ANNUAL PLAN

1973-74

Planning Commission
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ANNUAL PLAN FOR 1973-74

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PART I

ECONOMIC FRAMEWORK

CHAPTER 1

REVIEW OF PROGRESS DURING 1972-73

The economy of Pakistan received a severe set-back after 1969-70 due to political events in 1971 culminating in war with India and the separation of East Pakistan. *Per capita* income declined both in 1970-71 and 1971-72, as a result of virtual stagnation in GNP. The GNP of 1970-71 actually declined while it was slightly up by 1.4 per cent in 1971-72.

2. The Annual Plan for 1972-73 aimed at rehabilitating the economy and restoring it to a respectable growth rate at 6.6 per cent. The overall growth in GNP was close to the Plan target but its composition was not in conformity with its projections. The actual performance was in fact a mixed one ; while certain sectoral targets were attained, there were also areas of failure and disquiet. Sizeable contribution originated from services sector including Public Administration and Defence, where commodities production contributed relatively very little, as given in the following table :

Growth Rates (%)

	Target	Achievement.
1. Agriculture	5.1	3.1
(*a*) Major Crops	7.0	3.6
(*b*) Other Agriculture	3.0	2.4
2. Manufacturing	12.6	5.6
(*a*) Large-Scale	15.6	6.3
(*b*) Small-Scale..	2.6	2.7
3. Construction	10.0	13.5
4. Trade	5.2	8.7
5. The Rest	5.4	9.7
Total ..	6.6	6.5

3. As GNP stagnated and population was increasing *per capita* income declined in the year 1970-71 and 1971-72 but as a result of sizeable growth in GNP in 1972-73 *per capita* income regained nearly its 1969-70 level as shown below :

	G.N.P. At constant factor cost of 1959-60 (Rs. crore)	G.N.P. Growth Rate over preceding year.	*Per Capita* income (Rs.)
1969-70	3230.4	—	552
1970-71	3225.7	0.0	534
1971-72	3269.8	1.4	530
1972-73	3482.1	6.5	550

Agriculture

4. Agriculture is the largest sector of our economy contributing over one-third to the gross domestic product, accounting for about 40 per cent of the export earnings, employing more than half of the civilian labour force and providing industries with the raw materials. The Government attaches great importance to agriculture and has taken many policy measures to boost farm production. Some of the recent measures included enhancement of the procurement prices of wheat, rice and sugarcane and a large programme of installation of tubewells.

5. Value-added in the agriculture sector increased by about 3 per cent in 1972-73. Exceptionally good rains during the Rabi season helped wheat crop to record highest production so far which was even above the Plan target. However, inadequate supply of fertilizer at the farm, low water availability during early parts of Kharif season, and pest attack on cotton were mainly responsible for the poor performance of the Kharif crop. The actual production of major crops are compared with the Annual Plan targets in the following table :

Major Crop Production

	1972-73 Target	Actual
1. Wheat ('000' tons)	7,200	7,400
2. Rice ('000' tons)	2,400	2,288
3. Cotton ('000' bales)	4,150	3,947
4. Sugarcane ('000' tons)	22,000	19,632

Industry

6. The performance in the manufacturing sector during 1972-73 was a mixed one. Output was estimated to have increased by about 6.5 per cent over that of 1971-72, but since output in 1971-72 declined by 4.7 per cent as compared with 1970-71 production, the 1972-73 performance brought the manufacturing industries back to 1969-70 levels.

7. The main increase in production was realised in sugar, vegetable ghee, cotton yarn, cotton cloth, urea and super-phosphate fertilizer and cement. The production of the industrial units taken-over by the government in 1972, increased by about 6 per cent, in physical terms, during the year under review.

8. The industries taken-over till the end of 1972-73 represented some 8 per cent of total Pakistan industrial assets, 5 per cent of industrial sales and 6 per cent of employment in firms with more than 100 workers. Adding public sector investment in WPIDC and other Government controlled industries to these taken-over industries, it is estimated that the Government controlled about 8 per cent of industrial assets, 10 per cent of industrial sales and 11 per cent of employment in industrial units with more than 100 workers.

Private Investment

9. An unfortunate development during the year was a continued slack in private investment activity. Although the tempo did build up in residential construction and few other sectors, investment in the leading sector of private investment, that is large-scale manufacturing, was disappointing. There was some decline in entrepreneurial interest in new investment. In areas where investment demand did respond to the higher international and domestic prices, investment was hampered by the fact that funds with PICIC and IDBP were not replenished early enough in the year to fulfil the demand on their resources. Some of the decline was also attributable to procedural problems on which action has since been taken.

Public Sector Development Outlays

10. The public sector development outlay which remained at a very low-level for several years had to be increased in 1972-73 to stimulate the economy. At Rs. 415 crore the programme for 1972-73 represented an increase of about 55 per cent over the implementation in the preceding year. On a comparable basis, however, this was almost equal to the level achieved in West Pakistan in 1969-70.

11. The public sector allocations had to be increased during the course of the year in order to accommodate essential schemes which could not be provided in the original programme. Actual expenditure during the year, therefore, exceeded the original allocations and is now estimated at Rs. 448 crore. The increase in the size of the programme necessitated recourse to deficit financing.

12. The programme of Rs. 415 crore was originally expected to be financed by domestic resources of Rs. 114 crore and foreign assistance of Rs. 301 crore. As a result of the shortfall in revenue collections and increase in non-development expenditure, the revenue surplus and net capital receipts of the Federal and Provincial Governments estimated at about Rs. 98 crore in the original budget were reduced to about Rs. 24 crore. The external resource availability was about Rs. 311 crore in 1972-73. The financing of the programme with reduced resources required substantial recourse to deficit financing, the details of which are discussed in the other chapter on Monetary Situation.

Foreign Trade

13. The transactions in the external sector showed a considerable improvement during 1972-73. The balance of trade for 1972-73 resulted in a nominal deficit of $ 13 million as compared with a deficit of over $ 300 million in previous years. This achievement was mainly due to the performance of the export sector. The gold and foreign exchange reserves held and controlled by the State Bank of Pakistan, increased from $285.3 at the end of 1971-72 to $460 million at the end of June 1973. (This included about $31 million on account of Special Drawing Rights from IMF).

14. Merchandise exports reached a level of $ 789 million in 1972-73 reflecting a 41 per cent increase over $ 560 million exports in 1971-72. The factors responsible for this were larger quantity of exports and higher international prices for some of our exportable goods. The growth of $229 million can be roughly distributed into 30 per cent due to increase in prices and 70 per cent due to increase in volume of exports.

15. Merchandise imports for 1972-73 amounted to $802 million. This was 28.7 per cent higher than the merchandise imports of $623 million during 1971-72.

16. The imports of consumer goods and raw material for consumer goods constituted about 60 per cent of the total imports in 1972-73 as compared with 47 per cent in 1971-72 while the share of capital goods including raw materials was 40 per cent as against 53 per cent in 1971-72. The increase in consumer goods was mainly because of higher imports of wheat and sugar. The drop in the value of capital goods was caused by devaluation which increased the domestic currency cost of these goods and by the depressed investment climate and lower inflow of project assistance during the year.

Monetary Situation

17. During 1972-73, monetary assets increased by Rs. 615.4 core. The increase was mainly attributable to the sizeable expansionary influence of Rs. 236.6 crore of the Government sector and the exceptionally large expansionary influence of Rs. 235.4 crore of the foreign sector. The private sector also exerted an expansionary impact of Rs. 160.6 crore during the year 1972-73. The government had to resort to sizeable deficit financing in order to meet its commitments in the areas of defence, essential physical infrastructure requirements and social reforms. The shortfall in revenue resources aggravated the situation.

Price Situation

18. The price situation remained an area of great concern for the government during 1972-73. The inflationary pressures arose as a result of the devaluation of the Rupee in May 1972 ; international inflation ; increased money incomes arising from the export boom ; increase wages for low-paid employees ; enhanced procurement prices for agricultural commodities ; sizeable deficit financing and insufficient growth in domestic output. To combat the inflationary situation a powerful package of anti-inflationary measures was introduced.

19. Prices of many consumer goods rose sharply during 1972-73. Attempts were made to keep the prices of essential commodities stable inspite of the general inflationary situation. The price of wheat atta sold through ration shops was unchanged till the recent increases in the release price of wheat. Large imports of sugar were undertaken and later its complete rationing was introduced to maintain stable prices and ensure equitable distribution. In the case of cotton its availability declined during 1972-73 and this was matched by a sharp price increase due to the pressure from the international markets. In order to make cloth available at reasonable prices the government imposed export duties and introduced the scheme of fair price shops and utility cloth. Since these measures were introduced towards the close of 1972-73, it was expected that their impact would be felt in 1973-74.

CHAPTER 2

MACRO-ECONOMIC FRAME WORK

1. The fiscal year 1972-73 witnessed the re-emergence of the economy from the period of stagnation that had characterised it in the preceding two years. The decline in industrial production was arrested. The development programme in the public sector was stepped up. The effects of the loss of a large internal market, consequent on 1971 war, was overcome. The revival of the economy took place simultaneously with major structural changes in the economy following the reforms announced by the new Government the fields of Industry, Land, Insurance, the Exchange System, Labour Laws etc. The full impact of these reforms, many of which were announced before the year started, was felt in the course of the year. The restoration of economic activity was assisted by the buoyant conditions of international trade. The unsatisfactory features of the performance were firstly the strong inflationary pressures resulting in sharp increase in prices and secondly the slow revival of private investment in large scale industry.

2. The flux and buoyancy in the international sector pressed the government into repeated measures to restrain exports of essential consumer goods. This unusual action was necessitated by a severe constriction in the availability and a sharp rise in the price of wage goods inside the country, particularly cloth and some foodstuffs. In spite of these measures exports increased by 39 per cent in dollar terms and Pakistan ran up foreign exchange reserve of $155 million although the anticipated level of aid did not materialise.

3. The international sector developments had certain other repercussions. The incomes created by virtue of higher export earnings, the rise in domestic price of exportables in sympathy with the export price and the price escalation of imported commodities in the world market were factors which contributed powerfully to the sharp price hike in Pakistan.

4. Inflationary pressures also resulted from a large increase in government spending both on development and current expenditures and government policies designed to boosting agricultural output through provision of attractive prices for the major agricultural products. The increase in government spending was intended to restore the lost momentum in development expenditure and carry through essential measures of social and administrative reforms. The measures taken by the government had a greater effect on increasing money incomes than on increasing production because of the time lag between investment and output and between price incentives and a response to them. The beneficial effects of these policies on higher output will begin to be felt from 1973-74 and full effects will be spread over a number of years in the future.

5. Private investment in large scale industry revived very slowly. Although the tempo did build up in residential construction and a few other sectors, investment in the leading sector of private investment, that is large scale manufacturing, was disappointing. In areas where investment demand did respond to the higher international and domestic prices, investment was hampered by the fact that funds with PICIC and IDBP were not replenished early enough in the year to fulfil the demand on their resources.

Prospect for 1973-74

6. An acceleration in growth was projected for 1973-74 in view of the price incentives provided to agriculture, the large increase in planned fertilizer distribution and the higher industrial investment and production which was likely to follow the rising domestic and export demand as well as the increase in the supply of investible capital. However, the prospects were somewhat altered by the devastating floods soon after the Annual Plan 1973-74 started.

7. On the basis of production targets of agriculture and industry and corresponding growth in service incomes, the growth rate of GNP for 1973-74 was originally projected at 8 per cent. The composition of this growth was expected to be structurally balanced as it would rest upon the generation of consumer goods which would be demanded by the increase in incomes. Value added in agriculture and manufacturing was anticipated to contribute 56 per cent of the increase in GNP compared with only 31 per cent last year. Therefore the composition of the growth in GNP was expected to be more conducive to maintaining price stability (See table-I). However, these targets had to be revised to take into account the flood damage to the major agricultural crops like cotton and rice and its repercussions on the growth of various sectors. It is now expected that GNP will increase by 5.0 per cent in 1973-74.

8. Agriculture has been badly affected by the floods, specially the kharif crops of cotton, sugarcane and rice. Since these crops constitute more than 50 per cent of the total major crops, the likely shortfall has led to a sharp downward revision of the growth rate of major crops from 10 per cent to 3.4 per cent. A similar declaration has been assumed for the rest of agriculture sector.

9. In the Manufacturing Sector some damage has been caused by the floods resulting in some loss of the sector's contribution to GNP. However, the timely steps taken by the government to ensure the availability of raw cotton to domestic yarn manufacturers and a substantial increase in the installed spindlage are expected to sustain some respectable growth in the textile industry which has a sizeable weight in total manufacturing. On the basis of the production trend of certain selected industrial products during the first quarter of the current financial year, this sector is now expected to achieve a rate of growth of 6.7 per cent as against 11.4 per cent of the original 1973-74 Annual Plan (See Table I). It may be mentioned that in accordance with current practices of estimating small industry's growth by the Statistical Division, its contribution to GNP is again projected at the population rate of growth. However, evidence exists which would indicate a higher growth than population rate for the small industries. In order to maintain a certain degree of comparability with the present time-series data, population growth rate has been applied until such times as the Statistical Division, carries through a revision in its methodology.

10. Alongwith the increase of GNP at 5 per cent per annum, imports are expected to rise by 67 per cent reflecting the potential use of the foreign exchange reserves built up in 1972-73, larger aid flow in 1973-74 and the substantially increased requirements of food imports as a result of the flood damage. National resources will increase as a consequence by about 16.2 per cent. This increase has been allocated amongst private consumption, government consumption, fixed investment, increases in stocks and exports in a manner which reflects the new development strategy. (See table 2).

11. A large increase in expenditure is being provided for fixed investment which is planned to go up by 17.8 per cent. The fixed investment GNP ratio is to increase from 14.2 per cent in 1972-73 to 15.7 per cent in 1973-74. This represents a step towards raising the ratio to 20 per cent in a short period in order to sustain rapid growth and improve living standards.

12. Exports are projected to increase by 39 per cent which in all likelihood will be attained given the buoyant world demand for cotton yarn and rice. Pressures for increasing government consumption have been considerably restrained in order to release resources for productive uses and to curb the inflationary trend. However, the increase allowed for 1973-74 was unavoidable after the floods as substantial expenditure were required for relief and rehabilitation programmes.

13. A substantial increase of 13.2 per cent is being provided for private consumption. A part of this increase will be required for offsetting the damage caused by the floods and the rest will go towards improving the living standard of the people. As a result of the income redistribution and employment generation policies of the government, this increase in private consumption will be shared equitably. A significant improvement in living standards is therefore predicted.

TABLE I

GNP AT CONSTANT FACTOR COST OF 1959-60
WEST PAKISTAN (Incl. unallocated)

(Crore Rupees)

Sectors	1969-70	1970-71	1971-72	1972-73 (Provisional)	1973-74 (Original Target)	1973-74 (Revised Target)
I. Agriculture ..	**1257.4**	**1218.8**	**1261.1**	**1300.2**	**1397.5**	**1339.0**
(*a*) Major Crops ..	755.3	704.5	733.6	760.0	836.0	785.8
(*b*) Other Agriculture ..	502.1	541.3	527.5	540.2	561.5	553.2
II. Manufacturing ..	**515.6**	**523.4**	**498.8**	**526.0**	**586.0**	**561.3**
(*a*) Large Scale ..	404.2	409.0	381.3	405.3	462.0	437.3
(*b*) Small Scale ..	111.4	114.4	117.5	120.7	124.0	124.0
III. Construction ..	**135.7**	**139.0**	**116.3**	**132.0**	**145.0**	**149.0**
IV. Wholesale & Retail Trade ..	**445.7**	**445.3**	**441.4**	**479.7**	**527.0**	**510.0**
V. Others* ..	876.0	899.2	952.2	1,044.2	1,106.5	1,088.2
Total ..	3,230.4	3,225.7	3,269.8	3,482.1	3,762.0	3,655.7

Growth Rates (%)

	1972-73 / 1971-72	1973-74 / 1972-73 (Original Target)	1973-74 / 1972-73 (Revised Target)
I. Agriculture ..	**3.1**	**7.5**	**2.9**
(*a*) Major Crops ..	3.6	10.0	3.4
(*b*) Other Agri. ..	2.4	3.9	3.4
II. Manufacturing ..	**5.4**	**11.4**	**6.7**
(*a*) Large Scale ..	6.3	14.0	7.9
(*b*) Small Scale.. ..	2.7	2.7	2.7
III. Construction ..	**13.5**	**9.9**	**12.9**
IV. Wholesale & Retail Trade ..	**8.7**	**9.9**	**5.0**
Others* ..	**9.7**	**6.0**	**5.0**
Total ..	6.5	8.0	5.0

*Including net factor income from abroad.

TABLE 2

NATIONAL EXPENDITURE ACCOUNT CURRENT PRICES

(Crore Rupees)

	1969-70	1970-71	1971-72	1972-73 (Prov.)	1973-74 (Target)
1. GNP at factor cost ..	4,330.2	4,546.5	4,898.2	5,668.1	5,951.5
2. Indirect Taxes less subsidies ..	403.9	438.4	438.7	471.4	583.0
3. GNP at market price ..	4,734.1	4,984.9	5,336.9	6,139.5	6,534.5
4. Import of Goods and Services ..	494.2	532.3	472.7	1,171.0	1,960.0
Total Resources ..	5,228.3	5,517.2	5,809.6	7,310.5	8,494.5
USES					
1. Private Consumption ..	3,627.7	3,817.0	4,003.6	4,490.6	5,083.0
2. Government Consumption ..	484.6	527.0	631.0	741.5	869.0
3. Fixed Investment ..	681.4	4.5	688.1	870.0	1,025.0
4. Changes in Stocks ..	70.6	84.7	84.7	100.0	100.0
5. Exports of goods and Services ..	363.7	392.2	392.3	1,071.0	1,380.0
6. Net Factor Income from to rest of the World ..	(+)0.3	(+)8.2	(+)9.9	(+)7.4	(+)37.5
Total Expenditures ..	5,228.3	5,517.2	5,809.6	7,310.5	8,494.5
As percentage of GNP					
Investment ..	14.4	14.1	13.0	14.2	15.7

CHAPTER 3

PUBLIC SECTOR DEVELOPMENT PROGRAMME

Review of ADP 1972-73

The Annual Development Programme for 1972-73 was formulated against the background of a difficult economic situation. In order to rehabilitate the economy and to restore it to a respectable growth path, the Annual Plan 1972-73 aimed at implementing a programme of Rs. 415 crore in the public sector. The ADP size was raised to Rs. 475 crore by an additional Rs. 60 crore through extra-budgetary allocations made during the course of the year for some essential programmes consisting mainly of the subsidy on fertilizers (Rs. 13.92 crore), Oil and Gas Corporation (Rs. 3.72 crore) Pakistan Storage Corporation (Rs. 2 crore), People's Finance Corporation (Rs. 3 crore), National Development Finance Corporation (Rs. 3 crore), SCARPs in Punjab and Sind (Rs. 6 crore), Housing Programme for Punjab (Rs. 3 crore), People's Works Programme in Punjab and Sind (Rs. 10 crore) and import of buses (Rs. 6.20 crore). The actual implementation is likely to be in the region of Rs. 448 crore. The shortfall is attributable to a number of administrative, financial and institutional constraints.

ADP 1973-74

2. The Programme for 1973-74 represented a continuation of the development strategy for 1972-73 with a significant increase in its financial dimensions. The size and composition of this programme had been determined keeping in view the following objectives :—

(*a*) to accelerate the development effort of the country by stepping up the investment level, by more effective utilization of existing capacity and by stimulating exports ;

(*b*) to re-distribute consumption in favour of the poor through suitable changes in the patterns of production and through higher expenditure on social investment, particularly education, health, drinking water, housing, communications and electricity ;

(*c*) to enlarge opportunities for productive employment ; the general policies for expanding employment opportunities to be supplemented and coordinated with specific programmes to draw the educated unemployed into the stream of gainful economic activity ;

(*d*) to intensify efforts for the development of economically backward areas of the country ;

(*e*) to devise special programmes for rural development and for improving living conditions in urban areas ;

(*f*) to maintain an appropriate balance between wages, prices, and incomes and ensure adequate supplies of essential consumption goods at reasonably stable prices.

3. In determining project-wise allocations, the following considerations had been kept in view :—

(*a*) physical targets and implementation schedule ;

(*b*) status of approval and stage of implementation ;

(*c*) availability of foreign aid ; and

(*d*) prospects of the direct and indirect contribution towards increase in output.

The on-going projects had been protected and efforts had been made to ensure the full utilization of the available foreign aid. In certain cases provision had been made even for new unapproved projects which are linked with new policies of the Government *viz.* Education Policy, Health Policy, National Development Volunteers Programme, etc.

4. The size of the ADP for 1973-74 had been fixed at Rs. 557.50 crore which represented an increase of 34 per cent over the original ADP for 1972-73 and 24 per cent over the revised estimates of expenditure.

5. The Federal Development Programme for 1973-74 was placed at Rs. 350.50 crore. The proposed expenditure represented an increase of about 27 per cent over the Budget Estimates for 1972-73. Included in the Federal Development Programme were allocations for the Indus Basin Works, WAPDA Power Programme, Port Development, Expansion of Radio and Television facilities, Development Programme of WPIDC and Expansion of Civil Aviation facilities. Allocations have also been made for various financing institutions, *e.g.*, House Building Finance Corporation, National Development Finance Corporation, Agricultural Development Bank and new institutions.

6. The requirements of less developed areas, like Azad Kashmir, were accorded special consideration and a sizeable and more useful programme was provided for in the Northern Areas and Federally Administered Tribal Areas in order to uplift the socio-economic conditions of the area in true perspective. An allocation of Rs. 5.08 crore (subsequently raised to Rs. 6 crore), was made for Azad Kashmir as against the revised estimate of Rs. 3.05 crore for 1972-73. Similarly, allocations of Rs. 3 crore and Rs. 5 crore were made for Northern Areas and Federally Administered Tribal Areas, respectively.

7. The programme of WAPDA (Power) and PWR had been given Rs. 96 crore and Rs. 21 crore, respectively. The sizeable provision for these sectors was to make a significant contribution to the removal of structural bottlenecks in the economy caused by lags in their development. In distributing the balance of the provision, considerable edge had been given to the under-developed provinces.

8. The Provincial allocations including provisions made for WPIDC programme were made on an *ad hoc* basis keeping in view the relative development requirements, the need for infrastructure creation, the developmental potential of the regions and their respective population. The percentage share of the four provinces is given below :—

Province	Allocation (Crore Rs.)	Percentage Share	Population (1972 census) Percentage Share*
Punjab	125.75	56.1	60.1
Sind	46.90	20.9	22.5
N.W.F.P.	32.35	14.4	13.5
Baluchistan	19.20	8.6	3.9
Total	224.20	100.0	100.0

*These figures have been worked out after excluding the population of Federal Capital Area and Tribal Areas.

Allocations by Executing Authorities

9. Break-down of Annual Development Programme 1972-73 and provision for 1973-74 by executing authorities are given below :—

TABLE I

Development Programmes for 1972-73 *and* 1973-74 *by Executing Authorities*

(Crore Rs.)

	ADP 1972-73	ADP 1973-74	Percentage Increase
1. Federal Government	79.53	143.11	79.8
2. WAPDA (Power)	75.32	95.98	27.5
3. P. W. R.	17.48	20.86	19.4
4. W.P.I.D.C.	14.63	17.20	17.8
5. Indus Basin	82.43	73.23	—
6. Miscellaneous Federal Programme	5.63	0.12	—
7. Provincial Programmes	140.03*	207.00*	47.8
(*a*) Punjab	78.90	115.00	45.8
(*b*) Sind	27.83	44.00	58.3
(*c*) NWFP	21.25	30.00	41.5
(*d*) Baluchistan	12.05	18.00	48.8
Total	415.05	557.50	100.0

*Inclusive of WAPDA (Water) Programme.

10. The projects and programmes included in the Federal Annual Development Programme complemented as well as supplemented the provincial development programmes. About 47 per cent of the total programme of Federal Ministries and Divisions and the entire programme of WPIDC was allocable to provinces. In addition, the requirements of population planning programme and of Bolan Medical College, Quetta, was to be met from the Federal Annual Development Programme.

Post Flood Repair-Cum-Reconstruction Programme, 1973-74

11. As a result of devastating floods of August 1973, immediate financial requirements arose for repairs, reconstruction and restoration of infra-structural facilities. The expenditure was estimated at Rs. 34.75 crore, as follows :—

(Crore Rs.)

Irrigation	17.00	(Punjab Rs. 10 crore) Sind Rs. 7 crore).
Roads	7.00	(Punjab Rs. 5 crore. Sind Rs. 2 crore).
Telecommunication facilities	4.00	
Railways	5.00	
Power	1.50	
Post Offices	0.25	
Total ..	34.75	

12. In order to be able to meet these requirements, the Inter-Provincial Conference took the following decisions at their meetings held in early September 1973.

(*i*) Immediate and expeditious steps should be taken for repairing and restoring infra-structural facilities.—The work must start immediately. Resources should be found immediately by appropriate inter-sectoral and intra-sectoral adjustments to meet the immediate financial requirements. The funds available in lower priority programmes may be diverted for this purpose.

(*ii*) Federal and Provincial Governments should review development and non-development expenditure with a view to exercising maximum economy and diverting funds from lower priority items to relief and reconstruction.

(*iii*) Without curtailing ADP the Provincial Governments should conduct an exercise to effect savings in expenditure.

13. The adjustments required in Federal ADP to accommodate expenditure on repairs and reconstruction were relatively small. Substantial changes were, however, needed to be made in the Provincial ADP for Punjab and Sind. The final adjustments as approved by the Punjab Council of Ministers are indicated in Appendix II. Partial adjustments in Sind ADP as approved by Sind Council of Ministers and those presented by the Provincial Government at the Review Meeting held in December 1973, are shown in Appendix III.

Sectoral Composition

14. Sector-wise distribution of the development programme 1973-74 compared to 1972-73 is as presented in Table II below. Details by provinces and the Federal Government are shown in Appendix I.

TABLE II

Sector-wise Distribution of Annual Development Programme for 1972-73 and 1973-74

(Crore Rs.)

	Original ADP 1972-73	Original ADP 1973-74	Percentage increase in 1973-74 over 1972-73
1. Agriculture	38.80	61.67*	58.9
2. Water	34.00	40.53	19.2
3. Power	80.20	100.18	24.8
4. Industry, Fuels & Minerals	28.30	56.00	97.9
5. Transport & Communications	73.30	110.82	51.0
6. Physical Planning and Housing	23.30	50.20	115.4
7. Education	27.40	31.30	17.2
8. Health & Population Planning	14.00	22.72	62.1
9. Social Welfare	0.90	4.92	188.2
10. Manpower	0.80		
11. People's Works Programme	10.00	18.25	83.0
12. Miscellaneous Programme	5.60	0.12	—
Total	336.78	496.71	47.5
Less Shortfall	4.16	12.45	—
Total (Net)	332.62	484.26	45.3
Indus Basin/Tarbela	82.43	73.24**	—
Grand Total (Net)	415.05	557.50	34.3

*Includes Rs. 0.32 crore for purchase of pumps and equipment of wells etc. in Baluchistan shown under water sector in consolidated ADP 1973-74.

**Includes Rs. 18.6 crore for the Fifth Tunnel.

15. Sectoral priorities implicit in the overall original development programme for 1972-73 and 1973-74 are indicated in Table III below :—

TABLE III

Sectoral Priorities

(Percentages)

	ADP 1972-73	ADP 1973-74
1. Agriculture	9.3	11.0
2. Water	8.2	7.2
3. Power	19.4	18.0
4. Industry, Fuels & Mineral	6.8	10.0
5. Transport & Communications	17.7	19.8
6. Physical Planning & Housing	5.6	9.0
7. Education	6.6	5.7
8. Health and Population Planning	3.4	4.0
9. Social Welfare	0.2	0.9
10. Manpower	0.2	
11. People's Works Programme	2.4	3.3
12. Miscellaneous Programme	1.3	0.2
Total	81.1	89.1
Less Shortfall	1.0	2.2
Total (Net)	80.1	86.9
Indus Basin/Tarbela	19.9	13.4
Grand Total (Net)	100.0	100.0

16. Allocation to agriculture sector constitutes about 11 per cent of the total programme for 1973-74 and would mainly be utilized for the provision of critical inputs *i.e.*, fertilizer distribution programme and plant protection services, improved variety of seeds and increased availability of water from tubewells. The revised allocations, shown in Appendices II and III, include special measures necessitated by the floods. The water and power sectors which also support agriculture were provided very large allocations. In the Federal Devlopment Programme, an amount of Rs. 1 crore was also provided for credit facilities to agriculturists.

17. The water sector programme had been assigned the highest priority and an allocation of Rs. 114 crore or 20.4 per cent was made in original ADP 1973-74. Of this, Rs. 73 crore were provided for Indus Basin/Tarbela including a provision of Rs. 18.6 crore for construction of the fifth Tunnel at Tarbela. In the water sector, the programme for controlling waterlogging and salinity was given the highest priority and nearly two thousand tubewells in SCRAP areas are expected to be energised by the end of the year. The programme for encouraging private tubewell development through grant of tubewell subsidies and loans on easy terms will be accelerated during 1973-74.

18. The power sector programme was also assigned a very high priority. The allocation for power development by WAPDA during 1973-74 was put at Rs. 96 crore for generation, transmission and distribution, which shows an increase of 27.5 per cent over the level of 1972-73. It is planned to add 120,000 new consumers all over the country. A separate provision of Rs. 5 crore was made for electrification of 500 villages during 1973-74. The total allocations for power sector would be 18 per cent of the original development programme for 1973-74.

19. The share of Industry, Fuels and Minerals in the overall development programme for 1973-74 is 10 per cent as compared to 6.8 per cent during 1972-73. Provision was made for new agro-based industries including textile mills, sugar mills, cotton ginning factories etc. An allocation of Rs. 17 crore was made for WPIDC projects such as Heavy Foundary and Forge, Taxila, modernization and expansion of Multan Fertilizer Factory and Larkana Sugar Mills. The programme of exploration and development work, development of the gas reserves, and Petroleum Storage Development Corporation of Pakistan were provided for in the Fuels and Minerals Sector. An allocation of Rs. 9 crore was made to National Development Finance Corporation and other new institutions for financing industrial projects.

20. About 20 per cent of the total allocation was earmarked for transport and communications sector which enjoys the second highest priority. The programme includes reconditioning of roads and construction of new roads in Sind, NWFP, Baluchistan and the Punjab. An amount of Rs. 21 crore was allocated to P.W.R., mainly for track renewal and procurement of new locomotives. Work on the improvement and expansion of Karachi Port, and development of a new port at Bander Qasim will be started. In the field, of telecommunications 25,000 new telephone lines would be installed. Allocation of Rs. 27.5 crore was provided for the development of telephones and telegraphs.

21. An allocation of Rs. 50 crore was made for housing and related amenities. This represents an increase of about 115 per cent over the previous year's level. A provision of Rs. 10 crore was made for the House Building Finance Corporation for encouraging house construction in the Private Sector.

22. Social Sectors Programmes were adequately provided for, mainly in the fields of improved and expanded facilities for education at all levels, scholarships, direct help to students, particularly students of poor families, and interest-free loans for talented children of farmers, labourers, factory workers and other low income families. In the Health Sector, the programme will be mainly for improving medical facilities in the rural areas and small towns. In the manpower and employment sector, National Development Volunteers Programme has been launched. It will provide job opportunities to scientists, engineers and technicians. In addition to finding regular employment for these categories of educated unemployed, those who cannot get jobs will be given on-the-job training in private and public sector organisations.

23. The share of People's Works Programme was increased from 2.4 per cent of the total programme in 1972-73 to 3.3 per cent in the original programme for 1973-74. This is in addition to the provisions made for Integrated Rural Development Programme. The main objectives are to take the process of economic development to the door-steps of the people by increasing employment and reducing under-employment. Efforts are required to be made for having physical impact of the programme in the country.

Appendix-I

ANNUAL DEVELOPMENT PROGRAMME 1973-74

BY PROVINCES AND FEDERAL GOVERNMENT

(Crore Rs.)

Sectors	Punjab	Sind	N.W.F.P.	Baluchistan.	Federal Government.	Total
1. Agriculture	34.46	9.78	6.89	2.86*	7.68	61.67
2. Water	13.92	10.19	5.04	5.70	5.68	40.53
3. Power	—	—	—	—	100.18	100.18
4. Industry, Fuels and Minerals	5.00	0.40	0.80	0.28	49.52	56.00
5. Transport and Communications	21.50	7.20	5.63	3.39	73.10	110.82
6. Physical Planning and Housing	17.00	6.35	3.19	1.94	21.72	50.20
7. Education	11.70@	5.83	4.09	1.53	8.15	31.30
8. Health & Population Planning	9.42	3.50	2.92	0.95	5.93	22.72
9. Social Welfare and Manpower	1.00	0.20	0.24	0.10	3.38	4.92
10. P.W.P. including Rural Works Programme	12.00	2.00	1.20	1.25	1.80	18.25
11. Miscellaneous Programme	—	—	—	—	0.12	0.12
12. Total (Gross)	126.00	45.45	30.00	18.00	277.26	496.71
Less operational shortfall	11.00	1.45	—	—	—	12.45
Total (Net) ..	115.00	44.00	30.00	18.00	277.26	484.26
Indus Basin/Tarbela	—	—	—	—	73.24	73.24
Grand Total ..	115.00	44.00	30.00	18.00	350.50	557.50

@Allocation of Rs. 0.032 crore pertaining to College of Animal Husbandry, Lahore and Rs. 0.768 crore for Agriculture University, Lyallpur are shown under Agriculture Sector.

*Includes Rs. 0.32 crore for purchase of pumps and equipment for wells etc. shown under water sector in the consolidated ADP, 1973-74.

Appendix-II

COMPARATIVE SECTOR-WISE ALLOCATIONS AS PER ORIGINAL ADP AND REVISED ADP, 1973-74

PUNJAB

(Crore Rs.)

Sectors/Sub-Sectors	Original ADP allocations	Revised ADP allocations	Post Flood Repair-*Cum*-Reconstruction Programme for 1973-74
A. **Production Programme**	**50.66**	**43.21**	**5.24**
1. Agriculture	33.66	32.79	3.16
(*i*) Agriculture and Agricultural Credit	29.45	28.90	3.00
(*ii*) Animal Husbandry	1.64	1.64	—
(*iii*) Forestry	1.10	0.79	0.15
(*iv*) Fisheries	0.20	0.19	0.01
(*v*) Co-operative & Rural Credit	0.25	0.25	—
(*vi*) Food Storage	0.50	0.50	—
(*vii*) Land Consolidation	0.52	0.52	—
2. People's Works Programme	12.00	6.50	20.00
3. Industry, Fuels and Minerals	5.00	3.92	0.08
B. **Physical Infrastructure**	**52.42**	**43.42**	**14.95**
4. Water	6.50	4.00	8.50
(*a*) Water (WAPDA)	7.42	6.92	0.50
5. Transport and Communications	21.50	19.45	4.05
6. Physical Planning and Housing	17.00	13.05	1.90
(*i*) Town Planning and Research	0.20	0.20	—
(*ii*) Low Income Housing	7.25	5.80	0.55
(*iii*) Agrovilles	0.15	—	—
(*iv*) Rural Water Supplies	3.00	2.21	0.04
(*v*) Urban Water Supplies	4.00	3.84	0.11
(*vi*) Government Servant Housing	0.85	0.45	0.20
(*vii*) Government Offices and Buildings	1.55	0.55	1.00
C. **Social Infrastructure**	**22.92**	**19.37**	**2.13**
7. Education and Training	12.50	9.95	1.55
8. Health	9.42	8.42	0.58
9. Social Welfare	0.50	0.55	—
10. Manpower Training	0.50	0.45	—
Total (Gross)	126.00	106.00	22.32
Less—Operational Shortfall	11.00	—	—
Total (Net)	115.00	106.00	22.32

Appendix-III

COMPARATIVE SECTOR-WISE ALLOCATIONS AS PER ORIGINAL AND REVISED ADP, 1973-74.

