadequate. It is timely that the existing set up of the manpower planning work should receive a thorough and critical appraisal. New arrangements are required to be made, which should be based on a proper appreciation of the functions and short comings of the existing set-up and direct involvement of the Provincial Governments with manpower planning activities.

LABOUR FORCE BY COMPLETED LEVEL AND AREA OF EDUCATION, 1970

(In thousand persons)

Level and area of education										
Labour force, total	42,268.0
Below first level	34,517.3
First level ¹	6,024.9
Second level ²	1,405.3
Third level ³	320.5
Arts and Science	214.5
Education	27.1
Law	18.0
Commerce	31.4
Engineering	11.6
Medicine	9.3
Agriculture	6.7
Others	1.9

1Completed grades 5, 6, 7, 8, or 9.

2Matriculates and Intermediates.

3Degree holders.

LABOUR FORCE, EMPLOYMENT AND UNEMPLOYMENT BY SECTOR OF ECONOMY

	1969-70	1970-71	Change in 1970-71 over 1969-70
	(In thousand persons)		
Labour force, total	42,268	43,503	+ 1,235
Agriculture, etc.	30,162	30,847	+ 685
Other sectors	12,106	12,656	+ 550
Employed including underemployed, total	41,796	43,010	+ 1,214
Agriculture, etc.	30,092	30,774	+ 682
Mining and manufacturing	3,884	4,050	+ 166
Construction	675	723	+ 48
Electricity, gas and water services	67	72	+ 5
Commerce	2,274	2,371	+ 97
Transport and communication	857	898	+ 41
Services	3,947	4,122	+ 175
Wholly unemployed, total	472	493	+ 21
Agriculture, etc.	70	73	+ 3
Other sectors	402	420	+ 18
	(In million man-years)		
Labour force	42.3	43.5	+ 1.2
Employment	34.8	36.2	+ 1.4
Unemployment, whole and partial	7.5	7.3	- 0.2

CHAPTER 6
PROVINCIAL PROGRAMMES

1. EAST PAKISTAN

1. The Annual Plan for East Pakistan, 1970-71 envisages the attainment of a high growth rate in keeping with the objectives of the Fourth Plan. The gross regional product is expected to grow at the rate of 7 per cent as against the realised growth rate of 5 per cent in 1969-70. If this is realised it will permit an improvement in the level of consumption together with higher domestic savings. The projected growth rate is sought to be achieved through higher investment, increased production in agriculture protection from flood damage and utilization of capacity in the manufacturing sector.

Investment Programme for 1970-71

2. In the Annual Development Programme, the allocation for East Pakistan is Rs. 3,850 million and for West Pakistan Rs. 2,850 million. It is proposed to allocate Rs. 300 million for flood control in East Pakistan and Rs. 700 million for Indus Basin (Tarbela Dam) outside A.D.P. Thus, the total programme would be of Rs. 4,150 million in East Pakistan and 3,550 million in West Pakistan. This would mean an acceleration over 1969-70 by 48% in East, 5% in West Pakistan and 24% on the total A.D.P.

3. The major objectives of the Annual Plan is to redistribute development spending. The allocation for West Pakistan provides an increase of only Rs. 150 million, whereas 90% of the total increase in the size of the development programme, Rs. 1,350 million, has been earmarked for East Pakistan on a gross basis. As already mentioned this increase is more than the total increase in public sector development outlay in East Pakistan during Five years ending with 1969-70.

4. The gross Development Programme for East Pakistan has been fixed at Rs. 3,850 million of which the Central expenditure allocable to East Pakistan will come to Rs. 400 million. The net programme as presented by Ministry of Finance in the budget for 1970-71 will, however, be less due to overall gap in the resources for the ADP 1970-71. The net Provincial programme in the public sector will be of the order of Rs. 3,120 million, the net Central expenditure allocable to East Pakistan being of Rs. 358.7 million. The estimated private sector expenditure will be of the order of Rs. 1,500 million and expected outlay on flood control will be Rs. 300 million. The total development expenditure in East Pakistan for 1970-71 is estimated to be Rs. 5,280 million, which if realized will mean acceleration of 24 per cent in a single year.

Provincial Programme in the Public Sector

5. As against a net programme of Rs. 3,120 million, Government of East Pakistan has fixed a gross size of ADP at Rs. 3,670 million to allow operational flexibility in the implementation of the programme.

The inter-sectoral priorities in the gross allocation of the Annual Development Programme of the Government of East Pakistan are shown in the table below :—

TABLE 1
Sectoral allocations ADP 1969 and 1970-71

S. No.	Sector	(Rs. in million)			
		Allocation	1969-70 (Revised) Percentage	Allocation	1970-71 (Gross ADP) Percentage
1	2	3	4	5	6
1.	Food and Agriculture	449.1	17.6	737	20.1
2.	Water	280.6	11.0	270	7.4*
3.	Power	495.0	19.3	660	18.0
4.	Industries, Fuel and Minerals	352.7**	13.6	420	11.4
5.	Transport and Communications	282.6	11.0	465	12.7
6.	Physical Planning and Housing	142.9	5.6	192	5.2
7.	Education and Training	233.5	9.1	405	11.0
8.	Health	116.6	4.5	224	6.1
9.	Social Welfare	11.5	0.5	6	0.2
10.	Manpower and Employment	6.8	0.3	11	0.3
11.	Works Programme and Integrated Rural Development	191.1	7.5	280	7.6
Total		2562.4	100.0	3670	100.0

*The drop compared with 1969-70 is due to exclusion of flood control schemes from the ADP.

**Includes Rs. 5 million as contribution to Equity Participation Fund.

6. Highest priority has been given to the agriculture sector. Agriculture including the Works Programme and Water Management accounts for 35.1 per cent of the allocation. If we add Plan expenditure of flood control, the percentage will go even higher.

7. The directly productive sectors account for 32.8 percent of the total allocation. The ADP for 1970-71 for East Pakistan provides greater emphasis on infrastructure since the absence of adequate basic facilities inhibited growth during the Third Plan period.

SECTORAL PROGRAMMES AND POLICIES

Agriculture and Rural Development

8. The important output targets in the agricultural programme of 1970-71 is given in the table below :—

TABLE 2
Important output Targets in Agriculture

Crops	Benchmark (1969-70)	Target (1970-71)	Growth
1. Rice (million tons)	11.71	12.40	6.0
2. Jute (million bales)	7.02	7.25	3.0
3. Sugarcane (million tons)	7.48	8.27	10.6
4. Tea (million lbs.)	67.00	71.00	6.0
5. Potato (million tons)	0.85	0.90	5.9
6. Tobacco (million lbs.)	0.85	—	—
7. Oil Seeds (million tons)	0.21	0.23	9.5

9. The main source of agricultural growth will be the expected increase in the production of rice particularly in 'Aman' with the break-through in IRRI-20 variety of seed. An accelerated rice production programme is already under execution. The additional rice output will result mainly from introduction of high yielding rice varieties intensive and extensive use of fertilizer, provision of water and adequate plant protection measures. An input distribution programme for 1970-71 is given in annexure-I.

10. An additional feature of agricultural development programme is Integrated Rural Development Programme consisting of three specific components, (1) Rural Works Programme, (2) The Thana Irrigation Programme and (3) a two-tier Co-operative Programme. This programme has three primary objectives:

- To create physical facilities necessary for a productive rural economy through the mobilisation of under employed human resources. This will be accomplished through wide spread labour intensive projects to develop farm to market roads, drainage irrigation and flood control works and water management facilities.
- To organise farmers into viable units so that they can take advantage of modern agricultural technology. Under the Thana Irrigation Programme, the farmers will be grouped into viable units for joint farming. The farmers are thus responsible through their groups to pay for the services of water at a subsidised rate, the subsidy being progressively reduced. With irrigation, additional demand for agricultural labour will also be created.
- To create in the rural areas farming units of an economically viable size with the aim of cooperative sharing of agricultural inputs and economic functions. Under the programme a two-tier system of cooperatives with village agricultural cooperative supplied and serviced by Thana level central cooperative association will be established. The programme will concentrate on establishing a system of agricultural credit and savings. Subsequently, the village and Thana associations will take up storage, marketing and processing operations. Thus, through this programme, beside channelling institutional credit for small farmers and linking of credit with marketing, agricultural processing industries such as rice mills, cold storage etc. will be established and managed to the maximum extent possible by agricultural cooperatives.

11. This programme will ensure expansion of institutional credit to agriculture and supply of agricultural inputs under a package programme. Further, the existing rate of subsidy on agricultural inputs will be continued and incentives to the cultivators, particularly of jute, will be extended through price support policy.

12. Success of the food production programme, however, requires increased measures for flood protection. For 1970-71, a programme of Rs. 300 million is envisaged for Flood Control. It is expected that an attainable flood protection programme will commence in the first year of the Fourth Plan with the support of World Bank.

13. The programme as out-lined above is expected to result in a sectoral growth rate of 5.3 per cent in agriculture :

TABLE 3
Growth of Agriculture Sector

	G. R. P.		Growth rate
	1969-70	1970-71	
Agriculture	1234.4	1299.8	5.3

Industry

14. The public sector expenditure in industry will concentrate on utilisation of existing capacity and initiation of new projects like Petro-chemical Complex, the General Electric Manufacturing Plant etc. The expansion of Steel Mill has already been completed while the execution of projects like Machine Tool Factory etc. will be accelerated. Other important projects in the public sector relate to the production of cement and paper pulp and agricultural machinaries and equipment.

15. For ensuring adequate supply of raw materials and spares, larger commodity aid is being sought for, where strategic raw materials are not available under AID/Barter, cash foreign exchange may be made available.

16. In the private sector new fiscal and monetary measures including corporate tax credit, differentiated import duties on machinaries, spares and raw materials, differential excise duties, extended terms of financing, cheaper institutional credits etc. are being undertaken to encourage private investment.

17. Some important growth targets for industries sector are indicated below :

TABLE 4
Major Industrial Targets for 1970-71

	Output in 1969-70	Output in 1970-71	Growth rate %
1. Sugar (000 tons)	90	122	25.0
2. Cement (000 tons)	72	135	87.5
3. Fertilizer (000 tons)	95	322	238.9
4. Paper and News Print (000 tons)	83	90	8.4
5. Jute Textile (000 tons)	620	710	14.5
6. Steel (000 tons)	55	150	172.7
7. Cotton Textiles (yarn /million lbs.)	108	118	10.0

It is expected that the rates of growth of GRP in the industrial sector will be 15 per cent.

Power

18. In the Power Sector emphasis has been placed on distribution to restore the balance between generation and distribution so that the present exorbitant power rate can be adjusted. A major Central programme in the power sector is the Rooppur Nuclear Plan, while work on East-West Inter-connector will be taken up under the Provincial programme for meeting the power needs of areas west of Jumna.

19. A general problem in the public sector programme in power and industry as well as in the development of water resources is the rupee debt burden. Exercises are being undertaken for rescheduling and scaling down of outstanding debts.

Other Sectors

20. With a sectoral growth rate of 5.3 per cent it is expected that growth in other sectors will stand at 7.6 per cent. Faster growth of the other sectors is expected to originate from construction and trade following the execution of flood control programme and large imports envisaged in the Plan.

Growth prospect for 1970-71

21. Thus with sectoral growth rates of 5.3% in Agriculture, 15.0% in Industry and 7.6% in other sectors, the G.R.P. is expected to grow at the rate of 7.0% in 1970-71.

TABLE 5
Growth rate in East Pakistan

Sector	G. R. P.		Growth rate
	1969-70	1970-71	
	(Rs. in million)		
Agriculture	12344	12998	53
Industry	2003	2303	150
Other	7970	8578	76
Total	2231.7	2387.9	7.0

Private Sector

22. The 1970-71 target for private investment of Rs. 1500 million are much above the preliminary estimated private investment of Rs. 1200 million in 1969-70. Fiscal and monetary policies for supporting the investment programme have been initiated. On the fiscal side, existing inducements have been strengthened and new ones introduced, such as the extension of tax holiday, tax credit to corporations for reinvestment, differential tariffs for import of machineries and essential raw materials into East Pakistan, differential excise and sales tax etc. In the monetary field, credit facilities are being expanded.

Institutional credit availability is expected to be of the order of Rs. 411 million as against Rs. 34.8 million in 1969-70. The shortage of matching equity capital has been one of the basic problems of private investment in East Pakistan. The Equity Participation Fund, set up in 1969-70 has been strengthened, first, by making participation in the Fund eligible for tax credit and second, by according rediscounting facility to the Fund. Besides, Commercial Banks will also play a crucial role in providing not only working capital but also long term financing to the private sector. For this capital refinancing scheme of the State Bank is being liberalised. Another important step envisaged, is to set up a consortium of financial institutions including insurance houses for pioneering private ventures.

Financing of the ADP 1970-71

23. The net size of ADP, Rs. 3,120 million excluding the annual allocation for flood control is to be financed as follows :

TABLE 6
Financing of ADP, 1970-71

	Rs. in million)	
	1969-70 (Revised)	1970-71 (Budget)
1. Domestic Resources :		
(a) Provincial Government	143	200
(b) Central Government*		
(i) Grant	186	138
(ii) Loan	1755	2132
	2084	2470
2. Project Aid :		
(i) Grant	10	27
(ii) Loan	468	627
	Total (net)	
Expected operational shortfall in Development Expenditure	2562	3124
		546
	Total Gross	
	2562	3670

*Central Government development assistance includes rupee resources generated under PL-480 and commodity aid.

24. Since the revenue surplus will be almost nil, the Provincial Government's contribution will consist of net capital receipt to the extent of Rs. 197.7 million. The share of project aid has increased from 18 per cent in 1969-70 to 21 per cent in 1970-71. The absorption of commodity aid and PL-480 import needs to be raised to utilise the increased project aid.

25. The foreign private investment and foreign aid for private sector through IDBP and PICIC is estimated to be of Rs. 200 million. The residual, Rs. 1300 million, is to be financed by bank credit of Rs. 500 million, specialised institutions credit of Rs. 250 million and private saving and retained earnings of Rs. 550 million.

Import Requirements

26. The import requirements for current operations of agriculture and manufacturing sectors, consumption targets, and the investment programme have been worked out after taking into consideration domestic production and stock adjustments. The table below gives major import targets for 1970-71 :

TABLE 7
Major Import Requirements for 1970-71

Commodity	(Rs. in million)	
	Quantity	Value
1. Foodgrains :		
(a) Wheat (lakh tons)	12.00	360
(b) Rice (lakh tons)	6.00	300
2. Agricultural Inputs :		
(a) Fertilizer (lakh tons)	3.81	170
(b) Pesticides (lakh tons)	0.15	131
(c) Pump engine (units)	5000	5
3. Industrial Raw materials and spares	—	1150
4. Fuel :		
(a) Coal (lakh tons)	10.00	120
(b) Crude Petroleum (lakh tons)	15.00	96
5. Investment Inputs :		
(a) Cement (lakh tons)	6.75	81
(b) Construction Steel (lakh tons)	—	490
(c) Machinery	—	851
(d) Transport Equipment	—	202

Consumption Plan

27. A comprehensive consumption plan has been worked out for essential items like foodgrain, milk, meat, fruits, fats and oil, vegetables, pulses, sugar, tea and cotton textiles, which account for 70—80 per cent of the expenditure of a representative household. The balance between supply and demand is to be met by an effective import programme. The supply requirements, production and import targets of the major consumption goods are indicated in the following table :

TABLE 8
Consumption Plan and Supply for 1970-71*

	Consumption Target	Production Target	Import Target
1. Rice } (million tons)	12.5	12.4	1.8
2. Wheat }			
3. Fats and oils (000 tons)	168.0	55.0	113.0
4. Sugar (lakh tons)	2.5	1.2	1.3
5. Tea (million lbs.)	16.8	70.0	—
6. Cotton Textiles (million yards)	640.0	440.0	260.0

*Production targets are gross including seed and wastages ; import targets provide for stock adjustment.

PROVINCES OF WEST PAKISTAN

The Annual Plan for 1970-71 has set a growth rate target of 5.5 per cent for West Pakistan. This growth target reflects the strategy of allowing only a marginal increase in investment. During the year, the main endeavour will be to consolidate and capitalize upon breakthrough in wheat and rice, reinforce agricultural potential by extending subsidized inputs and price incentives to cotton and edible oils and ensure utilization of existing industrial capacity with particular emphasis on engineering industries.

The size and structure of the public sector programme envisaged for 1970-71 reflects the Fourth Plan's regional and social objectives. The size of the Programme for the whole country has been fixed at Rs. 7,700 million (including Tarbela and Flood Control); an increase of 24 per cent over the estimated expenditure of Rs. 6,200 million in 1969-70. Out of this allocation Rs. 4,150 million have been allocated to East Pakistan and Rs. 3,550 million to West Pakistan. The allocation for West Pakistan provides for an increase of Rs. 150 million or 5 per cent over the year 1969-70 as compared to an increase of Rs. 1,350 million or 48 per cent in case of East Pakistan for accelerating pace of development in that wing.

Of the total allocation of Rs. 3,550 million for the Western Wing, Rs. 700 million have been earmarked for Tarbela and Rs. 500 million for the Central Programmes to be executed in West Pakistan leaving a balance of Rs. 2,350 million. Of this, the autonomous bodies like P.W.R., WAPDA, ADC, PIDC, etc. take up Rs. 1,226.4 million. The four new Provinces are thus left with Rs. 1,122.6 million only against which a gross programme of Rs. 1,147.6 million has been drawn up anticipating an operational shortfall of Rs. 24.0 million. The break-up of the programme for 1970-71 between the four Provinces and the autonomous bodies is as follows:—

TABLE 1

ADP—1970-71 allocation to West Pakistan Provinces

Name of the Province/Agency	(Million Rs)
A. Provinces:	
1. The Punjab	618.4
2. Sind	270.3
3. N. W. F. P.	179.0
4. Baluchistan	79.9
Total (Provinces)	1,147.6

TABLE 2

ADP—1970-71 allocations to West Pakistan Autonomons Bodies

B. Autonomous Bodies:	
1. P. W. R.	275.0 (un-allocable)
2. WPIDC	78.1
3. WAPDA	674.4
(i) Water	220.9
(ii) Power	453.5 (un-allocable)
4. WPADC	170.6
5. WPSIC	15.0
6. A.C. (G.O.W.P).	13.2
Total (Autonomous Bodies)	1,226.3
GRAND TOTAL (GROSS)	2,373.9

Out of the total allocation of Rs. 1,226.4 million for the autonomous bodies, Rs. 728.5 million is un-allocable between provinces (Rs. 453.5 million for Power and Rs. 275.0 million for PWR). The remaining amount of Rs. 497.8 million can, however, be notionally allocated province-wise as shown below:—

TABLE 3

Notional distribution of Autonomous Bodies ADP among Provinces

										(Million rupees)	
The Punjab	250.8
Sind	181.0
NWFP	55.2
Baluchistan	10.8
Total										..	497.8

Thus, taking into account the Provincial Governments Annual Development Programmes and the allocable annual development programmes of the autonomous bodies, the province-wise position totals up to Rs. 1645.4 million which has been distributed to the four Provinces in the ratio of 52.9 per cent for the Punjab, 27.4 per cent for Sind, 14.2 per cent for NWFP and 5.5 per cent for Baluchistan. These allocations are summarized in the following table:

TABLE 4

A.D.P.—1970-71 allocation to various Provinces

										(Rs. in million)		
Name of the Province					Provincial ADP	Autono- mous Bo- dies	Total 2 & 3	Percent- age share Total ADP	Popula- tion por- tion (1961 Census)			
1					2	3	4	5	6			
1.	The Punjab	..	..	..	..	618.4	250.8	869.6	52.9	62.3		
2.	Sind	..	..	..	..	270.3	181.0	451.3	27.4	20.4		
3.	NWFP	..	..	..	..	179.0	55.2	234.2	14.2	14.0		
4.	Baluchistan	..	..	..	..	79.9	10.8	90.7	5.5	3.3		
					1147.6	497.8	1645.4	100.0	100.0			

These allocations attempt to take into account the share of population of each province, its present stage of under development and its expenditure on development during the year 1969-70. An effort has been made to provide for the most rapid acceleration in development expenditure in NWFP and Baluchistan.

Of the four new provinces only the Punjab gets less than its proportionate share on the basis of population. This has been inevitable in an effort to provide a sharper edge in favour of NWFP and Baluchistan without letting Sind decelerate. However, Punjab Programme for 1970-71 provides for an acceleration of about 9 per cent over 1969-70. In case of Sind the acceleration is 5 per cent while NWFP and Baluchistan will have an acceleration of about 37 per cent and 14 per cent respectively. In this way an attempt has been made to meet the special requirements of relatively backward areas of West Pakistan.

In distributing the funds among the new provinces and in formulating their development programmes, care has been taken to emphasize the social sectors as far as possible. This is in line with the declared objectives and strategy of the Fourth Five Year Plan which aims at striking a viable synthesis between economic dynamic and social justice. The essential ongoing and aided projects have been protected. The continuing importance of agriculture has been recognized by providing adequately for key inputs such as fertilizers and plant protection materials.

The Sector-wise composition of the programme in respect of the four new provinces and autonomous bodies is given in the following table:—

TABLE 5
Sectoral allocations in Provinces 1970-71

					(Rs. in millions)				
					Punjab	Sind	NWFP	Baluchistan	Total
A. Provincial Programmes:									
1.	Agriculture	..	..	..	83.6	34.4	13.0	9.0	140.0
2.	Water	..	..	..	37.5	33.0	6.3	10.3	87.1
3.	Power	..	..	..	—	—	—	—	—
4.	Industry	..	..	..	—	—	—	—	—
5.	Fuels and Minerals	..	..	..	5.7	2.1	0.5	—	8.3
6.	Transport and Communications	..	..	..	140.5	34.0	10.1	14.7	199.3
7.	Physical Planning and Housing	..	..	..	90.8	71.2	3.2	10.7	175.9
8.	Education and Training	..	..	..	143.9	55.6	26.1	7.3	232.9
9.	Health	..	..	..	..	..	..	..	..
10.	Family Planning	..	..	..	83.6	26.8	31.9	4.7	147.0
11.	Social Welfare	..	..	..	..	..	..	..	..
12.	Manpower	..	..	..	7.8	3.2	0.6	1.0	12.6
13.	Works Programme	..	..	..	25.0	10.0	18.1	5.1	58.2
14.	Frontier Regions	..	..	..	—	—	9.2	—	9.2
15.	Block Allocation	..	..	..	—	—	60.0	17.1	77.1
					618.4	270.3	179.0	79.9	1147.6
B. Autonomous Bodies :									
1.	WAPDA (Water)	..	..	..	126.7	70.1	22.0	2.1	220.9
2.	WPADC	..	..	..	81.4	67.7	12.2	0.3	170.6
3.	WPIDC	..	..	..	29.0	24.0	18.2	6.9	78.1
4.	WPSIC	..	..	..	6.9	3.7	2.9	1.5	15.0
5.	A. C. (G. O. W. P.)	..	..	..	6.8	6.4	—	—	13.2
Total (Aut. Bodies) ..					250.8	180.9	55.3	10.8	497.8
Total A & B ..					869.2	451.2	234.3	90.7	1645.4

TABLE 6

Total outlay in West Pakistan 1970-71

(In million Rs.)

Agency	Allocation
1. Provincial Governments	1645.4
2. P. W. R. (un-allocable)	275.0
3. Power (un-allocable)	453.5
4. Total Provincial and Autonomous bodies	2373.9
5. Shortfall	23.9
6. Net A.D.P.	2350.0
7. Tarbela (Out-side A.D.P.)	700.0
8. Central Programme	500.0
9. Total outlay in West Pakistan	3550.0

AGRICULTURE

The main feature of the Public Sector programme will be consolidation of the agricultural gains achieved during the Third Plan period. The allocation for agriculture in West Pakistan is Rs. 265.5 million or 15 per cent of the total programme—Punjab getting Rs. 161.8 million, Sind Rs. 70.4 million, NWFP Rs. 24.0 million and Baluchistan Rs. 9.3 million. The allocation for agriculture and allied sectors (Water, Power, Rural Development etc.), during the Plan year 1970-71 works out to be 39.6 per cent of the total Programme in West Pakistan.

Of the total allocation of Rs. 265.5 million, Rs. 140.0 million will be spent by the provincial agricultural departments and the balance of Rs. 125.5 million by the Agricultural Development Corporation.

The major element in the strategy for agricultural growth in 1970-71 will be extension of cultivation through additional irrigation facilities and stepping up the programme of distribution of major inputs and services—distribution of fertilizers, improved seeds and pesticides etc.

The major output targets in agriculture are indicated below:—

TABLE 7
Major crop targets in West Pakistan

Item	Units	1969-70 Actual estimates	1970-71 Targets
1. Wheat	'000' tons	7,000	7,500
2. Rice	'000' tons	2,370	2,500
3. Cotton	'000' bales	3,015	3,300
4. Sugarcane	'000' tons	23,100	23,800

In Punjab the allocation for agriculture is Rs. 161.8 million: Rs. 83.6 million for Departments and Rs. 78.2 million for the Agricultural Development Corporation. The main expenditure will be on procurement of pesticides and spraying equipment, mechanization schemes, agricultural research and agriculture extension work. The provision for mechanization schemes is for maintenance and operation of 526 bulldozers, 196 hand power plants, 93 tractors and 10 power rigs. This equipment will be used during 1970-71 for reclamation of 1400 acres of land and for bringing 200 acres under contour ploughing and 8900 acres under range improvement schemes.

Provision has also been made for consolidation works in respect of land holdings in as many as 19 districts of the Punjab. Under cooperatives, the main emphasis will be on the establishment of cooperative consumers societies and reconstruction of rural credit etc.

In Sind, the allocation for agriculture is Rs. 70.4 million—Rs. 34.4 million for the department and Rs. 36.0 million for the ADC.

During 1970-71, the development outlay on agriculture in Sind is expected to lead to installation of 500 tubewells and levelling of about 800 acres of land. Besides, agriculture production will be further encouraged through distribution of better seeds and protection against plant disease and other pests.

For N. W. F. P., the allocation for agriculture is Rs. 24.0 million—13.0 million for departments and Rs. 11.0 million for the A.D.C. The main expenditure will be on agriculture research, procurement of pesticides and spraying equipment etc. In the forestry sub-sector provision has been made for the development of Pakistan Forest Institute, Peshawar and the Aerial forest Inventory and Land use survey in the Northern Regions.

In Baluchistan, the allocation for the development of agriculture is Rs. 9.3 million—Rs. 9.0 million for the departments and Rs. 0.3 million for the A.D.C. The main expenditure will be on mechanisation, agriculture research, procurement of pesticides and seed Multiplication and distribution. It is expected that the expenditure under mechanization will lead to installation of 100 tubewells and construction of 15 surface wells. A relatively high allocation of Rs. 31.3 lacs has been made for foodgrains storage because of the need for construction of adequate storage facilities for foodstocks especially the wheat.

WATER

The Annual Development Programme 1970-71 provides a sum of Rs. 345.0 million for the development of Water Resources in West Pakistan. The agency-wise break-up is as under:—

								Rs. in Million
WAPDA	..	..	..	..	..	..	..	220.9
ADC	..	..	..	..	..	..	..	37.0
Departments	..	..	..	..	..	..	..	87.1
								345.0
The Province-wise break-up of this allocation is indicated below:								Rs. in million
Punjab	..	..	..	..	..	..	..	167.4
Sind	..	..	..	..	..	..	..	135.8
NWFP	..	..	..	..	..	..	..	29.4
Baluchistan	..	..	..	..	..	..	..	12.4
								345.0

The programme under this sector is aimed at (a) provision of better and additional irrigation facilities (b) drainage and reclamation of lands affected by salinity and water logging and (c) protection of lands and property through flood control schemes.

The province of the Punjab has been allocated Rs. 167.4 million—Rs. 37.5 million to be spent by the provincial Government and the remaining Rs. 129.9 million by the autonomous bodies *i.e.* WAPDA and ADC. Under the Provincial Programme, the allocation of Rs. 37.5 million includes Rs. 30.5 million for 70 on going schemes and Rs. 7.0 million for 21 new schemes. Amongst the On-going Schemes priority has been given to the construction of head-work, and other works in Taunsa Barrage, construction of Satiana Sum-undry drainage system, drainage facilities in Ramnagar area and construction of the Chak Bandi, drainage system.

The Water programme of WAPDA allocable to the Punjab has been fixed at Rs. 126.7 million. The main expenditure will be on Drainage and Reclamation and includes Rs. 63.7 million for SCARP (Chaj Doab), Rs. 34.0 million for SCARP-III (Lower Thal) and Rs. 12.8 million for SCARP-IV (Uper Rechna). Amongst the new schemes provision of Rs. 2.5 million has been made for SCARP-VI (Bahawalpur) and Rs. 2.6 million for SCARP-V (Schorkot) in the Punjab.

In Sind, the allocation for water sector which is 12.21% of the Provincial Government's ADP is earmarked for 43 on-going schemes (Rs. 16.5 million) and 13 new schemes (Rs. 16.5 million). Considerable flexibility has been kept in the allocation for the new schemes by keeping a block provision of Rs. 13.1 million for various small irrigation schemes in the Thar and Kohistan Area. The autonomous bodies allocable programme in Sind amounts to Rs. 102.8 million for water sector. Of this WAPDA will spend as much as Rs. 70.1 million mainly on Karachi Irrigation Project (Rs. 15.3 million), SCARP-Khairpur (Rs. 4.4 million) and SCARP-Rohri North (Rs. 46.0 million).

2. In the Industry sector the major emphasis has been on the domestic production of capital equipment and intermediate goods, on projects that are in advanced stage of completion and on fuller utilization of installed capacity and balancing and modernization of existing plants.

3. In the field of Fuels and Minerals work will include projects like Swat China Clay and investigations of Minerals in N.W.F.P., development of Rock Salt Mines in the Punjab, Degari Coal Mines and Iron Ore mines in Chagai in Baluchistan and Survey and investigation for Minerals in the Province of Sind.

Under industry the Programme of the department's includes schemes like the Industrial Estate at Multan and the Research and Development Unit for Electrical and Metal Industry in the Punjab; Industrial Estate at Sukkur in Sind and Establishment of Industrial Estate at Peshawar in N.W.F.P.

The West Pakistan Industrial Development Corporation has been allocated Rs. 78.1 million for its development works in the four provinces. In the Punjab the main expenditure will be on the Heavy Mechanical Complex at Rawalpindi (Rs.22.5 million) the Heavy Electrical Complex, Taxila (Rs. 1.0 million) and the Central Foundry and forge, Taxila (Rs. 2.0 million).

In Sind the main expenditure will be on the Machine Tool Factory (Rs. 20.840 million) and the Management Development Programme (Rs. 2.0 million).

In N.W.F.P., the main expenditure will be on the forest Industry Complex (Rs. 10.90 million).

In Baluchistan a block provision of Rs. 2.0 million has been made for Survey and investigation.

The programme of Small Industry Corporation has been allocated Rs. 15.0 million which is spread thinly over 101 on-going schemes and 13 new schemes.

The allocation of Rs. 13.2 million for the Associated Cement Works is earmarked for the rehabilitation, modernization and balancing of Wah Cement Works and Extension of Rohri Cement Works in the Punjab and Sind respectively.

Some of the major output targets in Industry are indicated below :—

TABLE 9

Major Industrial targets in West Pakistan

Item	Unit	1969-70 Actual Estimates	1970-71 Targets
1. White Sugar	000 tons	600	660
2. Vegetable Ghee	000 tons	151	189
3. Cotton Yarn	000 tons	520	540
4. Writing, Printing and packing papers	000 tons	11	15
5. Cement	000 tons	3,200	3,600
6. Steel	000 tons	60	70
7. Chemical Fertilizers (Nutrient tons)	000 tons	140	160
8. Natural Gas	'000' million cft.	115	125
9. Coal	000 tons	1,300	1,700

Transport and Communications

The A.D.P. 1970-71 makes an allocation of Rs. 482.3 million for Transport and Communications in West Pakistan—Rs. 275.0 million for Pakistan Western Railways and Rs. 199.3 million for Road Programme of the departments and Rs. 8.0 million for A.D.C. Roads. The Railway Programme has been treated as un-allocable province-wise. The allocation for Roads, however, is allocable and distributed as under :—

									(Million Rupees)
Punjab	..	..	..	..	..	..	..	..	140.5
Sind	..	..	..	..	..	..	..	..	34.0
NWFP	..	..	..	..	..	..	..	..	10.1
Baluchistan	..	..	..	..	..	..	..	..	14.7
Total ..									199.3

The Road Programme included in the A.D.P. 1970-71 envisages the construction of 250 miles of High Type roads in West Pakistan in addition to the improvement of unmetalled (Kacha) roads and the construction of several bridges.

In the Province of the Punjab the programme provides Rs. 120 million for 78 on-going schemes, Rs. 19.0 million for 34 new schemes and Rs. 1.5 million for Tools and Plants. High priority has been given to the Sheikhpura-Sargodha Highway, the High Level Bridge over Chenab and the Lahore-Lyallpur Highway as these three projects are being financed partly through foreign loans. It is imperative that adequate rupee cover is given to aided projects in order to utilise foreign aid to the maximum.

In Sind the allocation is earmarked for 30 ongoing schemes (Rs. 25.1 million) and 10 new schemes (Rs. 7.6 million) and Tools and Plants (Rs. 1.3 million). Amongst the ongoing schemes, priority has been given to the aided projects mainly the Karachi-Hyderabad Super-Highway, the pilot Maintenance scheme and general consultants. Substantial provision has also been made for the Indus Highway Roads. Besides, a sum of Rs. 8.0 million will be spent by the A.D.C. on the construction of roads in G. M. Barrage (Rs. 4.5 million) and Guddu Barrage area (Rs. 3.5 million).

In N.W.F.P., the entire provision has been earmarked for 13 ongoing schemes, priority is being given to improvement and widening of the Peshawar Kohat Road, improvement and widening of road from Dhane-sar to Dera Ismail Khan and Construction of road from Giloti to Chashma.

In Baluchistan, the allocation for roads is about 18.4 per cent of the provincial Government's programme. This comparatively high allocation for this sector is because of the urgent need to develop the physical infrastructure facilities especially communications in this backward province. The entire allocation is for 11 ongoing schemes out of which the bulk is pre-empted by the R.C.D. Highway (Rs. 10.0 million).

RAILWAYS

An allocation of Rs. 275.0 million has been made for Railway in West Pakistan. The main emphasis has been placed on the completion of ongoing projects. Some of the important projects included in the programme are Kashmore-Dera Ghazi Khan Rail Link (Rs. 12.0 million); carriage factory at Islamabad (Rs. 42.0 million), Provision of mechanized Marshalling yard at Samasata (Rs. 1.5 million), and introduction of Electric Traction (Rs. 4.5 million). The programme for Rolling Stocks (Rs. 128.816 million) accounts for 46.8 per cent of the total allocation and Rehabilitation and improvement of track for 11.2%. To add to the rolling stock, 400 wagons will be procured during the year.

The allocation for signalling and line capacity works amounts to Rs. 13.540 million. Some other ongoing projects include Amruka-Wasawewala Rail Link; Islamabad Spur, Doubling of Track between Kotri and Hyderabad and Metre-gauge carriage and wagons repair shops at Hyderabad. Adequate provision has also been made for Rehabilitation and Expansion of workshops at various places.

PHYSICAL PLANNING AND HOUSING

The A.D.P. 1970-71 provides an allocation of Rs. 176.0 million for the development of Physical Planning and Housing Sector in West Pakistan—Rs. 90.8 million for Punjab, Rs. 71.2 million for Sind ; Rs. 3.2 million for N.W.F.P., and Rs. 10.7 million for Baluchistan and Rs. 0.1 million for A.D.C. to be spent in Sind.

The major programmes in this sector relate to low income housing, water supply, drainage and sewerage general housing, Government Offices and building and Government Servants Housing. Development of Urban Plots and extension of urban housing facilities for industrial and non-industrial low income groups are major component of the urban works programme. It is expected that about 10,000 urban residential plots will be developed during the year and 60 villages will be provided with the drinking water facilities. Four towns will be covered under urban Works Programme for augmenting water supply and sewerage facilities.

In the Punjab the important schemes are Katcha Multan Road schemes, Greater Lahore Water supply, sewerage and drainage scheme and Water supply, schemes at Gujranwala, Multan and Rawalpindi. A provision of Rs. 13.9 million has been earmarked for 17 low income and middle housing schemes in various parts of the Punjab.

In Sind the important schemes include the Greater Karachi Bulk Water supply schemes and the water supply and sewerage Renovation schemes of the Karachi Municipal Corporation. An allocation of Rs. 7.0 million has been made for low-income housing schemes. Among the on-going schemes priority has been given to drainage works at Hyderabad, Hyderabad Water Supply scheme and the Nawabshah water supply scheme.

The North West Frontier Province has been allocated Rs. 3.2 million. The main expenditure will be on Basic Development ; Urban Water supply schemes, Government Servants Housing and Government Offices and Buildings.

In Baluchistan necessary provision has been made for Gwadar Water Supply scheme and the Bagh Water Supply scheme. Adequate provision has been made for constructing necessary accommodation both office and residential for the new Provincial Government.

EDUCATION AND TRAINING

A provision of Rs. 232.9 million has been made for the development of Education and Training facilities in West Pakistan during the Plan Year 1970-71. The allocation for the Punjab Province is Rs. 143.9 million ; Sind Rs. 55.6 million ; N.W.F.P. Rs. 26.1 million and Baluchistan Rs. 7.3 million.

The percentage share of Education Sector in the respective Provincial Development Programmes is 23.27 per cent for Punjab ; 20.75% for Sind ; 14.56% for N.W.F.P. and 9.14% for Baluchistan. The relatively larger allocations for this Sector are reflective of the Governments declared policy for giving high priority to the needs of the Social Sectors.

In addition to allocations made in the A.D.P. adequate amounts have been provided for in the non-development budget for the Education Sector. The rise in the Wages and salary bill of the Education Sector as a result of revision of pay scales has been provided for in the non-developmental allocation for Education.

During the year 1970-71 number of primary schools in West Pakistan expected to increase by 2,940 ; Junior/Middle High Schools by 180 ; High Schools by 45 and vocational institutions by 5.

HEALTH AND FAMILY PLANNING

The Health and Family Planning Sector has been allocated Rs. 147 million in the A.D.P. 1970-71, the province-wise break-up of this allocation by major programmes is indicated in the following table :—

TABLE 10

Break-up of Health allocations among the Provinces

Programme	(Million Rs.)				
	Punjab	Sind	N.W.F.P.	Baluchistan	Total
1. Family Planning Programme ..	27.6	9.3	5.2	0.4	42.5
2. Malaria Eradication	23.6	3.8	12.2	1.0	40.6
3. General Health Services	32.4	13.7	14.5	3.3	63.9
Total ..	83.6	26.8	31.9	4.7	147.0

The Programme for 1970-71 envisages some shift in emphasis from Preventive to curative medicine effected through 1970-71 health programme as a policy measure. Major effort will therefore, be made to build tiers of curative health institutions from the village level to the district level. This, however, does not mean neglect of preventive measures as the Malaria Eradication, small pox eradication and B.C.G. vaccination programmes will continue.

During the year the number of doctors is expected to increase by 600 ; nurses by 400 ; hospital beds by 400 ; and Rural Health Centres/sub-centres by 338.

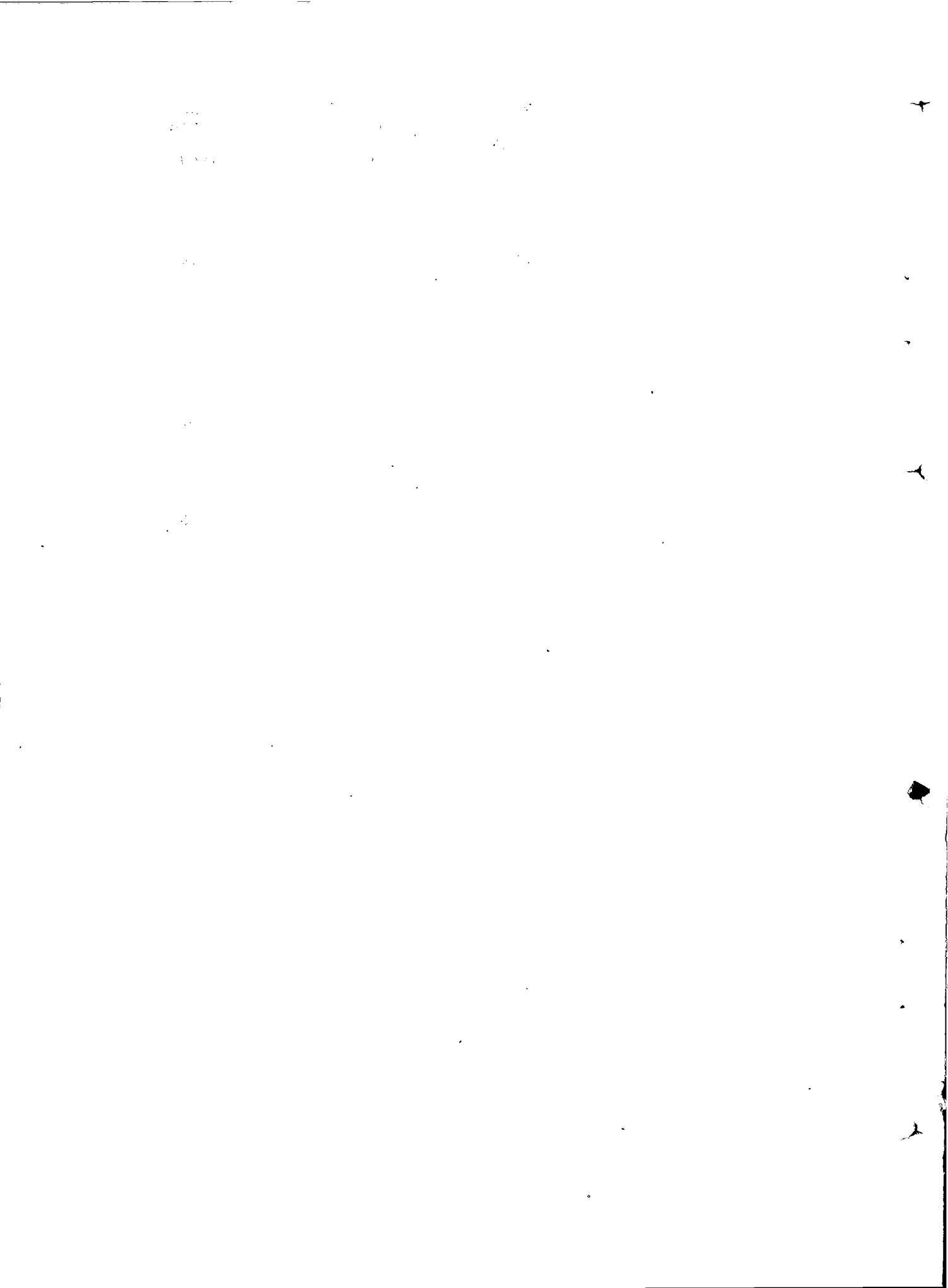
The main expenditure from the allocations for General Health will be on construction and establishment of 75 Rural Health Units in Sialkot, Gujranwala, Lyallpur and Sheikhpura districts of the Punjab ; 27 Rural Health Units in Nawabshah and Hyderabad districts of Sind ; 41 Rural Health Units in Bannu, D. I. Khan and Kohat Districts of N.W.F.P. Besides, improvement and or expansion of Medical Colleges/Hospitals in the four provinces will continue during the year. In Baluchistan bulk of the allocation will be spent on the Miss Fatima Jinnah Sanatorium, T.B. Sanatorium, Quetta and Sandeman Civil Hospital.