SIND

(Crore Rs.)

S. No.	Sectors	Original ADP allocations	Revised ADP allocations as partially approved by Sind Council of Ministers in October 1973	Revised ADP allocations as presented by the Provincial Government at the Review Meeting held in December 1973
1.	Agriculture	9.80	6.71	10.18
2.	Water	10.20	10.20	13.85
3.	Industry, Fuels and Minerals	0.40	0.40	0.36
4.	Transport and Communications	7.20	7.20	9.98
5.	Physical Planning and Housing	6.35	7.44	7.35
6.	Education	5.80	5.80	5.3
7.	Health	3.50	3.50	3.15
8.	Social Welfare and Manpower	0.20	0.20	0.21
9.	P.W.P.	2.00	2.00	1.80
10.	Nara and Kohistan Development	—	0.25	0.25
	Total	45.50	43.70	52.44
	Less 10% overall cut	—	4.55	—
	Less Operational Shortfall	1.50	1.50	—
	Total (Net)	44.00	37.65	52.44

CHAPTER 4

FINANCING OF THE PUBLIC SECTOR DEVELOPMENT PROGRAMME

The task of resource mobilisation during the financial year 1972-73 posed a tremendous challenge as Pakistan had to assume, with a reduced resource base, the obligations and commitments on the previous scale. The requirements for defence outlays were high but inescapable to safeguard the security of the country. The liability for servicing external debt had to be continued, the expenditure on administration could not be much reduced and greater resources were required to meet many social needs of a non-development character. The development expenditure which had remained at a very low level for several years had to be increased to stimulate the economy. One of the important objectives of the budget for 1972-73 was, therefore, to increase the revenues in order to meet this situation and to prepare the fiscal system for financing the requirements of the country. A development outlay of Rs. 415 crore for the public sector which, in fact, was equal to the level already achieved in West Pakistan during 1969-70 on a comparable basis, was considered to be the barest minimum and vital not only from the point of view of completing long delayed projects but also to create employment.

Review of Progress in 1972-73

2. The programme of Rs. 415 crore was based on the expectation of Rs. 114 crore from domestic resources and Rs. 301 crore from external resources. The estimates of foreign assistance assumed a major increase in non-project aid. The rupee resources included the anticipated yield from the new tax effort. Broad details of the availability of resources for financing the ADP are shown in Appendix.

Revenue Receipts

3. The gross revenue receipts of the Federal Government including the effect of new tax measures were estimated at Rs. 877 crore in the original budget for 1972-73. The estimates of major tax receipts were, however, reduced by about Rs. 12 crore through some post-budget measures including income tax remissions, abolition of sales tax on the import of tractors and reduction in the export duty on cotton which was partly off-set by an upward revision of export duty on yarn and rice. As a result of improved collections of income tax, the original estimates of taxes on income have been maintained inspite of the post-budget concessions. In the case of customs, there is an improvement of about Rs. 4 crore over the original budget estimates due to the liberal import policy and the revival of the economy. The sales tax receipts stand reduced by Rs. 29 crore in the revised estimates for 1972-73. This decline is due to the fact that the original estimates were based on the expectation of heavy imports of goods liable to sales tax which did not materialize as certain items were exempted from sales tax and the imports of items liable to sales tax were lower than anticipated in the budget. The collections of central excise duties have also declined by about Rs. 13 crore due to reduction in the rate of duty on motor spirit and jet fuels and an increase in exports of cotton textiles and cement.

4. The non-tax receipts are estimated to decline by about Rs. 4 crore as compared with the original budget estimates. On an overall basis, the revised estimates of gross revenue receipts are placed at Rs. 842 crore showing a shortfall of Rs. 35 crore which is due mainly to the decline of Rs. 46 crore under the heads mentioned above partly off-set by improvement in customs revenue and a rise of about Rs.7crore in the receipts on account of development surcharge on petroleum. Excluding the provincial share in federal taxes, the net revenue receipts of the Federal Government are estimated at Rs. 755 crore against the budget provision of Rs. 762 crore.

Non-Development Revenue Expenditure

5. The revised estimates of non-development expenditure of the Federal Government are placed at Rs. 733 crore as compared with the original budget of Rs. 743 crore. The saving occurred as a result of reduction of Rs. 60 crore in debt servicing liability which was partly off-set by an increase of Rs. 21 crore in defence expenditure and of Rs. 29 crore in administrative and miscellaneous expenses. The saving in the revised estimates of debt servicing was due to revision of amortization schedule of foreign loans and the waiving off of liabilities by USSR and other Socialist countries in respect of loans utilized in East Pakistan. The administrative and miscellaneous expenses increased due to additional requirements for rehabilitation of war displaced persons, Federal Security Force, grants-in-aid to Provinces and other miscellaneous items.

Net Capital Receipts

6. The non-inflationary domestic capital receipts which were estimated at Rs. 64 crore in the budget for 1972-73 have gone down to Rs. 2 crore in the revised estimates. The decline has been due mainly to expenditure on East Pakistan guaranteed debt (Rs. 30 crore), subsidy on wheat imported from Federal Government's own resources on account of reduction in the quantity of PL-480 wheat (Rs. 15 crore), subsidy on sugar (Rs. 9 crore) and smaller accretions to the national defence fund (Rs. 5 crore).

Contribution of Provinces and Autonomous Bodies

7. The Provincial Governments were not in a position to make any contribution to the financing of the ADP for 1972-73 as a result of a substantial increase in their non-development expenditures. The Provinces of Punjab, Sind and NWFP were expected to balance their budgets. Baluchistan had a revenue deficit of Rs. 9.7 crore which was to be met by the Federal Government through an interest free loan of an equivalent amount. The contributions of PWR and WAPDA were fixed at Rs. 3.7 crore and Rs. 6.2 crore respectively. The additional share of Provinces out of the new taxes levied by the Federal Government was estimated at Rs. 6.4 crore on the basis of which the overall contribution of the Provinces and Autonomous Bodies worked out to be about Rs. 16 crore in the final budget for 1972-73.

8. The revised estimates for 1972-73 indicate that instead of making a positive contribution of Rs. 6.4 crore out of the additional revenue assignments, the Provinces will be left with a deficit of about Rs. 10 crore. This was due almost entirely to a fall in the Federal Tax assignments following the decline in collection of divisible taxes. The PWR and WAPDA are expected to raise contributions at the levels promised in the original budget.

External Resources

9. External resources were projected at Rs. 301 crore consisting of Rs. 111 crore as project aid, Rs. 161 crore as rupee-generating non-project assistance and Rs. 29 crore on account of food aid. The actual inflow of project aid is estimated to be lower by Rs. 37 crore. The rupee generating aid including the food aid has, however, increased by Rs. 47 crore. The revised estimates of rupees generating aid are placed at Rs. 237 crore consisting of Rs. 191 crore as commodity aid and Rs. 46 crore as food aid.

Overall Position

10. As explained in Chapter 3 on Public Sector Development programme, the actual development expenditure during 1972-73 was higher than the original budget as a result of extra budgetary allocations for some essential schemes which could not be provided in the original budget. The increase in the size of the Annual Development Programme in the face of a decline in resource availability necessitated a sizeable recourse to deficit financing. The position regarding expansionary financing in the government sector is discussed in Chapter 7 on Monetary and Credit Policy.

Financing of ADP for 1973-74

11. In view of the post budgetary changes particularly those occasioned by the unprecedented floods of August 1973, financing of the ADP for 1973-74 is being discussed first as originally contemplated by the 1973-74 budget and later with reference to changes that have taken place since.

12. The size of the development programme for 1973-74 was fixed at Rs. 557 crore which represented an increase of about 34% over the original ADP for 1972-73 and about 24% over the estimated expenditure during the year. A sizeable effort in resource mobilisation was mounted to finance this programme. The budget provided for new revenue measures which were expected to yield Rs. 60 crore. It also aimed at an increase in savings in the economy as part of the anti-inflationary policy. A number of voluntary savings schemes which offer attractive returns were introduced. Radical measures were taken to widen the appeal of small savings schemes. These schemes are now available in various forms to meet the requirements of every category of investors. In all cases, the interest rates are extremely generous and, in most cases, income tax liability is not attracted.

13. According to the original budget the programme of Rs. 557 crore was to be financed from domestic resources of Rs. 227 crore and foreign resources of Rs. 330 crore. Broad details of the availability of resources are shown in table 1 below :—

TABLE 1

Financing of ADP for 1973-74

(As in the original budget)

(Crore Rupees)

Net Development Programme	**557**
Financed by :	
A. Internal Resources	**227**
(a) Existing Basis	**102**
(i) Federal Government	87
(ii) Provinces	—*
(iii) Autonomous Bodies (WAPDA & PWR)	15
(b) Additional Taxation	**60**
(i) Federal Government	52
(ii) WAPDA	8
(c) Uncovered Gap	65
B. External Resources	**330**
(a) Project Aid	95
(b) Commodity Aid	205
(c) Food Aid	30
Total Financing	557

*As assumed by the Federal Government. Actually, the Provincial budgets revealed a gap of about Rs. 18 crores which was expected to be met through economies in non-development expenditures or additional revenue efforts during the course of the year.

Revenue Receipts of the Federal Government

14. Gross revenue receipts of the Federal Government for 1973-74 at 1972-73 tax rates were estimated at Rs. 941 crore. This implied an improvement of Rs. 99 crore over the previous year's revised estimates. The major components of this improvement were (a) export duties Rs. 33 crore, (b) import duties Rs. 16 crore (c) federal excise duties Rs. 10 crore and (d) an increase of Rs. 40 crore in non-tax receipts. Increased yield from customs duties was based on the liberal import policy and growth in exports due to the economic recovery and higher utilization of capacity in the industrial sector. The receipts on account of federal excise duties reflected the normal growth in industrial sector of the economy. The excise duty on natural gas shall in accordance with the provisions of the permanent Constitution, be given over to the Provinces with effect from the 14th August, 1973. The receipts from this source during 1973-74 have accordingly been provided only for the period 1st July 1973 to 13th August 1973. The non-tax receipts for 1973-74 reflected increased recoveries of interest from the Provinces and local bodies, and more profit from export of rice.

15. The provincial share in Federal taxes, without the effect of new tax measures was estimated at Rs. 91 crore as compared with Rs. 87 crore in the revised estimates for 1972-73. Exclusive of the provincial share, the net federal revenue was estimated at Rs. 850 crore as against Rs. 755 crore in the previous year's revised estimates.

Non-Development Revenue Expenditure

16. Efforts were made to check the increase in non-development expenditure as far as feasible. Defence expenditure was kept at the level provided in the original budget for 1972-73 (Rs. 423 crore) which was significantly lower than the revised estimates of 1972-73. The expenditure on debt servicing was estimated at Rs. 218 crore as against Rs. 134 crore provided in the revised estimates for 1972-73. The estimates for 1973-74 were based on the revised schedule of payments. Other expenditure was estimated to increase from Rs. 155 crore in the revised estimates for 1972-73 to Rs. 186 crore in 1973-74. The increase of Rs. 31 crore over the revised estimates represented grants to Provinces for wheat subsidy (Rs. 14 crore), increase in the working expenses of Associated Cement (Rs. 3 crore), provision for Karachi Nuclear Power Plant (Rs. 3 crore) and normal increase in the administrative expenses of various departments.

Net Capital Receipts

17. The net capital receipts of the Federal Government which consist of the proceeds of small savings schemes, moneys received in repayment of loans, and accretions to reserve funds etc. together with the effect thereon of non-development capital payments on account of loans and advances, repayment of foreign debt and miscellaneous non-development investments, were estimated at Rs. 64 crore as compared with an equivalent provision in the original budget for 1972-73.

Contribution of Provinces and Autonomous Bodies

18. No contribution was expected from the Provinces in 1973-74 for the financing of the Annual Development Programme. As a matter of fact the provincial budgets indicated a resource gap of Rs. 18 crore which was likely to be filled through economies in non-development expenditure. The revenue receipts of the four Provinces were projected at about Rs. 257 crore in 1973-74 as against the revised estimates of Rs. 213 crore for 1972-73. The estimates for 1973-74 included the effect of additional mobilisation of resources by the Punjab and Sind amounting to Rs. 6.05 crore and Rs. 2.54 crore respectively, through revision of rates, rationalisation of collection procedure and collection of arrears. The non-development expenditure indicated further increases on account of large provisions for development departments, increase in interest payments in the case of the Punjab and Sind, normal growth in the expenditure on civil administration and other miscellaneous items. These expenditures were budgeted at Rs. 272 crore in 1973-74 as against an estimated expenditure of Rs. 230 crore in 1972-73.

19. PWR was expected to contribute Rs. 6.7 crore to the financing of ADP. WAPDA's contribution including the additional yield through revision of power rates was estimated at Rs. 16 crore.

External Resources

20. External resources were likely to contribute an amount of Rs. 330 crore. These estimates included a sum of Rs. 95 crore as project aid, Rs. 205 crore as rupee generating non-project assistance and Rs. 30 crore as food aid. Detailed projections and assumptions for adopting these estimates are given in Chapter 6 on Balance of Payments.

Additional Taxation

21. The internal resources of the Federal and Provincial Governments at the 1972-73 rates of taxation together with the external resources of Rs. 330 crore indicated above left a gap of Rs. 125 crore for financing the ADP of Rs. 557 crore. This gap was met to the extent of Rs. 60 crore by additional taxation and other revenue measures.

22. The fiscal proposals were framed keeping in view the policy objectives of the government, the principal aim of which is to meet the requirements of the common man and to strengthen the national economy. The specific aims of these measures were as follows :

1. To bring down and to stabilise the prices of essential commodities.
2. To generate more employment.
3. To combat inflation.
4. To increase revenues.

23. The financial measures included the following :

(i) Rationalisation of the levy of import duty on motor cars, levy of import duties on betel leaves, reduction in the import duty on printing and writing paper and other minor modifications.

(ii) Increase in the export duty on cotton, cotton yarn and cotton cloth and levy of duty on mollases.

(iii) Increase in the general rate of sales tax on imported consumer goods from 10% to 20% and on some imported luxury goods from 20% to 30%.

(iv) Increase in the exemption limit from Rs. 6,000 to Rs. 9,000 on taxes on income.

(v) Revision of power rates of WAPDA to adequately meet the cost of power and to provide surplus particularly for village electrification. For Commercial and Industrial consumers, the increase was made at 20% and for public lighting and bulk sale at 10%.

24. The financial effect of the above measures was estimated as follows :—

	(Crore Rupees)
1. Import duties	15.00
2. Sales Tax	5.00
3. Export duties	34.00
4. Taxes on Income	(—) 2.00
5. Increase in electricity tariff	8.00
Total ..	60.00

Budgetary Deficit

25. With the net resource mobilisation of Rs. 60 crore from new taxes levied during the year, the budgetary gap of Rs. 125 crore to finance the development programme of Rs. 557 crore was expected to narrow down to Rs. 65 crore. The above estimates of additional resource mobilisation were, however, on the conservative side because the trend in international prices of cotton and its by-products was likely to lead to adjustments in export duties during the course of the year. The additional revenue yield, as a result of such adjustments, could be as high as to completely wipe out the budgetary deficit of Rs. 65 crore.

26. The Government was also considering some other policy measures in respect of subsidies which after implementation would have led to a surplus budget. However, irrespective of the ultimate budgetary situation, it was a major objective of the Government policy to keep the deficit financing at a negligible level in order to help maintain price stability.

Post Budget Changes

27. There have been many developments after the presentation of budget which have affected the resource position. The Export duties were revised upward twice in July, 1973. The Government announced a Price/Wage Package in early August. The initial forecast of availability of wheat through PL-480 is not expected to materialize. The floods have added an entirely new and unforeseen dimension. Apart from the expenditure on relief operations and reconstruction of infra-structure facilities damaged by floods, there has been a substantial damage to cotton and rice crops resulting in loss of revenues on account of export duties.

28. The details of these developments are explained in the subsequent paragraphs.

Revision of Export Duty

29. In July, 1973 the Federal Government further enhanced export duty on certain items. The duty on cotton yarn was raised to 30% *ad valorem*. In addition, a specific duty of 65 paisa per pound was imposed on higher quality yarn and 25 paisa per pound on lower quality. The specific duty on grey cloth was converted to *ad valorem* basis at the rate of 25%. The duty on semi finished leather was raised from 30% to 40%. New export duties were introduced at the rate of 15% for finished cotton products, 10% for cotton cloth bags, 15% on processed leather products, 5% on shoes and 30% on fish-meal and oil seed cakes.

Price/Wage Package Policy

30. In early August Government announced a Price/Wage Package policy. Under this policy a decision was taken to increase wages and prices of certain items with a view to correct some of the imbalance and distortions created by inflation. This package was evolved keeping in view the desirability of avoiding any further recourse to deficit financing in the public sector. The following financial measures were announced under this policy :—

(*a*) Salary was increased by Rs. 35 of Government servants, employees of Corporations and Industrial and Commercial Workers, drawing salaries upto Rs. 700 per mensum.

(*b*) Pension was increased by 15% subject to a maximum of Rs. 35.

(*c*) The wheat issue price was raised to Rs. 22.50.

(*d*) Vegetable ghee price was raised to Rs. 6 per seer.

(*e*) Wheat procurement price was fixed at Rs. 22.50 per maund for next crop.

(*f*) Coarse rice procurement price was increased by Re. 1 and basmati price by Rs. 2.

(*g*) Fertilizer selling price was raised to Rs. 55 and Rs. 57 per bag for urea and DAP respectively.

Impact of Floods

31. The unprecedented floods which hit Pakistan have entirely changed the budgetary position. The adverse effect of floods on revenues in the public sector is estimated at about Rs. 145 crore consisting mainly of the loss of export duties on cotton and rice. There has also been a reduction in earnings from railways and telecommunication. In the Provinces, land revenue and water rates in flood affected areas have been remitted.

32. The additional expenditures arising out of floods consist of several categories :

First, loss of wheat stock has necessitated higher import with consequent increase in expenditure on subsidy. Similarly larger imports of edible oil consequent on damage to cotton crop would result in higher subsidy on edible oils.

Secondly, there has been considerable expenditure on rescue and relief operations. The bulk of this expenditure has been met from voluntary donations from within the country and from abroad. However, some impact on non-development expenditure of Government is inevitable.

Thirdly, repair and reconstruction of infra-structure facilities, school and public buildings etc. would necessitate large and urgent outlays by the government. The tentative estimates indicate that an expenditure of Rs. 47 crore would be required for this purpose.

Overall Impact of Post Budget Developments

33. A tentative estimate of the overall impact of the above developments indicated that the pre-floods budgetary position which had improved significantly after the revision of export duties was again likely to be converted into a deficit of over Rs. 150 crore. The Government had to take a number of steps to reduce to the minimum the budgetary deficit. The principal anxiety of the Government is to minimise deficit financing, and to try to contain inflation. Accordingly fresh taxes were imposed in September which are estimated to bring additional revenues over Rs. 80 crore during the year. The expenditure on rehabilitation and reconstruction is being met partly by effecting economies in the A.D.P. It is expected that with these measures the budgetary deficit is not likely to be more than the deficit of Rs. 65 crore envisaged in the original budget.

Appendix

FINANCING OF A.D.P. 1972-73 AND 1973-74

(Crore Rupees)

	1972-73 Budget	1973-74 As in the Original Budget
I. SIZE OF A.D.P.		
1. **Federal Government**	269	350
(a) Departmental	80	143
(b) Indus Basin	82	73
(c) Autonomous Bodies	107	134
(WPIDC)	(15)	(17)
(WAPDA)	(75)	(96)
(P.W.R.)	(17)	(21)
2. **Unallocable**	6	—
3. **Provinces.**	140	207
(a) Punjab	79	115
(b) Sind	28	44
(c) N.W.F.P.	21	30
(d) Baluchistan	12	18
Total	415	557
II. FINANCED BY		
A. INTERNAL RESOURCES		
(a) **Federal Government**		
1. **Revenue Receipts**		
(i) **Tax Receipts**	692	720
Customs	260	313
Federal Excise	238	235
Taxes on Income	105	105
Sales Tax	72	45
Others	17	22
(ii) **Non-Tax Receipts**	185	221
Total-Receipts (Gross)	877	941
Less-Provincial Shares	115	91
Net Revenue Receipts	762	850
2. **Non-Development Expenditure**	743	827
Defence	423	423
Debt Services	194	218
Others	126	186
3. **Revenue Surplus**	19	23
4. **Net Capital Receipts**	64	64
Small Savings	37	44
Others	27	20
(a) **Total Federal Government**	83	87
(b) **Provinces & Autonomous Bodies**	16	15
Provinces	6	—
PWR	4	7
WAPDA	6	8
Total (a) & (b)	99	102
(c) **Gap between Expenditure & Resources**	15	125
Total Internal. Resources	114	227
B. EXTERNAL RESOURCES	301	330
Project Assistance	111	95
Non-Project Assistance	161	205
Food Aid (Net)	29	30
Total Resources	415	557

CHAPTER 5

PRIVATE INVESTMENT

A Working Group was set up in January 1973 to estimate the level of private investment, in various sectors, in 1972-73, make projections for 1973-74 and suggest policy measures for stimulating private investment. The Working Group submitted its report in June 1973. The estimates of private investment for 1972-73 and projections for 1973-74 given in the report are reproduced below :

TABLE I

PRIVATE FIXED INVESTMENT

(Current Prices)

*Original Estimates and Projections**

(Rs. million)

	1969-70	1970-71	1971-72	E 1972-73	P 1973-74	% Growth 1973-74
Agriculture	476.1	463.4	535.2	600.0	750.0	25.0
Large Scale Manufacturing	1208.2	1224.0	1016.3	1100.0	1400.0	27.3
Small Scale Manufacturing	187.7	201.7	219.1	300.0	400.0	33.3
Transport & Communications	514.7	518.3	606.9	850.0	1000.0	17.6
Ownership of Dwellings	502.3	555.6	603.9	750.0	900.0	20.0
Services	366.0	385.5	413.9	450.0	570.0	4.4
Others [1]	238.3	182.9	150.6	150.0	180.0	20.0
Total ..	3493.3	3531.4	3545.9	4200.0	5100.0	21.4

2. The rationale for the projected increase in private investment was that the economy had had sufficient time to adjust to the structural reforms undertaken by the present government and private capital would begin to come forth. In fact, some improvement in the stock market, increase in the import of machinery and equipment and a renewed interest in obtaining sanctions for loans from PICIC and IDBP pointed in the direction of a restoration of confidence and revival in investment activity in this sector. The unfreezing of the aid-pipeline and availability of new credits with the financial institutions, the liberalization of the import policy, increased incomes in the agriculture sector with the enhancement of procurement and international prices for agricultural products and the increased facilities for investment in housing and transport sectors were expected to lead to a substantial increase in private investment in 1973-74.

3. Since the report of the Working Group on Private Investment was written, certain events have occured which have changed the outlook for private investment in 1973-74. To reflect the changed situation, estimates and projections of private investment have been revised. A comparative table showing the original and revised figures is presented below :—

TABLE II

PRIVATE FIXED INVESTMENT

(Current Prices)

(Rs. Million)

	1970-71	1971-72	1972-73 Original Estimate	1972-73 Revised Estimate	1973-74 Original Projection	1973-74 Revised Projection
Agriculture	463	535	600	600	750	610
Large Scale Manufacturing	1224	1016	1100	1000	1400	830
Small Scale Manufacturing	202	219	300	300	400	400
Transport and Communications	518	607	850	859	1000	1078
Ownership of Dwellings	556	604	750	750	900	900
Services	385	414	450	450	470	470
Others	183	151	150	150	180	180
Total ..	3531	3546	4200	4100	5100	4468

**Source :* Report of the Working Group on Private Investment for the Annual Plan 1973-74.

[1] Includes construction (construction machinery), electricity and gas, mining and quarrying and financial institutions.

E/Estimates.

P/Projections.

Agriculture

4. Main components of investment in Agriculture are tractors, tubewells, and other farm implements such as combines, trailers, threshers, ploughs, cane crushers etc. Conflicting information is given by different sources on the number of tubewells likely to be installed and tractors to be purchased in the Agriculture sector. The average rate of installation of the tubewells during the Third Plan period was given at 6,000 per annum. A target of 30,000 new tubewells was fixed for the Fourth Plan period. It is now estimated that only one-third of the Plan target is going to be achieved. Tentatively installation of 2000 tubewells at a cost of Rs. 18,000 each and 5000 tractors at Rs. 38,000 each are adopted for estimating private investment in Agriculture during 1973-74. Details of its various other components are provided in Table I in the Appendix.

Large Scale Manufacturing

5. At the time of making its Report, the Working Group on Private Investment had based their projections mainly on the disbursement of Loans by the various Financial institutions such as PICIC, IDBP, etc. alongwith an estimation of investment under PAYE scheme, and of non-repatriable investment. Private investment in the Large and Medium scale industries was thus projected at Rs. 90 crores for 1973-74. On the basis of disbursements made by PICIC and IDBP during July—October 1973, these two institutions have revised their projections of disbursements for the year 1973-74 as a whole.

Projects to be financed by PICIC and IDBP

6. The position of sanctions and disbursements for PICIC for past few years is given in Annexure II It may be seen that during 1970-71 and 1971-72, disbursements exceeded fresh sanctions. In 1972-73, disbursements were roughly half of new sanctions. In 1973-74 we started with undisbursed sanctions of Rs. 61 crores. In the first four months, new sanctions have been given for Rs. 31 crores. However, disbursements amounted to only Rs. 0.8 crore. For the year as a whole PICIC is expecting disbursements of Rs. 7 crores (in foreign exchange). This would finance an investment of roughly Rs. 14 crores. IDBP have reduced their projection of foreign loan disbursements from Rs. 19 crores to Rs. 5 crores. (Table II in Appendix). This would finance investment of Rs. 10 crores.

7. No firm information is available in respect of investment under the PAYE scheme, and of non-repatriable and direct foreign investment. The Working Group on Private investment made a projection of Rs. 7.5 crores under PAYE scheme and Rs. 3.5 crores for foreign private investment. If this comes about, rosulting investment including local expenditure, would be Rs. 22 crores. Sanctions under non-repatriable investment during first five months of 1973-74 amounted to Rs. 3.7 crores, out of which 3 crores relate to Foundry and Rerolling Mills whose disbursement will spread over four years. Based on the sanctioned projects other than the foundry during the five months the investment comes to Rs. 1.6 crore. Including investment on foundry the total will be Rs. 2.4 crores. If local equity is also included the total would come to Rs. 4 crores.

8. No expenditure is likely to be incurred on such major private projects as Fertilizer plant of Dawoods' and the Fauji Foundation during the period under review.

9. We have to take account of the investment by B.I.M., if any comparison is to be made with the past. This investment is estimated at Rs. 33 crores as in Table III in Apppendix.

10. The identified elements so for give a total of Rs. 83 crores as follows :

	Rs. in crores
PICIC	14
IDBP	10
PAYE and Foreign Private Investment	22
Non-Repatriable Foreign Investment	4
B.I.M.	33
Total ..	83

Small Scale Industry

11. The Working Group on Private Investment had projected investment in small-scale industry amounting to Rs. 40 crores in 1973-74 compared to Rs. 30 crores in 1972-73.

12. While figures for investment in this sector are difficult to obtain diretcly, indirect evidence points out a larger investment than an increase of Rs. 10 crores.

13. B.I.M. has provided information about production of looms. At the rate of production during first quarter, they estimated a production of 1000 looms in the mills directly controlled by them against virtually no production of looms by them last year. They have estimated total production of looms in the country at roughly 4000 for 1973-74. This would involve an investment of Rs. 10 crores.

14. The increase in the production of carpets, leather goods, sports goods, footwear and handicrafts as shown by the exports of these goods during the first four months, signifies further investment taking place in these industries.

Transport Sector

15. A Sub-group on Transport Sector under the Working Group on Private Investment had projected an investment of Rs. 100 crores. This was adopted as the original estimate for the current year.

16. Based on a recent study on Private Investment in Road Transport carried out in the Planning Commission the projected number of private new vehicles in 1973-74 is as follows :

	Number	Unit Price (Rs.'000')	Value (Rs. million)
Buses	5000	130	650
Trucks	4000	95	380
Taxis	1200	11	23
Rickshaws	1000	25	25
			1078

17. The projection of trends is substantiated by the fact that during the first four months, import of transport equipment show an increase of 63 per cent in 1973-74 compared to the same period last year.

18. Information was not available for the following :

(*i*) Ships and boats purchased by private shipping corporations or N.S.C.

(*ii*) Non-Mechanized transport equipment like carts.

(*iii*) Planes purchased by P.I.A., if this is to be treated as part of private investment. It may be mentioned that P.I.A. like some other autonomous bodies such as KESC, KPT etc. are not included in Public Sector Investment.

Private investment in none of the above organizations is therefore reflected in the total private invesment.

Ownership of Dwellings and Other Sectors

19. No new information on private investment in sectors other than those given in the above paragraphs has become available since the making of the report of the Working Group. Groups projections for these sectors are therefore repeated in the revised estimates reflected in Table II.

20. As evident from the table, the original target of Rs. 5100 million of private investment during 1973-74 is being revised downwards to Rs. 4468 million. This would imply an increase of about 9 per cent over last year's actual implementation. However, the above estimates have been made in terms of current prices and since the prices of investment goods are going to be under considerable pressure, real investment in 1973-74 would be substantially lower than last year.

TABLE I

PRIVATE INVESTMENT IN AGRICULTURE

1973-74

S. No.	Category	Physical (Number)	Value (in million) Rupees
I.	Tractor and Tractor implements	5,000	190.00
II.	Tubewells/pumps	2,000	36.00
III.	Others		
	1. Farm implements:		
	(*i*) Combines	250	17.50
	(*ii*) Trailers	4,500	18.00
	(*iii*) Threshers	7,500	18.75
	(*iv*) Drills	2,500	0.25
	(*v*) Ploughs	140,000	3.40
	(*vi*) Cane crushers	18,000	6.00
	(*vii*) Implements for Newly colonized area (holdings)	5,400 (acres)	2.70
	2. Land development	95,000	44.25
	3. Digging of Channels	150,000	1.50
	4. Farm buildings	120,000 (Number)	59.70
	5. Plant Protection equipment		
	(*i*) Hand sprayers	9,000	2.00
	(*ii*) Power sprayers	2,250	3.00
	6. Orchard Plantings	2,000 (acres)	0.72
	7. Foodgrain Storage	(Tons)	
	(*i*) House type (Wheat)	320,000	10.00
	(*ii*) House type (Rice)	150,000	15.00
	8. Dairy & Broiler Plant and equipment	—	2.00
	9. Fisheries	(Number)	
	(*i*) Mechanized boats	90	9.00
	(*ii*) Small boats	1,200	10.00
	(*iii*) Others	—	5.93
		(Million acres)	
	10. Land Consolidation	2.0	2.00
		Total I—III ..	457.70
IV.	Non-monetized Investment		150.00
		GRAND TOTAL ..	607.70

TABLE II

PICIC'S UNDISBURSED SANCTIONS

JULY 1969—OCTOBER 1973

(Rs. in million)

	1969-70	1970-71	1971-72	1972-73	1973-74
Undisbursed sanction at beginning of year (July 1) ..	465.51	806.40	645.69	521.65	605.55
Add. sanctions during the year	716.85	303.85	159.83	169.68	313.83*
Sub-Total	1182.36	1110.25	805.52	691.33	919.38*
Less Disbursements during the year	375.96	464.56	283.87	85.78	8.03*
Undisbursed sanctions at end of year (June 30)	806.40	645.69	521.65	605.55	911.35*

*As on October 31, 1973.

TABLE III

DISBURSEMENTS BY I.D.B.P. FOREIGN LOANS

(Rs. in million)

		1972-73 Actual	1973-74 (Projected)	1973-74 July—Oct. Actual	1973-74 Nov—June Estimated
1.	Second Swiss, State-*cum*-Bank Credit	12.94	6.00	—	
2.	French State-*cum*-Bank-Credit 1969-70	3.19	1.63	—	
3.	German Credit AL 363	0.18	2.63	—	
4.	German Credit Al 403	1.07	10.00	—	+ 7.69
5.	German Credit AL 529	1.97	19.64	—	
6.	IDA Credit No. 177 Pak	4.78	30.00	—	
7.	First ADB	0.44			
8.	Second ADB (Asian Dev. Bank)	4.93	90.00	2.52	23.40
9.	(a) Italian Credit	12.69	+15.00		
	(b) Italian Credit (for Hotels)		15.00	—	
10.	UK Suppliers Credit	1.17	+0.10	0.50	
11.	U.S.S.R.	0.06	—	—	
12.	8th Yen Credit	—	—	0.42	
	Total ..	43.42	190.00	3.42	47.29

Source: I. D. B. P.

TABLE IV

BIM INVESTMENT

(*Rs. Crores*)

A. Steel Industry	
Peoples Steel Mill	+15.00
Northern Foundry	+ 1.95
Electric Are Furnaces	+ 1.70
Cycle Plant	4.0
Others	.20
Total ..	19.25
B. Other Industry	
Fertilizer	2.58
Synthetic chemicals	.24
Kayon	.24
Total ..	3.06
C. Automobile Industry	
Balancing ; Modernization and Replacement	5.20
Foundry Equipment	0.78
Other	4.60
Total ..	10.58
Grand Total (A+B+C) ..	32.89

CHAPTER 6

BALANCE OF PAYMENTS

The Balance of Payments for 1972-73 showed a considerable improvement over the previous year. Merchandise imports exceeded exports by only $ 13 million, as compared with $ 300 million in 1971-72. This change resulted mainly from the performance of the export sector, and owed much to the adoption of favourable commercial policies—including the exchange reform of May 1972—and higher external prices for Pakistan's major exportables.

The Balance of Payments strategy for 1973-74 is intended to consolidate and improve on the gains already obtained on the export side, and to liberalise imports so as to increase the supply of consumer goods and to improve capacity utilization in industry.

Exports

Merchandise exports reached a level of $ 789 million * during the current year. This was 41 per cent above the exports of $ 560 million during 1971-72. A larger quantity of exports and higher international prices both contributed to this increase. The growth of $ 229 million can roughly be distributed into 30 per cent due to increase in prices and 70 per cent due to increase in the volume of exports.

Cotton was the only major item to register a decline during the year. Three main factors contributed to this fall. First, production did not attain even the previous year's level (of 39.79 lakh bales) and is estimated at 39.46 lakh bales. Second, domestic consumption was higher in 1972-73 than in the previous year. Third, the international prices at which most of the cotton during 1972-73 was contracted were below thous obtained in 1971-72. This is rather surprising in view of the rise in world commodity prices, and may reflect a decrease in the quality of the cotton exported or it may result from an underinvoicing of exports. A comparison of unit prices of cotton is given below :

TABLE I

Unit Prices of Cotton

($ per ton)

	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1971-72	627	644	646	636	653	661	659	662	680	677	694	683
1972-73	636	596	542	492	519	522	567	583	636	579	560	552

*Unless otherwise stated, all figures for exports and imports are on a receipts and payments basis.