Works Programme

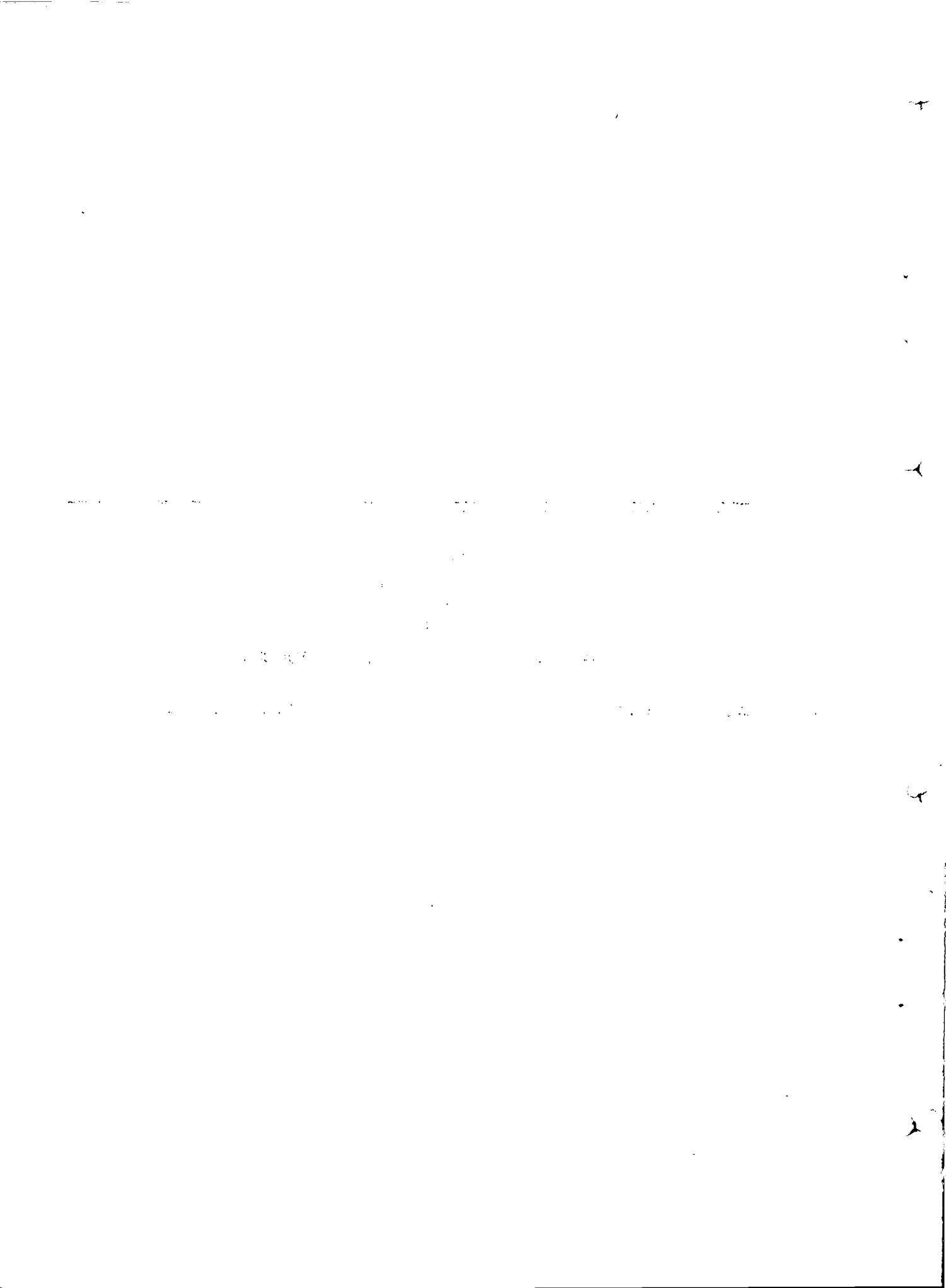
The development programme for 1970-71 makes an allocation of Rs. 58.2 million for undertaking Works Programme in West Pakistan Rs. 25.0 million in Punjab, Rs. 10.0 million in Sind, Rs. 18.1 million in N.W. F.P. and Rs. 5.1 million in Baluchistan.

The broad emphasis will continue for works resulting in increased agricultural production, construction of foodgrain storage godowns, rural water supply and rural roads etc.

Urban Works Programme will also be introduced into development Planning. It envisages slum clearance, improving water supply and other basic facilities and services needed in big towns. This would also create large employment opportunities and thus will be instrumental in removing general tension and discontent prevailing in our growing urban areas.



PART II
SOCIAL POLICIES
AND
DEVELOPMENT OF HUMAN RESOURCES



CHAPTER 7

POLICY FOR SOCIAL JUSTICE

In the early stages of development, Pakistan concentrated its development efforts largely on the productive sectors of the economy. Social Development got low priority and was squeezed drastically during the Third Plan period. The Fourth Plan aims, however, at redressing the past imbalances by attempting a better blend between social and economic objectives. This is sought to be achieved by four important set of measures and programmes.

Firstly, equitable distribution of economic benefits to various regions is the basic requisite of social justice. The Fourth Plan ensures a more equitable distribution of allocations to the less developed Provinces and Regions.

Secondly, the Fourth Plan aims at providing better social services like education, health and improvement of environmental condition in urban areas. For this purpose larger allocations have been proposed for social sectors in the Fourth Plan. The percentage of expenditure on social programmes was 21.1% during the Second and 20.3% during the Third Plan. This is to be raised to 27.4% of the total expenditure during the Fourth Plan. Universal free primary education is expected by 1980. The admission for higher education would be based strictly on merit through a competitive examination supported by a liberal system of scholarships. In order to ensure a more adequate provision of medical services, an attempt will be to have at least one medical officer and dispensary arranged in every Union Council. An Urban Works Programme is envisaged to be launched to improve the living conditions in major cities and in particular the transport system in the metropolitan areas.

The third major element is the equitable distribution of economic benefits between various sections of the society. Measures envisaged in the Plan towards this end include:—

- (a) Greater reliance on direct taxation in future fiscal policies. It is proposed to increase substantially the ratio of direct taxation in total tax revenues.
- (b) Review of all subsidies which are conferring windfall profits or unearned increments on various sectors of economy or various income groups.
- (c) Greater control on banking and insurance sector particularly on credit policy and the fixation of credit ceilings.
- (d) the formulation of a comprehensive income policy for fixation of minimum wages and salaries.
- (e) a much steeper taxation of luxury consumption. A limit may also be fixed on the construction of luxury houses by either limiting the size of the plot or by placing a ceiling on cost of construction.

Finally, in order to raise the general level of consumption of the people it is proposed to prepare a comprehensive consumption Plan to indicate the consumption targets of essential goods and services, particularly food items.

ANNUAL PLAN 1970-71

The Annual Plan for 1970-71 is designed to initiate a positive move towards the Social objectives and programmes referred to above. Some of the important steps which are visualised during the current year are discussed below:

Sectoral Programme

In the preparation of annual development plan for 1970-71, one of the basic criteria has been to give greater emphasis on social sectors, particularly the new education policy and the flood control, projects. Longer allocations have been provided for social sector programmes education, health, family planning and work programme. An urban works programme is being initiated for the first time to improve the conditions of low income communities. The programme envisages slum clearances, improving water supply and other basic facilities and services needed in big towns. This would also create larger employment opportunities and will be instrumental in removing the discontent prevailing in our growing urban areas.

Regional Development

The Annual Plan for 1970-71 proposes to increase development expenditure in East Pakistan by 48 per cent as against 5 per cent in West Pakistan. Even if there is some shortfall in the gross programme due to non-availability of resources, the acceleration in East Pakistan's development programme will be much faster than that in West Pakistan.

The Annual Plan also seeks to accelerate the pace of private investment in East Pakistan. To secure this acceleration a policy package designed to redress the regional imbalance in private investment activity has been formulated. The main elements of the policy packages are given below:—

- (i) Commercial banks, including National Bank of Pakistan, will be encouraged to hold shares in Equity Participation Fund and participate in equity investment in less development regions.
- (ii) Central Government and the State Bank of Pakistan shall formulate programmes, and assist in implementing these, for speedy development of capital market in East Pakistan including the Dacca Stock Exchange.
- (iii) The system of joint ventures between the EPIDC/EPIC and the private entrepreneurs will be extended with greater responsibility of management vesting in the private entrepreneurs who should be selected on business considerations.
- (iv) The existing arrangements between the large banks and the East Pakistan Small Industries Corporation will be improved and extended in order to effect full implementation of the proposal for the establishment of the Consortium of banks for aiding capital financing of the small industries in East Pakistan.
- (v) Soft credits from traditional sources will be allocated to the Small Industries Corporations.
- (vi) As far as possible the debt equity ratio for IDBP/PICIC loans should be 60:40 for projects in less developed areas and even 70:30 in case of special projects.
- (vii) Industries set up during the Fourth Five Year Plan and located in industrial estates established by Government in the 4-year tax holiday zones will be given further exemption for two more years in respect of 50% and 25% of the income respectively of the first and the second year of the extended period. This concession will also be available in similar circumstances in the comparable areas of West Pakistan which enjoy 5-year tax holiday.
- (viii) Equity Participation Fund will issue, as and when the need arises, interest free debentures redeemable after 8 years. Companies investing in these debentures will be given tax credit of 50% of their investment in these debentures. While this scheme will secure for the Equity Participation Fund the real benefit of interest free funds, it will also give the investor an average annual tax free return of 12-1/2 per cent. Companies investing in the fresh share capital of the Equity Participation Fund to be raised through public offers will also be eligible for the 50% tax credit.
- (ix) Preferential terms will be given to less developed regions by development bank both for rupee and external financing.

Income Distribution Policy

(a) Reliable indices about the distribution of income in the country are not available. However, scattered information that can be put together reveals that income distribution has become fairly skewed in the process of economic development. The fixation of minimum wage for unskilled workers during the final year of the Third Plan has improved the situation to some extent. For the Public Sector a Pay Commission has been set-up to examine the salary structure in Government and to offer recommendations for a more equitable pay structure. The pay of the teachers has already been raised to reduce the income differential between teaching and comparable vocations and to raise the quality of education. These increases along with an increase in the pay of the low paid police personnel should help to bring about some improvement in the present situation.

Taxation

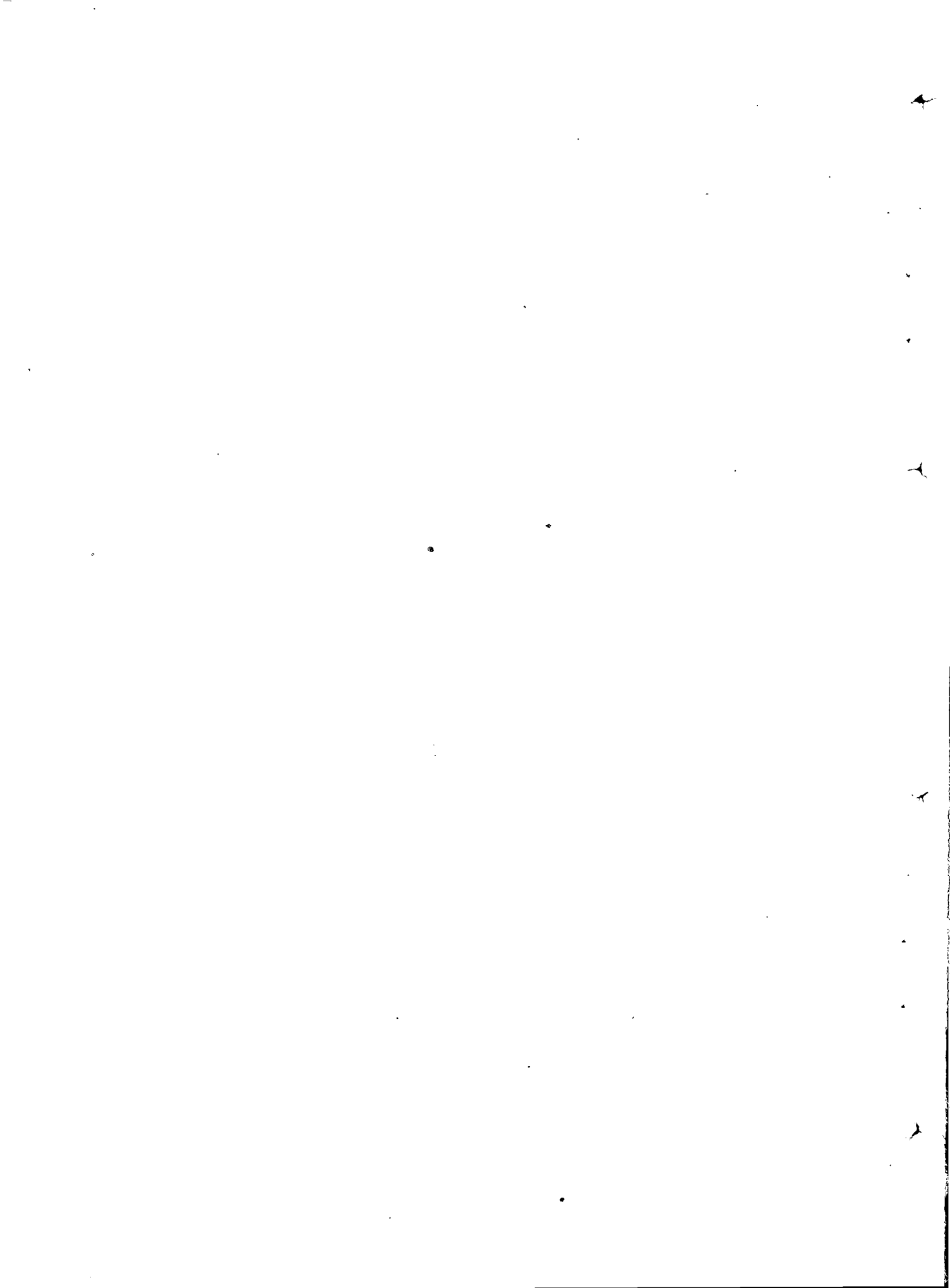
(b) (The existing tax system is not sufficiently elastic with respect to growth. Thus, a review of the taxation system is needed with the specific objective of making it more responsive to changes in income. Further, in the interest of social justice fiscal policy needs to be used to tax the rich and provide relief to the poor. This will imply greater reliance on direct taxation.) A Taxation Commission has been set up with a comprehensive terms of reference to suggest realistic possibilities of mobilizing additional resources in the Fourth Plan period, particularly in the field of direct taxation and to recommend concrete policy changes.

Monopoly Commission

(c) There has been a great deal of criticism in the country on the question of concentration of industrial income and wealth. A stage of development has reached when certain basic reforms should be introduced to contain the concentration of industrial income and wealth. The government is already committed to a policy of broadening the ownership of industries. Several steps have already been taken in this direction to encourage the public share floatation and broad basing ownership of industrial undertakings. An anti-monopoly legislation was promulgated in the final year of the Third Plan. A Monopoly Commission has now been instituted to remove and regulate monopolistic holdings and monopolistic practices resulting from cartels or straight monopolies.

Consumption Plan

Annual consumption planning is being introduced for the first time from this year's Annual Plan. As a first attempt it is fairly modest and requires many refinements and improvements in techniques. Consumption requirements have been worked out for 11 important articles of common demand on the basis of estimated consumption in 1969-70, growth in population and net *per capita* incomes relating to 'income-elasticities' of demand. The commodities covered are rice, wheat, pulses, meat, fish, vegetable, milk, fats and oils, white sugar, tea and cotton cloth. Consumption targets have been fixed for all these items separately for East and West Pakistan.



CHAPTER 8

EDUCATION AND TRAINING

During the decades of development the expansion of social services has been limited due to the constraints of resources and pressure of economic sectors for larger allocations of funds. Education being the largest social sector suffered considerably in the past. Determined efforts will be required in future to repair the damage already done to the nation's school system. Moreover, within the Education sector, there has been a serious imbalance in the distribution of resources as the tendency was to offer increasingly larger subsidies to higher education offering opportunities to the smallest number of households falling within the higher income group. This is against the basic principle of social justice. The result has been disastrous as the nation today has hardly a literary percentage of 18 only after 23 years of independence. The implementation of the Fourth Five Year Plan through Annual Development Programme is, therefore, of crucial importance.

2. The New Education Policy analysed the present deficiencies at the various level of education and suggested corrective measures. The Annual Development Plan 1970-71, has been drawn up in line with the national goals embodied in the New Education Policy. The future strategy in accordance with the New Education Policy will be to provide universal primary education by 1980, to make the education system more functional and to improve the quality of teachers in raising the standard of education. The New Education Policy envisages considerable improvement in the pay structure of all categories of teachers.

3. The Fourth Five Year Plan proposes a sum of Rs. 3,665 million as developmental expenditure for Education in the public sector. This represents about 7.5 per cent of the total public sector allocation in the Fourth Plan and over 2-1/2 times of the estimated expenditure incurred during the Third Plan.

4. Performance in the Education sector during the Third Plan in physical as well as financial terms has not been encouraging. There has been heavy shortfall in most of the sub-sectors of Education. Expansion of primary and technical education, two of the most important sub-sectors, were adversely affected. The estimated development expenditure of Rs. 1,328 million represents less than 60 per cent of the Plan allocation to Education Sector.

6. The A.D.P. for 1970-71 provides Rs. 675.9 million for the Education Sector as compared to Rs. 354.238 million in 1969-70. The break-down of this programme by executing agencies is given below.

(Million Rupees)

Name of the executing agency		Allocation
1. East Pakistan	.. .. .	404.7
2. Punjab	.. .. .	143.9
3. Sind	.. .. .	55.6
4. N.W.F.P.	.. .. .	27.3
5. Baluchistan	.. .. .	7.2
6. Centre	.. .. .	37.2
Total ..		675.9

The proposed Annual Development Programme for the year 1970-71, has earmarked the major share of available resources for on-going programmes. In allocating funds to on-going programmes, care has been taken not to continue work on such projects that are not in line with the New Education Policy. New programmes have been included in a sizeable degree only in East Pakistan where out of a total allocation of Rs. 404.7 million, Rs. 166.3 million has been earmarked.

Specific features of the Annual Development Programmes under the various executing agencies are briefly discussed in the following paragraphs.

East Pakistan

Out of a total provision of Rs. 404.7 million, a sum of Rs. 120.00 million has been allocated to teachers' salaries. The Annual Development Programme is intended to reflect the priorities and the programmes envisaged in the Fourth Plan. Very high priority has been assigned to the programme of consolidation and expansion of education at primary level, improvement of teaching of advanced science courses at the secondary level and introduction of science, technical and vocational subjects in secondary schools and establishment of a large number of Vocational Schools.

The existing programme at the polytechnic level will be reorganized and strengthened to provide courses at I.Sc. (Tech.) and B.Sc. (Tech.). Facilities for training of engineers will be reasonably expanded both at degree and post-graduate level. In higher education, emphasis will be on consolidation and expansion of facilities in teaching of science subjects both at college and university level. The universities will be encouraged to initiate research programmes in various disciplines. Provision of funds has also been made for award of increased number of scholarships in science, technical and professional subjects.

Development programmes for Punjab, Sind, N.W.F.P and Baluchistan

As a result of the emergence of four Provinces in the Western Region, their Annual Development Programmes have been prepared separately. Funds earmarked for educational development under the respective Provinces of West Pakistan have already been indicated. Most of the projects included in the Annual Development Programme for the year 1970-71 have been carried over from the Third to the Fourth Five Year Plan. These include expansion and consolidation of facilities at the primary level, expansion of education at middle and high stages by upgrading primary schools to middle schools, middle schools to high schools, opening new high schools and establishing comprehensive high schools. Adequate facilities have been included in the proposed programme to have a major shift from general education to technical and vocational education. Programmes of the polytechnics will also be reorganised. Unlike East Pakistan, the contemplated reorganisation is intended to convert the present three-year diploma training programme into a more intensive two-year I.Sc. (Tech.) programme. Funds have also been earmarked for carrying further programmes of providing requisite facilities to engineering colleges and Engineering Universities. The proposed development programmes at college and university level place higher emphasis on consolidation rather than expansion. Special Attention will be given to strengthen and expand facilities of teaching scientific subjects. Provision of funds has also been made for award of scholarships for studying both general and technical subjects.

Central Programmes

Funds earmarked under the programme of Ministry of Education cover the programmes of National Universities at Islamabad and in East Pakistan. Provision has been made for scholarships relating to overseas training under various programmes of Social and Cultural activities such as, National Archives and National Library at Islamabad, Central Library at Dacca, Training and Coaching Centres, Museum of Science and Technology at Dacca and Lahore, implementation of cultural pacts and development of Bengali, Urdu Languages and development of Archaeology and Museum. Funds have also been earmarked for continuing work on the project for the establishment of primary, secondary schools and colleges at Islamabad. During 1970-71, work will also be started on the establishment of two degree colleges and establishment of some new primary and secondary schools at Ayub Nagar.

The programme of scholarships for the children of non-gazetted employees will be continued under the Establishment Division. A sum of Rs. 1.66 million has been earmarked for undertaking schemes on educational development under Kashmir Affairs Division. Necessary provision has been made for Plan publicity.