Other major items, such as yarn, fabrics, and leather enjoyed higher international prices alongwith the increase in their exportable surpluses. The share of primary and manufactured items in the year's total exports is estimated at 35 and 65 per cent respectively. Table II below gives the actual and projected export earnings by major items for 1971-72, 1972-73 and 1973-74.

TABLE II

Merchandise Exports

($ million)

Item	1971-72	1972-73	1973-74 (Projected)	Percentage Change in 1973-74 over 1972-73
1	2	3	4	5
Raw Cotton	156	135	140	+3.7
Rice	31	95	218	+129.5
Fish and Fish Preparations	4	23	20	—13.0
Other Primary	79	23	57	+147.8
Total Primary ..	270	276	435	+57.6

1	2	3	4	5
Cotton Yarn	98	173	288	+66.15
Cotton Cloth	65	105	192	+82.10
Tanned Leather	29	52	40	—23.1
Carpets and Rugs	19	33	35	+6.1
Other Manufactures	79	150	110	—26.7
Total Manufactures ..	290	513	665	+29.6
TOTAL EXPORTS ..	560	789	1100	+39.4

Export Projections for 1973-74

Earnings from merchandise exports are projected at $ 1,100 million (on a receipts basis) for 1973-74, giving a growth of about 39 per cent over 1972-73.

Marked increases have been projected in cotton, rice, yarn and cloth. Leather export is expected to decline because of two reasons. First, the present high international prices are not likely to continue during 1973-74. Second, the Government's policy is to encourage the export of finished leather, and discourage that of semi-finished leather.

The projections for 1973-74 show the effects of the losses caused by the floods. A loss of 6 lakh bales of cotton at current world prices reduced earnings by $ 140 million. A sizeable quantity of rice was also lost in the floods. A slow growth in cement export was projected because of the increase in consumption of cement for reconstruction. The flood also affected the growth of exports by disrupting industrial production and dislocating the transportation network.

Export Duties

After the devaluation export duties on various commodities were imposed, keeping in view the effective exchange rates that had existed prior to the devaluation. These duties were designed to prevent a larger windfall increase in profits to exporters, to raise revenue, and to continue for certain manufactures the preferential treatment that had been afforded before devaluation through differential exchange rates.

These export duties have created differences in the rupee earnings of various items. Table III below gives effective exchange rates for a number of export items before and after the devaluation. Column (4) of the table gives effective exchange rates after the revaluation of the rupee in February 1973 from Rs. 11.00/US $ to Rs. 9.90/$. The last three columns give the average rates for 1971-72, 1972-73 and 1973-74.

In nominal terms, the devaluation of May 11, 1972 was of the order of 57 per cent*, which was reduced to 52 per cent after the later revaluation. In real terms, the effective devaluation was not so large. The combined effect of the change in the exchange rate and the imposition of export duties resulted in an effective devaluation of the rupee by about 21 per cent for merchandise exports *i.e.* from Rs. 7.43/$ before devaluation to Rs. 9.43/$ after devaluation. After the appreciation of the rupee in February 1973, the extent of the effective devaluation dropped to only about 7 per cent.

TABLE III

Effective Exchange Rates

(Rs./$)

Item	July—April 1971-72	July 1972 Feb. 1973	March June 1973	1971-72	1972-73
1	2	3	4	5	6
A. **Primary Items**					
Raw Cotton	5.67	6.92	6.43	5.82	6.94
Rice (Basmati)	5.67	7.80	8.04	6.45	7.97
Rice (Coarse)	5.67	7.70	6.93	5.70	7.14
Raw Wool	5.67	7.98	7.87	6.48	7.93
Hides and Skins	5.67	6.60	5.94	5.72	6.27
Other Primary	7.89	11.00	9.90	8.28	10.51
Total Primary ..	6.10	8.39	7.49	6.22	7.92

*Defined on the difference between the new rate and the old, expressed as a percentage af the new rate.

1	2	3	4	5	6
B. Manufactured Item					
Cotton Yarn	7.94	9.17	7.92	8.17	8.46
Cloth (Grey)	7.94	10.07	9.15	8.18	9.56
Cloth (Finished)	8.85	11.00	9.90	9.09	10.39
Leather (Semi-Finished)	7.94	7.70	6.93	8.68	7.32
Leather (Tanned)	7.94	9.90	8.91	8.71	9.41
Other Manufactures	8.80	11.00	9.90	8.98	10.42
TOTAL MANUFACTURES ..	8.38	9.89	8.61	8.60	9.19
Total Merchandise (weighted average) ..	7.43	9.43	8.00	7.44	8.67

Export Policy

As a sustained growth in exports can only be based on the growth of the economy, production activities as well as the infrastructure will have to be developed so as to cover both export requirements and rising domestic needs. New items will have to be added to the export list. Specific export plans are being drawn up to provide an institutional and incentive structure in which new items would get the greatest support. Market research will be intensified to explore new outlets, while other policies are being devised (i) to shift exports from primary to manufactured items by increased processing within the country, and (ii) to enable the diversion of such (previously) interwing exports as have not yet been fully diverted to the international market.

Imports

Merchandise imports in 1972-73 amounted to $ 802 million or Rs. 840 crores. This was 28.7 per cent higher than the merchandise imports of $ 623 million during 1971-72.

The pattern of imports changed in favour of consumer goods and raw material for consumer goods ; these two heads in 1972-73 constituted about 60 per cent of total imports, compared with 47 per cent in the merchandis imports for 1971-72. The share of capital goods correspondingly declined, from 42.4 per cent in 1971-72 to 29.7 per cent in 1972-73. The table below compares merchandise imports for 1971-72 and 1972-73, by value and percentage, for four categories of goods :

(*a*) consumer goods,

(*b*) raw material for consumer goods,

(*c*) raw material for capital goods, and

(*d*) capital goods.

TABLE IV

Merchandise Imports, 1971-72 *and* 1972-73

(Rs. Crore/ $ million)

	1971-72		1972-73		Percentage Change
	Value	Percent of Total	Value	Percent of Total	
	1	2	3	4	5
Total	349.5 (623)	100.0	840.0 (797)	100.0	+28
(i) Consumer Goods	79.5 (127)	22.7	248.5 (234)	29.3	+84
(ii) Raw Material for Consumer Goods	85.1 (157)	24.4	258.5 (247)	31.0	+57
(iii) Raw Mateial for capital goods	36.7 (67)	10.5	83.0 (79)	10.0	+18
(iv) Capital Goods	148.2 (272)	42.4	250.0 (237)	29.7	—13

Note :—This table is on a shipments basis.

A substantial increase—84 per cent—occurred in the imports of consumer goods, followed by a 57 Per cent growth in imports of raw material for consumer goods. On the other hand, capital goods showed a decline of 13 per cent as compared with 1971-72.

The increase in consumer goods was mainly because of higher imports of wheat and sugar. The drop in the value of capital goods was caused by devaluation, which increased the domestic currency cost of these goods, and by the depressed investment climate and lower inflow of project assistance during the year.

Import Projections for 1973-74

Merchandise imports for 1973-74 have been worked out at $ 1,450 million, reflecting an increase of 80 per cent over the level in 1972-73. The import of consumer goods and raw material for consumer goods would amount to $ 945 million or 65 per cent of the total import requirements in 1973-74, while that of capital goods (including raw material for capital goods) will constitute 35 per cent of total imports. The projections of merchandise imports for 1973-74 and the estimated imports for 1972-73 by economic categories are shown in the table below :

TABLE V

Merchandise Imports, 1972-73 *and* 1973-74

($ million)

	1972-73	1973-74	Per cent Change
Total	**802**	**1450**	**+80**
Consumer Goods	235	576	+145
Raw material for Consumer Goods	250	369	+48
Raw Material for Capital Goods	80	170	+113
Capital Goods	237	335	+41

The increase in the next year's level of imports by categories is predicted on the requirements of the development strategy to be followed, which emphasise agriculture and related industries and employment creating projects. To sustain the pace of agricultural modernization and make available agricultural consumer goods at low prices, liberal imports of fertilizer and tractors have been provided for. The provision for the import of raw material for capital goods and capital goods itself aims at expanding and utilizing the productive capacity of the country and thus increasing the availability of goods and commodities. The import projections for 1973-74 include an allowance to make up some of the losses caused by the floods. The loss of an estimated six lakh bales of cotton created an additional requirement of 30,000 tons of edible oil. The projections also include an allowance for the import of drugs and medicines, clothing and other requirements for the flood-hit areas.

The import policy for 1973-74 aims largely at augmenting the availability of all types of goods in the country. The free list has been expanded by an additional 26 items and the tied list by 13 items. The main objectives of the import policy are :

(*i*) To increase the productive capacity of industries and to improve the quality of goods manufactured by allowing liberal imports of machinery and capital goods under the modernization, balancing and replacement schemes.

(*ii*) To fully utilize the existing productive capacity by allowing liberal imports of raw materials and spare parts, and thus to increase the availability of commodities in the country.

(*iii*) To boost exports by allowing liberal imports of machinery and raw materials for export-oriented industries.

(*iv*) To provide a measure of competition to the domestic industry by allowing imports in limited quantities of certain goods which are also locally produced. The competition to be provided through imports would help in bringing down the prices of consumer goods and improving the quality.

(*v*) To check the smuggling of certain essential consumer goods by allowing liberal imports of these goods through regular channels.

(*vi*) To divert the pressure on foodgrains and textiles by allowing imports of durable consumer goods.

External Resources

The gross inflow of external resources during 1972-73 is estimated at $ 345 million as against $ 466 million provided for in the Annual Plan, giving a shortfall of about 26 per cent. Of the total inflow, about $ 100 million was project and $ 246 million non-project assistance. The main reason for the shortfall was the delay by the creditors in defreezing the aid pipeline ; as a result, project aid utilization fell short by nearly 40 per cent of the $ 236 million that had originally been projected.

The gross aid inflow for 1973-74 is estimated at $ 390 million, of which $ 164 million will be in the form of project assistance and the balance of $ 226 million as non-project assistance. The total aid inflow works out at 12.7 per cent more than the revised estimates of the assistance received in 1972-73. Of the project assistance, $ 95 million will be utilised in the public and $ 69 million in the private sector. The non-project assistance comprises $ 182 million of nonfood aid and $ 44 million of food aid.

An agreement on debt servicing was reached with the major creditors. Under the terms of this agreement, the arrangements for debt rescheduling that were due to expire at the end of June 1973 were extended for another twelve months. It was further agreed that arrangements for a long-term rescheduling of Pakistan's debt servicing would be finialised by June 1974, and the bifurcation of debt between Pakistan and Bangladesh would also be completed by that date.

The table below shows the details of the aid inflow :

TABLE VI

Inflow of Foreign resources, 1972-73 *and* 1973-74

($ million)

	1972-73 (*Revised Estimates*)	1973-74 (*Estimates*)
(i) Project Aid including Indus/Tarbela	100	164
(ii) Non-project Assistance	161	182
(iii) PL-480 and other Food Aid	85	44
Total	346	390

The following table shows a Summary Balance of Payments for 1972-73 and 1973-74.

TABLE VII

Summary Balance of Payments, 1972-73 *and* 1973-74

($ million)

	1972-73	1973-74
Receipts	1452	1842
Merchandise Exports	789	1100
Invisible Earnings	317	352
Foreign Assistance	346	390
Payments	1452	1842
Merchandise Imports	802	1450
Invisible Payments	337	367
Debt Servicing	187	190
Changes in Reserves*	+126	—165

**Plus* denotes increase.

CHAPTER 7

MONETARY AND CREDIT POLICY

Review of Development during 1972-73

The analysis of monetary developments in the recent past is complicated by the separation of the Eastern Wing of the country, the demonetisation measures and the devaluation of the Pakistan rupee in May, 1972. The Annual Plan for 1972-73, while taking note of these obvious facts and admitting that the liquidity in West Pakistan was inflated in both 1970-71 and 1971-72 mainly because of the large public sector spending during these years, recommended a very conservative and cautious approach in respect of monetary expansion during the year. It recommended that the net monetary expansion during the year should be kept at a minimum level in order to maintain the domestic price stability. In the public sector, it proposed deficit financing of only a marginal nature.

A. MONETARY ASSETS

2. Monetary assets during the year expanded sharply by Rs. 615.42 crore, as summarised in table I below. This exceptionally large increase was brought about by the sizeable recourse to deficit financing by the Government and unusually large surplus in the country's international account. The deficit in the financial transactions of the Government amounted to Rs. 236.60 crore (including Rs. 53.14 crore for commodity financing operations). The foreign sector exerted an expansionary influence of Rs. 235.42 crore. The domestic private sector was also expansionary by Rs. 160.64 crore during the year.

TABLE I

Causative Factors for the change in Monetary Assets, July, 1972 *to June,* 1973.

Expansion (+) Contraction (—)	(Crore Rs.)
1. Private Sector	(+) 160.64
2. Government Sector	(+) 236.60
3. Foreign Sector	(+) 235.42
4. Miscellaneous Factors	(—) 17.24
Total Causative Factors	(+) 615.42

3. The expansionary influence of the private sector on monetary assets varied from quarter to quarter. During the first quarter, there was a contraction of about Rs. 16 crore. The second quarter witnessed a record expansion of about Rs. 170 crore, which was the combined result of seasonal financial requirements of major exports whose prices reached at a high level during the year, and the gradual recovery of the economic activities which was reflected in the increase in industrial production since November, 1972. The third quarter also experienced an expansion of Rs. 53 crore. During the last quarter there was a contraction of about Rs. 46 crore and it was due to the slack period in economic activity. The total expansionary influence of the private sector on monetary assets for the year as a whole was about Rs. 161 crore (*see* Appendix).

4. The expansionary influence emanating from the Government sector was about Rs. 237 crore, which was much larger than originally anticipated at the time of budget formulation. A number of factors worked during the year to bring about a large recourse to the use of bank credit by the public sector. There are :—

(i) the debt servicing payments which were withheld since May, 1971 were resumed after interim debt relief arrangements were signed. These drawals on debt servicing are reflected in monetary statistics as an expansionary factor.

(ii) The Government activities had to be expanded to offset the inadequate pace of the activities of the private sector. In fact the development expenditure during the year was higher by about Rs. 35 crore than the original provision made in the budget.

(iii) Public sector needed additional credit for improving stocks and the availability of essential consumer goods which the Government undertook to provide to the common man at control prices. This increase was as high as Rs. 65 crore.

5. The Foreign sector exerted an exceptionally large expansionary influence of about Rs. 235 crore on monetary assets during the period under review. When the year began, the expectation was that there would be a balance of payments deficit despite the utilization of fresh aid, necessitating a draw-down of foreign exchange reserves of the country. Had this expectation been materialised and had there been an actual draw-down of foreign exchange reserves, the expansionary influences of the public and private sectors would have been substantially offset. However during the year, Pakistan's exports increased much faster than was projected at the time when the foreign exchange budget was formulated in July, 1972. The imports also materialised at a some what slower pace than was projected earlier.

6. The composition of monetary assets also underwent a notable change during the year. Component-wise break-up of monetary assets shows that bulk of increase in monetary assets occurred in deposit money which went up by about Rs. 400 crore. Currency in circulation increased by Rs. 215 crore or roughly 36% of the total increase in monetary assets. The ratio of currency in circulation to total monetary assets increased from 27.8% at the end of June, 1972 to 29.2% by the end of June, 1973. The detailed component-wise increase in monetary assets is given in Table II below :—

TABLE II

Causative Factors affecting changes in Monetary Assets

(Crore Rupees)

Expansion (+) Contraction (—)	July, 1972 to June, 1973 (Provisional)
1. Currency in circulation	(+) 215.77
2. Demand liabilities of scheduled banks (excluding inter-bank items)	(+) 197.07
3. Time liabilities of scheduled banks (excluding inter-bank items)	(+) 180.66
4. 'Other Deposits' with State Bank of Pakistan (excluding IMF A/c No. 1 Counterpart Funds Debt Service A/c and other loan accounts)	(—) 5.62
5. Deposits of non-scheduled and cooperative banks with State Bank of Pakistan	(+) 8.14
6. Post Office Saving Bank deposits	(+) 19.40
Total Change in Monetary Assets	(+) 615.52

B. CREDIT POLICY

7. No fresh quantitative credit control measures were introduced during 1972-73. The Bank rate and the liquidity ratio remained unchanged. However, the State Bank modified its selective credit controls with a view to regulating the availability of credit in response to the changing situation. The minimum margin restriction of 50% on advances against iron and steel which was imposed in June, 1972 was reduced to 25% in August, 1972 as the higher margin requirement was reportedly impeding fuller utilization of industrial capacity. As from 12th October, 1972 the ban on advances against superior varieties of rice to wholesale dealers was withdrawn to remove the difficulties faced by traders. However, in order to avert hoarding by traders a margin requirement of 50% was imposed on advances against superior varieties of rice. The minimum margin requirement on advances against coarse rice was reduced from 50% to 25%. Advances to mills which were previously exempted from margin requirement were also made subject to the 25% margin restriction. In all cases, the maximum period for which advances against rice and paddy could be allowed to remain outstanding was restricted to three months. In the case of advances to traders against oilseeds and edible oil the margin requirement was raised from 25% to 50% in January, 1973. In February, 1973 a ban was imposed on bank advances against edible oil. However, the vanaspati mills, the Pakistan Vanaspati Manufacturers' Association and West Pakistan Edible Oil Refiners Group were exempted from the ban. In March, 1973, banks were prohibited from making any advances against cotton-seed either against fresh limits or any unutilized limits. Vanaspati mills were, however, exempted from this restriction.

8. The Banking Reforms announced by the Government in May, 1972 aimed primarily at reorienting the credit policy of banks in favour of wider dispersal of bank credit both in respect of size of accounts and sectors. The efforts to place adequate credit at the disposal of small borrowers were intensified by the present Government which is committed to establish an egalitarian society. As provided for in the Reforms, a National Credit Consultative Council was set up during the year which, among other things, is charged with the responsibility of laying down specific targets for banks for provision of credit to the hitherto neglected areas of agriculture, small business and industry and housing. In its first meeting held in December, 1972, the Council approved a credit plan for 1972-73 envisaging an increase of Rs. 160 crore in bank credit to be provided by commercial banks to the private sector which was to be distributed among various sectors as follows :—

		(Crore Rs.)
1.	Manufacturing	84
2.	Agriculture	16
3.	Housing	9
4.	Mining & Quarrying	5
5.	Transport & Communications	10
6.	Commerce & others	36
		160

9. The available data shows that the total credit expansion in the private sector during 1972-73 was about Rs. 161 crore which was almost equal to the credit plan approved by the National Credit Consultative Council.

10. The State Bank maintained an aggregate mandatory target of Rs. 43.6 crore for net increase in small loans by commercial banks *i.e.* Rs. 26.6 crore for loans for business and industry, a sub-target of Rs. 8 crore for agricultural production and another sub-target of Rs. 9 crore for financing of low cost housing, Rs. 2 crore for the purchase of tractors was added as another mandatory target thus increasing the limit to Rs. 45.6 crore.

11. The preformance of the mandatory credit targets during the 1972-73, the outstanding level of small loans provided by commercial banks increased to Rs. 54.94 crore exceeding the earlier target of Rs. 43.6 crore by about 26%. The most pronounced increase in small loans was for business and industry. There was a slow progress in the field of agriculture production and low cost housing. The target of Rs. 2 crore for the purchase of tractors etc. was not realised. There were two reasons for the slow progress in increasing the credit flow in agriculture and small housing sectors ; firstly, it was the first time that the commercial banks were required to embark to finance agriculture activity which was a new area for the banks and secondly, the farmers even failed to come up with proper personal identification such as having a pass-book.

12. The Government also set up a People's Finance Corporation with an initial paid-up capital of Rs. 5 crore. It would sanction loans or advance cash credit either directly or through commercial banks or in association with them to the extent of Rs. 50,000 per party. The Corporation has also been empowered to guarantee the small loans and cash credit granted by scheduled banks. The association of the Corporation with commercial banks would spread the credit risk which is usually higher in accommodating small parties. The Equity Participation Fund which had become moribund, was also re-activised and its head office established at Karachi.

Projections of Monetary expansion during 1973-74

13. The expansion of money supply in line with the growth of economy is essential to facilitate the continuous growth and expansion of economic activities. However, the projection of safe limits for such an expansion presents a very difficult problem since it involves a number of uncertain elements, the behaviour of which cannot be forecasted. The elements of monetary expansion as well as the distribution of sources from which the expansion is to emanate has, therefore, to enterpreted flexibly.

14. In the past, different methodologies have been adopted to determine the safe limit of monetary expansion. Initially, it was determined with reference to the growth target in yearly output plus 2% to allow for progressive monetisation of the economy. Subsequently, when the scope of expansion was extended to monetary assets, an annual increase of 2.5% above the growth in GNP was considered valid formula. For the Fourth Five-Year Plan, the safe limit of monetary expansion was determined by applying some of the changes in marketable surplus of agricultural crops, growth in other sectors of the economy and likely availability of foreign assistance. The existing ratio of monetary assets to the flow of resources in the monetised sector so determined was then used to determine the safe limit of monetary expansion.

15. The monetary assets in June, 1973 were estimated at about Rs. 2661 crore in West Pakistan. The national income was projected to increase by 8% during the year 1973-74. There was a strong likelihood that foreign assistance flows would be higher than last year. The total resources in the menetised sector including net inflow of foreign assistance were therefore, likely to be slightly higher than the growth in GNP. On this basis, an expansion of around Rs. 220 crore in monetary assets was considered safe.

16. It has been already explained earlier while reviewing for the current financial year that the monetary expansion of Rs. 615 crore was abnormal. It was therefore, considered that it would be prudent to follow a conservative and cautious monetary policy in view of the need to allow the absorption of the preceding year's increase in monetary assets. The net monetary expansion, therefore, during the year is being kept around Rs. 150—160 crore, which is even lower than the projected growth of GNP.

17. The foreign exchange reserves during 1972-73 increased substantially resulting in foreign sector exerting significant expansionary influence. The imports accordingly, have been liberalized. It was considered that a draw down of reserves will help to counteract monetary expansion.

18. It is rather difficult to precisely divide the proposed credit expansion between public and private sectors. In view of the Government concern for price stability, every effort is to be made to keep the budgetary gap during the year as small as possible.

Post-Flood Developments

19. The economic situation has drastically changed since June this year. In order to curb the inflationary pressures in the economy, the State Bank of Pakistan introduced a number of quantitative and qualitative credit controls measures. With effect from 16th August, 1973 the bank rate was raised from 6 to 8%. Simultaneously the ceiling on advance rates was raised from 10 to 11% in the case of advances by bigger banks and from 11 to 12% in the case of smaller banks, while the minimum rates of interest on various types of deposits were increased in the range of 1-2 per cent. The rise in the bank rate was supplemented with the increase in the statutory liquidity ratio from 30% to 35% in order to reduce the credit creating capacity of banks.

20. Besides introducing the quantitative measures, the State Bank also tightened its selective credit controls. Advances against grams, other grains and pulses, Kariana and spices and onions and potatoes were completely banned with effect from 5th September, 1973. Advnaces against rice and paddy to dealers were also banned while those to mills against both coarse and superior varieties of rice were subjected to a uniform margin requirement of 50% as compared to the 25% margin requirement in the case of coarse varieties of rice and 50% in the case of superior varieties which were in force earlier. Advances against oilseeds, other than cotton seed, were subjected to a minimum margin requirement of 75% while advances against cotton seed, except those to vanaspati mills, remained banned. Advances against cotton textiles (indigenous) were also subjected to a minimum margin requirement of 25%.

21. The recent floods have created an entirely new situation and the most urgent need of the economy at the moment is to rehabilitate the agricultural sector which has been badly affected by floods. Efforts therefore, would have to be made to step up substantially the availability of credit to this sector. The National Credit Consultative Council in its meeting held recently has approved a credit target of Rs. 100 crore for this sector as against the actual agricultural advances of Rs. 38.62 crore during 1972-73. Of this amount a sum of Rs. 25 crore is to be provided by the commercial banks.

22. In addition to above, there is a need for more credit to rehabilitate small businessmen and farmers affected by the flood as also to reconstruct the dwellings in both urban and rural areas. The mandatory targets for commercial banks including small loan for agricultural production have, therefore, been fixed at Rs. 98 crore. The overall credit ceiling in the private sector has, however, been fixed at Rs. 186 crore by the Council as against an expansion of Rs. 161 crore during 1972-73. The proposed mandatory target would help to bring about substantial improvement in credit availability to people of small means and to reduce concentration of credit in large loan amounts.

23. As has already been stated, there was abnormal monetary expansion in the public sector last year. It should, therefore, remain a major policy objective of the Government to keep the monetary expansion in the public sector under check under all circumstances. To meet the unforeseen shortfall in resources due to floods, additional taxation has been already levied which during the course of year is likely to yield over Rs. 80 crore. The expenditure on rehabilitation and reconstruction is being met parly by adjustments within the ADP. It is hoped that with these measures, the budgetary deficit during the year would not be more than the level envisaged in the original budget. The major expansionary force in the public sector, however, would be the credit requirement for state trading operations of the Government where also the additional requirements during the year would be lower than last year.

Appendix

CAUSATIVE ANALYSIS OF MONETARY EXPANSION

(Crore Rupees)

Months Last Friday	Private Sector	Government Sector	Foreign Sector	Other Factors	Total Causative
July, 1972 ...	0.51	23.35	10.39	16.08	17.15
August, 1972 ...	—6.95	13.31	—25.76	13.61	—5.79
September, 1972	—8.32	7.48	0.86	3.56	1.86
Ist Quarter ...	—15.78	44.14	—16.23	1.09	13.22
October, 1972	5.41	19.87	23.74	—19.37	29.65
November, 1972	46.50	17.43	—0.50	11.65	75.08
December, 1972	117.88	38.92	—21.18	48.38	184.00
2nd Quarter ...	169.79	76.22	2.06	40.66	288.73
January, 1973	45.01	22.34	17.47	—20.55	64.27
February, 1973	—3.09	—29.87	22.70	—4.74	—15.00
March, 1973 ...	11.12	—9.57	43.28	—11.05	33.78
3rd Quarter ...	53.04	—17.10	83.45	—36.34	83.05
April, 1973 ...	—9.93	51.01	38.57	—15.60	64.05
May, 1973 (P)	—38.37	—5.50	67.68	—0.48	23.33
June, 1973 (P)	1.89	87.85	59.89	—6.57	143.04
4th Quarter	—46.41	133.34	166.14	—22.65	230.42
Annual Total	160.64	236.60	235.42	—17.24	615.42

(P) Provisional.

Source : State Bank of Pakistan.

CHAPTER 8

CONSUMPTION PLANNING

Introduction

Consumption planning in Pakistan is of recent origin beginning for all practical purposes with the Annual Plan for 1972-73. It is to be expected, therefore, that both the scope of consumption planning and the approach to the problem will remain inadequate until such time that necessary information and expertise is developed. At this stage a survey of the inadequacies which will pinpoint research needs is as important as it is to prepare consumption plans on the basis of imperfect tools and limited information. Three of the main inadequacies relate to the coverage of commodities, insufficient attention on distributional factors and neglect of nutritional considerations. This is elaborated in the following paragraphs.

2. The Annual Plan for 1972-73 restricted its consumption planning exercise to a commodity bundle which excluded many important consumer goods and included some that were relatively inconsequential. The eight commodities covered consisted of such important items in the diet as wheat, vegetable ghee and sugar and such important necessities as cloth and kerosene; also covered were tea, matches and soap which carried lesser justification especially in view of the fact that much more important items were excluded-pulses, milk, vegetables and eggs to name a few. The inclusion of tea and matches reflected the concern about the effects of suspended interwing trade on their availability. The import policy has successfully averted this threat and by now there seems to be no reason to worry about their availability and prices. Therefore, tea and matches have been omitted from this year's Annual Plan. Soap has also been excluded both because its supply and price has not posed a major problem and because the government is unlikely to interfere with its production and distribution.

3. It should be noted that the items excluded are those where supply and prices have been reasonably stable during the last year. These commodities pose little challange beyond the simple expedient of import programming. There is a pressing need, on the other hand, to incorporate a number of food items whose prices have risen during the past year, whose management is complex and whose nutritional value is important, unfortunately, for a large number of such foods the information is totally inadequate to admit of consumption planning. Meat, milk, eggs and vegetables fall in this category. Immediate steps are necessary to improve our knowledge about production and distribution of these items so that they may be brought into the fold of consumption planning. Meanwhile, policy improvisations such as production incentives, restriction on exports, liberalization of imports and persuasion of producers and traders to restrain price increases will have to be used as regulatory measures.

4. Two new items, rice and pulses, have been introduced into the consumption plan for 1973-74. Both commodities are widely consumed and their high prices during the year have been a source of concern. The data on pulses is not up to data but in view of its importance in the diet of the poor it was considered advisable to initiate consumption planning for it. Thus seven items are covered in this year's Consumption Plan. There are five food items : wheat, rice, pulses, vegetable ghee and sugar ; and in addition, cloth and kerosene. The seven items included account for roughly 32 per cent of household consumption expenditure of the income group ranging between Rs. 250—300.

5. A consumption plan must not only aim at making enough supplies available to fulfil average needs but it should endeavour to attain a proper distribution of consumption. It is the poor whose needs must be especially met. For this it is essential to increase income and employment of the poorest segments and to make essentials available at reasonable prices either in the open market or through controlled distribution. The Annual Plan for 1972-73 did discuss the distribution system for sugar and wheat at some length but in general, and this was its second deficiency, it dealt with average availability and ignored distributional aspects. While introducting the chapter on consumption planning the Annual Plan document remarked " The Annual Consumption Plan is essentially a board framework through which Government policy to maintain adequate availability of essential consumer goods at reasonable prices is to be implemented. The plan would have to remain flexible and reviwed throught the year in the light of actual development. The changes in supply and demand would be accommodated while the objectives of price stability would remain paramount. The present projections are on the basis of advance indications regarding various magnitudes which are liable to change in the course of the year ".

6. It was the price situation more than availabilities which dominated the scene during the year. By and large availability of essential items registered improvement in 1972-73 but this was accompanied by rising prices. Thus while average standards were raised there was a distributional problem. Since employment and money income rose in response to revived economic activity those who suffered deprivation relative to the previous year were mostly the fixed income groups. Although these groups are not a majority nor always from the poorest sections of the population, they are significant enough in number and often so poor that their well-being is of importance in the government's objective. Thus, throughout the year the government was pressed into policy measures, persuasion and even cajoling of traders and producers to keep prices from soaring. While these attempts eased the situation somewhat, prices rose appreciably during the year.

7. Uncertainty cannot become insignificant no matter how well we plan. Consequently, flexibility in annual consumption planning has to be accepted and reliance most be placed upon government policies framed in response to actual developments during the year. But this should not blind us to the necessity of planning in advance for contingencies that may emerge after the plan has been formulated. In particular, it is desirable to formulate limits of government tolerance to averse price or availability movements and to predetermine the kind of actions and interference that should follow the degree of a crisis. The advance formulation of these rules will not only make for consistent action but save on a lot of frenzied energy spent on temporizing or making hasty decisions.

8. The third drawback of the pioneer attempt at consumption planning was that it was not designed in reference to a longer term ideal. What was planned was an increase in the availabilities of selected commodities; what was lacking was an overt attempt at a nutrition plan. This is an unsatisfactory state of affairs which, it is unfortunate, will largely continue for at least another year. It is unfortunate because an underdeveloped country in its search for improvements in the quality of life must strive foremost for a healthy, well-nourished population ; and because the poorer a country, the less can it afford the waste of an inefficient, unscientific approach to this or any other problem. To formulate a scientific approach it is necessary to improve, collect and coordinate information on :

(*i*) the diet of various categories of the population and from this information assess the pattern of the nutrition gap ;

(*ii*) the rigidily of dietary habits and tastes ; and of social customs which determine the distribution of food within a household ; and

(*iii*) the availability, the economics and the acceptability of the solutions.

9. Our information on these aspects is incomplete but not non-existent. Household expenditure surveys conducted by the Statistical Division, a nutrition survey conducted in 1965 and stray pilot surveys have led to accumulation of information which, however, insufficient for framing an optimal nutrition programme, does at least enable identification of the main ingredients of a nutrition programme. The information, for instance, clearly indicates that the diet is deficit in total calorie intake as well as in proteins, minerals and vitamins. Providing the population with a greater abundance of what they eat, litarally ' dal ' and ' roti ', will be of the utmost emphasis in any short to medium term nutrition programme. This diet will provide considerable proteins (and vitamins if enriched flour is popularized) ; the more important aspect, which needs to be emphasised is that unless the calorie deficiency is removed much of the benefits of expensive protein rich food will be lost as proteins will be converted into energy. The foremost aim of nutrition planning in near future should be removal of calorie deficiency and for this availability of the staple diet will have to be accorded first priority. Thus, the type of consumption planning which was done last year, and which is largely being repeated this year does incorporate the main thrust of a nutrition programme. However there is a need in estimating consumption requirements to step beyond the confines of income elasticties or moderate improvement over the previous years. A more ambitious approach is called for if nutritional sufficiency is to be achieved swiftly.

10. Providing people more of what they eat is a necessary step in the general solution of the nutrition problem. But it would be undesirable to let matters rest there and leave specific problems for another day. First, the advance in food fortification technology could be gainfully employed to mitigate deficiencies in protein, vitamins and minerals. For instance, the enrichment of flour with vitamins A and B and iron (later perhaps with lysine as well), of tea with vitamin A and of salt with iodine offers the opportunity of vast coverage of the population at low to moderate cost. Of course, in the short run care has to be taken that the enriched product does not run foul of tastes. Research on these programmes is underway in Pakistan and it should be possible to implement them during the year on an experimental basis.

11. Second, certain groups are relatively worse off than others. For example existing data indicates that persons in urban areas are significantly under-nourished in comparison with those in rural areas. This feature justifies the confinement of rationing to the urban areas. The production of more wheat, pulses and other foods as well as programmes for enrichment of food will also contribute greatly to removing the deficiencies in the urban diet.

12. It is more difficult to tackle the other major target group which suffers from severe under-nourishment. This is the group of pregnant and lactating mothers and pre-school children. The need for a balanced diet is exceedingly important in their case. Pregnant and lactating mothers need richer diet to replenish the urban out flow to the unborn child and the breast-fed infant. Similarly, the development of the child in his early formative years may be permanently impaired for lack of special nutrients. A variety of measures will be necessary to tackle this problem and it is not possible to obtain major gains in the short-run without an ambitious effort. Maternity health centres will be necessary to provide advice on the proper diet of both the mothers and the young children and even to supply vitamins and minerals in necessary cases. It will be advisable to combine family planning counsel with the other services provided by the maternity health centre to inculcate the beneficial effects of spacing children on the health of the mother and development of the child. It will also require education of heads of households on these matters either through these very centres or through other media so that a better distribution of consumption may be attained within the household and spacing of children may be popularized. It is clear that extending these measures to the country as a whole will require major efforts with large financial and administrative costs.

13. Another important aspect of the problem is related to the fact that low calorie intake in the population is aggravated by malabsorption of food owing to the prevalance of diaorrhea, dysentery and other intestinal diseases. This requires provision of both education and public health facilities to the population. Programmes of this nature are already included in projects of the housing and health sectors. What is required is an acceleration of these programmes although once again coverage of the entire population is likely to be very costly.

14. It will be clear that a consolidated approach to nutritional planning will call for synchronization of the programmes in the agriculture, housing and health sectors as well as the actions taken to distribute food to the needy, to enrich commonly consumed food and raise incomes of the impoverished. Development of an integrated approach will necessarily take time but the process would and should be hastened by entrusting the task to one agency. The Planning Commission has set up a nutrition syndicate in which concerned sections are represented. It is recommended that other concerned Ministries follow suit or that a Division may be created for this task.

Review of 1972-73 and Out-look for 1973-74

15. Prices of many consumer goods rose sharply during the year. The consumer price index for the urban poor rose by 15 to 27% in different cities. While the increase in prices was accompained by a parallel increase in money incomes of many households, this was not true of the fixed income groups. Their ability to maintain standards of consumption, let alons improve them, was severely constrained by this development. During the year, therefore, the major concern of the government in this sphere was to restrain inflation in which connection the government took a number of measures with varying degrees of success.

16. The price of wheat atta sold through ration shops was unchanged and even the open market prices were not higher than last year. Temporary and local shortages did occur in the availability of vegetable ghee but by and large the prices of this items were also fairly stable and availabilities adequate. The availability and price of tea, kerosene, and matches were maintained at reasonable levels through liberal imports.

17. The substantial decrease in the production of sugar during 1971-72 had created a condition of acute scarcity during the early part of 1972-73. Large imports of sugar were made to ease this shortage but the sugar prices continued to remain high. The government decided to go in for complete rationing of sugar in order to achieve its equitable distribution. The production during 1972-73 showed some improvement over the previous year but it was still considerably below the outputs of 1969-70 and 1970-71, which has made the continuance of rationing necessary.

18. The one item in which there was a decline in availability matched by a sharp increase in price, was cotton cloth for which large exports and high international prices of cotton and its products was responsible. In order to make cloth available at reasonable prices, the government introduced a scheme of fair price shops through which coarse cloth would be made available to the consumer at prices substantially below that in the open market. The scheme, however, was commerced towards the close of the year and thus had a limited impact.

19. While most of the items covered in the consumption plan were protected from the inflationary situation which developed during the year, this was not true about many important consumer goods which were not covered in the consumption plan. Prices of pulses, vegetables, rice, milk, eggs, meat and poultry rose appreciably.

20. It should be mentioned that the government took major decisions which would effect the availability of essential items in 1973-74 and beyond. It raised the procurement prices of wheat from Rs. 17 per

maund to Rs. 22.50 per maund Procurement prices of sugarcane were also increased substantially in all provinces. The export duty on raw cotton and cotton yarn were increased in the budget for 1973-74 in order to increase the availabilities and lower prices within the country. Finally, the programmes for fertilizer and other inputs were substantially expanded in order to increase agricultural production. These policies will have their impact during the coming year and more so in subsequent years.

21. The *per capita* availability of the selected items of consumption is given in Table 1.

TABLE 1

Per Capita Availability

Item	Unit	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Estimated)	1973-74 (Target)
1. Wheat	(Ozs. per day)	10.50	10.11	11.39	11.39
2. Rice	Do.	2.37	2.82	2.41	2.50
3. Pulses :					
(*i*) Gram	(Lbs. per annum)	13.69	13.17	13.41	14.12
(*ii*) Other pulses	Do.	2.35	2.55	2.16	2.24
4. Sugar :					
(*a*) Refined	(Lbs per annum)	19.00	18.60	18.80	18.40
(*b*) Raw	Do.	56.40	54.40	50.00	53.90
5. Vegetable Ghee	Do.	6.34	6.73	7.24	8.38
6. Cloth	(Yds. per annum)	15.80	10.20	8.60	11. 0
7. Kerosene oil :—Overall targets are given in the text.					

22. It should be made clear that the *per capita* availability of the selected items as shown in the table does not represent the actual consumption level of these commodities. Availability is defined here as what is left within the country in the private sector after accounting for production, trade and government stocks. Information is not available and adjustments have not been made for private stocks. Thus, consumption may exceed availability if stocks at the beginning of the year are consumed faster than they are replenished and *vice-versa*. One can argue that the stocks kept with the private trade/growers will more or less balance off on yearly basis and hence the overall availability position of a given commodity will not be affected substantially on this account. This may be true for normal years and for commodities which are not cash earning sources for the growers but the stocks of cash crops with the growers do tend to change substantially from year to year depending upon the future prices of the commodities. The increase in the stocks of inter-wing exports after the suspension of that trade is especially relevant as it over-states consumption of the affected items (rice and cloth in particular) in 1971-72.

23. It was stated in the introduction that if nutritional sufficiency is to be achieved in a short period, it will be necessary to go beyond the small gains implicit in using an income elasticity approach to consumption planning. However, the desire to improve food consumption at a rapid rate is severely constrained this year by acute scarcity and high international prices of such essential foods and key raw materials in agriculture as wheat, edible oils and fertilisers. For a number of commodities, therefore, the income elasticity approach has been used in this year's Annual Plan also in order to plan for an increase in essential consumer items which is sufficiently large to satisfy the increase in demand without putting a strain on prices. This modest approach at least has the advantage that it takes into account the effect of rising prices on consumption standards of the poor.

Wheat

24. The *per capita* availability of wheat during 1972-73 has been estimated at 11.4 ozs. per day as against the target of 10.5 ozs. per day fixed at the beginning of the year. This is explained by additional availability from local production and comparatively less stocks available at the end of the year (131,000 tons) than projected at the beginning of the year (400,000 tons)—Appendix I.

25. However, as the procurement price of wheat for wheat crop of 1973 was raised from Rs. 20.00 to Rs. 22.50 per maund, it has been reported that a substantial quantity of wheat from last year's crop was offered to the government for procurement during the current year. If an estimated 2 lakh tons of wheat are excluded from the total availability of wheat in 1972-73, the *per capita* availability of wheat during the year will be reduced to 11.1 ozs. per day.

26. Taking an income elasticity of demand of 0.27 and the GNP growth rate of 5 per cent, the *per capita* requirements during 1973-74 work out to 11.3 ounces per day based upon the 1972-73 benchmark of 11.2 ounces per day. As opposed to this a *per capita* availability of 11.5 ounces per day (including surplus private stocks from 1972-73) has been provided to allow for an improvement in income distribution.

27. In order to meet this target 13 lakh tons of wheat will have to be imported during the current year. To the extent that imports do not materialise demand for wheat will have to be restricted by increasing the sale price of wheat or some rice exports sacrificed to substitute for the shortage of wheat. The government have enhanced the sale of price of flour from Rs. 18.50 to 22.50 per maund in August 1973 in order to discourage the wasteful consumption of wheat. It may, therefore, be possible to manage with lower wheat imports.

Rice

28. For the first time this year rice is being included in the Consumption Plan due to its significance as the next staple diet to wheat and the sharp rise in the price of wheat in the world market. The consumption of rice over the past years has been over 2 ozs. per head per day. However, during 1971-72, the *per capita* availability was 2.82 ozs. per day, which was about 19 per cent above the level during 1970-71. This abrupt increase should be attributed to a stock build-up (following a sudden stoppage of shipment of coarse rice to East Pakistan) rather than to larger consumption. The *per capita* availability during 1972-73 is estimated at 2.41 ozs. per day, which is in line with the consumption level during 1970-71.

29. The requirements of rice for 1973-74 have been projected at 17 lakh tons. Since local production of rice is projected at 26 lakh tons, Pakistan could export over 6 lakh tons of rice during the year (details at Appendix II).

30. It may, however, be pointed out that in view of overall shortage of wheat in the world market the country may have to switch over from wheat consumption to rice if the programmed imports of wheat do not materialise. In that case the exports of rice during the year would be considerably lower than projected.

Pulses

31. Pulses are also being included for the first time in the Consumption Plan due to their importance as a rich and major source of protein for the common man. In addition to gram, the other important pulses are mash, moong and masoor. The *per capita* availability of gram has actually declined from 13.7 lbs. per annum in 1970-71 to about 13.4 lbs. per annum during 1972-73. Similarly, the *per capita* consumption of other pulses has declined from 2.4 lbs. per annum during 1970-71 to 2.2 lbs. per annum during 1972-73. But unlike gram not only *per capita* availability but absolute production of these pulses has also declined over the years (details at Appendix III). The prices of pulses rose steeply during the latter half of last year, reflecting the growing gap in the demand and supply of pulses.

32. Increased availability of pulses will have to come from larger domestic production because there is a very limited surplus to tap from world markets and that too at very high prices. It is unfortunate, therefore, that the cultivation of pulses have so far been neglected by the farmers due to comparative disadvantage of growing pulses as compared to other crops and practically no effort has been made to improve the varieties of pulses available for cultivation. The existing varieties are low yielding and susceptible to insects and diseases. The Ministry of Agriculture and Agriculture Departments of the Provinces should therefore, focus their attention on the improvement of varieties of pulses both to raise yields as well as resistance to pests and disease attack. They should also try to introduce new pulses like soya-bean in the country.

33. These measures will take time. For 1973-74, a marginal improvement is projected to reflect farmer's response to higher prices and the effect of good rains on the barani area crops.

Sugar

34. Another departure from last year's Annual Plan is the inclusion of raw sugar as well as refined sugar. This has been done to focus upon the complete picture of this source of energy.

35. During the first half of 1972-73, the refined sugar market was under a two-tier price system ; the ration depots and the free market. A serious crisis in the supply of refined sugar which developed because of a poor sugarcane crop for the second consecutive year, ultimately led to complete rationing of sugar in the country December, 1972. The ration depot price of sugar was also raised from Rs. 1.60 to Rs. 2.50 per seer and after the floods to Rs. 3.00 per seer to bring it in line with the cost of production of sugar in the country. Despite substantial imports, the *per capita* availability for 1972-73 is estimated at less than 19 lbs. per annum as against a target of about 23 lbs. Refined sugar is still under complete rationing.

36. The sugarcane crop in 1973-74 has been substantially larger than in 1972-73. However, sugarcane supply to the mills have not been satisfactory partly because of high gur prices. It is estimated that production of refined sugar during the year would be 5.5 lakh tons which would imply a small reduction in *per capita* availabilities compared with last year. This would neither enable decontrolling sugar distribution nor an increase in sugar quotas. The production of gur and other non-refined varieties of sugar would, however, show a considerable increase over last year which should provide some relief to consumers especially in the rural areas.

Vegetable Ghee

37. The availability and prices of vegetable ghee were being maintained by the government through a gentlemen's agreement with the vanaspati manufacturers for the last 3 years. Supply and prices remained satisfactory during most of the year. Towards the beginning of 1973 due to a substantial increase in the prices of both domestic edible oil as well as imported edible oil, the government has to ensure the availability of imported edible oil to the vanaspati industry at Rs. 121/125 per maund to hold the prices of vegetable ghee at last year's level.

38. In August 1973 the government allowed a 26 per cent increase in the price of vegetable ghee to encourage larger production and smooth and adequate supplies. However, scarcities continued to be severe and the government nationalized production and distribution of vegetable ghee is September, 1973.

39. During 1973-74, the production of vanaspati is expected to increase to a level of 2.5 lakh tons as against 2.1 lakh tons during the preceding year. For a production of 2.5 lakh tons of vanaspati the edible oil requirements of the industry are projected at 2.6 lakh tons. The requirements of other users and for direct consumption are projected at 1.1 lakh tons. Keeping a margin of 31,000 tons as closing stocks the total requirements of edible oil for the year are projected at 4.1 lakh tons. The domestic availability is projected at about 2.6 lakh tons leaving an import gap of 1.5 lakh tons (details at Appendix V).

40. In case the import of 1.5 lakh tons of edible oil is arranged, the *per capita* availability of vegetable ghee during 1973-74 would be 8.38 lbs. per annum as against 7.24 lbs. per annum last year (an increase of 15.7 per cent). It may, however, be pointed out that uptill Oct., 1973 arrangements have been made only for imports of 8,500 tons of edible oil. Moreover, due to a general shortage of edible oil in the world market and especially in the United States from where the country procures most of its supplies of edible oil under PL-480, the import plan may not materialise in full. Under such circumstances the *per capita* availability of vanaspati could be well below the projected level.

Cotton Cloth

41. The *per captia* availability of cotton cloth during 1972-73 was only 8.6 yards per annum as against the target of 14 yards and an availability of 10.2 yards in 1971-72. This poor performance is largely explained by the large exports of cotton yarn and cotton cloth. The attractive prices of raw cotton and cotton manufactures in the international market coupled with devaluation of Pakistani currency provided a strong incentive for the traders to divert sale of substantial quantities from domestic to international market and to charge higher prices. This created a heavy pressure on the supply as well as prices of cotton cloth in the country.

42. Taking the average availability during 1970 to 1973 as benchmark and an income elasticity of 0.8, the requirement for 1973-74 work out at 12 yards *per capita* compared with an availability of 8.6 yards in 1972-73. In view of the shortfall in the cotton crop, the target has been fixed at 11 yds. *per capita* which would allow an increase of 27 per cent in *per capita* availabilities over 1972-73 (details at Appendix VI).

43. It may be pointed out that last year the government reached an agreement with the manufacturers of textiles to open 750 shops to sell " Utility Cloth " at the prescribed prices. These shops will supply upto 10 million yards of Utility Cloth per month at prices considerably below than those in the open market (Utility Cloth prices have been fixed at Rs. 1.80 per yard for grey cloth, Rs. 2.00 per yard for bleached cloth and Rs. 2.25 per yard for dyed cloth). The Utility Cloth Scheme has already started functioning and it is hoped that this will alleviate the problems of the poorer sections to a great extent.

Kerosene Oil

44. For the year 1972-73, it was estimated that the local production of kerosene from imported and indigenous crude oil would amount to 3.86 lakh tons, while the consumption was projected at 4.85 lakh tons, thus leaving a gap of about 1 lakh tons to be met from imports. Actual production during the year has been approximately estimated at 4 lakh tons while the actual consumption stands at 4.25 lakh tons. The net gap of 25,000 tons has been met partially by changes in stocks (which declined from 6,000 tons to 2,440 tons at the end of the year) and partially by imports.

45. As compared to the projections, the actual availability of kerosene during 1972-73 is lesser by 12.3%. This reflects insufficient demand rather than supply bottlenecks because price and availabilities were not a problem. The causes for the insufficient demand are not difficult to in identify. The rapid electrification of rural areas may be one factor. The more significant is the extensive domestic use of Sui Gas in the metropolitan cities as well as big towns. This is demonstrated by the fact that the number of gas consumers has increased to 1,20,700 on 30th June, 1973 as compared to 94,686 on 30th June, 1972 registering a net addition of 26,014 consumers during the year.

46. The production target for 1973-74 has been fixed at 4.18 lakh tons, showing an increase of 5.1% over the previous year. Keeping in view the increasing use of electricity and gas for domestic purposes, the projections provide for an increase in demand from 4.25 to 4.54 lakh tons. This leaves an import gap of only 38,000 tons. The comparative analysis for the two years is given below :

TABLE 2

Kerosene

('000' tons)

	1972-73 (Estimated)	1973-74 (Target)
1. Opening stocks	6.00	2.44
2. Production	397.20	417.80
3. Imports	24.60	38.00
4. Closing stocks	2.44	4.24
5. Consumption	425.42	454.00

Appendix I

REQUIREMENTS AND AVAILABILITY OF WHEAT

(MAY—APRIL)

('000' tons)

	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Actual)	1973-74 (Target)
1. Opening stocks	32.0	162.0	48.0	131.0
2. Local Production*	7,179.0	6,374.0	6,782.0	7,400.0
3. Deduction for seed & wastage	718.0	637.0	678.0	1,140.0**
4. Imports	290.0	694.0	1,527.0	1,300.0
5. Exports to East Pakistan	39.0	32.0	—	—
6. Closing stocks	162.0	48.0	131.0	83.0
7. Net availability	6,382.0	6,513.0	7,548.0	7,608.0
8. Population (mln.)	61.5	63.2	65.0	66.8
9. *Per capita* availability (ozs. per day)	10.50	10.11	11.39	11.391
10. Percentage change	(—)3.72	12.66		

*A period of one year has been taken as time lag between production and consumption.
**Also includes wheat wasted during floods.

[1]Apparantly the *per capita* availability during 1972-73 and 1973-74 is the same but the figure for 1972-73 is inflated since it includes those private stocks which were carried over to 1973-74.

Appendix II

REQUIREMENTS AND AVAILABILITY OF RICE

('000' tons)

	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Actual)	1973-74 (Target)
1. Opening stocks	394	450	396	147
2. Local Production	2,165	2,226	2,288	2,600
3. Deduction for seed and wastage @ 6% of the total	130	134	138	156
4. Exports to East Pakistan	307	138	—	—
5. International Exports	179	195	800	650
6. Closing stocks	450	396	147	237
7. Net availability	1,493	1,813	1,599	1,704
8. *Per capita* availability (ozs. per day)	2.37	2.82	2.41	2.50
9. Percentage change		18.9	(—)14.5	3.7

Appendix III

REQUIREMENTS AND AVAILABILITY OF PULSES

('000' tons)

	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Actual)	1973-74 (Target)
I. Production				
(a) Gram 1	503.0	492.0	502.0	544.0
(b) Other pulses	72.5	77.7	70.6	75.0
II. Deduction for Seed, feed and wastage				
(a) Gram @22.5%	113.2	110.7	113.0	122.4
(b) Other pulses @11.0%	8.0	8.5	7.8	8.2
III. Exports				
(a) Gram	14.0*	9.8*	—	—
(b) Other pulses	—	—	—	—
IV. Imports				
(a) Gram	—	—	—	—
(b) Other pulses	0.15**	2.7**	—	—
V. Net availability				
(a) Gram	375.8	371.5	389.0	421.6
(b) Other pulses	64.6	71.9	62.8	66.8
VI. *Per Capita* Availability (lbs. p.a.)				
(a) Gram	13.69	13.17	13.41	14.12
(b) Other pulses	2.35	2.55	2.16	2.24
VII. Percentage change				
(a) Gram	—	(—) 3.8	1.8	3.6
(b) Pulses	—	8.5	(—) 15.3	5.3

1. A period of one year has been taken as timelag between production and consumption.
*Exports to East Pakistan.
*Imports from East Pakistan.

Appendix IV

REQUIREMENTS AND AVAILABILITY OF SUGAR

('000' tons)

	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Actual)	1973-74 (Target)
I. Sugar Cane				
1. Production	22,801	19,648	19,632	23,000
2. Deduction for seeds, feeds & wastages @10%	2,280	1,965	1,963	2,300
3. Crushed by mill sector	6,438	3,728	4,470	6,110
4. Available for raw sugar production	14,083	13,955	13,199	14,590
II. Refined Sugar				
1. Opening stocks	154	40	10	6
2. Local production	532	346	432	550
3. Imports	—	164	110	—
4. Exports	123	15	—	—
5. Closing stocks	40	10	6	6
6. Net availability..	523	525	546	550
7. *Per Capita* availability (lbs. per annum)	19.0	18.6	18.8	18.4
III. Non-refined Sugar				
1. Production*	1,549	1,535	1,452	1,605
2. *Per capita* availability (lbs. per annum)	56.4	54.4	50.0	53.9

*Assuming a recovery rate of 11 per cent.

Appendix V

PRODUCTION OF VANASPATI AND REQUIREMENTS OF EDIBLE OILS

('000 tons)

	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Actual)	1973-74 (Target)
I. Availability of Edible Oils :				
Opening stocks	30.0	11.0	24.0	26.0
Domestic Production	200.0	253.0	235.0	230.0
Imports	81.0	69.0	87.0	150.0
Total availability	311.0	333.0	346.0	406.0
II. Uses :				
Industrial use except for vanaspati manufacturing	110.0	45.0	55.0	60.0
Direct consumption		55.0	45.0	50.0
Closing stocks	11.0	24.0	26.0	31.0
Availability for vanaspati manufacturing	190.0	209.0	220.0	265.0
III. Production of Vanaspati	174.0	190.0	210.0	250.0
IV. *Per Capita* Availability (lbs. p.a.)	6.34	6.73	7.24	8.38
V. Percentage change		6.15	7.57	15.75

Appendix VI

REQUIREMENTS AND AVAILABILITY OF COTTON CLOTH

	Unit	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Actual)	1973-74 (Target)
I. Raw Cotton					
1. Production	(Mln. Bales)	3.10	3.98	3.95	3.70
2. Exports	,,	1.15	1.65	1.30	0.80
3. Required for quilts etc.	,,	0.10	0.10	0.10	0.10
4. Available for yarn production	,,	1.85	2.43	2.55	2.80
II. Yarn					
5. Production	(Mln. lbs.)	670	740	804	881
6. Consumption by Mill Sector	,,	226	217	202	213
7. Exports including to East Pakistan ..	,,	245	401	407	400
8. Available for non-Mill Sector	,,	199	122	157	216
9. Required for Hoisery @ 5% of total production	,,	35	37	38	42
10. Available for Non-Mill Cloth Production Sector	,,	164	85	119	174
III. Cloth					
11. Production by Mill sector	(Mln. Yds.)	787	751	701	738
12. Production by Non-Mill Sector @4 Yds. per lb. of yarn	,,	656	340	476	696
13. Total Production	,,	1,443	1,091	1,177	1,434
14. Exports including to East Pakistan ..	,,	467	448	618	700
15. Available for domestic consumption ..	,,	976	643	559	734
16. *Per capita* availability (Yds. per annum) ..		15.8	10.2	8.6	11.0

CHAPTER 9

PRICE SITUATION

The price level remained under considerable pressure during 1972-73. According to the latest estimates of the Statistical Division, the rate of inflation during this period has been in the range of 15 to 24 per cent. The table below presents figures on the wholesale price index and the consumer price index for industrial and clerical workers at Karachi by major expenditure groups. It is worth noting that the consumer price index of the industrial workers for the food group increased by about 23 per cent between June 1972 and June 1973. Other constituents have increased less rapidly but even there the rate of inflation is substantial.

WHOLESALE PRICE INDEX*

(1959-60-100)

	General	Food	Raw Material	Fuel, Lighting and Lubricant	Manufacturing
June 1972	163.5	173.5	139.6	152.7	155.8
June 1973	202.4	214.9	186.0	198.1	182.6
Increase (%)...	23.8	23.9	33.2	29.7	17.2

CONSUMER PRICES INDEX*
(1961-100)

	General	Food	Apparel Textile and Footwear	Housing & Household operations	Miscellaneous
Industrial Workers Karachi :					
June 1972..	158.1	174.0	138.5	134.8	138.5
June 1973..	187.2	213.9	153.5	158.2	149.0
Increase (%)	18.4	22.9	10.8	17.4	7.6
Clerical Wage Earners Karachi :					
June 1972..	163.8	195.6	145.5	133.6	133.2
June 1973..	188.4	239.1	165.1	145.5	134.2
Increase (%)	15.0	22.2	13.5	8.9	0.8

**Source*: Statistical Division, Ministry of Finance Planning and Development, Government of Pakistan.

Causes of inflation

2. The serious inflationary situation witnessed during the last year is based upon an unfortunate confluence of certain adverse developments super-imposed upon essential and inescapable commitments of the Government. The major factors which led to the inflation are as follows :—

(i) *Devaluation.*—The decision to devalue the Pakistan currency a year ago was a long overdue adjustment in the level and structure of rates of exchange. The Government took this decision knowing full well that in the short-run devaluation would result in inflationary pressures arising from the higher cost of imports, increased debt servicing charges and reduced domestic availability of exportable quantities. To reduce the impact on prices the Government made readjustments in the tariff structure which included lowering of import duties and imposition of export duties on various commodities.

(ii) *International Inflation.*—One of the unfortunate developments after devaluation was that its effect was substantially aggravated by international inflation. This was particularly pronounced in the case of commodities with the result that the import cost of wheat, sugar, edible oils and fertilizers increased substantially requiring large subsidies to maintain stable domestic prices. The prices of imported industrial raw materials also increased pushing up domestic costs. On the export side, the prices of our major exports like, rice, cotton and cotton products rose sharply which had multiple effects on domestic prices ; domestic availability was reduced ; the cost of cloth went up as prices of raw cotton and cotton yarn moved up in line with international prices ; and higher export earnings increased money income of both the producers and the traders which led to an increase in effective demand within the economy. It may be mentioned that earnings in the private sector increased by over Rs. 2,500 million on account of the export boom during the year (after adjusting for the earnings from export bonus during 1971-72 and the payment of export duties in 1972-73).

(iii) *Increased Money Income.*—The higher earnings of the export sector is one instance of a more widespread phenomenon. Various segments of the population such as industrial workers, farmers and low paid Government employees had received higher money incomes. The increase in the wages of the industrial workers and salaries of the low paid Government employees was designed to be a measure to redistribute national income. Farm incomes increased owing to the high international price of cotton and rice and enhanced procurement prices for wheat and sugarcane. The Government raised procurement prices of wheat and sugarcane in order to provide an incentive for higher production and for increased procurement. From the procurement of wheat and sugarcane by the Government and the mills, the higher prices are estimated to have yielded an additional income of over Rs. 400 million to the farmers. Although the farmers had to pay more for fertilizer, their benefits exceeded their wheat sales to the Government and their sugarcane sales to the mills because the higher procurement prices meant that their produce fetched more in market transactions as well.

(iv) *Deficit Financing.*—In order to meet its commitment in the area of defence, essential physical infra-structure requirements and social reforms, the Government had to resort to deficit financing to a sizeable extent. The expansion of monetary assets in the Government sector, including state trading operations, was about Rs. 2,370 million in 1972-73. This significantly contributed to the increase in money incomes and inflationary pressures.

(v) *Psychological Factors.*—Another factor which intensified inflation was that of speculation. As inflation developed an inflationary psychology stepped in. Consumers developed a tendency to hedg against rising costs by steping up purchases, speculators made money by hoarding and producers and sellers raised prices in advance of costs to stay ahead of the inflationary spiral. A flux Government po cies and postures and especially the threat of stringent controls also bread speculation and diverted money from fixed investment to hoarding.

3. The major factors mentioned above fall under the head of various categories of inflation : demand pull, cost push, low availability and speculation. The distinction between them becomes blurred in the inflationary process since each feeds upon the other as the demand-cost-speculation spiral builds up. Still, if it is useful and convenient to keep the various categories in mind ; with this in view, the major causes of inflation in Pakistan are presented below in a schematic, tabular form :

FACTORS CONTRIBUTING TO INFLATIONARY PRESSURES IN PAKISTAN

Factors contributing to Demand-Pull-Inflation	Factors Contributing to Cost-Push-Inflation	Factors Contributing to Reduced Availabilities
(1) Increased money incomes as a result of : (*a*) Higher volume of exports. (*b*) Higher prices of exports because of devaluation and international inflation. (*c*) Increase in farm incomes with higher farm prices. (*d*) Increase in wages of labour.	(1) Higher costs of imports both of consumer goods and raw materials because of devaluation and international inflation. (2) Increased debt servicing and depreciation charges. (3) Higher prices of agriculture products with the raising of the procurement prices. (4) Higher wage costs.	(1) Increased exports. (2) Slow recovery in production and improvement in utilization of capacity. (3) Shifting from financial assets to real goods as a hedge against inflation. (4) Holding of goods for speculative purposes.
(2) High level of deficit financing. (3) Increase in development expenditure. on physical and social infra-structure. (4) Increase in non-development expenditure particularly on defence and social sectors *viz*, education and health. (5) Increase in population.		

4. The problem of price maintenance, it must be realised, is difficult even under normal circumstances. When consumption demand grows 3 per cent a year owing to population growth alone, when a poverty ridden country must invest for a comparatively prosperous future generation, and when exports must expand to meet foreign exchange needs, it is difficult to provide immediate gains in living standards and maintain price stability. And then the Government did not face normal circumstances. It inherited two bad years of agricultural production, an investment slump, an untenable exchange rate, suspended interwing trade, an oppressive socio-economic set up and a dismayed nation. It had to revive the economy and reform its structure, strengthen its defences, take urgent steps to avert an impending power crisis, boost agricultural production and exports and engage in various nation building measures. A lot has been accomplished but unfortunately prices have been rising. This evil too may have been averted but for the world-wide panorama of inflation.

Steps taken to Regulate Prices

5. The Government has taken a variety of measures to control the prices of essential commodities. It resorted to large imports and bore huge subsidies in order to maintain the prices of wheat at ration depots. This policy not only meant unchanged prices of wheat supplied at ration depots but a fair degree of stability in the open market price of wheat.

6. The Government also resorted to large imports of sugar to bridge the gap between demand and the low production of 1971-72. Inspite of large imports, the Government had to resort to complete rationing of sugar to make available equitable amongst consumers. Sugar production is expected to be considerably large in 1973-74 but not sufficiently to permit a relaxation of complete rationing. The higher procurement prices announced for sugarcane will lead to higher sugarcane production in 1973-74 and 1974-75 and it is hoped that in the next crushing season sufficient sugar will be produced to increase ration quota.

7. During 1973-74 the Government had reached an agreement with Vanaspati Ghee Manufactures to hold its price constant. Apart from a brief rise in price during the Ramzan, the agreement was successful. In order to allow manufacturers to maintain prices, the Government allowed rebates on capacity tax and arranged for substantial imports of edible oil. At the beginning of this year, the Government allowed the price of Vanaspati to be increased from **Rs.** 4.75 to Rs. 6.00 per seer. However, due to non-implementation of the agreement reached with Vanaspati Ghee Manufacturers leading to decreased production and serious shortage recently the Government has nationalized the Vanaspati Ghee industry so as to increase the production of Ghee in the country. Further the Government has also issued licences for the import of butter oil to ease the pressure on Ghee.

8. Similarly, the Government has enforced stable prices of kerosene oil and facilitated constant atta prices through controls and liberal import provisions.

9. The prices of cloth rose sharply in the later part of 1972-73. The increase in price was primarily caused by the higher price of cotton and cotton yarn following an international price hike. In order to lower the prices of cloth domestically, the Government enhanced the export duties on cotton and cotton products. It also entered into an agreement with the All-Pakistan Textiles Mills Association to open fair price shops throughout the country at which utility cloth would be supplied at prices well below the open market prices. In June 1973, the Governor of the Punjab directed large-scale manufacturing establishments to supply cloth and pulses at subsidised rates to industrial labour. These measures aims at making coarse cloth available to consumers at reasonable rates. Prices of medium varieties of cloth will not be affected by these measures and since the demand for medium quality cloth is very substantial the Government is considering measures to bring down their prices as well.

10. Apart from fair price shops for cotton cloth the Government has been opening utility stores in urban centres where various essential commodities are available at reasonable prices.

11. Through these measures, the Government has been attempting to maintain reasonable stability in the prices of the essential items of common consumption such as wheat, sugar, vegetable ghee, tea and kerosene oil. These items constitute about one fourth of the budget of families earning less than Rs. 300 per month. Other major constituents of family budget are milk, milk products, vegetables, pulses and meat. In these commodities, both production and trade is very diffused and difficult to control. Even so, the Government is trying to enforce price stability in these areas through negotiations with butchers and milk sellers.

12. Recently, the Government have given wage increase to fixed income groups. At the same time, some price adjustments have been made to induce the farmers and manufacturers of essential commodities to increase their production.

13. Beside taking policy measures on individual essential items, the Government took major decision in the field of monetary and fiscal discipline. The State Bank announced the following measures to counter act the inflationary conditions in the economy in August, 1973 :—

(*a*) The bank rate was raised from 6% to 8% .

(*b*) The liquidity ratio which banks are required to maintain was raised from 30% to 35%.

(*c*) The minimum rate of interest of various categories of savings and fixed deposits were revised upward and selective credit controls were introduced.

14. As mentioned earlier in Chapter 4 to meet budgetary deficit arising out of the recent floods appropriate fiscal measures have been taken. Simultaneously strict watch is being kept on non-development expenditure. The expenditure on the rehabilitation and reconstruction is also expected to be met by the adjustment within ADP. Thus every effort is being made to meet the Government outlays from non-inflationary sources.

PART II

PRODUCTION PROGRAMMES AND PHYSICAL INFRA-STRUCTURE

CHAPTER 10

AGRICULTURE

Agriculture is the largest single segment of our economy as it contributes over one-third to the gross domestic product, accounts for about 40 per cent of the export earnings, employs more than half of the civilian labour force and most of the industries obtain their raw material from this sector. The Government attaches great importance to the sector and has taken many policy measures to boost farm production. Some of the more recent measures include enhancement of the procurement prices of wheat, rice, and sugarcane and massive programme of installation of diesel engine tubewells on subsidised rates.

REVIEW OF 1972-73

Financial Utilization

2. During 1972-73, the Agriculture sector was allocated Rs. 38.15 crore (net) Rs. 19.68 crore for the Punjab, Rs. 6.87 crore for Sind, Rs. 5.10 crore for NWFP, Rs. 2.06 crore for Baluchistan and Rs. 4.44 crore for the Federal Government programmes. The utilisation of the funds is estimated at about Rs. 48 crore which comes to about 125 per cent of the ADP allocation. The higher utilization was mainly due to the increased expenditure on subsidy on fertilizers and pesticides on account of devaluation of Pakistani currency, launching of diesel engine tubewell installation programme on subsidised rates and implementation of the Rural Integrated Development Programme on a priority basis.

Physical Implementation

3. From the statistics available so far, it seems that except for wheat, the production targets are not likely to be achieved. The main factors responsible for such a situation are attack of insect pests on cotton, low canal discharge and unfavourable weather conditions.

4. The estimated production of major crops is set out in Table 2 appearing on the following page.

ANNUAL PLAN FOR 1973-74

5. Against an allocation of Rs. 38.15 crore made last year a provision of Rs. 60.81 crore has been made for this year's programmes of the agriculture sector. The revised allocations take into account the adjustments made consequent on the floods. The breakdown of this allocation, by executing agencies, is given in Table I.

TABLE I

Annual Development Programme, 1973-74 *by Executing Agencies*

(crore rupees)

Executing Agency	Allocation for 1973-74
Provincial Programmes	
Punjab	36.76
Sind	6.35
N.W.F.P.	6.89
Baluchistan	2.86
Total Provincial Programmes	52.86
Federal Programmes	
Food and Agriculture Division	5.05
Science and Technology Division	0.03
Finance Division	1.25
Kashmir Affairs Divison	1.26
States and Frontier Region	0.36
Total Federal Programmes	7.95
Grand Total	60.81

6. Further financial details may be seen in the Appendices I—VII.

PHYSICAL PROGRAMME

Crop Production

7. The production targets originally fixed for 1973-74 had to be revised to take into account the consequences of the floods. The extent of damage done by the floods to the Kharif crops has been estimated in a document prepared by the Planning Commission for the UN-IBRD mission. The principal effects of the floods on crop production targets is briefly summarised below :—

(*i*) The principal set back due to the floods was a loss of output in cotton. The revised estimate of 3.7 million bales indicates a decline of over 0.2 million bales compared to the previous year and a shortfall of 0.6 million bales compared to the target for 1973-74. But for the floods, the target would have been realized.

(*ii*) Some damage was done to the rice crop and the production will not reach the target of 3 million tons originally fixed. However, production will be considerably larger than in the previous year.

(*iii*) The latest estimates show that sugarcane output will be on target. It will be substantially in excess of the previous year. The effect of the floods on the sugar crop was thus minimal.

(*iv*) A 15 per cent increase in wheat crop is estimated. This sharp increase has been facilitated by the greater moisture available due to floods and rainfall and the diversion of acreage, damaged due to floods, from kharif to rabi.