PLANNING COMMISSION

(Education Section)

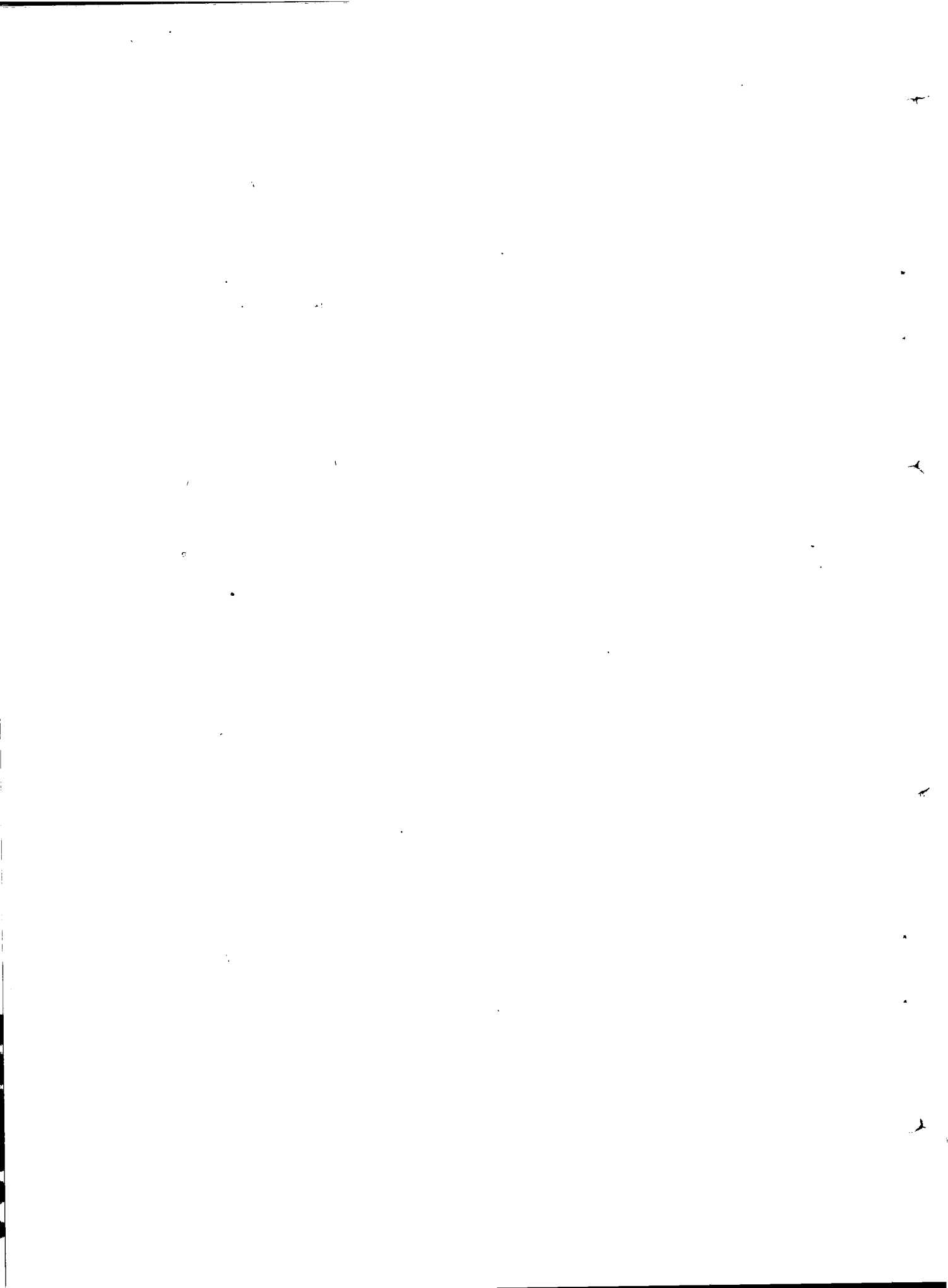
ANNUAL DEVELOPMENT PROGRAMME FOR THE YEAR 1970-71

(EDUCATION AND TRAINING)

(Million rupees)

Sub-sector	E. Pak.	Punjab	Sind	N.W.F.P.	Baluchistan	Central	Total
1. Primary Education ..	63.220	28.050	9.375	5.400	1.520	2.377	109.942
2. Secondary Education ..	39.500	30.013	13.186	8.529	1.982	4.145	97.355
3. Teacher Education ..	14.965	3.760	1.120	0.820	0.260	—	20.926
4. Technical Education ..	68.000	28.097	11.675	4.381	1.276	—	113.428
5. College Education ..	26.015	12.285	5.794	3.091	1.400	3.000	51.585
6. University Education (General)	30.000	27.473	9.500	0.700	—	8.020	75.693
7. Scholarships	18.000	12.000	4.000	2.400	0.524	2.988 *0.800	40.712
8. Library, Social and Cul- tural Activities ..	7.600	1.616	0.914	0.737	0.192	4.600	15.636
9. Special Areas ..	—	—	—	1.229 (F.R.)	—	1.667 (K.A.D.)	2.896
10. Madrasah Education ..	4.400	—	—	—	—	—	4.400
11. Survey, Statistics, Plan- ning and Public Adminis- tration	12.600	0.631	0.034	0.021	0.021	5.600	18.934
12. Publicity	0.400	—	—	—	—	1.500	1.900
13. New Education Policy (Teacher's Salary) ..	120.000	—	—	—	—	2.500	122.500
Total ..	404.700	143.925	55.602	27.308	7.175	37.197	675.907

*Scholarships under Establishment Division.



CHAPTER 9

LABOUR POLICY AND SERVICES

The objectives of the Fourth Five Year Plan in the field of labour policy and services included expansion in the facilities and improvement in the methods for training skilled and trained manpower; promotion of employment; elimination of industrial employment of children; achievement of industrial peace by establishing the relative rights and responsibilities of workers, employers and the government; promotion of safety, security and welfare of labour and development of more reliable statistics and information about various aspects of training, labour, manpower and employment. A cooperative effort involving government, industry, the workers, the educational system and professional and other groups is called for to achieve these objectives which are aimed to develop a trained, vigorous and committed labour force.

PAST PERFORMANCE

2. The Third Plan contained a wide variety of programmes for skill development, optimum utilization of skilled manpower, vocational guidance and employment counselling, improvement of labour market and placement, enforcement of statutory and administrative measures for the security, safety and welfare of workers. But the achievements in this sector fell short of targets to a great extent due to inadequate organizational arrangements, lack of initiative and drive on the part of executing agencies and lack of proper financial support.

3. Of the Third Plan allocation of Rs. 85.60 million, of which Rs. 50.75 million were to be utilised in East Pakistan and Rs. 34.85 million in West Pakistan, it is estimated that the total expenditure during the Plan period was Rs. 49.56 million, divided between East and West Pakistan as Rs. 23.60 million and Rs. 25.96 million respectively. In percentage terms, the overall implementation has been 58 per cent for the country as a whole, 47 per cent in East Pakistan and 74 per cent in West Pakistan. In physical terms the achievements during the Third Plan period included modernization of six technical training centers for skilled labour, construction of buildings for four new technical training centres (two in each wing), partial work on the setting up of eight new technical training centres (six in East Pakistan and two in West Pakistan), establishment of four vocational guidance and youth employment units in East Pakistan, construction of six buildings for the various existing officers of the East Pakistan Labour Directorate. In addition, the work relating to improvement of seven existing labour welfare centres and setting up of fourteen new labour welfare centres in East Pakistan continued.

4. In June 1969, the Government also announced a new Labour Policy redefining the objectives and laying down guidelines to harmonize the labour management relations and to improve the working conditions and welfare of workers. The policy provides, among other things, for fixation of minimum wages for unskilled workers in the organized private sector at rates substantially higher than the prevailing wage rates, introduction of a new Industrial Relations Ordinance, setting up of a Workers' Welfare Fund and amendment of various laws dealing with occupational health, safety, hygiene and conditions of work.

POLICIES AND PROGRAMMES FOR 1970-71

5. The Fourth Five Year Plan has assigned high priorities to social sectors for which resources were severely cut in the Third Plan. The available resources are still inadequate in relation to the requirements. With these resources the deficiencies are likely to remain for some time and a satisfactory and comprehensive solution to the problem can only be achieved in the long run. Notwithstanding these constraints, the programmes in the field of labour policy and services are larger, both financially and functionally. The Fourth Plan's allocation for this sector is 64 per cent higher than that of the Third Plan and amounts to an acceleration of 180 per cent over the level of spending during the Third Plan period. A broad framework of the policies and programme areas which need concentration of efforts is indicated below.

Training and Skill Development

6. Training is a pre-requisite to higher production and equipping the labour force with requisite skills requires a large scale effort. In this connection, the training offered through the technical and vocational training centres takes care of a very small segment of the potential labour force and leaves much to be accomplished through in-service and apprenticeship programmes. Consequently, greater reliance will be placed on formal apprenticeship programmes, to be encouraged through industrial training levy by suitable supplementary legislation as recommended in the Fourth Plan. Additionally, recourse will also be taken to introduce long apprenticeship programmes whereby young boys, of 12-13 years of age and dropping out from schools, could be enrolled by the industry for education with a bias toward related technical instructions and basic technical training. Besides, it is emphasised that the existing training facilities should be utilised to full capacity and in-service or on-the-job training programmes need to be organized and developed for up-grading of workers. Arrangements

are also required to provide training to self-employed artisans through mobile demonstration units in rural areas and evening classes in existing institutions in urban areas. Other measures should include improving the quality of workers and creation standards of excellence among professional workers by fostering the establishment of professional groups and societies and in particular for prominent skills.

7. It is also necessary to bring about uniform standards in training provided by institutions under different Departments and effect coordination between training institutions on the one hand and employing establishments on the other. The cooperation of the training institutions should contribute to the success of the programmes. To deal comprehensively with these problems, autonomous training organizations should be set up at the Provincial and, if necessary, at the national levels.

8. In line with the lead given by the government in setting up training centres for providing training on a short term intensive basis, improvement and expansion of Marine Diesel Training Centre, Narayanganj, Pak-German Technical Training Centre, Dacca and Technical Training Centre, Rajshahi will be completed. Works on Vocational and Staff Training Centre, Chittagong and expansion of SEATO-Pak Technical Training Centre, Dacca will be completed. Progress of work on the Technical Training Centre, Khulna and auto-technician unit of Chittagong Centre will be accelerated. Alongwith the improvement and strengthening of Apprenticeship Training Offices at Chittagong and Khulna, work will also be initiated on the construction of building for Apprenticeship Training Office, Dacca. In West Pakistan, progress of work will be accelerated on the schemes relating to technical training centres at Gulberg (Lahore), Jhelum and Rahimyar Khan. Additional training facilities will be provided in the existing technical training centre at Hyderabad. A scheme relating to setting up of an Apprenticeship Training Office at Hyderabad will be started.

Management Development and Workers' Education

9. Programmes for management education should be strengthened and feed back from industry should be made possible. Besides the expansion of the existing Management Development Centre at Dacca, steps will be taken to set up two of its sub-centres at Chittagong and Khulna. Similarly, programmes for workers' education will be improved and expanded. Alongwith the improvement and expansion of the Industrial Relations Institute at Tongi (East Pakistan), preliminary work will be initiated to set up three such additional institutes at Chittagong, Khulna and Rajshahi. A scheme for setting up a National Institute of Labour Administration Training at Dacca by the Labour and Social Welfare Division will be initiated in close collaboration with the programmes organized in this field by the Provincial Government. In West Pakistan, the existing Industrial Relations Institute, Lahore will be further expanded and improved. It is timely and important that the programmes of these institutes are carefully examined in the light of total training needs of the country so as to avoid duplication of efforts and determine the type of additional needed training facilities.

Labour Market Services

10. It is important and desirable that the services dealing with the problems of labour market are developed and strengthened on an effective basis. Serious consideration for early implementation should be given to the Third Plan recommendations which have been re-affirmed by the Fourth Plan regarding establishment of university placement bureaus, placement of high level personnel, introduction of a comprehensive and integrated programme of vocational guidance and employment counselling, improvement and reorganization of employment exchanges, undertaking research about the organization and method of rural employment promotion, initiation of research and advisory functions relating to regulating of employment of Pakistanis in foreign employment markets. Priority should be given to reorganize, improve and expand the employment exchanges and complete the work on the vocational guidance and youth employment unit in East Pakistan. In West Pakistan, the pilot research project for rural employment promotion at Multan will be continued to determine the most effective methods for optimal use of underemployed labour and another project will be set up at Lahore. The Labour and Social Welfare Division will expedite necessary action for undertaking research relating to regulation of employment of Pakistanis in foreign employment markets.

Wages and Welfare

11. It is necessary to have a comprehensive wage policy for the working class. Minimum wages and salaries should be fixed not only for unskilled workers but also for skilled industrial and commercial workers. Minimum wages and salaries thus fixed should ensure at least a minimum living standard and a rising share in the future increases in productivity. The system of bonus should be regulated by evolving suitable principles for its payment and integrating it in an overall scheme of profit sharing in consultation with employers and workers. Besides, early steps should be taken to improve and strengthen the various measures which afford protection to the earnings of industrial workers.

12. The enforcement of the Social Insurance Ordinance, which has been considerably delayed in East Pakistan, should be expedited. Consideration should be given for early implementation to the recommendations of study group, set up some time ago, to revise and improve the Workmen's Compensation Act, maternity benefit laws and the legislation relating to safety around work places. The enactment of a housing legislation for workers, which has been considerably delayed, should be expedited.

13. The existing labour welfare centres in East Pakistan will be improved and steps will be taken to set up additional twelve centres in industrial areas. Arrangements will be made for starting the production of twenty documentary films for workers' education.

14. In Punjab, a Weights and Measures Laboratory will be set up. Other programmes in West Pakistan include the completion of the Mines Rescue and Safety Station at Sinjidi (Baluchistan) and construction of a Seamen's Hostel at Karachi.

Labour Relations

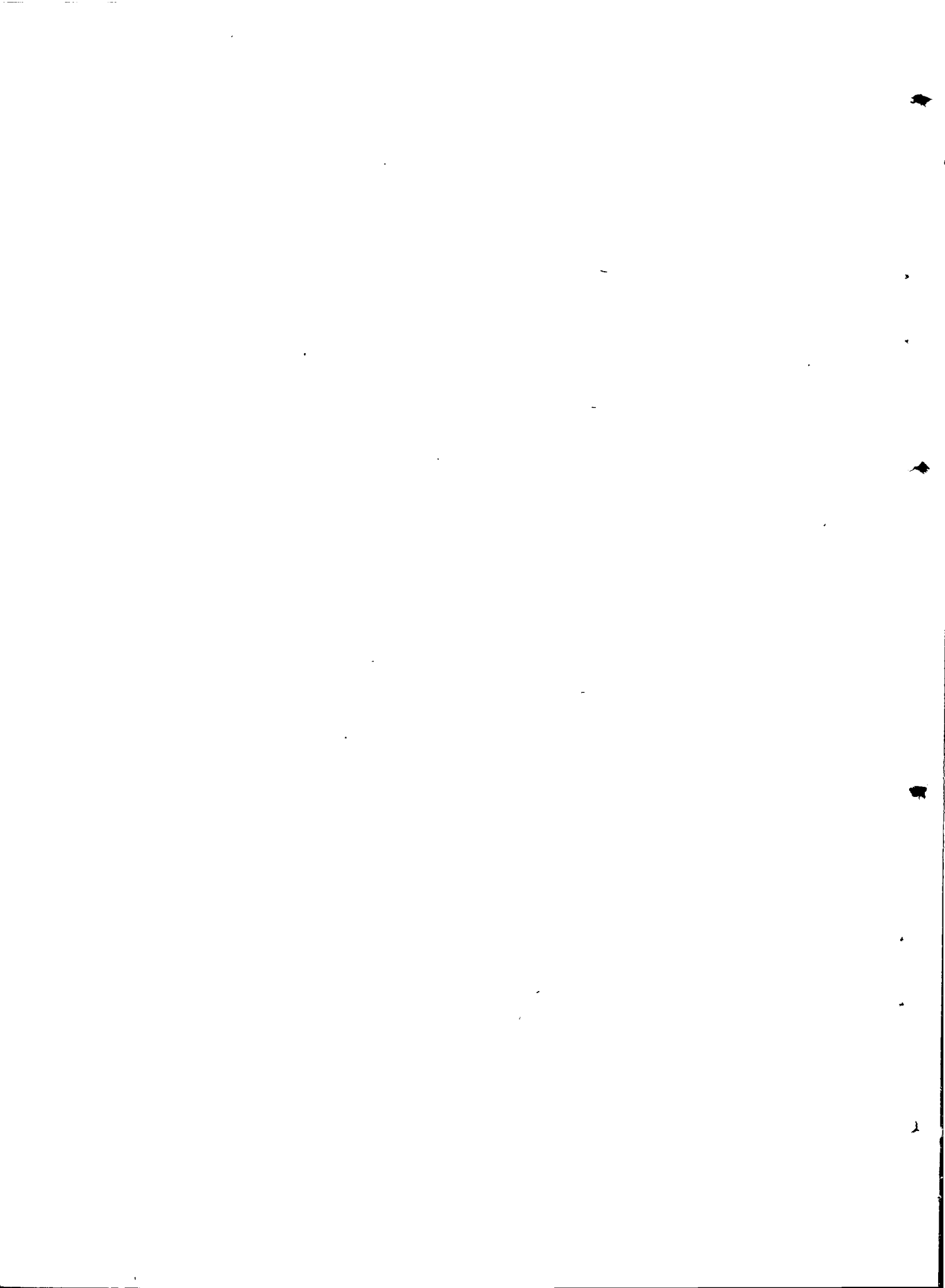
15. The recently enacted Industrial Relations Ordinance, 1969 has provided some new measures for harmonizing the labour management relations. It, however, needs to be kept under constant review. There is need to make a continuous appraisal of the working of the Act with a view to removing short-comings and providing additional measures if required. Simultaneously, steps are needed to strengthen the Conciliation, Inspection and Enforcement Services in the Provinces. At present the number of officers responsible for enforcement of these services is too few for useful conciliation, inspection and administration. The laws can be effectively enforced only if these services are adequate in relation to the functional and geographical scope of the problems to be dealt with.

Analysis, Labour Research and Statistics

16. With a few exceptions, the existing deficiencies in the field of research and statistics are the same as several years ago. The Fourth Plan has recognised the important need for undertaking analysis of administrative performance, research and collection of needed facts in the field of labour policy and services. Early action should be taken to implement these recommendations. The scattered activities of the established agencies should be inter-related within a coordinating mechanism which should provide direction and support for the policies and programmes in the field of labour policy and services recommended in the Fourth Plan.

Financial Allocation

17. A provision of Rs. 18.30 million has been made for the implementation of the development programme for 1970-71 in this sector. Of this, Rs. 11 million are allocated for the programmes in East Pakistan, Rs. 6.201 million for West Pakistan (Punjab: Rs. 4.134 million, Sind: Rs. 1.555 million and Baluchistan: Rs. 0.512 million) and Rs. 1.1 million for the Centre. It is also necessary that the recurring expenditure needed for the various programmes is made available. Besides, a substantial amount should be mobilized from the private sector.



HEALTH AND FAMILY PLANNING

The main objectives of the Health Programme during the Third Plan were to make the more essential health services available to all the members of the community and to develop an integrated health services, with emphasis on public health. The overall performance of Health Sector during Third Plan was rather uneven. While two of the major programmes namely Malaria Eradication, and Family Planning, progressed satisfactorily, the schemes for the Rural Health Centres to which considerable importance had been attached could not make much progress. The number of Hospital Beds increased but not fast enough to achieve the Plan targets.

The total development expenditure for the Health and Family Planning Sector, during the Third Plan amounted to Rs. 912.00 million compared to the original allocation of Rs. 1,174.3 million, showing an achievement of 70.7 per cent in financial terms. The performance is expected to be 78 per cent in East Pakistan, 86 per cent in West Pakistan, and 75 per cent under the Central programmes.

Progress in 1969-70

During 1969-70 seventeen rural health Centres were set up in *East Pakistan*. 620 additional hospital beds were provided. 402 doctors, 78 nurses and 51 lady health visitors qualified during the year under report. Under a malaria eradication programme a total population of 61.3 million has been covered. Out of this 5.7 million have been covered under preliminary phase, 34.2 million under consolidation phase and 21.4 million under attack phase.

Under the family planning programme in East Pakistan 207,009 IUD insertions and 245,528 sterilizations were done up to February, 1970. In addition 48.24 million units of conventional contraceptives were sold.

In *West Pakistan* 788 additional hospital beds were provided during 1969-70. However, no new rural health centre could be provided. 817 doctors and 499 nurses qualified during the year.

The Malaria Eradication Programme suffered reverses in certain districts of West Pakistan due to rise in malaria cases. So far progress position under malaria eradication programme is as under.

Phase	Population covered
Preparatory	0.8 million.
Attack	25.7 million.
Consolidation	24.7 million.
Total	51.2 million.

225,833 IUD's were inserted, 7,468 sterilization were performed and 68 million units of conventional contraceptives were sold up to February, 1970 under family planning scheme.

Programme for 1970-71

A total allocation of Rs. 566.6 million is proposed for the year 1970-71 under health and family planning sectors as compared to Rs. 227.4 million during 1969-70. The proposed break-up of this allocation will be in the following order :

East Pakistan	Rs. 313.6 million
West Pakistan	Rs. 201.2 million
Centre	Rs. 51.8 million
	Rs. 566.6 million

Out of this Rs. 97.5 million are for malaria eradication, Rs. 352.7 million for general health and Rs. 116.4 million for family planning.

East Pakistan

It is proposed to set up 90 primary rural health centres and 312 sub-centres during 1970-71. 598 general beds will be added. 540 doctors, 100 nurses and 100 lady health visitors will qualify. 44 T.B. clinics will be set up. 4,630 paramedical personnel will be trained.

West Pakistan

2,106 new hospital beds, including 504 T.B. beds, will be added in 1970-71. 74 primary rural health centres and 222 sub-centres will be set up. 820 doctors and 886 nurses will be produced.

Under malaria eradication programme 80 lakh population will be shifted from attack phase to consolidation phase and 60 lakhs from consolidation phase to maintenance phase. Attempt will also be made to improve the situation in areas when malaria has reappeared.

Family Planning

The target for Fourth Plan is reduce the birth rate by at least .9% and the achievement of this target will be assessment on year to year basis in terms of number of fertile couples which do produce children.

Centre

Work will be under taken on T.B. Research Hospital, Dacca. Work will continue on School of Tropical Medicine and Ayub Hospital, Dacca ; Regional Central Drugs Laboratory and 50-bed Hospital, Chittagong and improvement of Jinnah Post-graduate Medical Centre. Planning and designing of Islamabad Hospital will be undertaken.