8. The revised crop production targets for the major crops during the year 1973-74 are set out in Table 2 below :—

TABLE 2

Estimated Production of Major Crops 1970-71 *to* 1972-73 *and Production Targets for* 1973-74

Item	Unit	1970-71 Actual	1971-72 Actual	1972-73 Actual	1973-74 Revised estimates	Percentage increase in 1973-74 over 1972-73
Wheat	000 tons	6,373	6,781	7,400	8,500	15
Rice	,,	2,164	2,226	2,288	2,600	14
Maize	,,	706	694	695	830	19
Other food grains	,,	763	763	703	700	—
Total food grains	,,	10,006	10,464	11,086	12,630	14
Sugarcane	,,	22,801	19,648	19,632	23,000	17
Cotton	000 bales	3,051	3,979	3,947	3,700	(—)6
Edible oil seeds	000 tons	1,387	1,757	1,710	1,660	(—) 3

9. For achievements of the above mentioned targets during 1973-74, the major inputs programmes are discussed in the following paragraphs.

Fertilizer

10. It is proposed to distribute 675 thousand nutrient tons (550 thousand N/tons of Nitrogen, 120 thousand N/tons of phosphorus and 5 thousand N/tons of Potash) during the year 1973-74 as against an estimated consumption of about 436 thousand nutrient tons of fertilizer during 1972-73. Province-wise details are given in Table 3 below :—

TABLE 3

Province-wise likely consumption of fertilizer in 1972-73 *and targets for* 1973-74

Province	Likely consumption during 1972-73			Target for 1973-74		
	N	P&K	Total	N	P&K	Total
	thousand nutrient tons					
Punjab	262	34	296	368	84	452
Sind	94	12	106	124	28	152
N.W.F.P.	29	4	33	50	11	61
Baluchistan	1	—	1	8	2	10
Total ..	386	50	436	550	125	675

11. Arrangements will be made to procure the required quantity of fertilizers in time and efforts made to streamline the distribution system so that the fertilizer is easily available to the farmers. Since the use of the phosphatic fertilizers is far behind in ratio with the nitrogenous fertilizers, effort will be made to popularize the former.

Plant Protection

12. An area of about 44 lakh spray acres is estimated to have been covered by curative measures during 1972-73. The area proposed to be covered with the curative measures during 1973-74 is estimated to be 106 lakh spray acres. This includes special spraying of Kharif crops, undertaken with international assistance to safeguard crops in flood affected areas.

13. The province-wise details are given in Table 4 below :—

TABLE 4

Province-wise area to be covered with plant protection measures in 1972-73 *and targets for* 1973-74

Province	Area likely to be covered during 1972-73			Target for 1973-74		
	Ground Operations	Aerial operations	Total	Ground Operations	Aerial operations	Total
			Lakh spray acres			
Punjab	13.10	9.14	22.24	40.50	16.15	56.65
Sind	7.64	5.66	13.30	32.00	7.75	39.75
N.W.F.P.	2.52	5.54	8.06	3.00	4.20	7.20
Baluchistan	0.50	0.21	0.71	1.00	1.30	2.30
Total ..	23.76	20.55	44.31	76.50	29.40	105.90

14. The preventive measures involving largely seed treatment against soil and seed borne diseases will be continued and intensified during the year. The following areas need further attention.

(*i*) Allocation of function of pesticides distribution between public sector and private companies;

(*ii*) Reduction of subsidy on the sale of pesticides to a uniform level in all the provinces ;

(*iii*) Timely supply of pesticides ;

(*iv*) Manufacture and subsidized sale of standard spraying equipment ; and

(*v*) Acceleration of aerial spraying operation.

Distribution of Improved seeds

15. Seed multiplication and distribution programme has been reorganized after the dissolution of the West Pakistan Agricultural Development Corporation in 1971-72. The responsibility for seed multiplication has been handed over to the Provincial Agricultural Departments while the functions of seed procurement and distribution have been assigned to the newly created Agricultural Supplies Organization, except for Sind where the seed distribution programme has been taken over direct by the Provincial Government. A sound seed industry needs to be set up, effective seed laws promulgated and enforced and seed testing organizations streamlined and strengthened. Aside from measures for procurement of quality seed, distribution and delivery system needs service with a view to reaching and servicing the common cultivator. The crop-wise quantities of seeds distributed during 1971-72 and 1972-73 and targets for 1973-74 are given in Table below:—

TABLE 5

Seed Distribution, Achievements and Targets, 1971-72, 1972-73 *and* 1973-74

Type of Seed	1971-72 actual	Target	1972-73 Estimated actual	1973-74 Target
		000 maunds		
Wheat	190	456	324	625
Rice	40	63	31	52
Maize	7	35	23	37
Gram	7	23	—	39
Cotton	260	320	156	229
Potato	56	55	16	21
Oilseeds	5	6	—	—
Total ..	565	958	550	1,003

16. It is known that the Government of Punjab is making arrangements for supply of about 30 lakh maunds seed from the wheat stock for sowing in the flood affected areas during rabi, 1973. Similarly, the Government of Sind is also making arrangements for supply of seed from the wheat stock for flood affected areas.

Mechanization

17. Under the land development programme of the Sind Agriculture Department, 50 thousand acres will be developed during 1973-74 against more than 64 thousand acres developed during 1972-73. It is proposed to launch a new programme of down payment of bulldozers and to procure wheel type tractors for rehabilitation work in the flood affected areas of the Province. Furthermore, about 350 tubewells will be installed during 1973-74 against the estimated 350 tubewells sunk during 1972-73.

18. In N.W.F.P., during 1973-74, about 35 thousand acres will be developed by the Agriculture Department against about 12 thousand acres developed during 1972-73. The Department of Agriculture has bored 164 tubewells during 1972-73 and plans to bore 910 tubewells during 1973-74.

19. The fleet of heavy earth moving machinery available with the Punjab Agriculture Department will be utilised to develop about 134 thousand acres during the current year against about 104 thousand acres likely to be developed during the year 1972-73. A programme of procuring 800 wheel type tractors for use especially in flood affected areas of the Punjab will be implemented to sow rabi crops in time and over larger areas. In addition, about 1,500 tubewells just equal to the achievement of last year, are planned to be installed on subsidised basis in the *Sailaba, barani,* and non-perennial areas of the province.

20. The Agriculture Department of Baluchistan is planning to procure 150 bulldozers under Italian credit to supplement/replace the worn out machinery to accelerate the land development work. In addition, facilities for boring of tubewells will be expanded to carry out the programme of installing about 200 diesel engine tubewells on subsidised rates on priority basis.

Soil Conservation and Watershed Management

Soil Conservation

21. Under the Soil Conservation Operational Project (Potwar area) and Land Improvement Project (Soan Valley), about 9,000 acres of virgin land were reclaimed and about 26,000 acres of the cultivated area were improved in the Punjab during 1972-73. In addition, work on survey and preparation of feasibility report on Sulaiman Hills Range for watershed management over an area of about 100,000 acres in Punjab was completed during the year. Soil and Water conservation works previously carried out in Hazara District of N.W.F.P. were maintained. In Baluchistan, work on stabilization of sand dunes at Pasni and Gwadar and soil conservation operations in the Juniper forests of Kalat Division were also initiated and 60,000 plants raised, 40 wells dug, and 296 lakh cft. check dams, 11,000 contour trenches and 36 miles jeep road constructed during the year.

22. It is proposed to launch a new project for reclamation of the gullied lands in the Potwar tract during 1973-74. Preliminary surveys have since been initiated for drawing up the project. Efforts would be made to formulate a comprehensive programme for tackling the menacing problem of soil erosion in the light of the experience gained from the on-going schemes. In N.W.F.P., the Soil and Water Conservation works presently being carried out in Hazara District are proposed to be extended to the other parts of the Province also. The targets for the year consist of (a) Land improvement by Warbandi (3100 acres), (b) reclamation of virgin land (3300 acres) and (c) range management over 200 acres. Stabilization of sand dunes at Pasni and Gwadar and soil conservation work in the Harboi Hill juniper forests, Kalat Division, will be continued.

Watershed Management

23. Work under the Mangla Watershed Management Project was continued during 1972-73. About 143 sq. miles were covered with watershed management measures during 1972-73 and another 131 sq. miles are proposed to be covered during 1973-74.

24. Watershed management project in the Kaghan and Daur areas of N.W.F.P. was continued during the year 1972-73. The achievements during the year 1972-73 and targets for 1973-74 are as follows :—

Item of work	Achievement 1972-73	Targets 1973-74
	acres	
Afforestation	5,125	7,200
Planting of fruit trees	1,250	2,000
Terracing	526	2,000

25. In addition, the Water Harvesting Plan for developing barani area of N.W.F.P. to achieve food self sufficiency is proposed to be initiated during the year.

Animal Husbandry

26. Shortages in supply of milk, meat and eggs are being experienced with consequent increase in their prices. Both long and short term measures shall be undertaken to augment their production. The long term measures such as improvement of breeds for milk, meat and wool production shall be continued on the existing state farms as well as by opening seven new farms (one in Baluchistan and 6 in the Punjab) in the public sector ; and provision of over 400 quality bulls and about 2,000 rams and expansion of artificial insemination facilities for the private breeders. However, more emphasis shall be laid on the measures that will increase production in the short run. These measures include expansion of facilities for prevention and control of diseases ; and opening of seven new veterinary dispensaries in the N.W.F.P. and setting up of diagnostic laboratories at district headquarters in the Punjab.

27. Poultry raising is a profitable industry which requires small investment and yields quick returns. To increase supply of more hatching eggs and breeding brids to the private breeders, the existing state owned farms will be improved and new schemes will be initiated for multiplication of poultry including setting up of a new poultry farm in Baluchistan and two demonstration units in the Punjab. The production and supply of poultry feeds, at reasonable prices, will be continued to produce over 15.00 lakh broilers and 7.50 lakh layers in Sind and Punjab. About 2.88 lakh day-old and 2 month-old chicks are proposed to be distributed for increased poultry production in the N.W.F.P.

Range Management

28. Range development work in the Thal and Cholistan areas of the Punjab consisting of (a) development and maintenance of *tobas*, water points and wells, (b) collection of 300 maunds of grass seeds and their sowing over 2205 acres, (c) demarcation of boundary and fixing of boundary pillars, and (d) construction and maintenance of new roads, range trails and range buildings was continued during 1972-73. In addition, range management works over an area of 60,000 acres in Kohat district of N.W.F.P. and preparation of grazing plans for the project areas in order to retard deterioration of range lands and, at the same time, to increase production of livestock through improvement in their quality and reduction in their numbers was initiated and an area of 17,000 acres was actually covered during the year. Survey and analysis of range potential in Sind was completed during 1971-72 and a feasibility report on range management in Ragistan and Kohistan Tracts, Ghaibedero Jagir and Takkar area has been finalised. Besides, work on artificial water recharge in Quetta Valley (Baluchistan) was continued and 501 check dams constructed during the year 1972-73.

29. Range management work will be continued in Thal and Cholistan areas of the Punjab and 500 maunds of grass seeds will be collected and sown over an area of 3,000 acres and 100 *Tobas* will be improved during 1973-74. It is also proposed to launch a major project for development and management of range lands in the Punjab. Feasibility survey for the project has since been started and the project is expected to be ready very soon. In addition, range management work consisting of (a) establishment of enclosures for studying vegetation responses to protection from grazing, (b) implementation of grazing plans, (c) stock water development and (d) assistance to the cooperative livestock improvement through selection and better care will be augmented in Kohat district of N.W.F.P. and 50,000 acres are expected to be covered during the year. A project for range management in Sind, drawn up on the basis of the feasibility study completed earlier, will be put in operation during 1973-74. The works to be undertaken during the year consists of (a) construction of 15 watering points and wells, (b) collection of 2,000 maunds and 150 maunds of hay and grass seeds, respectively, (c) procurement and installation of one wind mill, and (d) construction of 50 miles of range trails. In Baluchistan, work on artificial water recharge presently being carried out in the Quetta Valley, will be continued and also expanded over other parts of the Province. The main targets for 1973-74 are as follows :—

(*i*) Construction of check dams (Nos.)	7,836
(*ii*) Construction of caved percolation trenches/contour ridges (Nos.)	3,000
(*iii*) Construction of ditches (Nos.)	200
(*iv*) Construction of ditches, dug out ponds and percolation trenches (000 cft)	375
(*v*) Raising of plants behind check dams (000 Nos.)	15.5

Forestry

30. The President in his directives dated November 14, 17 and 20, 1972, January 17, 1973 and August 11, 1973, while expressing his dis-satisfaction over development of forestry in the country, observed " *interalia* " that efforts should be made to plant trees along the roads and canals, on village waste lands and home steads and in and around the public buildings during 1973. It was further directed that massive efforts should be

made to complete this work and the Provincial Government should do every thing possible to make this campaign successful. The matter was also discussed in the Governor's Conference held on March 6 and 7, 1973 and necessary policy directives were approved for the guidance of the Provinces. A target of growing 10 million new trees was fixed for the Punjab and about 8 million new trees were raised during 1972-73. In addition 33,000 acres of farm land also planted during the year. A target of growing 18 million new trees (8 million trees on public lands and 10 million trees on private land) has been fixed for the year 1973-74. In Sind, 20,76,000 new plants were raised and distributed during the year 1972-73. While a new nursery will be raised over 30 acres and another 16,50,000 new plants will be raised for distribution during 1973-74. In Baluchistan existing forest nurseries over 23 acres were maintained and new ones raised over 7 acres for supply of 80,000 to 1,00,000 plants for distribution to the general public. It is also proposed to raise new nurseries over 31 acres during 1973-74.

31. As has been the case during the past, the main emphasis in the forestry development during 1972-73 has been on bringing more and more area under tree growth. In addition to raising compact plantation on Government waste land as well as on private farm land, introduction of various exotic species of commercial importance, linear planting along canal-sides, road-sides, rail-side, water-courses, drains and streams was undertaken during the year. This emphasis on afforestation and regeneration with introduction of suitable exotic species will continue during 1973-74. The expected achievements for the year 1972-73 and the targets for 1973-74 are as given in Table 6 below :

TABLE 6

Province-wise Achievements and Targets of afforestation for 1972-73 *and* 1973-74.

Name of Province	Compact plantations		Linear plantations	
	Estimated achievements, 1972-73	Targets 1973-74	Estimated achievements, 1972-73	Targets 1973-74
	(000 acres)			
Baluchistan	—	1.6	55	186
Sind	6.9	3.1	411	723
N.W.F.P.	1.0	2.3	87	90
Punjab	0.7	1.6	3,422	2,957

32. Improvement of 15 miles link roads will also be completed and 15,000 acres covered for control of Shishem Defoliater in the Punjab during 1973-74. In addition, 0.51 lakh acres of guzara forest and waste land have been demarcated in N.W.F.P. during 1972-73. Another 100,000 acres are proposed to be covered during 1973-74. Besides, 5 miles of forest roads and 68 new buildings were constructed during 1972-73 for better management of the forest. The targets for 1973-74 are construction of 26 miles of forest roads and 47 number of new forest buildings.

33. The International Union of Conservation of Nature and Natural Resources completed survey and prepared five-year programme for development of wildlife and wildlife habitat and National Park in Khirthar range of Sind. A new project for Wildlife development in Sind is proposed to be started during 1973-74. The physical targets consist of (a) construction of Building (10), morchas (20), and outlets (6), and (b) remodelling of two minors.

34. Heavy damage was done to the newly raised linear and compact plantation forest nurseries, riverain forests, forest roads, bridges and building and installation of sericulture organization in Punjab and Sind Provinces during the September, 1973 flood havoc. Special efforts are proposed to be taken to restore the linear and compact plantation, forest nurseries and riverain forest. Repairs will also be carried out to the forest roads and bridges, buildings and Sericulture installations during the year.

Fisheries

35. The fisheries development programme is aimed at increasing fish production in the country from the inland and marine waters. Fish cuivation will be encouraged in village ponds, dams, reserviors, lakes and road-side depressions. In Punjab, the facilities for fisheries research will be expanded and the survey of

fisheries resources will be continued. A crash programme will be launched for extension of fish culture in the province. It is also proposed to undertake repair to and restoration of the fisheries installations damaged in September floods in the Province. Facilities will be provided for landing centres at the Manchher Lake in Sind, while propagation of trout will be emphasised in Swat, Chitral and the Kaghan areas of N.W.F.P.

36. Preliminary work in connection with the construction of Fish Harbour at Gawadar, Baluchistan was started in 1972-73. Because of the delay in procurement of wave riders, it has been decided to base the design on extra-polated wave data at Karachi. This would reduce the gestation period of the project. WAPDA is to prepare a revised time schedule indicating the reduction brought about in the gestation period. This work will be accelerated during 1973-74. Fish landing jetties will be provided at Pasni and Jiwani while facilities will be provided for marketing fish on the Mekran coast and for manufacture of salt at Pasni. The work on the extension of Fish Harbour at Karachi will continue during 1973-74. Construction of research vessels for Sea Exploratory Fishing and Oceanographic Research will be expedited during the year.

Agricultural Extension

37. Efforts will be made to strengthen the agricultural extension organisation through appointment of additional staff and by imparting in-service training during the year 1973-74.

38. In Punjab, the Agricultural Training Institute, Sargodha, will be converted into a training institute for imparting general training to the agricultural staff. In addition, agricultural extension work in SCARP II—A area will be continued.

39. In Baluchistan, residential and office accommodation will be provided to the staff of the agricultural department at various places.

40. In N.W.F.P. the extension service staff will be strengthened and re-organised through creation of new posts, imparting of in-service training etc., especially in the under-developed areas of the province. In order to augmenting production of Kharif and Rabi crops cash prizes will be awarded to the farmers attaining highest acre-yield and to the staff members of the department in appreciation of their work. The farmers will be educated through laying out of demonstration plots and blocks, by holding meetings, shows and melas at various levels through out the province.

Research on Crop Production

41. Research on improvement of crops such as wheat, rice, miaze, oilseeds, gram, pulses, potatoes and fruits continued during 1972-73. The improved wheat variety ' Khushal ', maize variety ' Khalil ', rice varieties ' YRL ' and ' GP5 ' and cotton variety 13/26 were released for general cultivation in NWFP. Work on introduction of special crops of tea, jute and olive continued during 1972-73. Preliminary work on the establishment of Arid Zone Research Institute was started during 1972-73. The Second Joint-Pak-American Research Review Team submitted its report to the Government and its recommendations are under consideration of the Government.

42. The Agricultural Research Council has been re-organised to enhance the research output capabilities. The Council contemplates to develop national cooperative research programmes for major commodities such as wheat, rice, sugarcane, etc. With particular emphasis on improvement of dry and forage grasses and legumes for livestock feeds. The Council will strengthen research capabilities of the provincial institutions to execute the various programmes by supplying funds, equipment and by imparting training to the staff. An ARC Project for the purpose is now being processed. The normal research programmes for improvement of the various crops will continue in 1973-74. The Dokri Rice Station in Sind will be strengthened, while two new Sugarcane Stations will be set up at Thatta and Larkana. Research on pistachio cultivation will be continued in Baluchistan.

Agricultural Education

43. Under the education programme the following programmes will be implemented during the year 1973-74. In Punjab, funds will be provided for the extension of education facilities at Agricultural University, Lyallpur. Facilities for establishment of faculty of Animal Husbandry, graduate and post-graduate studies at Agricultural College, Tandojam, will be improved and expanded in Sind. In addition, more funds will be provided to expand facilities for the diploma course for the agricultural field assistants, at Agricultural Training Institute, Sakarand. Scholarships will be awarded to the deserving students at various Agricultural Institutes during 1973-74.

44. In NWFP, and the Centrally Administered Tribal Areas scholarships will be awarded to the students from the Malakand and Peshawar Divisions to encourage them to receive training in agriculture. Facilities for providing in-service training both to the field assistants and the higher staff of the Agriculture Department will be expanded during 1973-74.

Agricultural Statistics

45. The Government had decided to hold the Second Agriculture Census in 1970 but it had to be delayed upto January, 1972. The field operations for the Agriculture Census in the settled districts of NWFP, Punjab and Sind (except the bordered districts of the latter two Provinces) and Livestock Census in Baluchistan were completed by June, 1972. Field operations in the remaining areas of Punjab and Sind as well as in Baluchistan and Azad Kashmir are about to be completed. In the meantime, the available data is being tabulated and a report on Livestock Census in Baluchistan has been published. The final census reports are expected to be available during 1973-74.

46. The Agricultural Census Organization has conducted a field survey on rural credit on behalf of State Bank of Pakistan. The results of this survey are expected to be available shortly.

47. The Government of NWFP plans to employ staff for working out production estimates of major crops such as wheat, sugarcane, and maize by crop cutting techniques.

Agricultural Marketing

48. The Federal Government has prepared grading and Marketing rules for canned and frozen shrimps, frozen frog legs, etc. Market surveys for certain agricultural commodities were conducted during 1972-73 by the Agricultural Marketing Adviser, Ministry of Agriculture.

49. During 1973-74 fruit grading plants being received under Freedom from Hunger Campaign of FAO would be installed under the Federal Programmes. Grading and marketing rules would be prepared for bones and fish meal. Moreover, marketing intelligence services would be strengthened.

Government Foodgrains Storage

50. A capacity of about 17,000 ton is expected to be completed in West Pakistan during 1972-73. Under the Federal Government programmes, roads, culverts and staff quarters are being constructed at Pipri, and Landhi, Karachi.

51. During 1973-74, storages of about 20,000 ton capacity will be constructed in West Pakistan, while under the Federal Programmes, railway sidings and other minor works will be completed at Pipri and Landhi, Karachi.

Rural Credit and Cooperatives

52. The volume of institutional credit available to farmers is much less than the demand. It is expected that the introduction of the ' Pass Book ' system will help decrease this gap as it will simplify the lengthy and cumbersome loaning procedure previously adopted by the institutional credit agencies. Arrangements will also be made for supply of credit under relaxed procedure at ' Markaz ' level.

53. Agricultural Development Bank of Pakistan disbursed loans amounting to about Rs. 14 crores and it opened 36 new branches during 1972-73. The Bank proposes to disburse loans to the tune of Rs. 24 crores during 1973-74, while branch expansion will be of the order of 36 during the same period.

54. In order to rehabilitate the flood devastated agricultural economy loans of about Rs. 1,000 million will be disbursed through the various institutional credit agencies.

55. Under the main scheme of the Punjab Government entitled " Reconstruction of Rural Credit and Agricultural Marketing", transport facilities were provided to the already organised farm service centres during 1972-73. Besides, procurement and sale of fertilizer and handling of agricultural produce by the farm service centres continued during the year 1972-73. Two godowns and workshops will be constructed during 1973-74 in the Punjab. The scheme called Introduction of Mechanized Cooperative Farming, Khanewal remained in progress; 145 tractors worked for 6.17 lakh hours and cultivated 6.23 lakh acres during 1972-73. The work under the scheme will be continued during 1973-74. One poultry farming society will be organised and a hatchery also established under the scheme " Cooperative Poultry Farming in Murree Hills."

56. One farm service centre and 9 farm service societies were organised in N.W.F.P. during the year ending June, 1973 under the scheme, " Reconstruction of Rural Credit and Agricultural Marketing ". It is proposed that two farm service centres and 24 farm service societies will be organised during the current financial year. Forty tubewells were installed on cooperative basis in N.W.F.P. during 1972-73 and targets for 1973-74 has been fixed at 110 tubewells.

Land Reforms

57. Consolidation of fragmented agricultural land holdings programme is in progress since 1960-61. During 1972-73 about 5 lakh acres of small holdings were consolidated in N.W.F.P. and Punjab. About 5 lakh acres of small holdings will be consolidated during 1973-74.

58. The Land Reforms announced by the President in March, 1972 drastically reduced the ceiling on individual holdings. It envisaged taking over of land exceeding the ceiling (150 acres of irrigated land or 300 acres of non-irrigated land or 12,000 produce index units) and of land exceeding 100 acres acquired by the civil government servants during the tenure of their office. In addition, land equivalent to 2,000 produce index units can be retained by the land owner who had installed a tubewell or had owned a tractor before December 20, 1971. The reforms also envisage that the state agricultural lands are not to be sold by auction but would be leased out to the tenants. Under the new reforms, the terms of tenancy and share cropping have been modified in favour of the tenants. The tenants shall henceforth receive more income for the land cultivated by them.

59. The latest position with regard to the progress of land reforms under MLR 115 and 117 is as given in Table 7.

TABLE 7

Statement showing acreage resumed and disposed off under MLR 115 and 117

Category	Acreage resumed	Acreage disposed off
	(Thousand acres)	
Under MLR 115	746	108
Under MLR 117 (in Baluchistan only)	604	26
Undisposed off area under repealed MLR 64	1040	358
Other areas under MLR 115 (*e.g.* Shikargahs, stud farms, etc.)	234	82
State lands available for disposal	2662	129
Total ..	5286	703

During 1973-74 the programme of distribution of the acquired lands would be intensified with a view to completing it.

Integrated Rural Development Programme

60. This programme was initiated by the Government in 1972-73. In all, 65 "Markazes" have been established and various inputs are being provided to the farmers through these "Markazes". About 110 markazes are proposed to be established in all the four Provinces during 1973-74, where all the departments concerned with the rural development *e.g.* Agriculture, Animal Husbandry, Fisheries, Coopratives, A.D.B.P. etc. will start functioning in a coordinated manner.

61. An Integrated Rural Development Advisory Council has been set up at the national level to review working of the programme and suggest measures for improvement. Efforts are being made to encourage establishment of Agro-based industries at the markazes.

Food and Nutrition Planning

62. The reports of the West Pakistan Nutrition Survey (1965-66), the Protein Committee (1968), the Inter-departmental Committee on Nutrition (1969) and the Fourth Five Year Plan have acknowledged that an adequate nutrition is one of the basic pre-requisite for economic development. The relationship of adequate nutrition with physical and mental fitness of children and labour productivity is well established. Therefore, the food requirements for consumption should be observed not only from the point of view of demand but also from the point of view of nutritional needs of the population. The Agriculture sector plays the major role in the improvement of the food and nutrition situation in the country. Therefore, the global food and nutrition planning is directed towards agriculture and then to the distribution. Apart from the global measures necessary for the improvement of the nutrition situation, special programmes for vulnerable groups are required.

Appendix

ANNUAL PLAN FOR 1973-74
AGRICULTURE
SUMMARY — PAKISTAN

(Crore rupees)

Category/Sub-sector	Total Allocation
I. Crop Production Sub-Sectors	
1. Fertilizers	24.95
2. Plant Protection	10.67
3. Improved Seed	0.52
4. Mechanization	7.36
5. Soil Surveys	0.29
6. Soil Conservation and Watershed Management	0.32
II. Other Sub-Sectors	
7. Animal Husbandry	3.24 (a-i, ii)
8. Range Management	0.54
9. Forestry	2.46
10. Fisheries	1.01 (a-i)
III. Infra-Structure and Institutional Arrangements	
11. Agricultural Extension	0.25
12. Research on Crop Production	1.08 (a-i)
13. Agricultural Education	0.93 (b)
14. Agricultural Economics and Statistics	0.27
15. Agricultural Marketing	0.16
16. Government Foodgrains Storage	0.83
17. Agricultural Credit and Cooperatives :	
(i) Cooperatives	0.46
(ii) Share Capital to A.D.B.P.	1.25
18. I.R.D.P.	2.38 (c)
19. Land Reforms	0.58
20. Kashmir Affairs Division	1.26
Total : ..	60.81

(a) (i) The Sind Government has suggested an allocation of Rs. 0.47 crore for animal husbandry, fisheries and research on crop production.

(ii) This includes an allocation of Rs. 0.03 crore for the schemes pertaining to College of Animal Husbandry, Lahore provided under Education Sector.

(b) This includes an allocation of Rs. 0.77 crore made for the schemes pertaining to West Pakistan Agricultural University, Lyallpur provided under Education Sector.

(c) This includes an allocation of Rs. 0.21 crore for I.R.D.P. shown under the Rural Development Sector in N.W.F.P.

Appendix II

ANNUAL PLAN FOR 1973-74

AGRICULTURE

SUMMARY—ALL PROVINCIAL PROGRAMMES

(Crore rupees)

Category/Sub-sector	Total Allocation
I. Crop Production Sub-Sectors	
1. Fertilizers	24.95
2. Plant Protection	6.85
3. Improved Seed	0.51
4. Mechanisation	7.14
5. Soil Surveys	0.15
6. Soil Conservation and Watershed Management..	0.32
II. Other Sub-Sectors	
7. Animal Husbandry	2.95 (a-i, ii)
8. Range Management	0.54
9. Forestry	2.45
10. Fisheries	0.71 (a-i)
III. Infra-Structure and Institutional Arrangements	
11. Agricultural Extension	0.25
12. Research on Crop Production	0.95 (a-i)
13. Agricultural Education	0.93 (b)
14. Agricultural Economics and Statistics	0.01
15. Agricultural Marketing	0.10
16. Government Foodgrains Storage	0.63
17. Agricultural Credit and Cooperatives	0.46
18. Integrated Rural Development Programme	2.38 (c)
19. Land Reforms	0.58
Total ..	52.86

(a) (i) The Sind Government has suggested an allocation of Rs. 0.47 crore for animal husbandry, fisheries and research on crop production.

(ii) This includes an allocation of Rs. 0.032 crore for schemes pertaining to College of Animal Husbandry, Lahore provided under Education sector.

(b) This includes an allocation of Rs. 0.768 crore made for the scheme pertaining to West Pakistan Agricultural University, Lyallpur provided under Education Sector.

(c) This includes an allocation of Rs. 0.208 crore for I.R.D.P. shown under the Rural Development Sector in NWFP.

Appendix III

ANNUAL PLAN FOR 1973-74

AGRICULTURE

SUMMARY—BALUCHISTAN

(Crore rupees)

Category/Sub-sector	Total Allocation
I. Crop Production Sub-Sectors	
1. Fertilizers	—
2. Plant Protection	0.15
3. Improved Seed	0.05
4. Mechanization	0.30
5. Soil Surveys	—
6. Soil Conservation and Watershed Management	0.05
II. Other Sub-Sectors	
7. Animal Husbandry	0.51
8. Range Management	0.40
9. Forestry	0.34
10. Fisheries	0.50
III. Infra-structure and Institutional Arrangements	
11. Agricultural Extension	0.05
12. Research on Crop Production	0.18
13. Agricultural Education	—
14. Agricultural Economics and Statistics	—
15. Agricultural Marketing	0.10
16. Government Foodgrains Storage	0.03
17. Agricultural Credit and Cooperatives	—
18. I.R.D.P.	0.20
19. Land Reforms	—
Total	2.86

Appendix IV

ANNUAL PLAN FOR 1973-74
AGRICULTURE
SUMMARY — SIND

(Crore rupees)

Category/Sub-sector	Total Allocation
I. Crop Production Sub-Sectors	
1. Fertilizers ..	1.73
2. Plant Protection	0.90
3. Improved Seed	—
4. Mechanization	1.24
5. Soil Surveys	0.05
6. Soil Conservation and Watershed Management	—
II. Other Sub-Sectors	
7. Animal Husbandry ..	0.47 (a)
8. Range Management	0.05
9. Forestry ..	0.48
10. Fisheries ..	(a)
III. Infra-Structure and Institutional Arrangements	
11. Agricultural Extension	—
12. Research on crop production	(a)
13. Agricultural Education	0.13
14. Agricultural Economics and Statistics	—
15. Agricultural Marketing	—
16. Government Foodgrains Storage	0.04
17. Agricultural Credit and Cooperatives	—
18. Integrated Rural Development Programme	1.26
19. Land Reforms	—
Total ..	6.35

(a) The Sind Government has suggested an allocation of Rs. 0.47 crore for animal husbandry, fisheries and research on crop production.

Appendix V

ANNUAL PLAN FOR 1973-74
AGRICULTURE
SUMMARY — PUNJAB

(Crore Rupees)

Category/Sub-sector	Total allocation
I. Crop Production Sub-Sectors	
1. Fertilizers ..	20.00
2. Plant Protection ..	5.27
3. Improved Seed ..	0.30
4. Mechanization ..	5.01
5. Soil Surveys	0.05
6. Soil Conservation and Watershed Management	—
II. Other Sub-Sectors	
7. Animal Husbandry ..	1.67 (a)
8. Range Management ..	0.08
9. Forestry ..	0.86
10. Fisheries ..	0.20
III. Infra-Structure and Institutional Arrangements	
11. Agricultural Extension ..	0.10
12. Research on Crop Production ..	0.47
13. Agricultural Education ..	0.77 (b)
14. Agricultural Economics and Statistics ..	—
15. Agricultural Marketing	—
16. Government Foodgrains Storage	0.50
17. Agricultural Credit and Cooperatives ..	0.25
18. Integrated Rural Development Programme ..	0.71
19. Land Reforms ..	0.52
Total ..	36.76

(a) A sum of Rs. 0.03 crore included under Education Sector.
(b) Included under Education Sector.

Appendix VI

ANNUAL PLAN FOR 1973-74
AGRICULTURE
SUMMARY — N.W.F.P.

(Crore Rupees)

Category/Sub-sector	Total allocation
I. Crop Production Sub-Sectors	
1. Fertilizers	3.23
2. Plant Protection	0.54
3. Improved Seed	0.16
4. Mechanization	0.59
5. Soil Surveys	0.05
6. Soil Conservation and Water-shed Management	0.26
II. Other Sub-Sectors	
7. Animal Husbandry	0.30
8. Range Management	0.01
9. Forestry	0.77
10. Fisheries	0.01
III. Infra-Structure and Institutional Arrangements	
11. Agricultural Extension	0.10
12. Research on Crop Production	0.30
13. Agricultural Education	0.03
14. Agricultural Economics and Statistics	0.01
15. Agricultural Marketing	—
16. Government Foodgrains Storage	0.05
17. Agricultural Credit and Cooperatives	0.21
18. Integrated Rural Development Programme	0.21 (a)
19. Land Reforms	0.06
Total	6.89

(a) This includes an allocation of Rs. 0.208 crore for Integrated Rural Development Programme which are shown under the Rural Development Sector by the Province.

Appendix VII

ANNUAL PLAN FOR 1973-74

SUMMARY — FEDERAL PROGRAMMES

(Crore rupees)

Category /Sub-sector	Total allocation
I. Crop Production Sub-Sectors	
1. Fertilizers	—
2. Plant Protection	3.62
3. Improved Seed	0.01
4. Mechanization	0.22
5. Soil Surveys	0.14
6. Soil Conservation and Water-shed Management	—
II. Other Sub-Sectors	
7. Animal Husbandry	0.29
8. Range Management	—
9. Forestry	0.01
10. Fisheries	0.30
III. Infra-Structure and Institutional Arrangements	
11. Agricultural Extension	0.00
12. Research on Crop Production	0.13
13. Agricultural Education	0.01
14. Agricultural Economics and Statistics...	0.26
15. Agricultural Marketing	0.06
16. Government Foodgrains Storage	0.20
17. Agricultural Credit and Cooperatives :	
(i) Cooperatives	—
(ii) Share Contribution to A.D.B.P. ...	1.25
18. Integrated Rural Development Programme ...	—
19. Land Reforms	—
Total ...	6.69 (a)
Kashmir Affairs Division ...	1.26
GRAND TOTAL ...	7.95

(a) This does not include an allocation of Rs. 0.015 crore for the scheme entitled National Natural Histo-Museum, Islamabad, which relates to the Education Sector.

CHAPTER 11

WATER RESOURCES DEVELOPMENT

Of the total area of West Pakistan of 198.4 million acres, about 39 million acres are cropped anually to some degree. The area within the command of irrigation systems is about 33 million acres, of which upwards of 24 million acres are cropped annually. Notwithstanding that West Pakistan is a predominantly agricultural country and that a larger proportion of its lands is irrigated than in any other country of the world, it presently does not produce sufficient food to meet the needs of its people. The low crop yields are attributable, among others, to (i) insuficient water in a large part of the region resulting in under-irrigation ; (ii) inadequate natural and artificial drainage system, causing problems of waterlogging and salinity and (iii) wind erosion mostly in the southern and western Indus Plains and sheet and gully erosion in the sub-mountain region, causing damage to fertile lands.

2. The key to the solution of these problems is the development of additional water resources and an efficient drainage system. Irrigation and drainage was, therefore, given high priority in the developmental efforts during 1972-73, as had been the case during the preceding years of the current Plan and the various Plans in the past.

3. The development programme in the water sector is jointly executed by the Irrigation Departments of the four Provincial Governments, and the Water and Power Development Authority (WAPDA). By and large, WAPDA is responsible for the execution of the major development programme in this sector. With the disbandment of the Agriculture Development Corporation, however, the major surface drainage programme in Kotri Barrage and the administrative control of the Kotri and Guddu Barrages have been transferred to the Sind Irrigation Department.

4. Review of 1972-73

(a) *Financial.*—The Annual Plan for 1972-73 provided for the completion of the on-going projects so that the effects of investment made on these projects in the earlier Plans could be realised at the earliest. A sum of about Rs. 34.93 crore had been provided for the water sector programme of the four provinces, WAPDA and the Central Government agencies during 1972-73. In addition, about Rs. 82.43 crore were allocated for the Indus Basin Project/Tarbela Dam outside the Annual Plan.

(b) *Physical.*—According to the revised budgetory estimates, the financial and physical implementation of the water development programme during 1972-73 by the various provinces/executing agencies are briefly described below :

IRRIGATION DEPARTMENTS

(i) *Punjab.*—An amount of about Rs. 5.04 crore is estimated to have been spent by the Punjab Irrigation Department against the ADP allocation of Rs. 5.60 crore made during 1972-73, the overall utilisation being 90%. The main effort was directed towards completion of the on-going projects. Collection of river survey and discharge data of all the major rivers and streams was continued and several studies were carried out in the fields of hydrology and groundwater investigations. About 45 miles of new channels were constructed and 150 miles of existing channels were remodelled. About 29 miles of drains, 17 miles of link water courses and 7 miles of flood protection bunds were also completed, 112 tubewells were electified during the year.

(ii) *Sind.*—Against the ADP provision of Rs. 3.78 crore (revised allocation Rs. 5.05 crore) during 1972-73, the revised estimates of the Sind Irrigation Department stand at about Rs. 4.74 crore, the utilisation thus being about 94%. The bulk of the provision was spent on the Kotri Surface Drainage Scheme, Kotri Barrage Irrigation Scheme, Guddu Barrage Irrigation Scheme, Constructing Link Canal downstream Outfall Regulators R. D. 10.8 K. B. Feeder Lower Construction of Qubo (Saifullah Magsi) Branch *Ex*-Khirthar Branch of N. W. Canal, Construction of bye-pass regulator at Kandiaro over Rohri Main Canal and Construction of Tail Regulator on Kandiaro Escape RD 22. Physical implementation up-to-date on these major projects is estimated to be of the order of 62.5%, 87%, 87%, 51%, 20%, 25% and 25% respectively.

(iii) *N.W.F.P.*—An amount of about Rs. 0.516 crore is estimated to have been spent by the NWFP Irrigation Department (including Small Dams) against the A.D.P. provision of Rs. 0.676 crore during 1972-73, the utilisation, therefore, being about 76.5%. The major projects which have made progress during the period are Badwan Kharif Irrigation Channel in Dir District, Nipki Khel Irrigation Scheme in Swat District, Gagra Flow Irrigation scheme in Bunir Area in Swat district, Shadi Khel Gravity Flow Irrigation Scheme, reboring of 13 tubewells in D.I. Khan district and installation of 5 tubewells in Peshawar District, construction of Darwazai Dam in Kohat district and construction of Tank Zam Flood Diversion Weir in D.I. Khan.

(iv) *Baluchistan.*—Against the A.D.P. provision of Rs. 1.384 crore, the Revised Estimate of the Baluchistan Irrigation Department stand at about Rs. 0.483 crore, the utilisation thus being about 35%. Ghazi and Mithri Irrigation Scheme were completed during the year. The other on-going irrigation schemes including pat feeder Project, Gurak Dat Irrigation Scheme, Peshi Irrigation Scheme, Gudursa Flood Irrigation Scheme, Sangsilla Irrigation Scheme and Lining and providing drainage works on Sarawan Channel.

WAPDA

A provision of Rs. 18.015 crore was made in the A.D.P. 1972-73 for the water sector programme under taken by WAPDA in the various Provinces. In addition, an allocation of Rs. 3.50 crore was also made by the Central Government for the Khanpur Dam and Karachi Irrigation Project (Hub Dam)

In pursuance of a Presidential directive, highest priority was given during the period to the energisation of 2437 tubewells that had already been installed under the various SCARPs but were awaiting electrification. A special allocation of Rs. 6.04 crore over and above the normal ADP was made by the Central Government for this purpose. By the end of June 1973, all such tubewells were energised except 461 tubewells of SCARP (Rohri North), the commissioning of which is linked with the availability of power generation from Guddu. These 461 tubewells are expected to be energised progressively during October to December, 1973. The break-up of the tubewells energised during 1972-73 is given below :

	Number of tubewells energised during 1972-73
SCARP II (Chaj Doab)	653
SCARP III (Lower Thal)	817
SCARP IV (Upper Rechna-Murdike Unit)	373
SCARP Pabbi	28
SCARP (Rohri North)	105
Total	1976

In addition to the programme of energising the installed tubewells, work was started on the SCARP Larkana-Shikarpur (Stage II) to complete the tertiary drains that had been left over in the Stage I of the project, under which only the main and branch drains were completed.

The surface water projects, namely Khanpur Dam and Hub Dam progressed slowly due to inadequate budget releases as well as slow pace of work at site by the executing agency. The work on the minimum of Gandaf Tunnel which is a part of the proposed Pehur High Level Link Canal project in NWFP was undertaken. Work on the Gomal Zam Project was confined to maintenance of the ancilliary works already constructed. Surveys and investigations/Land compensation work was continued for the Chashma Right Bank Canal. The programme of general investigations comprising studies, surveys and investigation (including those of reverain areas) progressed statisfactorily in all the four Provinces. Work was also started on the 5th Tunnel on Left Bank at Tarbela.

The financial implementation of the water sector programme undertaken by WAPDA during 1972-73 in the various Provinces is as follows :

(Crore Rs.)

	Allocation		Revised Estimate	Utilisation
(*i*) Punjab	10.00 +2.60*	12.60	11.95	95%
(*ii*) Sind	2.75 +3.44*	6.19	6.18	100%
(*iii*) N.W.F.P.	4.065		1.91	47%
(*iv*) Baluchistan	1.20		1.055	88%
Total ..	18.015		21.095	117%

*Additional allocations made by the Central Government for energisation of tubewells already installed.

Note : In addition, special allocation of Rs. 3.50 crore was also made during the year by the Central Government for Khanpur and Hub Dams.

Annual Plan 1973-74

The basic strategy followed while formulating the ADP 1973-74 was to continue with the ongoing projects with a view to complete them as expeditiously as possible, and also to initiate work on some of the important new projects according to the priorities assigned by the Provincial Governments. However, due to unprecedented floods in 1973, 10 barrages, 6 link canals and a number of irrigation systems in Punjab and Sind have been damaged to various degrees. About 789 tubewells under the various SCARPs and 396 tubewells of the Irrigation Department were damaged. A number of breaches occurred in the flood protectiotn bunds.

With a view to bring back the irrigation system to normalcy the repair to the damages caused due to floods was assigned the highest priority, and breaches in the canals were repaired at utmost speed by deploying machinery and equipment of other works, which necessitated a revision in the Annual Development Programme. The restoration of the banks of the damaged canals to the original standard and the repairs to the breaches and flood protection bunds will, howerver, take some time and will be taken up during 1973-74 on priority basis.

Among the new groundwater projects which are to be started duirng 1973-74 SCARP V(Shorkot-Kamalia), and SCARP VI (Panjnad-Abbasia) in the Punjab, SCARP Rohri North (Phase II) and Left Outfall Drain Sind, Kafure Dheri Unit (Peshawar SCARP) and D. I. Khan tubewells in NWFP, and detailed Groundwater investigations and Planning in Baluchistan. The major new surface water projects proposed to be initiated during the period include Greater That Project, Jalalpur Canal Project, Dajal Branch Extension upto Kashmore and Tarbela Left Bank Canal, and dredging Channels of Jamrao Canal in Sind ; Extension of Upper Siran Canal, Lift. Irrigation Scheme at Sakhakot and lining watercourses in Integrated Rural Development Programme areas in NWFP, and several Small Irrigation Schemes in Baluchistan.

The Tarbela Dam Project and other Indus Basin works will continue outside the Annual Plan. The diversion of the Indus river through the tunnels and closure of filling up of the Buttress Dam at Tarbela is scheduled for October 1973. Work on the Left Bank 5th Irrigation Tunnel at Terbela will also be accelerated during 1973-74.

Financial Allocations

An allocation of about Rs. 50.42 crore has been made for the development programmes and post-flood repair-*cum*-reconstruction sponsored by the four Provincial Governments and WAPDA during 1973-74. This includes Rs. 24.54 crore for the Provincial Irrigation Departments and Rs. 25.88 crore for WAPDA, including the allocation of Rs. 2.50 crore and Rs. 0.92 crore made by the Central Government for the Khanpur Dam and Hub Dam respectively. In addition, a sum of Rs. 3.28 crore has been provided for the development programme sponsored by the Central Government agencies/Divisions in the Water Sector.

A provision of Rs. 73.24 crore has been made for various works under the Indus Basin Project/Tarbela Dam outside the Annual Plan.

Physical Programme

The Physical Programmes of the various Provinces and their distribution by the executing agencies are as follows :—

IRRIGATION DEPARTMENTS

(i) *Punjab.*—An allocation of Rs. 4.0 crore has been made by the Government of the Punjab for the water development projects sponsored by the Irrigation Department, of this Rs. 2.63 crore are for the on-going and the balance of Rs. 1.37 crore for the new projects. A sum of Rs. 8.50 crore has been provided for post flood repair-*cum*-reconstruction and futher protection requirements. The following table gives sub-sector wise bread-up of the allocation :—

(Crore Rs.)

Post flood repairs-*cum*-reconstruction and future protection requirements	8.500
Survey and Investigations	0.143
Irrigation Schemes	1.430
Drainage and Reclamation	1.535
Flood Regulation	0.334
Miscellaneous	0.318
Small Dams	0.240
Total ...	12.500

While formulating the development programme, emphasis has been laid on completion of on-going projects to derive maximum benefits, remodelling and reconditioning of the existing canal systems to ensure maximum conservation and optimum use of the available surface water resources, encouraging sinking of private diesel tubewells through the Provision of state subsidy and other incentives, undertaking investigations, monitoring and research work on the lining of water courses and their execution and ensuring optimum operating conditions for about 2000 public tubewells energised during 1972-73.

Due to floods the repairs and reconstruction of hydraulic structures on the damaged barrages and canal systems involve about 550 million cubic feet (mcf) of earthwork and about 5.4 mcf of stonework. In addition 450 mcf of earthworks will be done to raise embankments for providing adequate freeboard which has been caused by the gradual silting up of the river beds.

The main ongoing projects include Basic Research Studies in the Irrigation Research Institute ; opening of abandoned area and extension of irrigation on Abbasia, Bahawal and Eastern Sadiqia Canals, Constructing Silt Ejector at Rs. 7500 D.G. Khan Canal, Taunsa Barrage Project (Unit I), Bukht Extension Scheme (Thal Canal) Lift Irrigation Scheme for former Grey Canal of Eastern Sadiqia Canal, Remodelling Branch and Tributary Drain of Rechna Outfall Drainage System, Remodelling Hudiara Drain, Constructing Sattiana Summundri and Raiwind Drainage System, Vehoa Pick-up Weir and General Investigations for selection of small dam sites in hilly areas of the Punjab. Among the main new scheme are Re-conditioning channels on Bahawal and Panjnad Canal Systems, Remodelling Upper Gogera Branch, Providing canal supplies to area left to BRBD Link, Greater Thal Project, Jalalpur Canal Project, Dajal Branch Extension upto Kashmore, Tarbela Left Bank Canal, Construction of Distribution Works and Link water-courses in Mangtanwala Unit of SCARP IV, Installation of tubewlls in Bahawalpur district, and Kanjoor and Channi Bar Dams in Campbellpur district, Patian Dam in Rawalpindi District and Gurat and Khokharaza Dams in the Jhelum district.

The physical targets of the programme to be undertaken during 1973-74 include collection of hydrological data of rivers and irrigation channels, basic and applied research studies on irrigation and drainage problems, monitoring and research on the lining of watercourses, construction of 102 miles of new channels, remodelling 234 miles of existing channels, construction and remodelling of masonary works, installation of 20 tubewells, construction of 41 miles of new during re-boring of 41 tubewells, construction of 7 miles of link water-courses, construction of 4 cross-drainage works, installation of 6 tubewells for supplying drinking water, construction of 3 new dams and completion of one small dam, etc.

(ii) *Sind.*—The ADP 1973-74 provides an amount of Rs. 9.47 crore for projects of the Irrigation Department Rs. 4.10 crore for the on-going, Rs. 0.65 crore for the new projects, and Rs. 4.72 crore for post flood repair, reconstruction and future protection requirements.

The main on-going projects include Kotri Barrage Irrigation Scheme, Guddu Barrage Irrigation Scheme, Constructing Link Canal downstream Outfall Regulator R.D. 10.8 KB Feeder Lower, Tubewell Irrigation Scheme in Riverain area of Sukkur and Khairpur districts, Water Resources Development in Malir Basin-Pilot Project of Detention weir across Malir river, Kotri Surface Drainage Scheme, Construction of bye-pass Yousa Dah over Rohri Main Canal, Construction of Qubo (Saifullah Magsi) Branch *ex*-Khirthar Branch of North West Canal and its allied works, Constructing bye-pass regulator at Kandiaro over Rohr i Main Canal construction of Tail regulator on Kandiaro Escape R.D. 22, Opening of old Dinstar Canal, and Contructing bye-pass regulator at Duro Fall R.D. 522 Rohri Main Canal.

The major new projects included in the programme are Constructing inlet Regulator at Chotiari for Nara canal Dredging Channels of Jamrao Canal, and Project planningfor Jamrao Link Canal project etc.

As a result of this programme, about 18 miles for new channels, 18 bridges, 75 inlets, one syphon and one regulator would be constructed. Earthwork involved in remodelling the existing channels and construction of open drains is of the order of about 24 crore cubic ft. 22 tubewells will also be electrified during the year. About 4,000 acres of new area would be brought under irrigation and about 5 lac acres of existing area benefited.

The repairs-*cum*-reconstruction of the damaged barrages and flood protection bunds require about 250 mcf of earthwork and about 5.9 mcf of stonework. In addition 750 mcf of earthwork will be taken up to raise embankments so as to control future floods and provide adequate freeboard.

(iii) *N. W. F. P.*—A sum of Rs. 1.43 crore has been allocated for projects of the Irrigation Department. About Rs. 0.56 crore will be incurred on the on-going and about Rs. 0.87 crore on the new projects.

The major on-going projects to be continued during the period include Badwan Kharif Irrigation Channel in Dir district, Nipki Khel Irrigation Scheme in Swat District, Gagra Flow Irrigation Scheme in Bunir Area in Swat District, Construction of Attari Irrigation Scheme in Chitral, Reboring of 13 tubewells in D.I. Khan and Installation of 5 tubewells in Peshawar and Shadi Khel Gravity Flow Irrigation Scheme in Kohat.

Among the new schemes are Survey and Investigations on Small Irrigation Schemes in Hazara, Mardan, Kohat, Malakand and Peshawar Divisions, Extension of Upper Siran Canal (Hazara), Construction of Fatehpur Kharif Irrigation Channel (Swat), Kaldam, Kalkatak and Daween Irrigation Schemes (Chitral), Lift Irrigation Schemes at Sakhakot (Malakand), Reboring of Tubewells in D.I. Khan and minor drainage works of existing drains in Peshawar and Mardan districts, Flood protection works, Revival of Waran Canal, Increasing discharge capacity of Benton Tunnel (Malakand), Increasing Capacity of Warsak Gravity Canal (Peshawar) and Lining Water-courses in I.R.D.P. Areas in NWFP (Project Planning).

The physical targets for 1973-74 are part completion of the various irrigation schemes, reboring 7 tubewells in D.I. Khan, carrying out detailed survey and investigation of new Irrigation Schemes in the area, and constructing 6 V.R. Culverts, one V.R. bridge and 4 protection bunds.

(iv) *Baluchistan.*—Out of Rs. 1.14 crore earmarked for irrigation schemes of the Irrigation Department, about Rs. 0.24 crore will be spent on the on-going and the balance of Rs. 0.90 on the new schemes.

The on-going irrigation schemes are Pat Feeder Project, Gurak Dat Irrigation Scheme, Peshi Irrigation Scheme, Gudurza Flood Irrigation scheme, and Lining and providing drainage works on Sarawan Channel. Among the new schemes included in the development programme are Test Bores in Baluchistan, Flood protection works, and Irrigation Schemes of Chashma Tangi Sajidi Kharan, Tuka, Gachina, Saloon and Hitchi, Flood Irrigation Schemes of Aghora, Rakhni, Jundar, Chiehak Kaur and Patter Dhora, and Perrennial Irrigation Schemes of Dhori and Jhol.

WAPDA

(i) *Punjab.*—The Government of the Punjab has made an allocation of Rs. 7.42 crore for water sector projects to be executed by WAPDA. The Major components of the programme are given below :

(Crores Rs.)

General Investigation	0.80
Khanpur Dam	1.42
Mona Reclamation Experimental Project	0.20
SCARP II	3.30
SCARP III	1.00
SCARP IV	0.20
SCARP V	0.25
SCARP VI	0.25
Total	7.42

The physical targets envisaged under General Investigations are collection of hydrological data, to carry out surveys and investigations in the sailaba area, to initiate geo-hydrological exploration in Pothawar Plateau, to start work on Master Plan on waterlogging and salinity control, and planning and project preparation of future SCARPs. About 25% of the electric network for 807 tubewells under SCARP II would be converted from temporary to permanent and work on the tubewells in the saline zone in SCARP II would be started according to revised planning. Outstanding liabilities on account of work on SCARP III completed during 1972-73 will be cleared, operation and maintenance equipment and spare parts will be procured and work on the installation and energisation of tubewells in the saline zone of SCARP III will be undertaken. Investigation and siting of tubewells in the saline zones of SCARPs V and VI will be initiated.

(ii) *Sind.*—The Government of Sind has made an allocation of Rs. 4.10 crore for the following projects to be executed by WAPDA—

	(Crore Rs.)
SCARP Rohri North	2.50
SCARP Larkana-Shikarpur (Stage II)	0.70
Left Bank Outfall Drain	0.20
General Investigations including Sailaba Areas	0 20
Pilot SCARP Larkana	0.25
Pilot SCARP Shikarpur	0.15
Remodelling Khairpur Feeders East and West	0.02
Project Planning Kandhkot, Thal and Jacobabad	0.04
Project planning for shallow tubewells in Gaja Areas	0.02
Pilot project of tubewells around Tando Mohammad Khan	0.02
	4.10

In addition, a sum of Rs. 2.27 crore will be debited to the Sind Government on account of its share towards the construction of Hub Dam, this allocation being diverted to WAPDA direct by the Central Government according to a decision of the ECNEC.

(iii) *N. W. F. P.*—The Government of N.W.F.P. has allocated a sum of Rs. 3.614 crore for the following projects to be executed by WAPDA :—

	(Crore Rs.)
General Investigation	0.504
Chashma Right Bank Canal	1.000
Gomal Zam Project	0.080
Pehur High Level Link Canal Project (Gandaf Tunnel)	1.329
Tanda Dam	0.010
Khanwand Tubewells (D. I. Khan)	0.030
Barabanda and Naranji tubewells	0.050
Pabbi Pilot project	0.012
Anti-waterlogging Peshawar city	0.069
Peshawsr SCARPs	0.050
Kafur Dheri Scheme	0.400
D. I. Khan Tubewells	0.020
Tubewells in Bannu	0.060
Total	3.614

In addition, a sum of Rs. 0.50 crore will debited to NWFP Government on account of its share towards the construction of Khanpur Dam, this allocation being diverted to WAPDA direct by the Central Government.

(iv) *Baluchistan.*—The Government of Baluchistan has made an allocation of about Rs. 3.76 crore for the following projects to be executed by WAPDA :—

	(Crore Rs.)
Investigation for waterlogging in Pat Area; Dams on Zhob and Hingol rivers	0.06
Installation of tubewells in Baluchistan	0.80
Detailed groundwater investigations in Baluchistan	2.70
Hub Dam	1.00*
	4.56

*WAPDA has demanded Rs. 1.27 crore for Baluchistan towards its share for the Hub Dam.

PROGRAMME OF THE CENTRAL GOVERNMENT AGENCIES

A sum of Rs. 32.802 million has been provided for the development programmes sponsored by the following agencies/Divisions :

1. Pakistan Meteorological Department (Aviation Division)

Total allocation for on-going and the new projects sponsored by the Department is Rs. 3.75 million. The programme comprises approved on-going schemes such as Meterological Telecommunication, sub-Regional Research Centres, First Class Observatories, Upper Wind Observatories, D.M.O. and Aeromet Stations, Institute of Meteorology and Geophysics, Remote Recording Equipment Lahore, and Establishment of Wind Finding Radar Station at Peshawar. The agency has recently completed the scheme, Establishment of Wind Finding Radar Station at Sargodha, Jacobabad and Karachi. The new schemes included in the programme are Establishment of Aeromet Station at D.I. Khan, Establishment of Aeromet Station at Pishin, Installation of remote recording equipment at Peshawar aerodrome, Ground Station for receiving Weather Satellite Data at Karachi, Installation of remote recording equipment at Islamabad aerodrome, Establishment of Aeromet Station at Moenjodaro, and provision of additional Meteorological facilities in Northern Region.

2. Survey of Pakistan (Science and Technology Division)

A provision of Rs. 0.100 million has been made for this agency. The programme comprises only two ongoing approved schemes namely (i) Survey of Pakistan Length Standardization Laboratory and (ii) Multi-purpose Geodetic Survey Marks. The first scheme aims at establishing a Length standardization Laboratory at Quetta. This will provide facilities for standardization of 24-meter invar wires and tapes which are used for base measurement of very high accuracy. No physical or financial progress has been made so far on this scheme. The second scheme aims at establishing combind Trignometrical Stations and bench marks at every 10 miles all over the country. The physical implementation is reported to be 40% in respect of this scheme.

3. Geological Survey of Pakistan

Apart from the normal activities of the department which consist of, among other things, collection and providing geological information about the country, preparing geological maps on 1 : 250,000 scale, assessment of quality and quantity of mineral and groundwater resources etc. the ADP 1973-74 provides a sum of Rs. 10.2 million for the four development schemes sponsored by the Department. Of these, two are on-going and two are new. The targets envisaged are briefly as follows :—

(i) *Mineral exploration in Chagai Mineral District.*—The works to be completed during the year are (a) detailed geological mapping of about 30 sq. miles of iron and copper bearing areas, (b) regional geological mapping of about 500 sq. miles, (c) detailed ground magnetic survey in about 50 sq. miles and (d) test drilling for confirming the results of surface studies and other complimentary works.

(ii) *Aero-magnetic survey in various mineral districts of Pakistan.*—Under this scheme it is proposed to cover about 50,000 sq. miles through aerial survey of which nearly 10,000 sq. miles will be covered by ground observations for supplementing the results of the aerial survey.

(iii) *Mineral exploration in Lasbela Khuzdar Region.*—Nearly 8,000 sq. miles are proposed to be covered under geological reconnaisance and detailed geological mapping of 500 sq. miles will be completed during the year.

(iv) *Exploration for copper in Saindak, Chagai District of Baluchistan.*—This scheme is complementary to the mineral exploration project in Chagai District. This provides for some detailed study of the copper bearing area indentified under scheme (i).

4. Irrigation, Drainage and Flood Control Research Council (Science and Technology Division)

A block provision of Rs. 1.70 million has been made for the various schemes sponsored by the Council. The on-going schemes are some Basic Studies on Hydraulic Problems, Lysimeter Studies, Basic Studies on Groundwater Exploitation, Aid for Research and Training, and Gaja Pilot Tile Drainage Project. The physical progress of all these scheme is rather slow partly because of slow speed of construction work and partly because of low strength of research staff. The new schemes included in the programme are Lysimeter Studies in Sind, Institute of Hydrology, Drainage and Reclamation Institute of Pakistan, and National Hydraulic Research Laboratory. These schemes are, however, still in the process of examination for administrative approval by the Government.

5. Kashmir Affairs Division

The allocation made to this Division for the schemes in Azad Kashmir and Northern Areas is Rs.2.652 million (Rs. 0.500 million for Azad Kashmir and Rs. 2.152 million for Northern Areas). The development programme comprises Small Dams and Irrigation Schemes, Reclamation of Land, Hydro Power Schemes, and several schemes of Extension of Electricity to villages and towns. The expenditure incurred during the year 1972-73 has been estimated to be about 75 per cent of the allocation.

6. States and Frontier Regions Division

A provision of Rs. 14.4 million has been made to this Division for the schemes in the Centrally Administered Tribal Areas. This provision is meant for meeting the expenditure on small irrigation schemes in these areas.

7. Projects to be financed jointly by the Central Government and the Beneficiary Provincial Governments

(i) *Hub Dam Project (Production Division—Steel Mills Corporation).*—The porject, envisaging construction of a 151 feet high and 27,400 feet long dam across Hub River about 35 miles north of Karachi, has been in progress ever since the beginning of the Third Plan. The slow progress is mainly attributable to under financing and low allocation in the ADPs. Against the total estimated cost of Rs. 233.9 million an amount of about Rs. 74.71 million has been spent so far. This year in accordance with a Pesidential directive adequate allocation (as per demands of the executing agency) have been provided for the Hub and Khanpur Dam Projects.

(ii) *Khanpur Dam Project (Presidential Affairs Division—C.D.A.).*—The project, estimated to cost Rs. 256.10 million, consists of an earthen dam 164 feet high and 1580 feet long on Haro river near Khanpur village in the Hazara District with a gross storage capacity of 0.203 MAF and has been in progress since 1963.

The beneficiaries of the project are Capital Development Authority, Government of Punjab and Government of Sind. The allocation in the Central ADP for 1973-74 for this project is Rs. 2.50 million.

ANNUAL PLAN 1973-74

WATER DEVELOPMENT

(Crore Rupees)

	Irrigation	Wapda	Total
(*a*) **Provinces :**			
(*i*) Punjab	12.50	7.42	19.92
(*ii*) Sind	9.47	4.10	13.57
(*iii*) N.W.F.P.	1.43	3.61	5.04
(*iv*) Baluchistan	1.14	4.56	5.70
	24.65	19.69	44.23
Special allocation			
Khanpur Dam		2.50 (Centre)	
		0.50 (N.W.F.P.)	
		3.00	
Hub Dam		0.92 (Centre) 2.27 (Sind)	
		3.19	
Total WAPDA		25.88	
(*b*) Centre			
Central Government Agencies/Divisions			3.28
	Total (a & b)		53.70
(*c*) Tarbela/I. B.P.			73.24
	Grand Total		126.94

CHAPTER 12

MANUFACTURING INDUSTRY

The performance of the industrial sector during 1972-73 was a mixed one. Output was estimated to be about 6.5% higher than in 1971-72. Since output in 1971-72 declined 5.6% over that in 1970-71, the 1972-73 performance could be deemed to have restored the level by the manufacturing industries sector in 1970-71. However, in 1970-71 industry engaged the benefit of a larger demand market. It would, therefore, appear that the loss of the East Pakistan market has been offset by expanded domestic demand and a rapid diversion of our manufactures international markets.

2. The revival of output in the industries sector was facilitated by the reforms made in the preceding year and by developments in world markets. The devaluation of the Rupee in May, 1972 and the liberalization of imports in the July—June 1972-73. Import Policy swept away a vast array of rules, regulations and red-tape. At the same time, exports were helped by a world-wide rise in demand for and in prices of intermediate goods such as cotton yarn. A strong export demand for manufactured goods combined with import liberalization helped to increase output.

3. Industrial production in 1972-73 in respect of 11 major items comprising about 52% of value added in industry and production in the past years may be seen in Table I below :

TABLE I

Industrial Production

S. No.	Item.	Unit	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73
1.	Cotton Yarn	Mill. Lbs.	495	527	602	670	740	804
2.	Cotton Cloth	Mill. Yds.	715	710	725	787	751	70 1
3.	Vegetable Ghee	000 tons	92	98	122	133	139	185
4.	Sugar	000 tons	248	401	600	511	369	432
5.	Cigarettes	Mill. 000 Nos.	20	21	22	24	22	29
6.	Cement	000 tons.	2,128	2,510	2,614	2,659	2,564	2,830
7.	M. S. Products	000 tons.	176	224	177	193	163	181
8.	Fertilizer :							
	(*a*) Urea	000 tons.	43	105	203	201	388	525
	(*b*) Super-Phosphate	000 tons.	16	14	23	25	27	45
	(*c*) Ammonium Sulphate	000 tons.	46	42	57	59	66	57
9.	Soda Ash	000 tons.	57	62	67	77	76	69
10.	Caustic Soda	000 tons.	19	22	28	30	31	35
11.	Sulphuric Acid	000 tons.	25	24	31	30	31	38

Source : CSO and INDUSTRIES DIVISION.

4. Private Sector industrial investment has, in real terms, been displaying a declining trend since 1964-65 and the position had been particularly unsatisfactory during the two years preceding 1972-73. The level of private sector industrial investment in 1972-73 which was low to begin with picked up in the second half of the year. However, on balance, even with enhanced public sector industrial investment and the improving index of industrial sanctions evidenced by the PICIC and IDBP figures the emerging situation was only moderately satisfactory.

5. Table II below shows private industrial investment over the year up to and including 1973-74 :—

TABLE II

Private Industrial Investment

(Rs. Million)

Years	Amount
1963-64	1168
1964-65	1323
1965-66	1230
1966-67	1174
1967-68	1218
1968-69	1177
1969-70	1413
1970-71	1451
1971-72	1144
1972-73 (a)	1300
1973-74 (a)	1800

(a) Estimates and Projected originally.

6. The disbursement figures of PICIC and ADBP are given in Table III. The lower disbursement reflect partly a smaller volume of sanctions pre 1972 and also some difficulties arising out of suspension of credits and larger delivery periods for equipment and machinery.

TABLE III

Disbursements

(Rs. Million)

Year	PICIC	IDBP	Total	Index
1967-68	101.46	92.10	110.67	100
1968-69	117.73	70.10	187.83	169
1969-70	177.72	71.70	249.42	224
1970-71	213.90	91.70	305.70	274
1971-72	191.60	89.60	281.20	253
1972-73	100.00	22.10	122.10	110

Source :—PICIC and IDBP.

7. The trend in sanctioning loans by PICIC and IDBP is given in Table IV below. The figures for 1972-73 indicate an upswing but the level was still lower than 1969-70. The lower volume of sanctions is partly due to shortage of suitable credits and difficulties arising out partly due to suspension of aid, and lesser entrepreneur's interest.

TABLE IV

Sanctions

(Rs. Million)

Years	PICIC	IDBP	Total	Index
1967-68	220.9	82.0	302.9	100
1968-69	234.3	90.4	324.7	107
1969-70	343.0	111.0	454.0	150
1970-71	149.17	90.1	239.2	79
1971-72	208.3	35.4	143.7	47
	171.4	164.0	335.4	110

Source :—PICIC and IDBP.

8. Public Sector industrial investment may be seen in Table V below :—

TABLE V

Public Sector Industrial Investment 1963-64 to 1973-74

(Rs. Million)

Year	Amount
1963-64	40
1964-65	133
1965-66	133
1966-67	134
1967-68	148
1968-69	94
1969-70	179
1970-71	68
1971-72	79
1972-73	190
1973-74	332

NOIC : 1963-64 to 1969-70 : CSO
1971-72 to 1973-74 : ADPS.

The above table shows that if the May 1972 devaluation of the rupee is taken into account, public sector investment in industry in 1972-73 rose sharply from the depressed levels of the previous two years but remained below the annual levels achieved in the Third Plan period 1964-65 to 1969-70.

9. Production in industrial units taken over under the Industrial Reforms Order, 1972 increased by 6% in physical terms over the level of 1971. Higher production reflected partly the increase in demand. Simultaneously, measures were taken to improve the working of these units. The management has been completely professionalised nd he management information system has been modernized. Centralised control over the operations of these basic industries has enabled a much more rational planning of production and investment, resulting in the creation of agencies for the manufacture of automative vehicles, tractors and extile machinery, respectively, utilising, as far as possible, existing unutilised capacity in these units. Finally, a centralised marketing effort abroad has secured export orders for the engineering units for products such as pumps, storage tanks and rolled products—a break-through of great significance for the future well-being of the economy.

Problems

10. Some of the basic issues connected with industrialists are dealt with below :—

(*a*) Domestic and export demand has outstripped installed capacity in many industries, including the traditional agro-based industry. There is urgent need to install additional capacity. This problem is being tackled by plans to increase, both in the Public and Private Sector, capacity in the sugar, cotton textiles, cotton ginning, flour milling, rice husking and vanaspati industries. An entirely new concept is public ownership of part of the additional capacity planned in all these industries which, it is hoped, will strengthen the State's leverage in the trade in essential wage goods.

(*b*) The prices of essential goods have to be fixed at reasonable but realistic levels. The prices should not be so low that production is discouraged or subsidies have to be given. It is necessary, therefore, to continue the process of rationalising both the input and output prices in the wage goods producing industries in order to ensure a fair return on capital, encourag e investment in them and thereby, increase domestic availabilities and exports.

(*c*) There is an urgent need to direct private sector industrial investment into non-traditional sophisticated export-oriented industries. There is need to diversify industry and exports and avoid dependence on one or two industries. There is also the cotton textile industry necessary to intensify the manufacturing process to increase value added in exports. This redirection of private industrial investment is a challenging task as it involves new skills, search for new markets, and exploitation of domestic raw materials, such as minerals, which were hitherto neglected.

(*d*) As a result of devaluation the cost of imported equipment has increased. Also, opportunities for purchase of domestic equipment have become more attractive. The mobilisation of rupee needed for industrial development is a matter of importance. In view of some decline in profitability, the question of surpluses available for re-investment may be less and therefore, private industrial investment will have to, much more than, heretofore, depend upon the institutionalised sources of finance, including the money market, which will have to be more thoroughly organised, broadened and strengthened in depth.

(*e*) The under-utilised capacity of the engineering goods industries presents a continuous challenge to industrial planners in Pakistan. The take-over of the management of all large scale engineering units in January, 1972 and the devaluation of the rupee in May, 1972 has both centralised control over these industries in the hands of the State and has made them more competitive. The State-controlled sectors' plans for the local manufacture of automative vehicles, tractors and textile machinery, utilizing excess capacity in these engineering units, and the already successful efforts at finding export markets for their output is a happy beginning to the solution of the problem of the engineering goods industries and of a more self-reliant economy.