PAKISTAN**FINANCIAL EXPENDITURE AND ALLOCATION**

(Million Rupees)

Sector/Sub-Sector	Allocation for 3rd Plan	Estimated Expenditure in 3rd Plan	Percent-age Implementation	Allocation for (1969-70)	Expenditure (1969-70)	Allocation for 4th Plan	Allocation for (1970-71)
1	2	3	4	5	6	7	8
Malaria Eradication ..	272	279	102%	55.5	—	292	97.5
General Health	629	299	48%	85.1	—	2,008	352.7
Family Planning	274	274	100%	86.8	—	600	116.4
Total ..	1,175	852	72%	227.4	—	2,900	566.6

FINANCIAL EXPENDITURE AND ALLOCATION

(Million Rupees)

Sector/Sub-Sector	Allocation for 3rd Plan	Estimated Expenditure in 3rd Plan	Percentage Implementation	Allocation for (1969-70)	Expenditure (1969-70)	Allocation for 4th Plan	Allocation for (1970-71)
1	2	3	4	5	6	7	8
East Pakistan							
Malaria Eradication ..	150	153	102%	30.0	43.4	120	53.6
General Health ..	288	143	50%	30.2	30.6	1,280	200.0
Family Planning ..	124	124	100%	43.8	50.0	445	60.0
Total ..	562	420	78%	104.0	124.0	1,845	313.6
West Pakistan							
Malaria Eradication ..	119	124	104%	25.0	—	140	43.4
General Health ..	250	94	38%	38.8	—	760	110.0
Family Planning ..	139	139	100%	41.2	—	220	47.8
Total ..	508	357	70%	105.0	—	1,120	201.2
Centre							
Malaria Eradication ..	2	2	100%	0.5	0.5	20	0.5
General Health ..	92	62	67%	16.1	12.0	145	42.7
Family Planning ..	11	11	100%	1.8	1.8	30	8.6
Total ..	105	75	77%	18.4	14.3	195	51.8

HEALTH SECTOR

PHYSICAL TARGETS AND ACHIEVEMENTS

Sector/Sub-Sector	3rd Plan Target	Estimated achievement for 3rd Plan	Percentage achievement	Target (1969-70)	Estimated achievement (1969-70)	Target for 4th Plan	Target for (1969-70)
1	2	3	4	5	6	7	8
Pakistan							
Doctors	19,800	21,452	105%	—	1,219	26,327	1,360
Nurses	5,400	5,400	100%	—	577	8,300	986
Lady Health Visitors ..	2,750	2,143	77%	—	—	3,181	—
Nurses Training Institutes ..	24	27	112%	—	—	35	—
Hospital Beds	48,300	39,023	78%	—	1,408	63,300	2,704
Rural Health Centres ..	860	255	28%	—	17	1,036	164
R. H. Sub-Centres	—	400	—	—	—	3,280	534
T. B. Clinics	181	139	77%	—	—	246	—
T. B. Beds Paramedical Personnel ..	3,450	—	—	—	—	—	—
West Pakistan							
Doctors	13,100	13,400	102%	—	817	16,150	820
Nurses	4,400	4,700	105%	—	499	6,800	886
Lady Health Visitors ..	1,900	1,881	99%	—	—	2,781	—
Nurses Training Institutes ..	—	21	—	—	—	25	—
Hospital Beds	33,000	29,300	89%	—	788	37,000	2,106
Rural Health Centres ..	400	125	31%	—	—	500	74
R. H. Sub-Centres	—	250	—	—	—	1,375	222
T. B. Clinics	127	95	76%	—	—	195	—
T. B. Beds	—	3,000	—	—	36	4,700	504
Paramedical Personnel ..	—	—	—	—	—	—	—
East Pakistan							
Doctors	7,800	8,052	100%	—	402	10,505	540
Nurses	11,000	700	10%	—	78	6,150	100
Lady Health Visitors ..	850	260	28%	—	51	2,500	100
Nurses Training Institutes ..	9	6	55%	—	1	19	—
Hospital Beds	14,500	6,226	60%	—	620	24,000	598
Rural Health Centres ..	260	131	50%	—	17	537	90
R. H. Sub-Centres	780	150	22%	—	—	5,363	312
T. B. Clinics	54	42	75%	—	—	58	44
T. B. Beds	1,047	920	92%	—	—	1,936	—
Paramedical Personnel ..	—	3,630	—	—	68	10,000	4,630

CHAPTER 11

SOCIAL WELFARE

Performance under Third Plan

The first year of the Fourth Plan period will have a sound base on the performance of the Third Plan, particularly in terms of achievements of infrastructural, promotional, preventive and rehabilitative programmes. In all 488 units—271 in East Pakistan and 217 in West Pakistan were established out of 508 units is visualized as the target for the Third Plan. Some real advances were made in the fields of administration, training, community development in urban and rural areas and welfare of children and women. A beginning was made in research, youth welfare, medical social work, and school social work. Almost 2,500 voluntary welfare agencies were provided professional and financial assistance to expand, strengthen and standardise their social service activities. The curative and rehabilitative programmes, however, did not make satisfactory progress for paucity of funds. The programme for control and rehabilitation of beggars was initiated. Financing of social welfare programmes was severely handicapped by small budgetary provisions and further financial cuts in the ADPS during the Third Plan period. Thus, only Rs. 52 million were afforded in the Third Plan period (1965—70) out of a total sectoral allocation of Rs. 90 million.

Development programme for 1970-71

In consideration of the fact that vital fields of children, women and the handicapped had been neglected in the Third Plan period, the Fourth Plan emphasizes social services for children and women, social services for the handicapped including beggars, financial and professional assistance of voluntary agencies, community development in urban and rural areas as priority programmes. The Fourth Plan sectoral allocations amount to Rs. 210 million. It envisages financing and achievement of 791 social service units—451 in East Pakistan and 340 in West Pakistan. However, only Rs. 17.043 million have been provided in the Annual Development Programme for 1970-71 : Rs. 7.850 million for East Pakistan and Rs. 9.193 million for West Pakistan. This is a big shortfall in a small sector like social welfare in the very first year of the Fourth Plan period. This allocation is also less than provided for the Annual Plan of 1969-70 *i.e.* Rs. 17.309 million. Therefore new projects cannot be undertaken and, the programme for 1970-71 will mostly comprise on-going projects. Under the circumstances, the strategy will be to consolidate the efforts made during the Third Plan and strengthen the on-going programmes. The Fourth Plan has adopted the two-fold approach of public and private effort. Till today the voluntary agencies have been making a major contribution to the success of social welfare programmes in this country. Therefore, the Government will be providing financial assistance to at least 200 additional agencies during 1970-71. There will be separate grants for colleges and universities to facilitate social work education at the preparatory level. The existing 111 community development projects functioning in urban and rural areas in West Pakistan will be further strengthened. The 52 urban community development projects in East Pakistan have been laid off the development budget and will be financed from the Revenue Budget. No rural community development project can be opened in East Pakistan for lack of funds during 1970-71. Similarly there will be no youth welfare programme for West Pakistan due to non-availability of funds. In East Pakistan the existing 23 youth welfare centres located in all District headquarters will continue to function. The private orphanages in East Pakistan will be given development grants for construction of buildings. Existing services in the family and child welfare units, like socio-economic centres for women, baby homes, mothers' and children's homes, will be further extended. The in-take capacity of the rehabilitation and training institutions for the handicapped (including beggars) will be enhanced. The existing 37 units for integrated education programme of the blind as opened in different schools will continue to function in East Pakistan. The existing correctional services, as provided through remand homes, juvenile courts, training institutes and probation services will be expanded in East Pakistan, but no such programme can be started in any province of West Pakistan region for lack of money. It will not be possible to increase the existing number of 20 medical social work projects in East Pakistan. In West Pakistan, medical social work projects have been placed under the control of Health Departments of various provinces. But only the Governments of Sind and the Punjab have provided funds to continue these existing 20 projects (Sind : 15 ; Punjab : 5). The 22 school social work projects, 12 in West Pakistan and 10 in East Pakistan will continue. The two existing in-service training institutes, one each in East Pakistan and the Punjab will continue to provide training facilities for social welfare workers of government and non-government agencies. Staff welfare services provided by the Staff Welfare Organisation of the Central Government, Establishment Division, will be further strengthened and expanded in Islamabad, Dacca, Chittagong, Karachi and Lahore, wherein central government employees are concentrated. The implementation of the Plan programme of research and welfare of ex-servicemen will have to be postponed in 1970-71 due to paucity of funds.

Motivation and strengthening of the voluntary efforts will be specifically stressed. The provincial Governments will provide professional help and guidance to voluntary agencies in this respect. Financial assistance will be provided to these welfare agencies by the National Council of Social Welfare, Government of Pakistan, on recommendation of the respective Provincial Governments concerned. Thus, in view of the past experiences, it is expected that the existing 4,300 voluntary welfare agencies will spend approximately Rs. 20 million in 1970-71 on the provision of social services to their clientele.

Financial Expenditure and Allocation—Social Welfare Sector, Pakistan

Sector/Sub-Sector	Allo- cation for the Third Plan	Esti- mated Expen- diture for the Third Plan	Per- centage Imple- menta- tion	Allo- cation for the 1969-70	Esti- mated Expen- diture in 1969-70	Allo- cation for the Fourth Plan	Allo- cation for 1970-71
1	2	3	4	5	6	7	8
I. Programmes							
1. Social Services for Children and Families.	10.894	6.847	64	3.632	2.583	15.00	3.501
2. Social Services for the Handicapped including beggars	18.723	5.817	35	2.616	1.933	65.00	2.847
3. Financial and Professional Assistance of Voluntary Agencies, Universities and Colleges	22.134	19.933	91	3.878	3.800	55.00	3.797
4. Community Development in Urban and Rural Areas	12.999	9.681	77	3.932	3.912	30.000	4.180
5. Social Services for Youth	0.474	0.195	41	.281	.150	4.00	0.050
6. Medical Social Work	1.878	1.203	63	.381	.409	2.00	0.100
7. School Social Work	1.424	0.649	45	.365	.303	6.00	0.356
8. Social Services for Delinquents	2.830	1.706	67	.742	.280	4.00	0.282
9. Social Service for <i>Ex-servicemen</i>	—	—	—	—	—	2.00	—
10. Staff Welfare Services	3.500	2.847	75	1.000	1.000	15.00	1.200
II. Infrastructural Programmes							
1. Organisation and Administration(*)	1.438	0.159	11	—	—	6.00	—
2. Training	3.736	2.207	50	.400	.385	3.00	0.650
3. Research(**)	0.292	0.224	73	.077	.074	3.00	0.080
4. Block Provision for new Schemes	10.000	—	—	—	—	—	—
	90.322	51.468	57	17.304	14.829	210.000	17.043

* The expenditure on 'Organisation and Administration' is covered by the A.D.P. provisions for all the sub-sectors.

** The expenditure on 'Research' is covered by the A.D.P. provision for the sub-sector of Training.

Financial Expenditure and Allocation—Social Welfare Sector, East Pakistan

(Rupees in million)

Sector/Sub-Sector	Allocation for the Third Plan	Estimated Expenditure for the Third Plan	Percentage Implementation	Allocation for 1969-70	Estimated Expenditure in 1969-70	Allocation for the Fourth Plan	Allocation for 1970-71
1	2	3	4	5	6	7	8
I. Programmes							
1. Social Services for Children and Women.	8.075	5.732	75	3.036	2.057	10	2.854
2. Social Services for the Handicapped including beggars	14.375	3.485	29	2.060	1.407	35	1.964
3. Financial and Professional Assistance of Voluntary Agencies, Universities and Colleges	8.250	12.892	112	1.555	1.555	30	1.550
4. Community Development in Urban and Rural Areas	—	—	—	—	—	15	—
5. Social Services for Youth	0.074	0.195	266	0.281	0.150	2	0.050
6. Medical Social Work	0.946	0.060	—	0.095	0.055	1	0.100
7. School Social Work	0.440	0.097	—	0.111	0.055	2	0.100
8. Social Services for Delinquents	2.830	1.706	66	0.742	0.280	2	0.282
9. Social Service for Ex-servicemen	—	—	—	—	—	1	—
10. Staff Welfare Services	1.750	1.097	50	0.400	0.400	7	0.600
II. Infrastructural Programmes							
1. Organisation and Administration(*)	—	—	—	—	—	4	—
2. Training	3.260	1.775	66	0.275	0.260	2	0.350
3. Research(**)	—	—	—	—	—	2	—
4. Block Provision for new Schemes	10.000	—	—	—	—	—	—
Total ..	50.000	23.315	46	8.555	6.214	113	7.850

* The expenditure on 'Organisation and Administration' is covered by the A.D.P. provisions for all the sub-sector.

** The expenditure on 'Research' is covered by the A.D.P. provision for the sub-sector of Training.

Financial Expenditure and Allocation—Social Welfare Sector, West Pakistan

(Rupees in million)

Sector/Sub-sector	Allocation for the Third Plan	Estimated Expenditure for the Third Plan	Percentage Implementation	Allocation for 1969-70	Estimated Expenditure in 1969-70	Allocation for the Fourth Plan	Allocation for 1970-71
1	2	3	4	5	6	7	8
I. Programmes							
1. Social Services for Children and Women	2.819	1.115	33	0.596	0.526	5.00	0.647
2. Social Services for the Handicapped including beggars	4.348	2.332	52	0.556	0.526	30.00	0.883
3. Financial and Professional Assistance of Voluntary Agencies, Universities and Colleges	13.884	10.765	78	2.323	2.245	25.00	2.247
4. Community Development in Urban and Rural Areas	12.999	9.681	77	3.932	3.912	15.00	4.180
5. Social Services for Youth	0.400	—	—	—	—	2.00	—
6. Medical Social Work	0.932	1.143	—	0.286	0.354	1.00	—
7. School Social Work	0.984	0.552	—	0.254	0.253	4.00	0.256
8. Social Services for Delinquents	—	—	—	—	—	2.00	—
9. Social Services for <i>Ex</i> -servicemen	—	—	—	—	—	1.00	—
10. Staff Welfare Services	1.750	1.750	100	0.600	0.600	8.00	0.600
II. Infrastructural Programmes							
1. Organisation and Administration(*)	1.438	0.159	11	—	—	2.00	—
2. Training	0.476	0.432	100	0.125	0.125	0.125	0.300
3. Research(**)	0.292	0.224	76	0.077	0.074	1.000	0.080
4. Block Provision for new Schemes	—	—	—	—	—	—	—
Total ..	40.322	28.153	70	8.749	8.615	97	9.193

* The expenditure on 'Organisation and Administration' is covered by the A.D.P. provision for all the sub-sector.

** The expenditure on 'Research' is covered by the A.D.P. provision for the sub-sector of 'Training'.

Physical Targets and Achievements—Social Welfare Sector, Pakistan

Sector/Sub-Sector	Third Plan Target	Estimated Achievements for the Third Plan	Percentage Implementation	Target for 1969-70	Estimated Achievements in 1969-70	Target for the Fourth Plan	Target for 1970-71
1	2	3	4	5	6	7	8
I. Programmes							
1. Social Services for Children and Women	33	19	57	3	3	70	Development grants to 20 Orphanages and continuing of 13 units.
2. Social Services for the Handicapped including beggars.	49	43	85	8	8	97	Continuation of 8 institutions and 37 units for integrated blind education.
3. Financial and Professional Assistance of Voluntary Agencies, Universities and Colleges.	400	2,500	625	400	400	4,000	200 Agencies to be aided.
							Continuation Project.
4. Community Development in Urban and Rural Areas.	128	163	127	163	..	240	Continuation of 111 Projects.
5. Social Services for Youth	18	23	128	Cont. 23	..	65	Continuation of 23 Centres.
6. Medical Social Work	40	33	82	.. 33	..	40	Continuation of 20 Units.
7. School Social Work	52	22	42	.. 22	..	40	Continuation of 22 Units.
8. Social Services for Delinquents ..	10	20	200	.. 20	..	39	Continuation of 4 Units.
9. Social Services for Ex-Servicemen ..	—	—	—	—	..	2	—
10. Staff Welfare Services	20	20	100	2	.. 2	30	Continuation of Staff Welfare facilities.
II. Infrastructural Programmes :							
							Continuation Project
1. Organisation and Administration ..	109	64	59	64	—	67	—
2. Training	27	57	211	13	.. 13	60	Continuation of 2 Training Units and Grants to University Departments and Colleges of Social Welfare.
3. Research	22	23	105	5	.. 5	41	Continuation of 1 Research Cell.
4. Block Provision for new Schemes ..	—	—	—	—	—	—	—
Total ..	508	488	96	31	31	791	

* The total does not include the number of Voluntary Welfare Agencies.

Physical Targets and Achievements—Social Welfare Sector, East Pakistan

Sector/Sub-Sector	Third Plan Target	Estimated Achievements for the Third Plan	Percentage Implementation	Target for 1969-70	Estimated Achievements in 1969-70	Target for the Fourth Plan	Target for 1970-71
1	2	3	4	5	6	7	8
I. Programmes							
1. Social Services for Children and Women	24	12	50	2	2	50	Development grants to 20 orphanages and continuation of 5 units of family and child welfare.
2. Social Services for the Handicapped including beggars.	43	37	85	7	7	20	Continuation of 7 institutions for the handicapped and 37 units of integrated education for the blind.
3. Financial and Professional Assistance of Voluntary Agencies, Universities and Colleges.*	200	1,000	500	200	—	2,000	100 Agencies to be aided.
4. Community Development in Urban and Rural Areas.	50	52	104	52	—	120	Continuation Projects.
5. Social Services for Youth	6	23	383 C	23	—	40	Continuation of 23 Youth Centres.
6. Medical Social Work	30	18	60	18	—	20	Continuation of 20 Units.
7. School Social Work	40	10	25	10	—	20	Continuation of 10 Units.
8. Social Services for Delinquents	10	20	200	20	—	22	Continuation of 4 Units.
9. Social Services for Ex-Servicemen	—	—	—	—	—	1	—
10. Staff Welfare Services	10	10	100	1	1	15	Continuation of Staff Welfare Facilities.
II. Infrastructural Programmes							
1. Organisation and Administration	58	48	83	48	—	50	—
2. Training	10	31	310	7	7	33	Continuation of 1 Training Unit and grants to the College of Social Welfare.
3. Research	10	10	100	2	2	20	—
Total	291	271	93	19	19	451	

*The total does not include the number of Voluntary Welfare Agencies.

Physical Targets and Achievements—Social Welfare Sector, West Pakistan

Sector/Sub-Sector	Third Plan Target	Estimated Achievement for the Third Plan	Percentage Implementation	Target for 1969-70	Estimated Achievements in 1969-70	Target for the Fourth Plan	Target for 1970-71
1	2	3	4	5	6	7	8
I. Programmes							
1. Social Services for Children and Women	9	7	78	1	1	20	Continuation of 8 Units.
2. Social Services and institutions for the Handicapped including beggars.	6	6	100	6	1	37	Continuation of 1 Unit.
3. Financial and Professional Assistance of Voluntary Agencies and Colleges.*	200	1,500	750	200	2,00	200	100 Agencies to be aided.
4. Community Development in Urban and Rural Areas.	78	111	142	111	—	120	Continuation of 111 Projects.
5. Social Services for Youth	12	—	—	—	—	25	—
6. Medical Social Work	10	15	150	Cont. 15	„	20	Projects transferred to Health Sector.
7. School Social Work	12	12	100	„	12	20	Continuation of 12 projects.
8. Social Services for Delinquents	—	—	—	—	—	17	—
9. Social Services for Ex-Servicemen	—	—	—	—	—	1	—
10. Staff Welfare Services	10	10	100	1	1	15	Continuation of Staff Welfare facilities.
II. Infrastructural Programmes							
1. Organisation and Administration	51	16	31	16	—	17	—
2. Training	17	26	53	6	6	27	Continuation of 1 training Unit and grants to the University Departments of Social Work at Peshawar, Hyderabad and Karachi.
3. Research	12	13	108	3	3	21	Continuation of 1 Research Cell.
4. Block Provision for new Schemes	—	—	—	—	—	—	—
Total ..	217	217	100	12	12	340	

*The total does not include the number of Voluntary Welfare Agencies.

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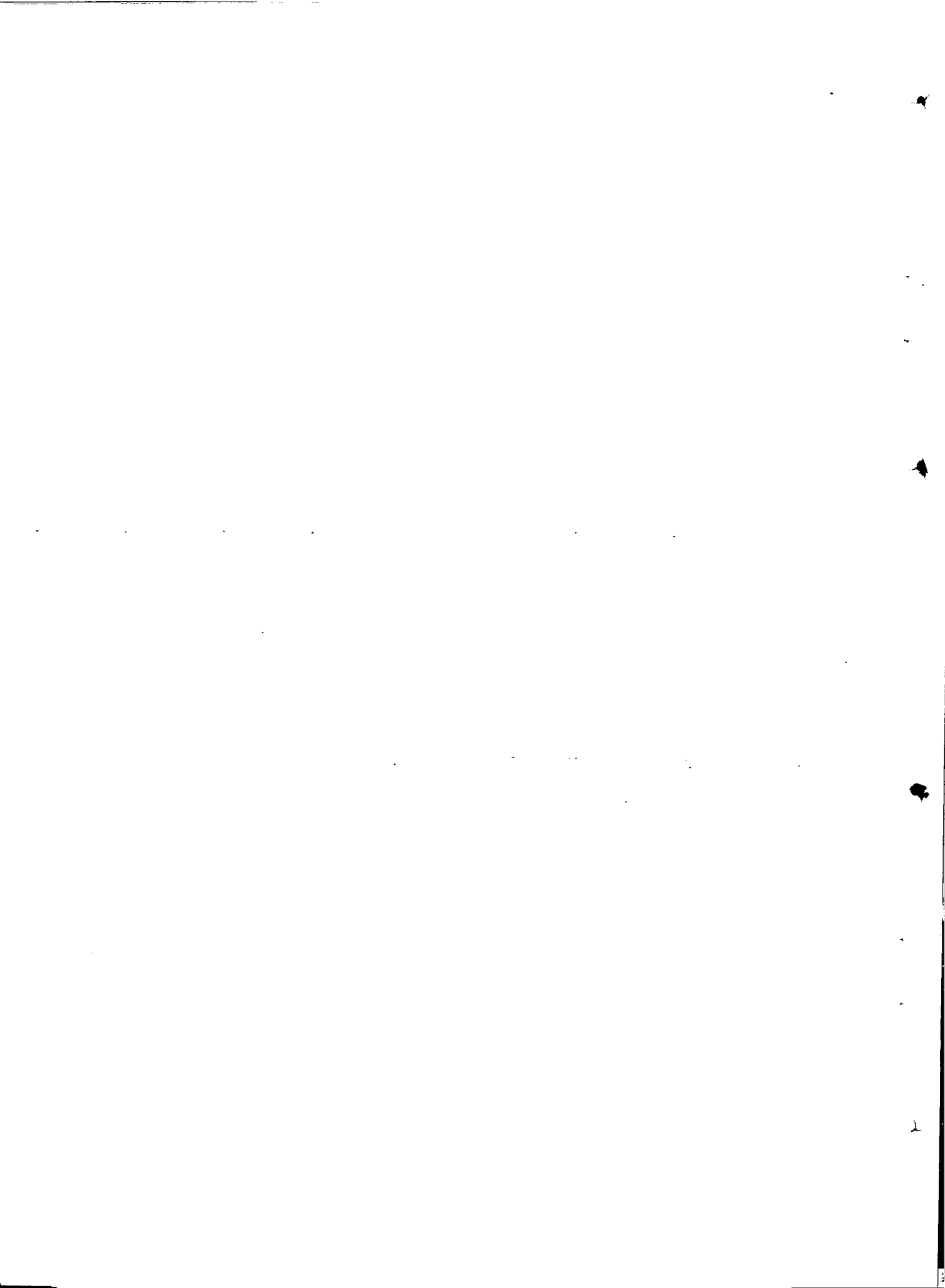
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PART III
PRODUCTION PROGRAMMES
AND
PHYSICAL INFRASTRUCTURE

65—66



CHAPTER 12
AGRICULTURE

Pakistan, in the first twelve years of her separate existence (1947—1959), was typical of the under-developed world. The agricultural scene was characterized by the familiar pattern of age-old technology and of constraints on major inputs such as water and fertilizer. A natural consequence of this backwardness was that a sector which contributed about 55% of the gross national product grew at an annual rate of 1.4% or about half of the rate of population growth.