(*f*) Labour management relation show distinct improvement. Labour laws have been enacted and revised and there appears to be a process of adjustment which should, hopefully, result in a more or less permanent solution of the problem. The primary need in this respect appears to be to maintain a balance between real income of the wage earners and prices of essential consumer goods.

Objectives

11. The main objectives of Industrial Policy flow out from the socio-economic policies of the Government and the long term development strategy. These objectives are :—

(*i*) Production of modern agricultural inputs.

(*ii*) Processing of agricultural output.

(*iii*) The production, for export, of manufactures with a high domestic value-added content.

(*iv*) Rationalization, development and expansion of the engineering goods industries.

(*v*) Production of iron and steel.

Review of 1972-73

12. An allocation of Rs. 20.75 crore was made to finance public sector schemes during 1972-73. The actual expenditure made is estimated at Rs. 18.95 crore, a shortfall of about 9 per cent. However, during the year allocations were made for 2 newly created Financial Institutions; the National Developmet Finance Corporation and the People's Finance Corporation on which an expenditure of Rs. 6.00 crores was incurred.

13. The working Group on Private Investment in large Scale Industry for the Annual Plan 1972-73 projected an investment target of Rs. 115.00 crore for 1972-73 in the private sector. The latest estimates indicate that the actual investment would be about Rs. 110.00 crore. Investment in Small Scale Industry was estimated to be Rs. 30.00 crore. The low level of targets fixed for private sector—industrial investment was due to the non-availability of foreign resources with the financing institutions and also some initial uncertainty regarding the respective roles of the public and private sector in industry. Thus although targets have been achieved, the overall level of private investment was modest. Things, however, began to get back to normal in the second half of the year when applications being received by PICIC and IDBP showed that the investment climate was picking up.

Programme for 1973-74

14. The ADP for 1973-74 provides Rs. 41.21 crore for the manufacturing sector. The break-down of this is as under :—

	(Crore Rupees)
Baluchistan	0.21
Punjab	4.00
Sind	0.40
N.W.F.P.	0.77
Central Government Programme including WPIDC and Financial Corporations	35.83
Total	41.21

Private Investment

15. The Working Group on Private Investment in Large Scale Industry have projected an investment target of Rs. 140.40 crores to be financed as follows :

	(Crore Rupees)
(*a*) PICIC	35.80
(*b*) IDBP	34.60
(*c*) Board of Industrial Management	20.00
IP & S	10.00
Against cash	40.00
Total	140.40

Likewise investment in small scale industry is projected at Rs. 40.00 crores.

16. The total investment is private sector industry of Rs. 180.40 crores projected for 1973-74 is thus 20% higher thanthe projected investment of Rs. 145.00 crores during 1972-73. As in the past, the PICIC, IDBP, ICP and NIT are expected to play an important role in industrial development. The details of investments sanctioned in the private sector industries during July 1972 to June 1973 are given in Table VII.

Physical Targets (Revised)

17. The physical targets likely to be achieved for selected industries during 1973-74 are given below :—

Production of Major Manufactures

Sl. No.	Manufacturing Industries	Units	1971-72	1972-73	Targets 1973-74
1.	White Sugar	000 tons	370	432	550
2.	Vegetable Ghee	000 tons	159	185	225
3.	Cigarettes	000 Mill. Nos.	22	29	27
4.	Cotton Yarn	Mill. Lbs.	740	804	881
5.	Board	000 tons	34	37	40
6.	Cotton Cloth (Mills Sector)	Mill. Yards.	751	701	738
7.	Soda Ash	000 tons	76	69	78
8.	Caustic Soda	000 tons	31	35	38
9.	Sulphuric Acid	000 tons	31	38	40
10.	Urea	000 tons	388	525	563
11.	Superphosphate	000 tons	27	45	70
12.	Amonium Sulphate	000 tons	66	57	67
13.	M. S. Products	000 tons	163	181	194
14.	Cement	000 tons	2564	2830	2800

Note :—These are post-flood target, based on July—Sept. 1973 performance.

Development Programmes of the Provincial Governments for 1973-74

18. The development programme of the four Provincial Governments in the manufacturing sector during 1973-74 amount to Rs. 9.79 crores which constitutes about 26 per cent of the total public sector expenditure on Industries. Most of the provincial schemes comprise infra-structure projects meant to create social over-head capital in the large and small scale industries sector. The NWFP has already set up one, the Punjab is in the process of setting up agencies to directly implement Industrial projects and their 1973-74 ADP's contain provision for a number of agro-based industries. These industries reflect the concern of the Federal and the Provincial Governments to ensure the easy availability of essential consumer items and to keep their prices stable.

19. The Province-wise programme is indicated as follows :—

Punjab

The total Programme of the Government of Punjab for the development of industries sector during 1973-74 is estimated at Rs. 4.00 crores. Out of this allocation Rs. 1.60 crores are proposed to be spent on various promotional, training and research schemes sponsored by the Directorate of Industries, the Punjab Small Industries Corporation and some schemes of the Printing and Stationery Department. The main feature of the ADP is a block provision of Rs. 2.40 crores for new projects to set up 3 Cotton Textile Mills, 10 Ginneries, 4 Sugar Mills, 5 Modern Rice Mills and 5 Flour Mills.

Sind

The Development programme of the Government of Sind for 1973-74 amounts to Rs. 0.40 crore. This allocation will be spent on the implementation of various projects of the Sind Small

Industries and Handicrafts Corporation and for Sugar Mills at Dadu and Khairpur. Since the framing of Sind ADP however it has been directed to implement the Khairpur Mill in the private Sector. The allocation of Rs. 10 lacs for the two mills will now be meant for the Dadu Sugar Mills only. The implementation of this Sugar Mill scheme has been entrusted to the WPIDC who would be working as an agent to the Provincial Government.

N.W.F.P.

The development programme of the Government of N.W.F.P. in the manufacturing sector for the fiscal year 1973-74 is estimated at Rs. 0.77 crore. This allocation will be spent on the implementation of different promotional services and training and other schemes sponsored by the Small Industries Development Board, Directorate of Industries and the Printing and Stationery Department. The schemes of the Directorate of Industries include (i) Development of Hides and Skins (ii) Grant of stipends to trainees (iii) Up-grading Woollen Centre at Batkhela The schemes of the Printing and Stationery Department include Construction of press building and purchase of machinery for Government Press Peshawar and Construction of residential accommodation for the staff of Government Press Peshawar.

Baluchistan

The provision made in the ADP 1973-74 for the development of industries schemes in Baluchistan is Rs. 0.21 crore. The major portion of this allocation is proposed to be invested on the development of promotional, research and training schemes sponsored by the Provincial Small Industries Board. Construction will also be begun of a new building for the Government Press at Quetta.

Central Programme

20. The 1973-74 ADP makes provision of Rs. 31.83 crore for the manufacturing sector, an increase of 61 per cent over the 1972-73 allocation. A major portion of the allocation is for some crucial on-going projects spread over a wide range of industries ranging from sugar and textile mills to a refractory plant and the Heavy Foundry and Forge. The major projects on which the allocation will be spent are briefly discussed below :—

Heavy Foundry and Forge, Taxila

21. The scheme, approved in principle in March, 1973 to cost Rs. 17.60 crore with a foreign exchange component of Rs. 5.50 crore, is presently under revision because of an increased production programme and devaluation of the Pakistan rupee. The project is a major one in the context of creating a self-sufficient industrial base and is expected to be completed in 1976-77. In 1972-73, work continued on the construction of the various shops, stores, water reservoir, pump station and tube-well which comprise the civil engineering part of the project. Rs. 6.82 crore were estimated to have been spent during fiscal year 1972-73 whereas the total 1972-73 provision for the project was Rs. 6.20 crores for the project. The 1973-74 ADP provision for it is Rs. 7.50 crores.

Larkana Sugar Mills Naudero

22. The project is estimated to cost about Rs. 11 crores and based on machinery partly to be supplied by the Heavy Mechanical Complex (HMC), Taxila, and partly to be imported from China. It will have a capacity of crushing 1500 tons of sugarcane per day and produce about 18000 tons of sugar in a normal year. The PC. I scheme for this project is under finalization. Work on the project, however, was begun in 1971-72 and the mill was expected to go into production in the 1973-74 crushing season. Due to delayed receipt of raw material, designs etc it is now expected to go into production during the 1974-75 crushing season. While 0.04 crore were spent on it in 1971-72, Rs. 1.85 crore were budgeted and spent on it in 1972-73. Provision of Rs. 2.00 crore has been made in the 1973-74 ADP.

Dir Forest Complex

22. This scheme has been on-going for a number of years and has not been completed because of past indecision regarding the site for the factory. Its estimated cost is Rs. 16.25 crore and it aims at extracting 35 lac cft of timber and converting it into sawn timber, plywood and polished chip board. Rs. 1.93 crores were estimated to have been spent during fiscal year 1972-73 against provision of Rs. 1.30 crores made for it in the 1972-73 ADP and a provision of Rs. 1.00 crore has been made during 1973-74. A definite decision on the location of the complex would go a long way in resolving doubts attaching to its economic viability.

Azad Kashmir Logging and Saw Mills

24. This project is being implemented by the Azad Kashmir Logging and Saw Mill Corporation at an estimated cost of Rs. 3.24 crore inclusive of a foreign exchange component of Rs. 0.78 crore. The mill will utilize about 3 million cft of timber to produce seasoned sawn timber. The project is expected to be completed during 1973-74.

Swat China Clay Project

25. This scheme was split up into a mining and elutriation plant near Shahdhri in Swat and Sanitary Ware and Wall Tiles plant in Nowshera Tehsil. The former is nearing completion at an estimated cost of Rs. 0.78 crore and expected to be in production after August, 1973. The Sanitary Ware and Wall Tiles plant estimated to cost Rs. 5.45 crores has not made much progress because the final approval of the NWFP Government to the site selected at Saidu had been delayed and the foreign credit required could not be lined up. Therefore, only Rs. 0.45 were crore estimated to have been utilized in the fiscal year 1972-73 out of the total allocation for that year of Rs. 1.50 crore. A provision of Rs. 1.00 crore has been made for the project in the 1973-74 ADP and negotiations for lining up the foreign credit are under way. The factory is expected to be completed in fiscal year 1975-76.

Karachi Steel Mill Plant

26. The progress of implementation of Karachi Steel Plant, which is being set up with USSR assistance is as follows :—

(*a*) The Corporation entered into an agreement with M/s. Tyazhprom-Export in August, 1972 for relocating the Mill.

(*b*) A team Soviet experts visited Pakistan in October, 1972 to collect data on the new site at Pipri.

(*c*) The topographic surveys and preliminary geological investigation were carried out at the Pipri site in September, 1972 and the data thus collected was handed over to the Soviet experts.

(*d*) The Soviet Detailed Project Report on the Karachi Steel Mill at Buleji was received by the Corporation in December 1972.

(*e*) The Corporation completed examination of the Detailed Project Report at Buleji and finalized its comments.

(*f*) The Corporation engaged as Consultants M/s. Sofresid of France in February 1973 to review and examine Detailed Project Report.

(*g*) The Soviet experts submitted their report on relocation of Karachi Steel Mill in January 1973. The report has been examined by the Corporation and comments forwarded for Government's approval.

(*h*) The Corporation entered into an agreement with Tyazhprom-Export for the deputation of three Pakistani geologist for planning and supervising the detailed geological investigation at Pipri.

(*i*) Detailed topographic surveys and geological investigations for the Karachi Steel Mill at Pipri were to commence from April 1973.

(*j*) Proceedings for the acquisition of land for the Mill and Township at Pipri and expected to have commenced from June 1973.

A provision of Rs. 3.00 crores has been made in ADP 1973-74. The project is expected to be completed in 1978-79.

General Refractories, Landhi

27. The original scheme to balance and modernise the Refractories Plant at Landhi was approved in 1964 at an estimated cost of Rs. 0.52 crore with a foreign exchange component of Rs. 0.15 crore. The scheme was later revised to an estimated cost of Rs. 2.08 crore and is under submission to the Government. The revised scheme envisages production of 6,000 tons of fireclay bricks and 4000 tons of high alumina bricks per annum. A provision of Rs. 0.05 crore was made in the ADP 1972-73 against which the expenditure of Rs. 0.34 crore were estimated to have been spent during fiscal year 1972-73. By the end of March 1973, 75% of the Civil Works had been completed, 90% of machinery received and 30% installed. A provision of Rs. 0.25 crore has been made in the ADP 1973-74.

28. The project is expected to be completed in 1973-74.

Modernization and Expansion of Natural Gas Fertilizer Factory, Multan

29. The scheme envisages the expansion of the existing NGFF, Multan by the installation of three new plants for the manufacture of 900 tons per day ammonia, 940 tons per day nitrophosphate and 990 tons per day calcium ammonium nitrate, respectively. These new plants are to be build around some of the existing

facilities of the NGFF Multan and the existing urea and ammonia nitrate plants will continue to be used. The capital cost of the scheme is estimated at Rs. 76.72 crore with a foreign exchange component of Rs. 56.50 crore. A provision of Rs. 3.00 crore has been made for it in the 1973-74 ADP as against a provision of Rs. 0.50 crore in the 1972-73 ADP. A collaboration agreement has been signed for the project with Abu Dhabi which will share in the equity of the project. The project is expected to go into commercial production in 1977.

Tarbela Cotton Textile Mills

30. The project aims at creating employment opportunities for persons displaced by the construction of the Tarbela Dam. This Chinese aided scheme, estimated to cost Rs. 3.33 crore with a foreign exchange component of Rs. 2.06 crore is for 25,000 spindles designed to produce 4.50 million pounds of 20s count of yarn and 9.20 million pounds of 10s count of yarn, the latter for the export market, with the mill working at 85 per cent efficiency on three shifts. The scheme has not yet been sanctioned but a Chinese team has made detailed investigations into possible sites for the mill. The mill will come into production about two years after sanction. A provision of Rs. 0.02 crore has been made for it in the 1973-74 ADP.

Karachi Shipyard and Engineering Works

31. The original project was completed in July, 1964 at a cost of Rs. 7.87 crores, the main facilities created being the construction of ocean-going vessels of 10,000—13,000 DWT, ship repair work, general steel construction, foundry and galvanizing works and diesel engine manufacture. Later, in 1966, a phase II part I scheme was approved by the Government for a cost of Rs. 3.20 crores. Its implementation took longer than expected and due to the prolonged period of construction and also the addition of other facilities, the cost estimates went up to Rs. 7.51 crore. The revised Phase II Part I scheme is nearing completion. In order to balance and complete the facilities created by the Phase II Part I scheme, a Phase II Part II scheme was submitted by the Karachi Shipyard and Engineering Works in December 1972. The scheme is estimated to cost Rs. 4.64 crores with a foreign exchange component of Rs. 2.65 crore.

32. Due mainly of the under utilisation of its ship-building facilities the Karachi Shipyard has not been an entirely profitable concern. Its management is, therefore, making efforts to ensure 100% utilization of the shipbuilding capacity. Accordingly a 5 year production programme for ship-building has been prepared. With capacity developed after implementation of the phase II Part I scheme, the KSEW is in a position to manufacture 5 ships of 15,000 DWT. With the capacity balancing to be carried out by the phase II Part II scheme the shipyard will be able to build 5 ships of upto 15,000 DWT and 3 ships of 30,000 DWT. To ensure the success of the five year production programme the Shipyard are negotiating an agreement with M/s. Mitsubishi of Japan under which the later would supply designs, raw material and components and guarantee sale of the ships produced.

33. A provision of Rs. 1.50 crore has been made in ADP 1973-74.

34. The Phase II of the scheme is expected to be completed in 1975-76.

Textile productivity centre

35. A major problem of cotton textile industry in Pakistan is low productivity. The proposed Centre, being set up with UNDP assistance with a head office at Karachi and a branch office at Lyallpur, is expected to explore ways and means of improving the efficiency in the industry. A provision of Rs. 0.29 crore has been made for it in the ADP 1973-74.

Refinery at Multan

36. The scheme envisages setting up, with Abu Dhabi collaboration a refinery at Multan with a refining capacity of 2 million ton per annum and a crude oil pipeline from Karachi to Multan. Its total cost is estimated at Rs. 90.00 crores including a foreign exchange component of Rs. 55.48 crores. The project is based on Abu Dhabi crude oil and is meant to meet the demand for refined products in the country which is likely to be 5.814 million tons per year by 1980. An expenditure of Rs. 0.13 crore with a foreign exchange component of Rs. 0.07 crore is likely to be incurred on this project during 1972-73. A provision of Rs. 2.00 crore has been made available for this project during 1973-74. The refinery is expected to be in operation in 1976-77.

Setting up of Petroleum Storage Development Corporation of Pakistan

37. To replace oil storage capacity damaged during December 1971 and to create additional and secure as well as more rationally located capacity, it has been decided to create Petroleum Storage Corporation to undertake the task at a total cost of Rs. 62.00 crore including a foreign exchange component of Rs. 19.20 crore. An expenditure of Rs. 1.56 crores is likely to be incurred on the project during 1972-73. Feasibility studies are in hand for which Rs. 0.01 crore has been made available. A provision of Rs. 2.00 crore has been made for this project during the year 1973-74.

38. The details of financial allocation for various executing agencies are given in Table I—IV.

TABLE I

ANNUAL PLAN 1973-74

FINANCIAL EXPENDITURE AND ALLOCATION

Manufacturing Sector

Summary—All Pakistan

(Crore Rupees)

Sector/Sub-Sector	Allocation for 1972-73	Revised estimates during 1972-73	% implementation of Col. (2) Col. (3)	Allocation for 1973-74
1. Food Manufacture	2.10	2.07	99	2.52
2. Beverages	—	—	—	—
3. Tabacco Manufacture	0.08	0.29	277	0.18
4. Manufacture of Textile :	0.25	—	—	0.25
(a) Cotton	—	—	—	—
(b) Jute	—	—	—	—
5. Footwear and Apparels	—	—	—	—
6. Wood and Cock	1.30	1.93	149	1.50
7. Furniture and Fixture	—	—	—	—
8. Paper and Paper Products	—	—	—	—
9. Printing and Publishing	0.44	0.48	108	0.41
10. Leather and Leather Products	0.08	0.06	75	0.17
11. Rubber Products	—	—	—	—
12. Chemical Industries	1.32	1.20	91	3.30
13. Production of Petroleum Coal and Gas	0.12	0.12	100	4.00
14. Petro-Chemical Industries	—	—	—	—
15. Non-metallic mineral products	1.74	0.87	50	1.36
16. Basic Metal Industries	3.03	1.32	43	3.00
17. Metal Products Industries	6.20	6.82	110	7.50
18. Machinery except electrical machinery	1.23	1.66	135	—
19. Electrical machinery Apparatus and Appliances	—	0.09	—	—
20. Transport equipment	0.22	0.22	100	1.50
21. Miscellaneous Industries	0.11	0.15	139	3.08
22. Industrial estate	0.07	0.24	333	0.52
23. Training and Research	0.10	0.10	100	0.03
24. Small Industries Promotion Programme	1.65	0.83	50	1.98
25. cientific and Industrial Research	0.20	0.19	94	0.34
26. Survey and Investigations (WPIDC)	0.23	0.03	14	—
27. Paksitan Mint Lahore	0.28	0.28	100	0.25
28. Financial Corporations (NDFC and PFC)	—	6.00	—	9.00
Total	20.75	24.95	120	41.21

TABLE II

ANNUAL PLAN 1973-74

FINANCIAL EXPENDITURE AND ALLOCATION

Manufacturing Industry

Summary—Centre

(Crore Rupees)

Sector/Sub-Sector	Allocation for 1972-73	Revised estimates during 1972-73	% implementation of Col. (2) Col. (3)	Allocation for 1973-74
1. Food Manufacture	2.10	2.07	99	2.52
2. Beverages	—	—	—	—
3. Tobacco Manufacture	0.08	0.29	277	0.18
4. Manufacture of Textile	0.25	—	—	0.25
(*a*) Cotton	—	—	—	—
(*b*) Jute	—	—	—	—
5. Foot wear and Apparels	—	—	—	—
6. Wood and Cock	1.30	1.93	149	1.50
7. Furniture and Fixture	—	—	—	—
8. Paper and Paper Products	—	—	—	—
9. Printing and Publishing	0.24	0.24	100	0.12
10. Leather and Leather Products	0.08	0.06	75	0.17
11. Rubber Products	—	—	—	—
12. Chemical Industries	1.32	1.20	91	3.30
13. Production of Petroleum, Coal and Gas	0.12	0.12	100	4.00
14. Petro-Chemical Industries	—	—	—	—
15. Non-metalic mineral products	1.74	0.87	50	1.36
16. Basic Metal Industries	3.30	1.32	43	3.00
17. Metal Product Industries	6.20	6.82	110	7.50
18. Machinery except electrical machinery	1.23	1.66	135	—
19. Electrical machinery Apparatus and Appliances	—	0.09	—	—
20. Transport equipment	0.22	0.22	100	1.50
21. Miscellaneous Industries	0.02	0.10	400	0.10
22. Industrial estate	—	—	—	—
23. Training and Research	—	—	—	0.01
24. Small Industries Promotional Programme	1.23	0.48	38	0.48
25. Scientific and Industries Research	0.16	0.16	100	0.31
26. Survey and Investigations (WPIDC)	0.23	0.03	14	—
27. Pakistan Mint Lahore	0.28	0.28	100	0.25
28. Financial Corporation (NDFC and PFC)	—	6.00	—	9.00
Total	19.83	23.94	120	35.84

TABLE III

ANNUAL PLAN 1973-74

FINANCIAL EXPENDITURE AND ALLOCATION

Manufacturing Sector

PUNJAB

(Crore Rupees)

Sector/Sub-Sector	Allocation for 1972-73	Revised estimates during 1972-73	% implementation of Col. (2) Col. (3)	Allocation for 1973-74
1. Food Manufacture	—	—	—	—
2. Beverages	—	—	—	—
3. Tobacco Manufacture	—	—	—	—
4. Manufacture of Textile				
(*a*) Cotton				
(*b*) Jute				
5. Foot wear & Apparels				
6. Wood and cock				
7. Furniture and Fixture				
8. Paper and Paper Products				
9. Printing and Publishing	0.09	0.04	51%	
10. Leather and Leather Products				
11. Rubber Products				
12. Chemical Industries				
13. Production of Petroleum Coal and Gas				
14. Chemical Industries				
15. Non-metalic mineral Products				
16. Basic Metal Industries				
17. Metal Product Industries				
18. Machinery except electrical machinery				
19. Electrical machinery				
20. Apparatus and Appliances				
21. Transport equipment				
22. Misc. Industries	0.07	0.04	58%	2.91
23. Industrial estate	—	0.09	—	0.41
24. Training and Research	0.08	0.08	100%	0.01
25. Small Industries Promotional Programme	—	0.03	—	0.62
26. Scientific and Industrial Research	0.04	0.03	71%	0.03
Total	0.28	0.31	115%	4.00

TABLE IV

ANNUAL PLAN 1973-74

FINANCIAL EXPENDITURE AND ALLOCATION

Manufacturing Sector

SIND

(Crore Rupees)

Sector/Sub-Sector	Allocation for 1972-73	Revised estimates during 1972-73	% implementation of Col. (2) Col. (3)	Allocation for 1973-74
1. Food Manufacture	—	—	—	—
2. Beverages	—	—	—	—
3. Tobacco Manufacture	—	—	—	—
4. Manufacture of Textile .. .. (a) Cotton (b) June	—	—	—	—
5. Foot Wear and Apparels	—	—	—	—
6. Wood and Cock	—	—	—	—
7. Furniture and Fixture	—	—	—	—
8. Paper and Paper Products	—	—	—	—
9. Printing and Publishing	—	—	—	—
10. Leather and Leather Products	—	—	—	—
11. Rubber Products	—	—	—	—
12. Chemical Industries	—	—	—	—
13. Production of Petroleum Coal and Gas	—	—	—	—
14. Chemical Industries	—	—	—	—
15. Non-metallic mineral Products	—	—	—	—
16. Basic Metal Industries	—	—	—	—
17. Metal Product Industries	—	—	—	—
18. Machinery except electrical machinery	—	—	—	—
19. Electrical machinery, Apparatus and Appliances	—	—	—	—
20. Transport equipment	—	—	—	—
21. Misc. Industries	—	—	—	—
22. Industrial estate	0.05	0.12	247.8%	0.05
23. Training and Research	—	—	—	—
24. Small Industries Promotional Programmes	0.08	0.12	144%	0.25
25. Scientific and Industrial Research	—	—	—	—
Total ..	0.13	0.24	183%	0.40

TABLE V

ANNUAL PLAN 1973-74

FINANCIAL EXPENDITURE AND ALLOCATION

Manufacturing Sector

N. W. F. P.

(Crore Rupees)

Sector/Sub-Sector	Allocation for 1972-73	Revised estimates during 1972-73	% implementation of Col. (2) Col. (3)	Allocation for 1973-74
1. Food Manufacture	—	—	—	—
2. Beverages	—	—	—	—
3. Tobacco Manufacture	—	—	—	—
4. Manufacture of Textile				
(a) Cotton	—	—	—	—
(b) Jute	—	—	—	—
5. Foot Wear and Apparels	—	—	—	—
6. Wood and Cock	—	—	—	—
7. Furniture and Fixture	—	—	—	—
8. Paper and Paper Products	—	—	—	—
9. Printing and Publishing	0.11	0.16	157%	0.22
10. Leather and Leather Products	—	—	—	—
11. Rubber products	—	—	—	—
12. Chemical Industries	—	—	—	—
13. Production of Petroleum Coal and Gas.	—	—	—	—
14. Chemical Industries	—	—	—	—
15. Non-metallic mineral products	—	—	—	—
16. Basic Metal Industries	—	—	—	—
17. Metal Products Industries	—	—	—	—
18. Machinery except electrical machinery	—	—	—	—
19. Electrical machinery, Apparatus and Appliances	—	—	—	—
20. Transport equipment	—	—	—	—
21. Misc. Industries	0.01	0.01	60%	0.01
22. Industrial estate	0.02	0.03	128%	0.06
23. Training and Research	0.02	0.02	100%	0.01
24. Small Industries Promotional Programme	0.25	0.21	83%	0.47
25. Scientific and Industrial Research	—	—	—	—
Total	0.41	0.43	105%	0.77

TABLE VI

ANNUAL PLAN 1973-74

FINANCIAL EXPENDITURE AND ALLOCATION

BALUCHISTAN

(Crore Rupees)

Sector/Sub-Sector	Allocation for 1972-73	Revised estimates during 1972-73	% implementation of Col. (2) Col. (3)	Allocation for 1973-74
1. Food Manufacture	—	—	—	—
2. Beverages	—	—	—	—
3. Tobacco Manufacture	—	—	—	—
4. Manufacture of Textile	—	—	—	—
(a) Cotton				
(b) Jute				
5. Foot Wear and Apparels	—	—	—	—
6. Wood and Cock	—	—	—	—
7. Furniture and Fixture	—	—	—	—
8. Paper and Paper Products	—	—	—	—
9. Printing and Publishing	0.01	0.03	300%	0.05
10. Leather and Leather Products	—	—	—	—
11. Rubber Products	—	—	—	—
12. Chemical Industries	—	—	—	—
13. Production of Petroleum Coal and Gas.	—	—	—	—
14. Chemical Industries	—	—	—	—
15. Non-metallic mineral products	—	—	—	—
16. Basic Metal Industries	—	—	—	—
17. Metal Product Industries	—	—	—	—
18. Machinery except electrical machinery	—	—	—	—
19. Electrical machinery Apparatus and Appliances	—	—	—	—
20. Transport equipment	—	—	—	—
21. Misc. Industries	—	—	—	—
22. Industrial estate	—	—	—	—
23. Training and Research	—	—	—	—
24. Small Industries Promotional Programme	0.09	—	—	0.16
25. Scientific and Industrial Research	—	—	—	—
Total	0.10	0.03	300%	0.21

TABLE VII

ANNUAL PLAN 1973-74

INVESTMENTS SANCTIONED IN THE PRIVATE SECTOR INDUSTRIES IN PAKISTAN DURING JULY 1972 TO JUNE 1973

(Crore Rupees)

	Industry	Punjab	Sind	N.W.F.P.	Total
1.	Food Manufacturing	0.20	4.07	0.07	4.38
2.	Beverages	—	—	—	—
3.	Tobacco	—	0.20	0.17	0.37
4.	Textiles	9.56	9.02	5.75	24.50
5.	Footwear and Apparels	0.38	—	—	0.38
6.	Wood and Cock	—	—	—	—
7.	Furniture and Fixture	0.01	—	—	0.01
8.	Paper and Paper Products	—	0.02	0.07	0.09
9.	Printing and Publishing	0.05	0.22	0.02	0.29
10.	Leather and Leather Products	0.07	—	—	0.07
11.	Rubber Products	—	0.01	—	0.07
12.	Chemicals and Fertilizers	—	0.31	—	0.31
13.	Petroleum, Coal and Gas	0.44	—	—	0.44
14.	Petro-chemicals	—	—	—	—
15.	Non-metallic mineral Products except Coal and Gas	—	—	0.16	0.23
16.	Basic Metal Industries	0.20	0.27	—	0.47
17.	Metal Products (except Machinery and transport equipment).	—	—	—	—
18.	Machinery (except electrical machinery)	0.05	—	—	0.05
19.	Electrical Machinery Apparatus	0.01	0.08	—	0.09
20.	Transport Equipment	—	—	—	—
21.	Miscellaneous Industries	0.49	1.04	—	1.54
	Total	11.46	15.25	16.24	33.24

SOURCE : PICIC and IDBP.

CHAPTER 13

FUELS AND MINERALS

The need to investigate, locate, develop and exploit the mineral resources of Pakistan is obvious. The criterion for judging the degree of exploration of a country's mineral resources is value of mineral output per unit of area, which should normally be about $400 per square mile. This ratio is far lower in Pakistan and it is quite obvious that the mineral wealth of the country is grossly under-explored and under-exploited Vast regions in the North and North West Pakistan, including the tribal belt, show indications that they contain most of the mineral wealth of the country. These areas, remain to be properly mapped and explored.

2. The industrialization of the country has reached a stage where it is now possible to plan to create backward linkages radiating from particular manufacturing activities to the exploitation and the processing of the minerals which form their inputs. It is, indeed, essential to do so in view of the increasingly severe foreign exchange constraint into which the continued development of the economy is moving.

3. The need for locating and developing oil and gas reserves is self-evident in the context of a world-wide depletion of energy sources. The drain on our foreign exchange resources on account of imports of crude oil and oil products is an increasingly heavy burden for the economy to bear. In addition gas shortages are being experienced in Karachi and gas demand is expected to outstrip supply in the north in 1973-74. Gas transmission capacity has, therefore, to be urgently increased.

PROBLEMS

I. Minerals

The main bottlenecks in the exploitation of the country's minerals wealth as are follows :—

(*i*) Lack of proper geological mapping of the whole country.

(*ii*) Lack of agencies for determining the economic feasibility of mineral deposits and of conducting pre-investment studies.

(*iii*) Lack of properly organized and funded public sector agencies to exploit minerals and of financial resources and technical expertise with the private sector for mineral exploitation.

(*iv*) Lack of a coordinating agency at the level of the Federal Government to oversee and mesh together activities relating to mineral development in the Federally administered areas and the Provinces.

(*v*) Finally lack of proper definition of the roles, in mineral development, of the public and private sectors.

II. Oil and Gas

5. The problems in locating and exploiting oil and gas deposits are :—

(*i*) Lack of interest which had been shown in recent years by foreign investors in this field.

(*ii*) Lack of funds with OGDC and the out-dated technology and equipment at its command.

PROPOSED SOLUTION

I. Minerals

6. Much thinking and planning has been done during 1972-73 on re-organizing all activities connected with the subject of mineral development and thereby to remove the impediments in its way. Some of the steps taken, or being contemplated, are listed below :—

(*a*) The GSP has been allocated a large volume of funds to enable it to perform its existing functions more efficiently and on a wider scale than before. Thus the 1972-73 provision for it of Rs. 0.34 crore has been raised to Rs. 1.02 crore in 1973-74.

(*b*) It is proposed to develop the Minerals Wing of the WPIDC into a full-fledged Mineral Development Corporation whose main responsibility would be to prove the economic feasibility and exploit the mineral wealth of the Federally Administered Areas and, if so requested, the Provinces. The NWFP and the Azad Kashmir Government have already set up Corporations for the development of industries and minerals.

(*c*) The Pakistan Council for Scientific and Industrial Research will continue to conduct pilot plant and beneficiation studies.

(*d*) Some Provincial Mining Laws have been so amended as to enable the financing institutions to advance long term finance to the Private Sector for the exploitation of minerals.

(*e*) It is proposed to set up a Mineral Coordination Board at the Federal which will be assisted by a Technical Committee. Its functions would be to coordinate the activities of various federal and provincial agencies concerned with the subject, to review progress, to consider annual programmes of various agencies, to resolve differences between the various Governments and Agencies and to advise on policies and plans in the mineral sector.

(*f*) It is planned to set out clearly the respective sphere of responsibilities of the public and private sector in the field of mineral development.

II. Oil and Gas

7. (a) The existing OGDC equipment used for exploring purposes is proposed to be replaced by modern and sophisticated equipment to be procured through a Canadian loan.

(b) Exploration leases have been given to foreign oil companies and the pace of exploratory work is expected to increase significantly.

(c) Work is planned to begin on the Sui-Karachi Duplicate Gas Transmission Line along the Indus Right Bank.

STRATEGY FOR 1973-74

I. Minerals

Instead of diffusing activities over a wide area, much greater emphasis have been placed on G.S.P.'s exploratory activities concentrated on specific mineral districts and specific minerals. Thus, the Lasbela-Khuzdar Mineral District has been added to the Chagai Mineral District as the focus of GSP's activities and a new scheme has been included in the ADP, specifically aimed at exploring the copper deposits of Saindak in Chagai district. Meanwhile WPIDC will press ahead with pre-investment surveys related to iron ore, copper, manganese chro-mite, bauxite, dolomite and fluorite deposits. The WPIDC will work in the Northern Areas, Federally Administered Tribal Areas and Azad Kashmir also.

II. Oil and Gas

The immediate problem of shortage of gas in the Karachi region will be tackled by according the highest priority to the Indus Right Bank Gas Pipeline.

Review of 1972-73

9. An allocation of Rs. 8.30 crore was made for fuels and minerals schemes in the public sector during 1972-73 of this Rupees 8.27 crore were allocated for federal schemes including the WPIDC and Rs. 0.02 crore were allocated to the NWFP. During the course of the year, this allocation was found to be insufficient and additional funds were provided. Therefore, the actual expenditure incurred is estimated at Rs. 15.80 crore which gives an overall utilization of 190 per cent. The index of mineral production (base 1964-65-100) rose from 115.9 in 1969-70 to 119.1 in 1970-71. It declined to 116.5 in 1971-72 and is estimated 121.9 during 1972-73.