During the Second and Third Plan periods (1960/61 to 1969/70), the rapid growth of new agricultural technology substantially changed the agricultural prospects. The introduction of new seed varieties coupled with increased availability of irrigation water and higher applications of chemical fertilizer resulted in significant increases in grain production, particularly in West Pakistan. The annual agricultural growth rate nearly tripled, from 1.4% to 3.9% in the decade of 1960s.

The Fourth Plan (1970/71 to 1974/75) aims at accelerating the pace of agricultural growth attained in the last decade through a wider dissemination of the new seed-based technology by covering even the smallest of farmers. In East Pakistan, a major flood control programme will be undertaken in addition to a programme for the installation of 50,000 tubewells to provide supplemental irrigation water. In West Pakistan, emphasis will continue to be placed on the exploitation of ground water resources with a view to supply an additional 12.5 million acre-feet of supplemental irrigation water. In East Pakistan, the fertilizer consumption is expected to increase from 121.5 thousand nutrient tons in 1969/70 to 475 thousand nutrient tons in 1974/75. In West Pakistan, the fertilizer consumption will increase from 312 thousand nutrient tons in 1969/70 to 800 thousand nutrient tons in 1974/75. With the increased availability and wider use of modern farm inputs, the agriculture sector, as a whole, is anticipated to grow at an annual rate of 5.5% over the Plan period.

The Annual Plan for 1970-71 will make a significant contribution toward achieving the targets proposed in the Fourth Plan in the agriculture Sector by concentrating on the use of modern farm inputs. The fertilizer consumption is expected to grow by 43% in East Pakistan and by 35% in West Pakistan over the consumption in the preceding year. The production of wheat is anticipated to increase by 7%, of rice by 22% and of cotton by 10% over the corresponding production in 1969-70. The details of different programmes, their financial and physical targets covered by the Annual Plan are given below.

Financial Allocations for 1970-71

For the development programme for 1970-71 in the Agriculture Sector, an allocation of Rs. 1,064.892 million has been made. The break-down of this allocations by Executive Agencies is given below :

									(Million Rs.)
<i>East Pakistan</i>	..	..	..	..	..	..	..	..	737.500
<i>West Pakistan</i>	..	..	..	..	..	..	..	..	265.530
Baluchistan	..	..	..	..	..	..	..	..	9.346
Sind	..	..	..	..	..	..	..	..	70.413
Punjab	..	..	..	..	..	..	..	..	161.788
N.W.F.P.	..	..	..	..	..	..	..	..	23.983
<i>Centre</i>	..	..	..	..	..	..	..	..	61.862
Central Ministries	..	..	..	..	..	..	..	..	58.378
Centrally Administered Tribal Areas	..	..	..	..	..	..	..	..	3.484
Total ..									1,064.892

Crop Production

For 1970-71, the targets of production for the important crops have been set within the frame work of the 4th Plan and in accordance with the infrastructure and institutional facilities developed so far. These are as follows:—

Crop	East Pakistan	West Pakistan
	thousand tons	
Rice	12,500	2,500
Wheat	100	7,500
Sugarcane	7,700	23,800
	thousand bals.	
Jute	7,400	—
Cotton	—	3,300
	million lbs.	
Tea	73	—

Major programmes for achievement of the above targets during 1970-71 are discussed in the following paragraphs. Major emphasis has been laid on such programmes as fertilizer, plant protection, mechanisation, colonization and improved seeds.

Fertilizer

It is planned to distribute 596,000 nutrient tons of fertilizer during 1970-71 against the consumption of 433,000 nutrient tons during 1969-70. This amounts to an increase of about 38% over the last year's performance. The proposed consumption in East and West Pakistan, by type of fertilizer, is given below :

	East Pakistan	West Pakistan	Total
	'000' nutrient tons		
Nitrogen	118	328	446
Phosphorus	39	87	126
Potash	18	6	24
Total ..	175	421	596

As regards the fertilizer distribution programme in the newly created provinces of West Pakistan, the quantity likely to be consumed, on the basis of previous pattern, works out to 285,000 nutrient tons in Punjab, 80,000 nutrient tons in Sind, 46,000 nutrient tons in N.W.F.P. and 10,000 nutrient tons in Baluchistan.

Plant Protection

The area to be covered with curative measures during 1970-71 is estimated to be about 26 million spray acres as detailed below :

	East Pakistan	West Pakistan	Total
	(Million spray acres)		
Ground operation	16.10	5.86	21.96
Aerial operation	2.50	1.50	4.00
Total ..	18.60	7.36	25.96

Preventive measures consisting largely of seed treatment against soil and seed borne diseases will be continued and intensified during the year.

Improved Seed

It is programmed to distribute through the Government agencies, 15.35 lakh mds. of improved seeds of principal crops during 1970-71. The crop-wise distribution programme of improved seeds by provinces is detailed below :—

Crops	East Pakistan	West Pakistan				Sub-Total	Total
		Baluchistan	Sind	Punjab	N.W.F.P		
(lakh maunds)							
Wheat	0.24	0.06	1.13	3.47	0.46	5.12	5.36
Paddy	3.29	0.01	0.56	0.39	0.04	1.00	4.29
Maize	—	—	0.02	0.05	0.03	0.10	0.10
Gram	—	—	0.05	0.15	0.05	0.25	0.25
Potato	—	Neg	0.01	0.18	0.01	0.20	0.20
Cotton	—	—	1.25	3.75	—	5.00	5.00
Jute	0.12	—	—	—	—	—	0.12
Oilseeds	—	—	0.01	0.01	0.01	0.03	0.03
Total	3.65	0.07	3.03	8.00	0.60	11.70	15.35

In addition, 0.20 lakh maunds of potato seed will be imported and distributed among the registered growers in East Pakistan for subsequent procurement and preservation of 1.50 lakh maunds of seeds.

Mechanization

During the year 1970-71, the East Pakistan Agricultural Development Corporation estimates to hire out 28,000 power pumps against the expected use of about 18 thousand pumps during 1969-70. These pumps are expected to irrigate about 1.1 million acres against the coverage of about 700 thousand acres during 1969-70. In order to ensure the efficient execution of the scheme, two regional and 26 zonal workshops will be established and equipped during the year. The Corporation will also hire out tractors to cultivate about 20,000 acres.

In West Pakistan, about 1,000 bulldozers will be used to develop about 346 thousand acres of land in the settled districts. The province-wise break down of the programme will be as follows :

Province	Bulldozers to be used	Area to be developed
Baluchistan	85	3
Sind	134	8
Punjab	573	19
North Western Frontier Province	208	6
Total	1,000	34

In addition, wheel type tractors will be hired out to cultivate about 75 thousand acres in the four provinces of West Pakistan. The programme for construction of workshops at divisional and district headquarters will be continued to provide the necessary repair and maintenance facilities for agricultural machinery.

With the expansion of drilling facilities the Agriculture Departments in West Pakistan will bore about 3,800 tubewells during 1970-71 as compared to about 3,500 tubewells bored during 1969-70. The Province-wise break down will be as given below :—

Province	Tubewells to be bored
	number
Baluchistan	300
Sind	875
Punjab	1,960
N.W.F.P.	665
Total	3,800

In order to encourage installation of diesel driven tubewells, it is proposed to provide subsidy on such tubewells, particularly in areas where electricity is not available.

Colonization and other Project Areas

In East Pakistan, work on the development of Chittagong Hill Tracts will be intensified by the Agricultural Development Corporation. It is proposed to settle about 2,500 cultivators on an area of about 15,000 acres and to provide them fruit seedlings, facilities for land levelling, loans and other materials. Work on the establishment of Agricultural Development Estates at Dacca, Chittagong, Rajshahi and Khulna will be continued.

In West Pakistan, colonization operations, survey and rectangulation of land and construction of Mandi Towns will be continued in the Ghulam Mohammad and Guddu Barrage Areas. Heavy earth moving machinery will be operated to reclaim about 30,000 acres of unlevelled bushy and barren lands for crop cultivation in these project areas. Survey work will be undertaken to explore possibilities of establishing an agricultural development estate to help meet the food requirements of Karachi.

Soil Survey

Under the Rapid Soil Fertility Survey Scheme, trials at the farmers fields will be continued in East and West Pakistan to determine the optimum use of different kinds of fertilizers under the various ecological and agricultural conditions.

Under the Soil Survey Project of Pakistan, which aims at conducting reconnaissance soil survey for the whole country, an area of 6,000 square miles and 12,000 square miles is proposed to be surveyed in East and West Pakistan, respectively.

Soil Conservation

In East Pakistan, Soil Conservation demonstration areas will be continued while trials will be intensified on various crops in the project areas at Ramgarh and Debiganj to determine their adaptability as well as their capacity to check erosion.

In West Pakistan, under the Soan Valley Land Improvement Project, only previous work will be maintained. The physical targets under the Soil Conservation Operational Project will be as follows :—

	Punjab	N.W.F.P.
(i) Wat bandi (Acres)	50,000	10,000
(ii) Reclamation of virgin land (acres)	20,000	4,000
(iii) Gully plugging (acres)	20,000	4,000
(iv) Improvement of ponds (Nos.)	300	60
(v) Kas training (miles)	50	10

Forestry

In East Pakistan, about 45,000 tons of timber will be extracted from the Chittagong Hill Tracts. About 15,000 acres will be afforested and 5 nurseries will be raised. About 25,000 acres will be taken up for rubber plantation.

In West Pakistan, the province-wise targets will be as follows :—

Item	Baluchistan	Sind	Punjab	N.W.F.P.
Afforestation (acres)	—	—	6,800	6,900
Irrigated plantation (acres)	—	7,000	500	—
Canalside planting (avenue miles)	—	1,100	13,700	—
Roadside planting (avenue miles)	—	362	2,848	—
Railway side planting (avenue miles)	—	—	716	100
Nurseries (acres)	—	—	472	30
Roads to be constructed (miles)	—	—	45	14
Watershed management*				
(a) Afforestation (acres)	—	—	1,000	5,200
(b) Terracing	—	—	450	1,080
(c) Check damming (acres)	—	—	12,000	—

*Also, under the scheme for Mangla Watershed Management, an area of 110 sq. miles will be covered.

In the Special and Northern Areas, about 12,000 acres of blanks will be afforested, about 54,000 acres of afforested area will be maintained and 300,000 acres will be demarcated.

Fisheries

In East Pakistan, 10,000 bighas of derelict waters and about 9,000 bighas of *beel* and *boar* areas will be taken up for fish production. Vigorous efforts will be made to commercially exploit Karnaphuli reservoir. Construction will be undertaken on 23 fish seed multiplication farms and 4 zeol fish farms. Fish culture in rural tanks and ponds will be intensified. A pilot scheme for biological management of open fisheries will be implemented. Trawlers will be procured for fishing in the Bay of Bengal. Outboard engines will also be procured for installation in canoes and boats.

In West Pakistan, fish cultivation will be further expanded in ponds, dams, lakes, reservoirs and abandoned canals while derelict water areas will be taken up for reclamation and fish production. Supply of quality fry/fingerlings will be increased through establishment of increased number of seed farms and nurseries.

The province-wise activities in West Pakistan will be as follows :

Baluchistan.—Modernization of fish curing yards at Gwadur, Pasni, Jiwani and Ormara will be continued while fishing equipment will be imported and supplied to fishermen on no-profit-no-loss basis. Development of fisheries in dams and reservoirs will be continued. A provision of Rs. 2.25 million has been made for preparation and execution of new projects.

Sind.—Development of fisheries in Manchar and other lakes will be continued and fishing equipment will be imported and supplied to fishermen on no-profit-and-no-loss basis.

Punjab.—Programmes for the development of fisheries in lakes, dams and reservoirs in abandoned irrigation canals and work on the establishment of fish seed farms and nurseries will be continued. New programmes for the development of ponds in villages for fish production and development of fisheries in small dams (under Agricultural Development Corporation) will be initiated.

N.W.F.P.—Efforts to develop fisheries in lakes, dams and reservoirs in the Settled Areas as well as in the Tribal Areas will be continued. Fisheries development activities in Warsak Dam and Tribal Areas of D.I. Khan will be continued. A new programme for the development of trout culture in Kaghan valley will be initiated.

Construction of wholesale fish markets at Dacca will be taken up while wholesale fish markets at Khulna and Cox's Bazar will be put into operation. Work on construction of fish harbour at Chittagong will be completed. Two feasibility surveys—one for preparing a master plan for extension of existing facilities at the Karachi fish harbour and the other for establishment of an alternate fish harbour at Ibrahim Hydri (near Karachi) will be taken up.

Pre-investment survey of in-shore and off-shore waters of Bay of Bengal will be continued during the year. Two vessels for sea exploration and oceanographic research in the Arabian Sea and one vessel for operating in the Bay of Bengal will remain under construction during the year.

Technological and biological research activities will be intensified at Chandpur. Additional research facilities will be provided at Fisheries Research Station at Channawan (Distt. Gujranwala).

Construction of a marine biological laboratory at Cox's Bazar will be completed and brought into operation.

Vocational training will continue to be given to fishermen for a period of five months in the field of navigation ; seamanship, handling and preservation of fish, etc. at Karachi while work on establishment of an institute for training of master-fishermen and marine diesel engineers will be taken up.

MISCELLANEOUS

Centre

Land for setting up of National Natural History Museums at Islamabad and Dacca and a Zoo-cum-Botanical Garden at Islamabad will be acquired and construction work thereon will be started.

Agricultural Extension

In East Pakistan, Agriculture Extension Services will be considerably strengthened through appointment of additional extension staff at Thana and Union Levels and provision of transport and other facilities. Construction work will be undertaken to provide office accommodation for the staff at sub-divisional, district and divisional levels. Out of 4,053 union seed stores, about 500 will be renovated to provide office and residential accommodation for the Union Assistants. For development of sugarcane cultivation, improved varieties of sugarcane will be distributed to the growers and demonstration plots will be established in the sugarcane growing areas to educate the farmers on the improved methods of sugarcane cultivation. To achieve the production target of jute, the intensive jute production programme will be taken up on a larger scale. A planning and Evaluation Section will also be set up in the Agriculture Department and subject matters specialists will be appointed. Agricultural Information Service will be improved and expanded.

In case of West Pakistan, following activities will be taken up :

Sind.—Work on construction of buildings for Agriculture Department will be continued in the G.M. and Guddu Barrage Areas.

Punjab.—A new programme known as “Strengthening of extension training of farmers and in-services training of field staff” will be initiated and Agriculture Information Service will be improved and expanded. Field Assistants appointed in the Urban areas will continue their extension activities.

N.W.F.P.—Buildings for the Deputy Director of Agriculture at D.I. Khan will be constructed and agriculture extension activities will be carried out in the Tribal Areas also.

In the case of Central Government, Agricultural Extension Services of Special and Northern Areas will be improved and expanded.

Research on Crop Production

In East Pakistan, construction of buildings as well as procurement of equipment will continue in connection with the shifting of the Agricultural Research Institute from Tejgaon to its new site at Joydevpur. With the establishment of the Accelerated Rice Research Institute, work will be started on the establishment of an autonomous Rice Research Institute at Joydevpur. The zonal trials on sugarcane will be continued to develop

suitable varieties for cultivation in different areas of the Province. Furthermore, facilities for research on sugarcane crop will be expanded at the sugarcane research station located at Ishurdi to strengthen and intensify research work on this crop. It is further proposed to strengthen research facilities for oil seed crops, pulses and potatoes. A coordination Board for agricultural research will be set up to consolidate and coordinate the research activities in the Province. Furthermore, Pakistan Central Jute Committee will continue research work on the evolution of new high yielding varieties and for increasing Jute production in the Province.

In West Pakistan, the three Agricultural Research Institutes located at Turnab (Peshawar), Lyallpur, and Tandojam (Hyderabad) and their sub-stations, will be provided with additional facilities. A few new sub-stations will be opened in different ecological zones. Research work on oil seeds, potatoes, rice, cotton, maize and millets will be accelerated with a view to evolving high yielding varieties possessing superior quality characteristics. Furthermore, research work will be initiated on the selection of wheat varieties suitable for cultivation under rain-fed conditions.

Agricultural Education

In East Pakistan, educational facilities at the Agriculture College Dacca and the Agriculture University, Mymensingh will continue to be improved. Similarly, facilities at the 7 Agriculture Extension Training Institutes for training of Union Agriculture Assistants will be further improved and expanded and the Hathazari Institute will be shifted to Gouripur. Supplementary food will be provided to students of Agriculture Training Institutes under the World Food Programme and a new Agricultural College will be established at Rangpur.

As regards West Pakistan, the following programmes are envisaged :—

Baluchistan.—Training of field assistants will be continued at the Agriculture Training Institute, Quetta.

Sind.—Training of field assistants will be continued at Agriculture Training Institute Sakrand (District Nawabshah) and scholarships will be awarded for degree courses in agriculture at Agriculture College, Tandojam. Facilities for graduate and post-graduate education at Agricultural College Tandojam will be improved and expanded.

Punjab.—Training of field assistants will be continued at the Agriculture Training Institute, Sargodha and Rahimyar Khan while scholarships will be awarded to students for degree courses in agriculture at the Lyallpur University. Educational facilities will also be expanded at this University.

N.W.F.P.—Training of field assistants will be continued at the Agricultural Training Institute, Peshawar while scholarships will be awarded for degree courses in agriculture at Agricultural College, Peshawar to students from the settled areas. Scholarships will also be awarded to students from the Tribal Areas for field assistants course and the degree courses in agriculture.

In case of Central Government, scholarships will be provided to students from the Special and Northern Areas for the field assistants course and degree courses in agriculture to be pursued at the Agricultural Institutions in West Pakistan.

Agricultural Economics and Statistics

In East Pakistan, the Bureau of Agricultural Statistics will be strengthened to improve collection and compilation of agricultural statistics and a Planning and Evaluation Section will be set up in their Directorate of Agriculture (Extension and Management).

In West Pakistan, the programme for collection and compilation of agricultural statistics through objective technique will be continued in Punjab and N.W.F.P.

In Case of the Central Government, farm management surveys will be extended to the newly developed areas, particularly in coastal areas of East Pakistan and studies on changes in farm incomes due to use of improved seed will be taken up. Studies in improvement of fertilizer distribution, economics of irrigation, economics of plant protection and other important inputs will also be undertaken. For more accurate crop forecasting, coverage will be enhanced and price situation will be thoroughly investigated to review the price support policies and subsidies on farm inputs. Preparatory work for holding of Second census of Agriculture will be continued and a data processing plant will be imported.

Agricultural Marketing

In East Pakistan, construction work for the establishment of a wholesale auction market for vegetables, fruits, etc. in Dacca city and on improvements of Barmi market (feeding Dacca city) will be continued. Construction of licensed ware-houses at mandi and union levels will be undertaken. A Planning and Evaluation Cell will be set up in the Agricultural Marketing Directorate and the Directorate itself will be strengthened to provide additional staff at the sub-divisional, district and Divisional levels. A scheme for grading of mustard oil will be taken up to ensure supply of pure and wholesome mustard oil to the consumers, and research will be undertaken to evolve efficient method of storage, packing, packaging, transportation, handling and market preparation of farm products.

In case of West Pakistan, more staff will be appointed in the four provinces with a view to improving the marketing conditions.

Under the Central Government's programme, compulsory grading of potatoes, wool, senhemp, animal hair, coriander seed, and hides and skins will be continued. Initial work on compulsory grading of jute and compulsory grading of citrus fruits before export will be introduced and fruit grading plants will be set up at Karachi and Peshawar. The Department of Agricultural Marketing and Grading will be strengthened for extended marketing surveys and market intelligence while research work for preparation of Grading and Marketing Rules for prawns, spices, molasses, jute, animal feed and tobacco will be carried out. Studies on price stabilization of agricultural commodities will be taken up.

Government Foodgrain Storage

In East Pakistan, construction of 4 silos at Narayanganj, Ashuganj, Santahar and Chittagong will be completed and work on the 5th silo at Chalna will be started. Besides, about 300 house type godowns will be improved and construction of another 3 house type godowns will be completed. Twelve garrages will be constructed and 43 trucks and 59 weighing machines will be procured.

The physical targets for construction of storages in West Pakistan will be as follows :—

Unit/Province	Type of godown	
	Silo	House type
		<i>Tons</i>
Baluchistan	—	7,000
Sind	—	40,500
Punjab	—	19,000
N.W.F.P.	—	4,000

Under the Central programme, about 18,000 tons storage capacity will be constructed at Pipri, near Karachi.

COOPERATIVE AND RURAL CREDIT

East Pakistan

Under the scheme "Development of Cooperative Credit and Marketing Structure", 2 Central Multipurpose Societies and 70 Union Multipurpose Societies will be organised. Five godowns for Central Multipurpose Societies and 35 godowns for Union Multipurpose societies will be constructed. Construction of one mechanised fishing boat and 3 carrier boats will be undertaken under the Fishermen's Cooperatives Scheme under which all the 50 Cooperatives were to be organised by the end of 1969-70. In addition, three ice plants with cold storages will be set up under the same scheme. Twenty primary sugarcane growers' cooperatives will be organised. Under the Comilla schemes about one thousand primary level societies will be organised.

West Pakistan

The cooperative programme will mainly comprise organisation of Farm Service Centres and construction of godowns under the scheme which the Provincial Government propose to substitute vice the Third Plan unapproved scheme relating to Reconstruction of Rural Credit and Marketing. The sheep shearing societies as contemplated under the Third Plan programme have since been organised. Their working which is far from satisfactory, will be streamlined. About 50 tubewells will be installed under the programme relating to installation of tubewells on cooperative basis.

Centre

Government will contribute additional 10 million rupees to the Share Capital of the Agricultural Development Bank (This will bring the total share capital contribution by Government to Rs. 175 million). The Bank contemplates to open 59 branches. Out of these 31 will be in East Pakistan and 28 in West Pakistan. In addition, 4 Chief Regional Managers' Offices (two in each Province) would be opened. A Chief Regional Office will be established at Quetta.

Land Reforms

Under the on-going schemes for consolidation of land holdings, about one million acres will be consolidated in Punjab and N.W.F.P.

CHAPTER 13

WATER RESOURCES DEVELOPMENT

The problems of the development of water resources in the two regions of the country differ widely from each other. West Pakistan, which is pre-dominantly arid to semi-arid, faces shortage of rainfall in a large part of the region. Its rivers receive supplies from snow-melts and the summer monsoons. With an extensive network of canals in the Indus Basin and an intensive use of the land over the last many years and relatively poor drainage systems, the region, has been faced with the ever impending menace of water-logging and salinity.

2. East Pakistan, which is a humid region, faces the problem of recurring floods which devastate the crops, lives and property on a large scale almost every year. Except during the summer monsoon months (June to September-October), agriculture has to depend either on the residual moisture in the soil or on irrigation, wherever it can be provided. Thus, East Pakistan faces over-abundance of water in the summer and scarcity in the winter.

3. With such divergent problems and needs of the two regions, the strategy and the policies adopted in the Fourth Plan for the development of water resources are quite different from each other. The general objective in both the cases is, however, effective use of water to maximise agricultural production in the shortest possible time.

East Pakistan

4. The basic and urgent needs of the province are to take necessary measures for controlling and regulating the flood inundation and tidal intrusion and also to develop adequate irrigation facilities for winter crops and monsoon crops during critical periods. The Third Five Year Plan included 20 on going schemes, and many new schemes. A number of schemes aimed at improving the data collection activities, strengthening and re-organisation of research and laboratory facilities, improvement of General Services and detailed general and specific investigation to facilitate formulation of projects. The new schemes could, however, not make much head-way since the feasibility studies of most of these schemes could not be completed in time.

5. The allocation to the Water sector in East Pakistan during the Third Plan was Rs. 1,960 million which is 5.7 per cent of the total plan allocation and about 11 per cent of the total allocation to the province. The major objectives of the Plan were to bring 1.76 million acres land under irrigation and improve 2.72 million acres of cultivated land by providing drainage facilities and flood control measures.

Performance during Third Plan

6. Against the Plan allocation of Rs. 1,960 million an amount of Rs. 1,312.08 million is estimated to have been spent during the Third Plan which amount to about 67 per cent of the Plan allocation. The sub-sectoral financial achievements are given in Table I.

TABLE I

Sub-head	Third Plan		Percentage Achievement
	Revised Plan Allocation	Estimated Expenditure	
1. Investigation and Survey and Special studies	132.56	107.40	81
2. Multipurpose Development	700.41	347.97	50
3. Flood Protection	759.53	677.85	89
4. Miscellaneous Services and Equipment	188.48	114.30	61
5. Irrigation/Tubewell Irrigation	179.02	64.56	36
Total ..	1,960.00	1,312.08	67

7. The following major water resources development projects have been completed during the Third Plan :—

- (1) Dacca-Narayanganj—Demra Project,
- (2) Brahmaputra Right Bank Flood Embankment Project,
- (3) Groundwater Development and Pump Irrigation Project in the Northern Districts of East Pakistan,
- (4) Improvement of Old Dakatia and Little Feni River in Noakhali and Comilla District (Phase I),
- (5) Dredging the Gumti River in the District of Comilla,
- (6) Comprehensive Drainage Scheme for Faridpur District, and
- (7) Teesta Sub-project.

As a result of completion of these schemes and progress on other on-going schemes an area of about 1.00 million acres of new land has been brought under irrigation including the area irrigated through 18,000 low lift pumps and about 1.00 million acres of old area have been improved through raising the coastal embankments, flood control and drainage facilities. Compared with the Plan targets, this achievement is 56.8 and 36.7 per cent respectively.

Annual Development Programme for 1970-71

8. The Water sector has been allocated a sum of Rs. 270 million which is about 7.4 per cent of the total size of the programme in East Pakistan. Besides a sum of Rs. 300 million has been set aside specifically for a Flood Protection Programme outside the Plan financed as Central Government Capital outlay.

9. The sub-sector-wise programme both in the Plan and outside the Plan for 1970-71 is given in Table II.

TABLE II

(Million Rupees)

Sl. No.	Sub-head	Provision for 1970-71		Total
		Inside the Plan	Outside the Plan	
1.	Investigation Survey	5.869	51.540	57.409
2.	Multipurpose Development	67.937	30.000	97.937
3.	Irrigation	6.800	—	6.800
4.	Flood Regulation	159.765	131.563	291.328
5.	Urban Protection Schemes	—	34.613	34.613
6.	Channel Improvement and River Training	—	7.564	7.564
7.	Miscellaneous Services and Equipment	29.629	44.720	74.349
Total ..		270.000	300.000	570.000

10. Out of Rs. 270 million in the Plan, Rs. 260 million has been allocated for the schemes sponsored by E.P. WAPDA and Rs. 10 million for small Schemes sponsored by the Irrigation Directorate, Government of East Pakistan. The programme for 1970-71 places great emphasis on early completion of on-going projects.

11. The Comprehensive Drainage Schemes for Sadar Sub-Division of Noakhali is likely to be completed during this year. The programme includes among other projects the Ganges Kobadak Project (Kushtia Unit), under which additional area of 30,000 acres is likely to be brought under irrigation, bringing total irrigated area to 120,000 acres. Coastal Embankment Project Phase I which could be completed during this year

but due to November, 1970 cyclone it would take a few years more and the work on Tippera Chittagong Multipurpose Project (Chandpur Unit) will be taken up vigorously during 1970-71. The programme would also include some new Flood Control-cum-Water Development Projects which have been identified by the World Bank. The Dacca Southwest Project is worthy of special mention in this regard. In addition many Survey and Investigation Schemes and Miscellaneous Services and Equipment Projects would also be taken up. Projects regarding urban protection of Dacca and Chittagong cities will also be undertaken during 1970-71.

West Pakistan

12. The Third Five-Year Plan assigned a very high priority to the development of water resources in the effort to increase agricultural production. About 14% of the total public sector resources amounting to Rs. 4,199 million were earmarked for the water development projects in East and West Pakistan and the Centre. Of these, an amount of Rs. 2,181 million was allocated for the Water Sector Programme in West Pakistan. It is estimated that about Rs. 1,491 million of 68% of Third Plan allocations have been spent in West Pakistan during the Plan period. The shortfall is due mainly to the initial set back in the first two years of the Plan and also due to the actual releases falling short of the A.D.P. provisions.

Performance during Third Plan

13. During the Third Plan, the pace of Development in water sector remained quite satisfactory despite financial constraints. Water availability increased through the following sources :—

Source	Water Availability in		Net Increase (MAF)
	1964-65	1969-70	
	M A F		
(i) Surface flow diversion (at canal heads)	84.9	90.0	5.1
(ii) Public Tubewells	2.0	6.0	4.0
(iii) Private Tubewells	5.0	15.0	10.0

Significant among these are the surface water increases from greater diversions at canal heads, which rose to as much as 94.2 M.A.F. in 1968-69, and were maintained at 90 M.A.F. by the end of the Third Plan.

14. These increases in water supply and other allied facilities resulted in an addition of 2.72 million acres of new area and improvement of 12.65 million acres of old area in West Pakistan. This performance compares favourably with the Third Plan targets of 3.98 million acres of new area and 17.6 million acres of old area.

15. The financial stringency resulted in a serious set-back to the SCARP Programme undertaken by WAPDA. Only the on-going schemes like SCARP II, SCARP III, SCARP (Khairpur) and SCARP (Larkana-Shikarpur stage I) could be provided for adequately. SCARP IV project, which was initiated in 1965 was curtailed to a minimum by reducing its commanded area and leaving the rest-for private sector tubewell development which appeared quite active there. As a result only 3,531 tubewells were installed and energised for operation by 1970 against the revised Plan target of 7,855. The gap caused due to non-fulfilment of Plan targets in the public tubewells sector was largely met by the private sector tubewells which exceeded the Plan target of 40,000.

16. The major accomplishments in West Pakistan in the Water sector during the Third Plan are estimated as follows :—

	million acres.
(i) New area brought under irrigation	2.72
(ii) Old area improved	12.65

SCARP Programme

(i) Number of tubewells completed	5007
(ii) Number of tubewells electrified	3,531

Private Tubewells

Number of private tubewells completed	45,000
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DEVELOPMENT PROGRAMME FOR 1970-71

17. In line with the objectives of the Fourth Plan, the Annual Plan for 1970-71 provides for the early completion of the on-going projects so that the effects of investments made on these projects in the earlier Plans are noticeable and their benefits realised during the Plan-period. In the formulation of the Development Programme, agriculture has been accorded the highest priority and therefore adequate provision has been made for programmes in Water Sector having an impact on agricultural production. Major on-going irrigation projects have been included in the A.D.P. for all the four provinces of West Pakistan. Provision has also been made to initiate technically sound schemes for Baluchistan & N.W.F.P. so as to accelerate the pace of development in these less developed regions. In addition, the Tarbela Dam Project and other I.B.P. works will continue outside the Plan.

18. The Annual Development Programme (1970-71) for the various provinces of West Pakistan and their distribution by the executing agencies are discussed below separately :—

19. **Punjab.** (i) *Irrigation Department.*—The A.D.P. 1970-71 provides an amount of Rs. 37.5 million for the Water Sector projects to be undertaken by the Irrigation Department in the Punjab. Most of this allocation is for the on-going projects related with drainage, reclamation & tubewells and multipurpose development. The major emphasis will be on the early completion of on-going projects such as Taunsa Barrage Project, (Head-works & other than Head-works), Remodelling Hundiara Drain, Constructing Pandoki, Raiwind and Satiana Samundari Drainage Systems, providing Chakbundi drainage system, Drainage facilities for Rasul Nagar area etc.

(ii) *W.A.P.D.A.*—Out of the total programme of Rs. 220.95 million proposed by W.A.P.D.A. for 1970-71 for West Pakistan, an amount of Rs. 116.83 million, including a provincial grant of Rs. 1.30 million for the Mona Experimental Project, has been earmarked for the water development programme in the Punjab. This allocation has been made exclusively for the groundwater development projects in the province, namely SCARP II (Chaj-Doab), SCARP III (Lower Thal), SCARP IV (Upper Rechna), SCARP (Shorkot-Kamalia) and SCARP (Bahawalpur). In addition, an allocation of Rs. 20.39 million has separately been made for the General Investigations to be carried out by W.A.P.D.A. for all the four provinces of West Pakistan.

The programme under the SCARPS in the Annual Plan is virtually negligible as compared to the Action Programme recommended in the Lieftinck Report. But in view of inadequate resources, the programme had to be confined to a moderate level. The SCARP programme will have to be given greater attention if the progress towards control of water—logging and salinity has to be achieved and additional irrigation water made available for increasing cropping intensities.

During 1970-71 it is proposed to carry through the work on the on-going lower Jhelum Sub-Project in order to complete the development of fresh groundwater area of SCARP II during the 4th Plan. About 300 tubewells will be electrified during the year 1970-71. In SCARP III the remaining work on the electrification of tubewells in the Rangpur Unit will be carried through. It is estimated that about 150 tubewells will be energised during the Annual Plan. In SCARP IV the remaining work on the electrification of tubewells will be taken up. The portion of SCARP V included in the 4th Plan provides for the construction and electrification of only 426 tubewells under the Shorkot-Kamalia Unit, whereas under SCARP VI (Panjnad-Abbasia) it is proposed to construct and electrify about 1,000 tubewells in the fresh groundwater portion of this project. The preliminary works on these projects will be taken up during the year 1970-71.

(iii) *Agricultural Development Corporation.*—Out of the total water sector programme of Rs. 37.00 million to be undertaken by West Pakistan Agricultural Development Corporation during the year 1970-71, an amount of Rs. 2.62 million has been provided for the construction of small dams in the Punjab. The on-going schemes include construction of Chichali Dam, Dhurnal Dam, Qibla Bandi Dam etc.

20. **Sind.** (i) *Irrigation Department.*—The A.D.P. 1970-71 provides an amount of Rs. 33.0 million for the water sector projects to be undertaken by the Irrigation Department in the Sind. Almost half of this allocation is earmarked for the on-going projects, such as remodelling Rohri Canal, Gunitting arches of Sukkur Barrage Gates, constructing subsidiary weir below Main Jamrao Weir, constructing subsidiary Regulator at Naulakhi Regulator and constructing bye-pass structures on Rohri Main Canal. The remaining half of the allocations will be spent on the new schemes including Flood Protection measures, Thar and Kohistan development and other miscellaneous works.

(ii) *W.A.P.D.A.*—An amount of Rs. 65.7 million has been provided for the water sector programme to be undertaken by W.A.P.D.A. during 1970-71 in the Sind. Of this an allocation of Rs. 15.3 million has

been made for the Karachi Irrigation Project, and the remaining Rs. 50.4 million for the two groundwater development schemes, namely, SCRAP (Khairpur) & SCARP (Rohri-North). It is planned to complete the remaining works on SCRAP (Khairpur) and continue work of Rohri North Fresh Groundwater project envisaging installation of 1,269 tubewells during the Fourth Plan. About 300 tubewells are expected to be installed during 1970-71. The work on the project has been proposed to be undertaken under the existing protocols with Yugoslavia for the construction and electrification of tubewells.

(iii) *A.D.C.*—Of total programme of Rs. 37.0 million to be undertaken by West Pakistan Agricultural Development Corporation during 1970-71, an amount of Rs. 32.70 million has been earmarked for the water development projects in the Sind. The programme includes the on-going projects such as Gudu Barrage, Flood Protection and drainage works in the Gudu and G. M. Barrage, Development of ground water on the left bank of Guddu Barrage and constructing Link Canal from D/S of outfall regulator to R.D. 108 of K.B feeder lower G.M. Barrage project.

21. *N. W. F. P.* (i) *Irrigation Department.*—The A.D.P. 1970-71 provides an amount of Rs. 6.33 million for the water sector projects to be undertaken by the Irrigation Department in the N.W.F.P. The allocations will be utilized for the on-going projects—related with multipurpose development, e.g., Kurram Gahri Multipurpose Project & Warsak High Level Canal, and drainage and reclamation such as Master Plan for reclamation of waterlogged area in Peshawar District, etc., and other miscellaneous small irrigation schemes.

(ii) *W.A.P.D.A.*—An amount of Rs. 18.03 million has been provided for the surface water development projects to be undertaken by W.A.P.D.A. in N.W.F.P. during 1970-71. Of this, an amount of Rs. 12.99 million has been earmarked for the on-going Khanpur Dam Project, and Rs. 5.0 million for the Gomal Zam/Chashma Right Bank Canal Project.

(iii) *A.D.C.*—An allocation of about Rs. 1.68 million has been made for the water sector projects to be undertaken by West Pakistan Agricultural Development Corporation in N.W.F.P. during 1970-71. The projects include construction of Small Dams such as Kandar Dam Chattari Dam and Pick-up Weirs at Seri, Katha Sarhad & Sultanpur, etc.

22. *Baluchistan.* (i) *Irrigation Department.*—The A.D.P. 1970-71 provides an amount of Rs. 10.35 million for the water sector projects to be undertaken by the Irrigation Department in Baluchistan. The programme includes carrying out Surveys and Investigations in Quetta, Kalat and Coastal area, determination of the feasibility of Dam site on Dasht River (Mirani Dam), constructing small irrigation schemes, extension, improvement & renovation of Karezes etc.

(ii) *W.A.P.D.A. & A.D.C.*—No amount has specifically been earmarked for any water development scheme to be undertaken by W.A.P.D.A. and A.D.C. in Baluchistan during 1970-71. The amount of Rs. 20.39 million, provided for General investigation by W.A.P.D.A. includes investigations in this region as well.

A comparison of Annual Plan (1970-71) allocations made for the various provinces of West Pakistan is given in Table III.

TABLE III

Annual Plan Allocations for the various Provinces of West Pakistan—Water Sector (1970-71)

	Annual Plan Allocations			Total	% share in 1970-71	% share in population of West Pakistan
	Irrigation Department	WAPDA	A.D.C.			
1. Punjab	37.50	126.00	2.62	166.12	48.0	62.5
2. Sind	33.00	70.50	32.70	136.20	40.0	20.2
3. N.W.F.P.	6.33	23.00	1.68	31.01	9.0	14.0
4. Baluchistan	10.35	1.45	—	11.80	3.0	3.3
Total	87.18	220.95	37.00	345.13	100.00	100.0

CENTRAL DEVELOPMENT PROGRAMME

This includes the development programmes sponsored by the Pakistan Meteorological Department, the Survey of Pakistan, the Irrigation, Drainage and Flood Control Reserach Council, and the Kashmir Affairs Division. The Third Five Year Plan provided a sum of Rs. 57.97 million for the schemes sponsored by the various Central Government Agencies. The schemes included in this sector, except those sponsored by the Kashmir Affairs Division, generally aim at providing basic services. An amount of Rs. 44.37 million or 77% of the allocations are estimated to have been spent during the Third Plan.

The Central Development Programme for 1970-71 essentially aims at the completion of as many on-going projects as possible, the provision for the year being Rs. 13.482 million, against the Fourth Plan allocation of Rs. 115 million.

The allocations to the various Central Government agencies during the year 1970-71 are shown in Table IV.

TABLE IV

Annual Plan Allocation for the Central Government Agencies (1970-71)

								(Million Rupees)
Agency								Annual Plan (1970-71) Allocations
1. Meteorological Department	..	..	..	..	..	..	..	8.00
2. Survey of Pakistan	..	..	..	..	..	..	..	1.648
3. Irrigation Drainage and Flood Control Research Council	..	..	..	..	..	..	..	1.000
4. States and Frontier Regions Division	..	..	..	..	..	..	..	0.219
5. Kashmir Affairs Division..	..	..	..	..	..	..	..	2.615
							Total ..	13.482

CHAPTER 14

WORKS PROGRAMME AND RURAL DEVELOPMENT

The concept of Rural Development through a broad-based Works Programme was practised on experimental basis during the Second Five Year Plan period as a means of developing basic infrastructure and thereby increasing agricultural productivity and employment in the rural areas. The programme was financed by the PL-480 Counterpart Funds and remained non-Plan. Rs. 650 million were utilised under works Programme during the Second Plan period.

2. In view of the successful experience of the programme in the Second Plan period, Works Programme was integrated with the Third Plan with a larger allocation of Rs. 1,820 million. The Programme was also functionally broader. The expenditure under this Programme during Third Plan period is estimated to be Rs. 1,136 million *i.e.* 68 per cent of the Plan allocation for Works Programme. In spite of some financial shortfall and operational pitfalls, the Programme achieved some of its basic targets and held out potential for participation in development projects under rural leadership.

3. Added emphasis has been placed on the role of Works Programme for the Fourth Plan period. Scope and dimensions of Works Programme have been enlarged keeping in view the local needs, regional characteristics and national requirements.

4. Fourth Plan allocation for the Works Programme is Rs. 2,450 million—Rs. 2,000 million for East Pakistan, Rs. 35 million for Azad Kashmir and Northern Areas, Rs. 15 million for Tribal Areas and Rs. 400 million for West Pakistan as a whole whose province-wise break-up is not presently available.

5. A new feature under Works Programme for the Fourth Plan period is the introduction of Urban Works Programme which is necessitated by continued neglect of physical welfare facilities and services resulting in serious problems and tensions among low income groups in the urban areas. Due to resource constraint and the experimental nature of the Programme, financial size of the Urban Works Programme for the Fourth Plan is modest *i.e.* Rs. 430 million—Rs. 180 million for East Pakistan and Rs. 250 million for West Pakistan.

Development Programme for 1970-71

6. 1970-71 Programme under Works Programme starts with the following salient features which marks partial departure and partial shift in emphasis and approach from that followed during the previous years :
 - (i) Introduction of Urban Works Programme on a modest scale both in East and West Pakistan. Even on this modest scale and selective basis, the Urban Works Programme assumes more importance in West Pakistan than in East Pakistan due to faster rate of increase of urban un-employment and migration in West Pakistan.
 - (ii) Rural Works Programme assumes comparatively more importance in East Pakistan because rural un-employment problem and deficiency in infra-structure facilities are more acute in that Province and because its agricultural production programme is wider in scope and more diversified in nature.
 - (iii) Wherever possible regionally, Rural Works Programme is being treated as a part of integrated Rural Development comprising Rural works, Irrigation and Co-operative programme with a view to its having greater and co-ordinated impact on Agricultural Development Programme. Works Programme will henceforth be more oriented towards agricultural development than it was before.
 - (iv) Organisational problems regarding planning, co-ordinating and implementing development programme at the local level and problems regarding financing the programme timely and adequately are being thrashed out objectively so as to avoid bottlenecks encountered in the past.

7. Financial size of the Works Programme for 1970-71 is as follows :

(Rs. in Million)

	1969-70 (Revised)	1970-71 (Gross ADP)
East Pakistan	191.0	280.0
West Pakistan	50.0	58.2
Baluchistan	—	5.1
N.W.F.P.	—	18.1
Sind	—	10.0
Punjab	—	25.0
Azad Kashmir, Gilgit and Baltistan	4.0	4.5
	245.0	342.7

East Pakistan Programme

8. Integrated Rural Development Programme is being launched in East Pakistan. The programme, patterned after Comilla Academy experiments, consists of three specific components (i) Rural Works Programme (ii) The Thana Irrigation Programme and (iii) a two-tier Co-operative Programme.

9. The integrated programme has the following main objectives :

- To create physical facilities necessary for a productive rural economy through the mobilisation of under-employed human resources ;
- To organize farmers into viable units so that they can take advantage of modern agricultural technology ;
- To create in the rural areas farming units of an economically viable size with the aim of co-operative sharing of agricultural inputs and economic functions.

10. Major work-heads under Works Programme for 1970-71 in East Pakistan are as follows :—

- Thana Irrigation Programme and organisations of pump groups under phased out subsidies. It is the single most successful irrigation programme launched in East Pakistan both in respect of its contribution to agricultural production and to employment.
- Maintenance of the net work of rural roads and bridges constructed previously, and their extension/improvement wherever necessary to facilitate smooth movement and transportation.
- Minor flood control projects effectively supplementing WAPDA efforts in this direction.
- Effective drainage system involving small scale local works which will facilitate expanding irrigation works and larger flood control works.
- Construction of buildings, primarily at Thana level, to be used as primary schools, offices, workshops or godowns.

11. Works Programme has no pre-determined physical targets. Annual targets for different item-works such as low lift pumps, deep tubewells, Thana workshops, Thana storage godowns, power pumps, kutch/pucca roads, bridges and culverts, Thana Training and Development Centres, Union Community Centres, etc. depend on the nature and quality of local plans to be integrated into district and Provincial plans. However, it is expected that during 1970-71, 28,000 power pumps and 1,500 tubewells will be installed under Thana Irrigation Programme and that at least 78 thanas will be brought under integrated Rural Development Programme. This will be in addition to 24 Thanas already covered during 1969-70.

West Pakistan Programme

12. In West Pakistan, the physical achievements under Works Programme in the past mainly took place in Transport and Communications, Water Supply, Health and Sanitation and Education Sectors. Action programme for 1970-71 calls for co-ordinated efforts mainly in the above mentioned sectors and oriented towards more agricultural productivity and employment prospects. Some sort of Comilla type approach towards integrated rural development in West Pakistan ought to be evolved soon. New programmes, more diversified in nature, such as construction of food godowns will be undertaken.

13. Much emphasis is being placed on the role of Urban Works Programme in West Pakistan. Initially this Programme is expected to start operation in some selected cities e.g. Karachi, Lahore, Peshawar and Quetta where improvement of environmental conditions of the low income groups is urgently needed so as to lessen social stresses and strains.

14. The Works Programme expenditure in West Pakistan is expected to be concentrated in the less developed areas of the four Provinces of West Pakistan. Specially the four Divisions of West Pakistan with the lowest *per capita* income i.e. Peshawar, D. I. Khan, Kalat and Quetta badly need the infra-structural and employment facilities under Rural Works Programmes.

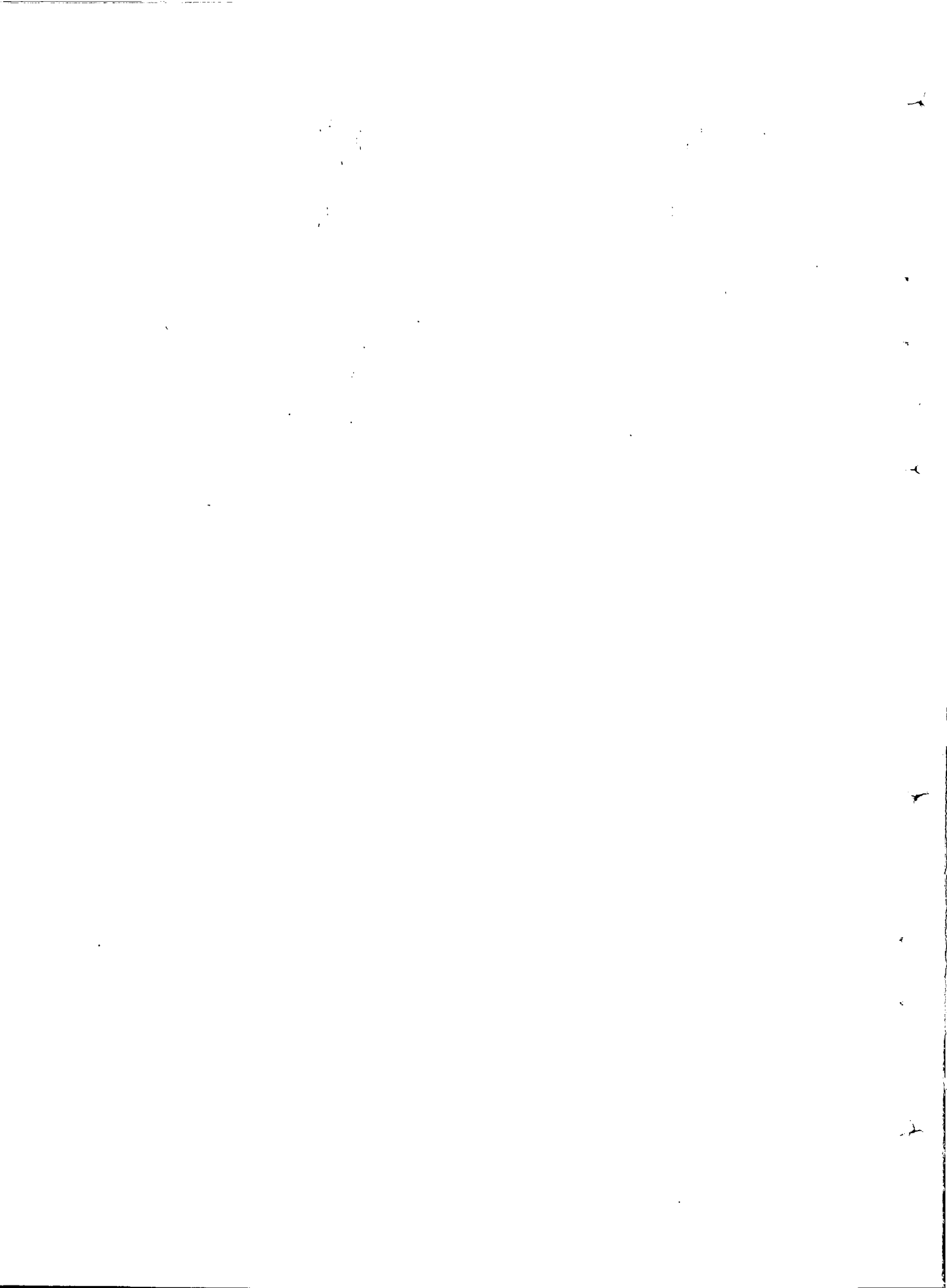
15. Works Programme for Sind Area is expected to do mostly for drainage and irrigation works.

Central Programme

16. Azad Kashmir and Northern Areas (i.e. Gilgit and Baltistan) and the Tribal Areas are the special responsibilities of the Central Government. Separate provisions under Works Programme have been made for these centrally administered areas. Fourth Plan provision for Azad Kashmir and Northern Areas is Rs. 35 million and for tribal areas Rs. 15 million.

17. Action programme for Azad Kashmir and Northern Areas will continue as usual to be in the form of vehicular roads, pony tracks, bridges, bridle paths, forest feeder roads, school buildings, lift pumps, protective bunds, tanks and canals. Works Programme in those areas will be mainly employment-oriented infra-structural works.

18. In Azad Kashmir, integrated rural development (pilot) project, phase I, is to start during 1970-71 (with a provision of Rs. 1 million), in addition to general Rural Works Programme.



CHAPTER 15

INDUSTRY

The performance of Industrial Sector had not been entirely up to expectation during the Third Plan though it has been substantial. Due to Indo Pakistan War in 1965-66, and also the disturbances of 1968-69, the pace of investment and production was effected rather seriously. Thus, a good deal of the shortfall in Industry, in the Third Plan, can be attributed to the extraneous factors.

2. The Third Five Year Plan envisaged a capital investment of Rs. 12,800 million in the industrial sector, which works out to 24% of the total Plan outlay. The investment in the Public Sector was expected of the order of Rs. 3,513 million and that of the Private Sector of Rs. 9,287 million. In financial terms, the Government financed sector's estimated achievement is about 66 per cent.

3. In physical terms, the proposed investment aimed at increasing the share of the manufacturing in the GNP to 14.5% by maintaining a growth rate of 10% per annum. This would have required a growth rate of 12% in large scale industry, as the Small Scale industry was growing at much lower rate. Despite several set backs viz. war with India in 1965-66, postponement of foreign aid to Pakistan, and political disturbances in 1968-69 and shortage of imported raw materials, the contribution of the manufacturing sector to the GNP increased from 11.4% in 1964-65 to 12% in 1969-70.

Private Sector

In the Private Sector, only 24% of the Industrial investment schedule was sanctioned during first two years of the Third Plan. The pace of Sanctions was, however, accelerated in 1967-68, due mainly to the bunching of large sanctions for fertilizer factories. As a result the total industrial sanctions, both under Comprehensive industrial investment schedule and the Priority list of industries, up to December, 1969 amounted to about Rs. 5,877 million and went up to Rs. 6,326 million up to March, 1970, which works out to 68% of the Third Plan target of Rs. 9,287 million.

4. In addition to its contribution to the GNP, the manufacturing sector has played appreciably an important role in stimulating exports. In 1964-65 the export of manufactured goods amounted to Rs. 769 million (about 32% of the total exports). In 1968-69, they rose to Rs. 1,510 million (about 47% of the total exports). It is estimated that during 1969-70 the exports of manufactured goods, which are likely to be of the order of Rs. 1,850 million, will account for more than 50% of the total exports.

Strategy for the Fourth Plan

In the Fourth Plan period the industrial sector presents two major challenges. First, the output in this sector must grow at least at 10 per cent per annum to facilitate the attainment of Plans' growth and consumption targets. Second, the industrial programme of the Plan should help to keep the foreign exchange gap within manageable limits, by maintaining the momentum of manufactured exports and replacing a larger proportion of imports particularly of engineering goods and imported raw materials.

A number of studies have recently been carried out by the Planning Commission, Ministry of Industries and the Provincial Governments to review Pakistan's industrial sector in the past two decades, to assess problems and prospects of industrialisation in future and to consider policies relating to specific industries. A special mission of the World Bank also carried out, last year, a detailed review of Pakistan's industrial structure and policies.

More specifically, the future industrial policy will be guided by the following principles :

- (a) Fuller utilization of installed capacity and balancing and modernization of existing plants will be given preference over further expansion.
- (b) Greater allocations will be made for the domestic production of intermediate and investment goods so as to reduce the current dependence of the country on imported capital goods from about 75 per cent at present to roughly one-half by the end of the Fourth Plan period.
- (c) More attention will be given to the exploitation of our gas and mineral resources.
- (d) Further industrialization will be geared closely to the export efforts of the country and based largely on domestic raw materials.
- (e) The productivity, efficiency and quality of production in the industrial sector will be improved so that it can compete freely within the country and with international products without sizeable subsidies.

Based on these principles, future industrial expansion is expected to be led primarily by steel, machinery, chemicals, fertilizers, natural gas, mining, agricultural processing and export industries. The Investment schedule for 4th Plan has since been prepared accordingly for each province separately.

Development outlay for the Fourth Plan

It is envisaged that a capital investment of Rs. 14,038 million will be made for the development of the manufacturing sector during the Fourth Plan period, out of which Rs. 4,338 million are earmarked for the Public Sector and Rs. 9,700 million for the Private Sector. The allocation of public sector's investment stands at Rs. 3,120 million for East Pakistan and Rs. 1,218 million for West Pakistan. The globable Public Investment of Rs. 4,338 million includes an investment of Rs. 533 million by the Central Government to be made in both the wings of the country. Out of the private Sector's investment of Rs. 9,700 million, Rs. 3,250 million are set aside for East Pakistan and Rs. 6,450 million for the four Provinces of West Pakistan.

Programme for 1970-71

The development programme for the fiscal year 1970-71 envisages an appreciable increase in production and exports of various industries. Balancing and modernisation rather than expansion of capacity will be encouraged. Adequate availability of imported raw materials to permit optimum utilisation of installed capacity is also aimed at. To achieve these objectives an allocation of about Rs. 566 million to finance public sector schemes has been made in the development programme for 1970-71, as indicated below :—

							(In million rupees)
(a) East Pakistan	..	..	..	..	..	..	399
(b) West Pakistan	..	..	..	..	..	..	102
(c) Centre	..	..	..	..	..	..	65
							566

While the financial and physical targets and achievements during Third Plan and in 1970-71 are shown at Annexures A to G, the estimated achievements for 1970-71 are indicated in the following paragraphs :

EAST PAKISTAN

The size of the East Pakistan Government financed A.D.P 1970-71 for industries and fuels and minerals sectors is fixed to Rs. 420 million and the physical targets likely to be achieved by the Government in 1970-71 are as follows :—

Sugar Industry

Shampur Sugar Mills with a capacity of 10,000 tons and expansion of existing Joypurhat Sugar Mills by 10,000 tons are expected to be in commercial production, Mymensingh Sugar Mills, Panchagar Sugar Mills, Faridpur Sugar Mills and expansion of existing Kushtia Sugar Mills with a total annual capacity of 40,000 tons of sugar are expected to go into trial production in 1970-71.

Paper Industry

North Bengal paper mills with an annual capacity of 18,900 tons is expected to go into commercial production in 1970-71. Land and site development work of Sylhet Pulp Mills (30,000 tons capacity) is expected to be completed in 1970-71 and machinery ordered.

Fertilizers

Urea Fertilizers Factory at Ghorasal with an annual capacity of 3.40 lac tons is also expected to go into commercial production. 90% work of TSP-II plant at Chittagong, is also expected to be completed in 1970-71. This plant is designed to produce 120,000 tons TSP. Feasibility study for the proposed Chinese aided urea plant of 85,000 T/Yr. is likely to be completed.

Ship Building

100 per cent land development work and 100 per cent copper dams on Dry Dock, Chittagong, are expected to be completed in 1970-71.

Engineering

Assembly of different types of machine tools and diesel engines in East Pakistan Machine Tools Factory and Pakistan Diesel Plant respectively is expected to start in 1970-71. 100% work of land and site development and 20% civil engineering works including factory building are likely to be completed in 1970-71 for general Electrical Manufacturing Plant, Chittagong.

Eastern cables with a capacity of 6,000 tons of wires and cables is also likely to go into production in 1970-71.

Basic Metal

The expansion of Chittagong Steel Mills from existing 1.50 lac tons to 2.50 lac tons of steel ingots is expected to be completed in 1970-71.

Non-Metallic Minerals

Chittagong Cement Factory with an annual capacity of 3 lac tons of cement from clinkers is expected to go into production in 1970-71.

Jute Industries

Rajshahi Jute Mills with 250 conventional Hessian and Sacking looms and Mymensingh Jute Mills with 500 conventional Hessian and Sacking looms are also expected to go into production in 1970-71.

Petro-Chemicals

Works on East Pakistan Industrial Chemical Complex based on natural gas is likely to be taken in hand by EPIDC in 1970-71. The project has been offered to A.D.B. and the I.B.R.D. for financing the foreign exchange cost of the project.

WEST PAKISTAN

The provision made for the Public financed mining and manufacturing sectors schemes in West Pakistan during 1970-71, is of the order of Rs. 115.02 million, out of which Rs. 102.52 million are earmarked for manufacturing and Rs. 12.50 million for mining sectors. This allocation will take care of the schemes of the newly created Provinces of Baluchistan, N.W.F.P. Punjab, and Sind.

Cotton Textiles

The Cotton Textiles Industry in West Pakistan is in the private sector. The production of the existing mills is not only meeting the internal requirements of Pakistan but also meeting export demand under bonus incentives. The production of cotton textile in West Pakistan is estimated to increase appreciably during 1970-71 as against the current year's estimated production of 570 million lbs.

Sugar Industry

Necessary provision has been made to increase the production of sugar in West Pakistan by establishing new units in the private sector and balancing and modernization of existing units.

Pakistan Machine Tool Factory, Landhi, Karachi

This project went into partial production in November, 1968. About 95% of overall civil engineering works have been completed. Almost the entire machinery has been received of which major portion has been installed. During the year 1969-70 the value of production of this factory is estimated at Rs. 5.3 million. The scheme has since been revised and is now estimated to cost Rs. 207.03 million with a foreign exchange component of Rs. 90.42 million. The original scheme had to be revised due to expansion in the production programme of the project under which some more product lines, including gear boxes, turret, lathes, break/draws for buses and trucks and defence equipment were added. The planned production programme of the factory after it goes into full operation is as follows :—

- (i) Machine tool worth Rs. 11.60 million per annum.
- (ii) Gear box and parts worth Rs. 83.40 million per annum.
- (iii) Die cast parts worth Rs. 5.00 million per annum.
- (iv) Forge parts worth Rs. 5.00 million per annum.
- (v) Standard tools worth Rs. 2.00 million per annum.

- (vi) Break drum worth Rs. 3.60 million per annum.
 (vii) Defence Equipment worth Rs. 400 million per annum.

Heavy Electrical Complex, Taxila

This scheme has been approved in principle by ECNEC at an estimated cost of Rs. 143.86 million, with a foreign exchange component of Rs. 61.06 million. The project is designed to produce power transformers, Switch gears, capacitors, air blast circuit breakers, valve type arresters, isolators etc. The annual turn over of the complex is estimated at Rs. 53 million. A protocol has already been signed between WPIDC and USSR for preparation of revised Techno/Economic report. Implementation of the project will be taken in hand after the approval of Techno/Economic report, when received.

Heavy Mechanical Complex, Taxila

This project is designed to produce equipment for cement and sugar mills, low pressure package type boilers, Pressure vessels, building machines, etc. and will involve an estimated outlay of Rs. 151.29 million with a foreign exchange component of Rs. 54.59 million. The machinery to be produced at the complex would be about 14,500 tons valued at Rs. 61.25 million.

Construction of main workshop comprising a fabrication and assembly shops is nearing completion. Training institution and training workshop have been completed and are in operation. About 85% civil works have been completed. Half of the machinery has been delivered of which 30% has been installed. The project is facing shortage of rupee fund.

Dir Forest Industries Complex, Chakdara

This complex costing Rs. 62.80 million with a foreign exchange component of Rs. 31.90 million received final approval of the Government in February, 1968 and order for machinery was placed on Polish suppliers in March, 1968.

The proposed complex would produce 144 million cft. of swan timber, 21.54 million sq. ft. ply-wood, 11.8 million sft. of chipboard per annum including veneered chipboard.

The project is in initial stages of development. Preliminary designing of colony building and survey of forest roads up to Kalakol has been carried out. Power route survey for extension of 66 k.w. power line up to Sheringal was also taken up by WAPDA.

Market survey for the proposed product of the project was undertaken. The location of the complex has been changed from Dir to Chakdara as per decision of 8th August, 1969 by the West Pakistan Government. A Polish delegation visited Pakistan recently for detailed discussion with WPIDC on the project report and changes in the requirements of equipment.

Heavy Forge and Foundry, Taxila

The above project originally estimated to cost Rs. 143.54 million was approved by the ECNEC in July, 1968. The ECNEC had directed that a revised PC-I proforma should be submitted in the light of Chinese proposal which were received in September, 1968. Accordingly, the WPIDC submitted a revised version of the Scheme in February, 1970.

The revised scheme envisages an investment of Rs. 176.07 million with a foreign exchange component of Rs. 55.30 million. The proposed production programme of this project is as follows :—

	(Ton/Year)
(i) Steel casting	4,000
(ii) Steel ingots	45,000
(iii) Iron castings	5,000
(iv) Press forgings	4,000
(v) Forged billets	12,000
(vi) Copper and Alluminium castings	100

The total sale proceeds of the project's products are estimated at Rs. 89.11 million annually.

The actual implementation of the project will be taken in hand after the revised scheme is approved by the competent authority.

Development and Utilization of Swat China Clay

The PC-I proforma of this project costing Rs. 35.34 million with a foreign exchange component of Rs. 11.27 million was submitted to the Government in April, 1967. The scheme was based on feasibility report prepared by M/s. Japan Consulting Institute. The project is designed to produce annually 36,00,000 pieces of table-ware, 1,26,000 pieces of sanitary wares and 96,00,000 number of tiles. The ECNEC in its meeting held in August, 1968 approved only the mining portion of this project having an annual production capacity of 4,800 tons, washed china clay valuing at Rs. 4.36 million and directed that the scheme relating to the other portion may be resubmitted after securing at least 25% foreign equity participation. The foreign equity investment is being firmed up by WPIDC. (In the meantime the implementation of the approved portion of the scheme has been taken in hand).

Small Industries

The schemes being implemented by the West Pakistan Small Industries Corporation and the Directorate of Industries are of promotional, research and training nature. In the A.D.P. 1970-71 necessary provision has been made for completion of various on-going schemes as well as for undertaking a few new but essential schemes under this Sub-sector.

CENTRE

An allocation of Rs. 65.43 million has been made for the Public Sector's financed industries schemes of the Centre for the fiscal year 1970-71. This provision will take care of the schemes like Karachi Steel Mills, Karachi Shipyard and Engineering works, small industries promotional and training schemes, including Azad Kashmir and Northern Areas schemes, Scientific and Industrial Research Schemes etc.

A brief description of the development activities for 1970-71 is given as follows :—

Printing Press

Since the taking over of the Printing Presses by the Printing Corporation of Pakistan with effect from 1st January, 1969, the scope and activities of the Presses have been enlarged to meet the demand of the text-books and other printed materials of the country. The Corporation has come up with the proposal to undertake a few new projects, besides continuing the on-going schemes during 1970-71. Work on the construction of staff quarters for the employees of the Press at Islamabad will also continue during 1970-71.

Karachi Shipyard and Engineering Works Ltd. Karachi—Phase II Part I

The scheme originally estimated to cost Rs. 32 million has since been revised to increase the scope of facilities at the shipyard. The revised cost of the project is estimated at Rs. 75.07 million with a foreign exchange component of Rs. 21.34 million. On completion of the project additional facilities for Berthing and Dry Docking will be available at the shipyard. The shipyard will also be in a position to undertake construction of 3 ships of 12 thousand DWT at a time. The net production capacity of phase I and Phase II of Part I scheme would be as follows :—

- (i) Ship repairing and dry docking—300 numbers or Rs. 9.5 million.
- (ii) Ship building—25,000 DWT.
- (iii) Steel construction and large engineering—6,000 tons.
- (iv) Diesel Engine construction—400 cylinders.
- (v) Foundries and Galvanising—9,000 tons.

A provision of Rs. 20.00 million has been made for the fiscal year 1970-71 for implementation of this project.

Other promotional and research schemes

For the continuance of the development activities of the schemes like PITAC, IACP, Jute and Textile productivity centres, etc., necessary allocation has been made for the fiscal year 1970-71.