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Financial Allocation

10. For the development and expansion of public sector mining schemes, a provision of Rs. 13.75 crore has been made for 1973-74, which is as follows :—

(Crore Rupees)

A. Federal Government		
1.	Ministry of Fuel, Power and Natural Resources	
	(*a*) Petroleum concessions	1.19
	(*b*) Oil operations	0.30
	(*c*) Gas Transmission and distribution	0.85
	(*d*) Oil and Gas Resources	9.15
2.	Geological Survey of Pakistan	1.02
3.	WPIDC Mineral Programme	1.10
4.	Azad Kashmir and Northern Areas	0.27
5.	State and Frontier Regions Division CATA	0.40
	Sub-Total	13.65

B. Provinces	
(a) Baluchistan ..	0.07
(b) Punjab ..	0.01
(c) N.W.F.P. ..	0.02
Sub-Total Provinces	0.10
Total Fuels & Minerals	13.75

11. A brief description of various projects of Provincial and Federal Governments is given below :—

PROVINCIAL PROGRAMME 1973-74

Baluchistan

The only programme in Baluchistan in the Mining Sector is a joint venture between the Provincial Government and Pakistan Petroleum Ltd for the extraction and export of Barytes from Khuzdar area. An investment of Rs. 0.07 crore is proposed to be made in the implementation of this project during 1973-74.

N.W.F.P.

A provision of Rs. 0.02 crore has been made in the ADP 1973-74 for detailed survey and investigation of mineral bearing areas of NWFP.

Punjab

A provision of Rs. 0.01 crore has been made in the ADP 1973-74 for implementation of Fuels and Minerals Schemes in Punjab.

FEDERAL PROGRAMME

Oil and Gas Development Corporation

The Oil and Gas Development Corporation (OGDC) was established in 1961 with Russian assistance and has, so far (in West Pakistan only) discovered an oil field at Toot and gas fields at Sari and Hundi. Further drilling is in progress to discover gas in the Karachi trough and oil in the Safed Koh area. It is drilling development well in the Toot field. An allocation of Rs. 21.70 crore has been made for OGDC project during the current Plan period. An expenditure of Rs. 9.55 crore is likely to have been incurred during 1972-73. A block provision of Rs. 9.15 crore has been made for OGDC's programme during 1973-74. Some of its major schemes are :—

(i) *Geophysical Survey by Modern Geophysical Equipment for Development of Oil and Gas Resources.* The Oil and Gas Development Corporation is handicapped in its exploration work because of outmoded for seismic surveys. It uses analog equipment which has, the world over, been discarded in favour of the Digital system.

The Oil and Gas Development Corporation proposes to acquire three sets of modern digital seimic field recording units, two sets of equipment for generation seismic energy by non-explosive source and a digital data processing computer system to replace the existing out-dated analog type equipment. With the digital computor system, it would also be possible to re-investigate areas inefficiently explored by oscillographic and analog seismic recording which have been discarded as non-oil bearing. It is quite possible that re-investigation by digital techniques might reveal structures which, on drilling, may turn out to be oil and gas fields.

The scheme is estimated to cost Rs. 7.03 crore with a foreign exchange component of Rs. 4.82 crore. An amount of Rs. 0.05 crore has been provided for it in the 1973-74 ADP.

(*ii*) *Development and Exploitation of Sari and Hundi Gas Fields.*—These fields located in the so-called Karachi Through North East of Karachi, are to be exploited to supply gas to Karachi. Their gas will be conveyed, via a 10 mile pipeline, to the proposed Indus Right Bank Pipeline to meet it at a point 60 miles from Karachi.

Oil and Gas Prospecting

A provision of Rs. 1.19 crore has been made in the ADP 1973-74 for the implementation of 7 different projects of various private companies, with the participation of the Government of Pakistan, to carry out extensive geological surveys and to continue drilling operations. The companies involved in the survey and drilling operations are :—

(1) **Pakistan Oil Field Ltd.**

(2) **Saudi Arabia Project.**

(3) Winter shell A.G. Pakistan Exploration ;

(4) Amoco Pak Exploration ;

(5) Pak Stanvac Petroleum Project ;

(6) Pak Hunt Petroleum Project ; and

(7) Marathon International Oil company.

Sui Northern Project No. 4

The Present capacity for the SNGPL gas transmission system will be completely utilised by the end of 1975. In order to meet the increased demand for gas in the Punjab and NWFP, Project No. 4 has been drawn up. It involves a total cost of Rs. 42.36 crore including a foreign exchange component of Rs. 20.46 crore. A provision of Rs. 0.20 crore has been made for it during 1973-74.

Sui Karachi Natural Gas/Transmission on the Right Bank of River Indus

Demand for gas in Karachi and the lower Sind has outstripped transmission capacity and the scheme envisages meeting the projected gas demand of the Karachi Steel Plant and normal industrial, commercial and domestic growth in Sind and Karachi for the period 1974-75 to 1979-80 by the laying of 300 mile long duplicate pipeline of 18-in. diameter along the right bank of the Indus, connecting Sui to Karachi and feeding on route the towns of Larkana, Dadu and Sehwan. The scheme has been accorded anticipatory approval by the Chairman ECNEC. The project involves a total cost of Rs. 43.63 crore, including a foreign exchange component of Rs. 28.09 crore. An allocation of Rs. 0.50 crore has been made for this project during 1973-74.

Mineral Exploration in Chagai District by Geological Survey of Pakistan

Chagai Mineral District is the most prospective area in Pakistan from the view point of mineral deposits. High grade iron ore and copper are its two most exciting minerals. It has been decided, therefore, to under-take extensive and intensive exploratory work in it through the GSP.

This is an approved project and involves a total cost of Rs. 3.14 crore. An allocation of Rs. 0.20 crore has been made for it during 1973-74.

Physical Targets

Physical targets are indicated in the table below :

Production

S. No.	Item	Unit	1970-71 Actual	1971-72 Actual	1972-73 Estimated	1973-74 Targets
1	2	3	4	5	6	7
1.	Coal	000 Tons	1250	1300	1400	1450
2.	Iron Ore	,,	—	—	—	—
3.	Rock Salt	,,	344	352	400	425
4.	Chromite	,,	27	34	26	35
5.	Silica Sand	,,	34	43	33	45
6.	Gypsum	,,	163	22	80	100
7.	Lime Stone	,,	4500	4200	4600	6000
8.	Marble	,,	23	15	38	40
9.	Mica	,,	N.A.	N.A.	N.A.	5
10.	China Clay and Others	,,	66	75	70	80
11.	Fireclay	,,	28	21	18	30
12.	Sulphur		2	3	6	10
13.	Natural Gas	000 million Cft.	110	127	165	180
14.	Crude Oil	Mill. I.G.	115	120	150	160

SOURCE :

1. For coal Annual Plan 1971-72 and 1972-73.
2. For 1970-71 to 1971-72.
3. For 1972-73 and 1973-74 by I & C Section.

ANNUAL PLAN FOR 1973-74

FUELS AND MINERALS

FINANCIAL EXPENDITURE AND ALLOCATION

Federal Government

(Crore Rupees)

Sl. No.	Sub-Sector	Allocation for 1972-73	Revised Estimates 1972-73	% Implementation	Provision for 1973-74
1.	Geological Survey activities	—	0.38	—	1.02
2.	Development of Oil and Gas Resources	5.83	8.55	146	9.05
3.	Oil and Gas Prospecting	1.87	5.92	316	1.19
4.	Coal and Peat	—	—	—	—
5.	Gas transmission and Distribution	0.05	—	—	0.95
6.	Training and Research	0.04	0.11	308	0.03
7.	WPIDC Programme	0.47	0.42	—	1.10
8.	Other Programmes	0.01	0.37	—	0.31
	TOTAL	8.27	15.75	191	13.65

ANNUAL PLAN FOR 1973-74

FUELS AND MINERALS

FINANCIAL EXPENDITURE AND ALLOCATION

West Pakistan

(Crore Rupees)

Sl. No.	Sub-Sector	Allocation for 1972-73	Revised estimates 1972-73	% Implementation	Provision for 1973-74
1.	Geological Survey activities	—	—	—	—
2.	Development of Oil and Gas Resources	—	—	—	—
3.	Oil and Gas Prospecting	—	—	—	—
4.	Oil and Gas Transmission and Distribution	—	—	—	—
5.	Coal and Peat	—	—	—	—
6.	Training and Research	—	—	—	0.09
7.	Selected Minerals	0.02	—	—	0.01
	TOTAL	0.02	—	—	0.10

CHAPTER 14

POWER DEVELOPMENT

The Annual Plan for 1972-73 was prepared in the background of a severe power crisis which over-took the country during 1971-72 particularly in the northern grid. Government took stock of the position as early as January, 1972 and the Plan for 1972-73 was so oriented as to provide speedy completion of on-going generation and transmission schemes and to implement measures for improving the operational efficiency of WAPDA *viz :*

(1) Removal of transmission/transformation bottlenecks for maximum utilization of existing generation ;

(2) Installation of capacitors for improving power factor and reduction in losses ; and

(3) Maximum utilization of existing equipment by carrying preventive maintenance and keeping the equipment in good condition.

Progress during 1972-73

The year 1972-73 witnessed successful implementation of these measures in the northern grid system and the operational efficiency of WAPDA greatly improved. This coupled with the generous river flows (the reservoir level at Mangla in March 1973 was 1,128.29 as against minimum draw down level of 1040) enabled WAPDA to meet the demand of 1,019.3 MW in January, 1973 in the northern grid—an increase of 102 MW over that of the previous year.

In upper Sind (Sukkur area) the maximum demand registered during 1972-73 was 43.7 MW—an increase of 5 MW over that of 1971-72. In the lower Sind (Hyderabad area)) the maximum demand registered in 1972-73 was 65.7 MW—an increase of 7 MW over the previous year. In Quetta, the maximum demand registered was 16.4 MW. The aggregate maximum demand of WAPDA system during 1972-73 was 1145 MW an increase of 122 MW over that of 1971-72. In Karachi also the maximum demand recorded an increase of 27 MW over that of the previous year and reached 312 MW during 1972-73.

The total energy generation in the country, which was practically stagnant around 7600 mkwh during 1970-71 and 1971-72 jumped to 8881 mkwh assuming 400 mkwh of captive industrial generation. The *per capita* generation during 1972-73 is estimated at 135 units—an increase of 8 units over that of the previous year.

In terms of supply position the total installed capacity increased from 1900 MW to 2025 MW as against the 1972-73 target of 2240 MW mainly on account of the delays in the commissioning of Mangla units 5 and 6. The completion dates of these two units were pushed back by seven months, on account of the damage to the turbine shaft of unit No. 5 which apparently suffered sea corrosion during transit. Its commissioning is now expected in July, 1973.

Satisfactory progress was maintained at the Guddu Power Station and Units 1 and 2 will be commissioned during 1973-74 as scheduled.

In the field of primary transmission the second 220 KV transmission line was commissioned in the Northern Zone, starting from Mangla and going upto Kotlakhpat and Nishatabad, which enabled WAPDA to make optimum utilization of Mangla power in meeting the energy requirements of the northern grid system.

In the southern zone various 132 KV transmission lines were energised starting from Guddu and going upto Rohri and Hyderabad.

The progress on the permanent Hyderabad-Karachi 132 KV inter-link has been satisfactory and the first circuit is scheduled to be energised in July, 1973 and the second circuit by December, 1973. The total length of transmission and distribution line as on June, 1973 is estimated at 51,000 miles serving about 1.829 million consumers throughout the country.

In financial terms the revised estimates in the public sector for 1972-73 was Rs. 59.98 crore (Rs. 19.28 for generation, Rs. 28.09 for transmission and Rs. 12.61 for distribution), as against the ADP provision of

Rs. 753.257 million. Reduced utilization was mainly on account of surrender of foreign loans which did not materialise due to debt morotorium.

Strategy for 1973-74

The main bottleneck in the WAPDA supply position during 1973-74 appears to be in the field of fuel supply for its thermal power stations. With the expansion of its thermal capacity it has become necessary for WAPDA to coordinate its natural gas requirements with the development projects of Gas Companies and also consider the use of alternate fuels particularly furnace oil at the esteam power stations.

In the northern grid system till recently the SNGPL'S contractual obligations to WAPDA for supply of natural gas were 57 million cft. per day —40 mcf for Multan, 12 mcf for Lyallpur and 5 mcf for Shahdara (subject to availability). The gas commitment was enhanced during 1972-73 to 92 million cft per. day—42 mcf. for Multan 30 mcf. for Lyallpur and 20 mcf. for Shahdara. Inspite of this increase WAPDA requires during 1973-74 an additional 91 mcf. per day of natural gas—65 mcf for Guddu and 26 mcf. for the proposed 200 MW gas turbine station at Lyallpur. WAPDA has agreed to use raw gas at the Guddu Power Station but for meeting the gas requirements of the proposed new station at Lyallpur 26 mcf. per day of purified gas would be required by March 1974 in addition to the existing contractual obligations. In order to make this additional supply available to WAPDA the gas company will have to undertake an expansion programme over and above their normal expansion during 1973-74.

With the setting up of an Up-country refinery at Multan and production of large quantities of furnace oil it might perhaps be advisable to consider its use for meeting the fuel requirements of WAPDA thermal power stations. The existing price of furnace oil in terms of heating value is twice that of the existing gas tariff which explains WAPDA's hesitation in switching over from natural gas to furnace oil.

But in Karachi area, KESC is switching over from Natural gas to furnace oil in a planned manner. The 125 MW unit No. 3 at Korangi is fully on furnace oil and KESC is in the process of switching units 1 and 2 (66 MW each) to furnace oil by the end of 1973. KESC was persuaded to switch over from natural gas to furnace oil through price mechanism making the use of furnace oil competitive *vis-a-vis* natural gas. During 1973-74 effort should be made to ensure proper and full supply of fuel to meet the additional requirements of the WAPDA thermal power stations in order to avoid any likely shortfall in power supply in the winter months.

Although considerable progress has been made in improving operational efficiency in the fields of transmission and distribution, there is still considerable scope for reducing overall power losses particularly through pilferage. There is an urgent need for proper metering not only on 11 KV feeders but also at the grid stations where energy meters are either not installed or if installed are not in proper working order.

It might be useful to introduce a full-fledged meter department in power wing of WAPDA. The functions of this department could be to identify areas of exhorbitant losses for investigation and to keep the meters properly caliberated. With properly caliberated meters on each 11 KV feeder, it will be a simple matter to detect the quantum of theft. Demarcation of sub-divisions on feeder-wise basis and delegation of authority to field officers to detect stealing might be of immense help in fighting this social evil.

Programme for 1973-74

The annual development programme for 1973-74 has an allocation of Rs. 95.97 crores and an estimated foreign exchange component of Rs. 47.42 crores. It attempts to protect not only the on-going projects but also to provide for new generation and transmission projects. The proposed capital investment during the year is nearly two times the level of investment made in 1970-71 and 1971-72 and has an acceleration of 60% over the previous year. Various works to be carried out in 1973-74 are described below :

Generation

The much delayed Mangla units 5 and 6 of 100 MW each will be finally commissioned by 31st October, 1973 and 28th February, 1974 respectively. This will add 230 MW (Maximum) to the northern grid system in summer and 134 (minimum) during winter in average water years. Guddu Power Station stage I comprising units 1 and 2 of 100 MW each are also scheduled to be commissioned in the later part of 1973-74 enhancing WAPDA's power capability by 220 MW.

In addition to the provision for Guddu stage I, the programme provides Rs. 1.0 crore for stage II consisting of one unit of 210 MW to be procured and installed under the Russian credit. An agreement has already been reached with the Russians for a partial turn-key contract where the Russian responsibility would be to the extent of supply of plant and machinery and supervision of its installation. Through the provision of Rs. 1.00 crore in the ADP WAPDA will be in a position to initiate civil works for the second stage of the project during 1973-74.

In respect of Tarbela unit 1 to 4 of 175 MW each, the ADP 1973-74 provides for the import of plant and machinery from Japan costing Rs. 8.00 crores. Delay in finalising credit formalities with Japan has pushed the commissioning dates of Tarbela units by six months to one year. Efforts will be made during 1973-74 to make up for the lost time.

Sufficient allocation has been made to expedite the completion of Quetta Thermal Power Station extention (15 MW) on the assumption that credit formalities with West Germany will be finalised soon. Provision has also been made for Mangla units 7 and 8 for drawing up the project-*cum*-feasibility report and for Tarbela units 5 and 8 for undertaking in-escapable items of work by the present contractor at site.

The most notable allocation to the tune of Rs. 12.00 crores with a foreign exchange component of Rs. 9.00 crores has been made for the new scheme of " 200 MW gas turbine station Lyallpur " to be partially completed by June 1974. The station is designed not only to provide peaking power but would also contribute in improving the power factor at Lyallpur, reduce transmission losses and create capacity for meeting emergency requirements during break-downs.

The total allocation for generation in the ADP stands at Rs. 31.00 crore with a foreign exchange component of Rs. 18.58 crore. The total installed capacity in the country is likely to increase from 2,025 MW to 2,500 MW on account of the commissioning of Mangla units 5 and 6, Guddu units 1 and 2, and 3 out of 8 turbines of 200 MW gas turbine station at Lyallpur. The total generation is likely to expand from an estimated 8,881 million kwh in 1972-73 to 9,800 million kwh in 1973-74 with the consequent rise in *per capita* generation from 135 units to 150 units.

Transmission and distribution

In the transmission sector, the ADP provides for initiation of work associated with Tarbela development. Three 220 KV circuits from Tarbela to Wah required to bring the out-put of Tarbela units one and two into the grid system will be undertaken with Chinese assistance and preliminary work in respect of Tarbela-Lyallpur 500 KV transmission line will be started with Canadian assistance. The former scheme is scheduled to be completed by June, 1975 and the latter by March, 1976 to synchronise with the commissioning of Tarbela unit 1 and 2 in December 1975 and 3 and 4 by June 1976.

In the light of the load forecasts for the Baluchistan Province a new scheme of Guddu-Sibbi-Quetta Transmission line Interlink was initiated. The ADP 1973-74 provides for Rs. 30.0 million with 15 million Foreign exchange. The scheme proposes to errect single circuit 220 KV lines from Guddu to Sibbi and double circuit 132 KV lines from Sibbi to Quetta. The most significant feature of the scheme is that locally manufactured concrete poles will be used on Guddu to Sibbi portion of the Transmission line instead of Imported tower structures. The up-to-date schedule of completion of this scheme is December, 1977.

The northern zone transmission line extension associated with Mangla units 5 and 6 has been provided with sufficient funds to import sub-station equipment and transmission line hardware for the Mangla—Wah 220 KV transmission line and for adding an additional 220 KV circuit between Mangla and Kalashah-Kaku. In the southern zone the programme provides for completion of the Guddu-Naushero Feroz-Hyderabad 132 KV transmission line with the energisation of the Rohri-Naushero Feroz section.

Besides commissioning of these important transmission lines, the programme provides Rs. 24.00 crore for the construction of secondary transmission lines and grid stations. A large number of sub-stations with a total installed transformation capacity of 820 mva along with associated secondary transmission lines will be completed during 1973-74. The following secondary transmission lines will be completed :

Province-wise break-up of various transmission lines which are likely to be commissioned during 1973-74

PUNJAB

132 KV Lines

1.	In and out at Lawrencepur	2 miles
2.	In and out at Sambrial	3 miles
3.	Re-routing Shalimar-Kot-Lakhpat through Harike Road	4 miles
4.	Lyallpur Ring	34 miles
5.	Mian Channu—Chicha Watni-Sahiwal Stringing of 2nd Circuit	48 miles
6.	Jaranwala Road—Old thermal Station, Lyallpur	4 miles
7.	Lodhran in and out	2 miles
8.	Ravi-Saidpur	10 miles
9.	Lawrencepur-Campbellpur	20 miles

10.	Sialkot-Sambrial-Wazirabad	25 miles
11.	Kala Shah Kaku-Attabad	13 miles
12.	Qilla Didar Singh-Ghakkar	22 miles
13.	Okara-Wan Randah Ram	24 miles
14.	Burewala-Arif wala	25 miles
15.	Lyallpur (Samundri Road) Gojra	26 miles
16.	Nishatabad-Shah Kot	20 miles
17.	Attabad Sheikhupura	11 miles
18.	Multan (Qasimpur)-Vehari Road	5 miles
19.	Multan-Vehari Road to Vehari	45 miles
	Total	343 miles

66 KV Lines

1.	Rawal-Murree	21 miles
2.	Re-routing-Marala-Sialkot (old) through Sialkot (new)	2 miles
3.	Tapping New Kot-Lakhpat-Kasur line for Lulliani	3 miles
4.	Re-routing New Kot-Lakhpat Raiwind for Kasur line	15 miles
5.	In and out arrangement at Uch Shariff	4 miles
6.	Qilla Didar Singh-Garhi	14 miles
7.	Kila Didar Singh-Fatehpur	15 miles
	Total	74 miles

N. W. F. P.

132 KV Lines

1.	Wah-Haripur-Havelian	34 miles
2.	Nowshera-Nowshera city	3 miles
	Total	37 miles

66 KV Lines

1.	Part of Kohat-Parachanar	50 miles
2.	Abbottabad-Mansehra	13 miles
3.	In and out at Pubbi	4 miles
4.	Chakdara-Pamerdara	25 miles
	Total	92 miles

BALUCHISTAN

66 KV Lines

1.	Yaru-Ali Zai-Qilla Abdullah	40 miles

SIND

132 KV Lines

1.	Hyderabad Thermal to Hala Road	5 miles
2.	In and out at Latifabad	3 miles
3.	Guddu-Kundkot-Shikarpur	61 miles
4.	Nawabshah-Sakrand	11 miles
5.	Jamshoru-Lakhra Coal Mines	30 miles
6.	Tando Mohammad Khan-Sujawal-Thatta	30 miles
7.	Jamshoru-KESC (Valika)	90 miles
8.	Hyderabad-Tando Mohammad Khan	17 miles
9.	Nawabshah-Sanghar	35 miles
	Total	282 miles

66 KV Lines

1.	Tando Mohammad Khan-Matli-Talhar-Badin	66 miles
2.	Digri-Naokot	25 miles
3.	Mirpur Khan Dhari	32 miles
4.	Mirpur Khan Digni	25 miles
5.	Dadu-Sehwan Sharif	35 miles
6.	Mirpur khas-Khapro	32 miles
	Total ..	215 miles

The total allocation to transmission sector stands at Rs. 44.87 crore with a foreign exchange component of Rs. 26.84 crore and is 60% higher than the revised estimates of 1972-73 for the sub-sector.

The programme for giving new service connections under the distribution programme will be accelerated and 50% more service connections are proposed to be given during 1973-74 over the previous year. Estimates of the province wise breakdown of the new service connections is as follows :—

Province	N.W.F.P.	Punjab	Sind	Baluchistan	Total Load
Type of Load					
Domestic	7,600	5,800	11,200	1,000	77,800
Commercial	5,200	19,900	5,400	670	31,170
Industrial	1,100	4,200	800	30	6,130
Agriculture	680	3,800	260	160	4,900
Total ..	11,580	85,900	17,660	1,860	1,20,000

The allocation to distribution field in the Annual Plan stands at Rs. 15.00 crore. By virtue of the investment in transmission and distribution sectors, the total length of transmission and distribution lines is likely to increase from 51,100 miles to 54,000 miles by June 1974 and the number of consumers will increase from 1.829 million to 1.982 million. The breakdown of consumers system-wise is given as under :—

	1972-73	1973-74
WAPDA	14,76,000	15,86,238
KESC	2,64,700	2,96,000
REPCO	88,868	1,00,000
	18,29,568	19,82,238

For the first time a separate allocation has been made in the ADP for rural electrification under a Presidential directive. It is proposed to electrify 500 villages for which an allocation of Rs. 5.00 crore has been made.

The total allocation for WAPDA sector-wise is as under :—

	Revised Estimates 1972-73	Provision for 1973-74	Foreign Exchange Component
Generation	19.28	31.00	18.58
Transmission	28.09	44.87	26.84
Distribution	12.61	15.00	2.00
Other programme	—	0.10	—
Total ..	59.98	95.97	47.42

WAPDA's position after flood was reviewed and it was decided that WAPDA will meet the damages from its existing allocation by re-proportionating funds. No change in the total allocation was recommended in the revision of the ADP.

List of important schemes to be undertaken by WAPDA is given in Appendix I.

Private Sector

In the Karachi Electric Supply system the maximum demand registered during the year 1972-73 was 312 MW and the system generated 1,641 million kwh. During 1973-74 the maximum demand is projected to increase to 340 MW and the system is expected to generate 2,000 million kwh.

The order for the installation of the fourth Korangi unit (125 MW) has been placed against an Asian Development Bank loan of $ 21 million. The civil work associated with the construction of this unit will be undertaken during the year. The unit is to be commissioned during 1976.

The maintenance schedule for the different generating units of Karachi Electric Supply system has been drawn up in conjunction with the maintenance of KANUPP. The KANUPP Station is scheduled to be withdrawn from 1st November, 1973 upto 31st December, 1973 to undertake modification work on the conventional part of the station for obtaining guaranteed heat rate. After the reconnection of KANUPP the third Korangi unit of 125 MW (CX Station) is scheduled to be withdrawn from 15th January, 1974 to 15th March, 1974 for annual maintenance. In this manner the capability of the system at all times will be kept around 422 MW upto 1st November, 1973, subsequently at 363 MW upto 15th March 1974 and thereafter restored to the original level upto 30th June 1974. There will be, it is hoped, sufficient generating capacity to cater for the projected demand of the Karachi Electric Supply as well as export of 25 MW from Karachi to Hyderabad.

OTHER CENTRAL PROGRAMMES :—

Pakistan Atomic Energy Commission

The 125 MW Karachi nuclear Power station was inaugurated by the President of Pakistan in November 1972. With the completion of this project Pakistan achieved a break through in the field of nuclear engineering. During 1973-74 the Commission proposes to undertake feasibility studies for a 500/600 MW northern nuclear power station and a 350/400 MW dual purpose nuclear power station in Karachi/Mekran coast.

Provision has been made to enable the Commission to initiate nuclear power auxiliary projects. The Commission also proposes to continue exploration work which is being undertaken with U.N. assistance in D.G. Khan district. The total allocation to cover the development activities of the Commission during 1973-74 is Rs. 3.37 crore with a foreign exchange component of Rs. 0.94 crore.

Natural Resources Division

In order to carry out the long over due " comprehensive energy resources survey for evolving a national energy policy " the ADP 1973-74, provides Rs. 0.25 crore. The survey to be completed in two years at an estimated cost of Rs. 0.61 crore is being undertaken by the Ministry of Fuel Power and Natural Resources with UNDP assistance.

Centrally Administered Areas

To help accelerate the electrification of Azad Kashmir and Northern Areas the ADP 1973-74 provides Rs. 0.54 crore as against the previous year estimate of Rs. 0.11 crore. In addition a sum of Rs. 0.05 crore has been provided for the electrification of centrally administered tribal areas.

To summaries, the total allocation for the power sector in the Annual Plan stands at Rs. 100.18 crore with a foreign exchange component of Rs. 48.56 million. The breakdown of the allocation is as under :—

(Crore Rupees)

	Total Allocation	F. E. Component
WAPDA (Power)	95.97	47.42
Atomic Energy	3.37	0.94
Energy Survey (Natural Resources Division)	0.25	0.20
Other programmes	0.59	—
	100.18	48.56

Appendix I

ANNUAL DEVELOPMENT PROGRAMME 1973-74

(POWER)

(Crore Rupees)

A. WAPDA

Name of the Schemes

Generation	
1. Quetta Thermal Power Station Extension	0.63
2. Guddu Thermal Power Project :	
(i) Stage I	4.95
(ii) Stage II	1.00
3. Mangla Hydro Electric Power Station Extension (Unit 4, 5, 6)	1.22
4. Mangla Hydro-Electric Power Station Estension (Units 7 and 8)	0.05
5. Tarbela Hydro-Electric Power Station Extension (Units 1, 2, 3, 4)	10.50
6. Tarbela Hydro-Electric Power Station Extension	0.50
7. Chitral Hydro-Electric Plant	0.15
Transmission	
8. Lyallpur-Guddu-Karachi 500 KV Interlink (Southern Zone Transmission Lines)	0.10
9. Tarbela-Lyallpur 500 KV Interlink	5.00
10. Providing three 220 KV circuits from Tarbela to Wah	2.50
11. Northern Zone Transmission Lines (220 KV Khangla-Kala Shah Kaku-Kot Lakhpat)	0.27
12. Northern Transmission Line Extension for Mangla (Units 5 to 8)	10.00
13. Secondary Transmission Line and Grid Station in West Pakistan	24.00
Distribution	
14. Distribution of Power in West Pakistan	15.00
15. Rural Electrification	5.00
New Schemes	
1. 200 MW Gas Turbine Generation Plant at Lyallpur	12.00
2. Guddu Quetta 220 KV/132 KV Transmission Line	3.00
3. General Investigations water and Power	0.10
Sub-Total (A)	**95.97**

B. CENTRAL PROGRAMMES

1. Pakistan Atomic Energy Commission	3.37
2. Energy Survey (N. R. Division)	0.25
3. Other Programmes	0.59
Sub-Total (B)	**4.21**
GRAND TOTAL (A&B)	**100.18**

CHAPTER 15

TRANSPORT AND COMMUNICATIONS

Review of 1972-73

In 1972-73, the budgetary provision for the Transport and Communications Sector was Rs. 73.086 crore (public sector) of which Rs. 73.052 crore (about 98 per cent) was utilised as follows :

In the case of highways development and road transport corporations in West Pakistan, implementation was of the order of 104 per cent of the allocations.

As regards the Central projects, an investment of Rs. 53.00 crore was made against the allocation of Rs. 53.7 crore. The financial investment was thus nearly 100 per cent of the allocation while the expenditure on other roads exceeded the budget provision by Rs. 4.503 crores, shortfall occurred in the case of P.W. Railway, which spent only Rs. 10.7 crore against the allocation of Rs. 17.5 crore.

In the semi-public sector, expenditure on the Karachi Port Exceeded the budget provision by Rs. 1.334 crore and on Road Transport Corporations by Rs. 1.41 crore. Similarly PIA's performance exceeded by Rs. 6.5 crore against the allocation of Rs. 1.7 crore to bring the total expenditure to Rs. 8.2 crore. This was mainly due to down payment for acquisition of wide-bodied aircraft. Investments in the National Shipping Corporation remained low.

Annual Plan for 1973-74

The annual development programme for 1973-74 in Public Sector was of the order of Rs. 110.83 crores, Rs. 73.10 crores for the Centre and Rs. 37.73 crores in the Provinces. However, due to the unprecedent floods that occurred in August, 1973 the Transport and Communications system in the provinces of Sind and Punjab was adversely affected. The restoration works which have been explained in the respective sub-sectors necessitated a change in the allocation, which thanks to the deligent action by all the concerned departments, only required minor changes. The Annual Plan now is of the order of Rs. 112.22 crores, Rs. 71.60 crores in the Centre and Rs. 40.62 crores in the Provinces.

The public sector allocation for 1973-74 is more than one-and-a-half times the actual expenditure during the preceding year. The programme is designed to achieve expeditious restoration of flood damages in Sind and Punjab and completion of the on-going projects and optimum utilisation of available capacity in all the provinces.

In the Semi-public sector an investment of Rs. 216.824 crore is anticipated, Rs. 187.57 crore in the Centre and Rs. 29.29 crore in the provinces. The largest single item here is PIA's provision of Rs. 134.8 crore mainly for the purchase of long-range wide-bodied aircraft.

Considering the importance of Road Transport in the economy, accelerated development is proposed in the field of roads and road transport. About 630 miles of new roads will be constructed and about 662 miles of existing roads will be reconditioned and widened. Indus highway phase-I and RCD highway are included in the programme. Detailed feasibility study for the second phase of Indus Highway, an alternate national highway from Peshawar to Karachi *via* D.G. Khan will be completed. Bridge over Chenab at Wazirabad and Shershah bridge will also be constructed. Larkana-Sukkur road and Kinjer lake road will be constructed and investigation for the bridge over Indus between Dadu and Moro will be taken up. Feasibility studies of the bridge over Indus between D. I. Khan and Darya Khan and a tunnel under Lowari Pass will also be taken up. Construction of Attock bridge and the bridge over Kabul River at Nowshera will be in progress. Work on Killa Saifullah—Fort Sandeman road and Loralai—D. G. Khan road will be speeded up. The Road Transport Corporations of the provinces will procure 2689 buses during the year 1973-74.

It is proposed to accelerate the development of P.W.R. which should play an increasing role as a bulk carrier. The programme envisages procurement of 68 Diesel Electric Locomotives, manufacture of 75 passenger coaches and 40 wagons and modernisation of 800 wagons. The work of Pipri Marshalling Yard and detailed designing of second track and the bridge at Kotri will also be taken up.

Installation of 25,000 telephone lines will be accomplished alongwith ancillary works, besides improvement of telephone exchanges and long distance facilities, provision of telecommunication facilities in

the Northern Regions. Establishment of public call offices in 28 Markazes under the Integrated Rural Development Programme has also been planned.

Work will be in progress on the development scheme of the Karachi Port. Construction of the new port, Bunder Qasim, will be started. Possibilities are also being explored for the establishment of a port on Makran Coast.

The on-going schemes of the Civil Aviation Department at Islamabad Airport, Karachi Airport, Lahore Airport and extension works at Mohenjodaro, Quetta and Peshawar airports will be completed.

Compared with the preceding years achievement, the acceleration of development in 1973-74 will be substantial in the case of broadcasting, television and Pakistan Post Office.

A brief description of the development programme of various sub-sectors under various executing agencies is as follows :

West Pakistan

The total allocation for 1973-74 to the four provinces as envisaged in the original ADP stood at Rs. 37.73 crores in the Public Sector and Rs. 29.29 crores in the Semi-public sector. However, due to the Floods, ADP allocation for the provinces of Sind and Punjab in respect of roads had to be increased by Rs. 0.89 crores and Rs. 2.00 crores respectively. The revised allocations for the West Pakistan now stand at Rs. 40.62 crores in the public sector and Rs. 29.29 crores in the semi-public sector. The public sector allocation are higher than the allocation of 1972-73 by Rs. 20.68 crores (or by 102 per cent).

ADP allocations for 1972-73, estimated expenditure for 1972-73, original ADP allocation for 1973-74 and post floods revised allocation for 1973-74 are given below :—

(Crore Rupees)

Name of Sub-sector	Provision for 1972-73	Expenditure estimated 1972-73	Allocation for 1973-74	Post flood allocation 1973-74
A. Public Sector				
1. Road and Road Transport Corporation :				
Roads in Punjab	9.5	11.70	21.50	23.50
Roads in Sind	4.28	3.96	7.20	8.09
Sind RTC	0.75	—	—	—
Roads in N.W.F.P.	2.00	1.88	4.48	4.48
N.W.F.P. R.T.C.	0.33	—	1.16	1.16
Roads in Baluchistan	2.47	—	3.39	3.39
Baluchistan R.T.C.	0.05	—	—	—
Total (A) ..	19.38	20.06	37.73	40.62
B. Semi Public Sector				
1. Punjab Road Transport Corporation	4.22	2.04	23.38	23.38
2. Sind Road Transport Corporation	—	3.59	5.91	5.91
Total (B) ..	4.22	5.63	29.29	29.29

Punjab

The original ADP for 1973-74 for Punjab provided Rs. 21.50 crores for highways and bridges in the public sector and Rs. 23.38 crores for the Road Transport Corporation in the semi-public sector. The allocations for roads in the Punjab were increased by 2.00 crores to cater for the needs of reconstruction and

rehabilitation after the floods. A comparative statement of sub-sectoral allocation for 1972-73, 1973-74 original and 1973-74 revised is given below :

(Crore Rupees)

Sub-Sector	1972-73	1973-74 (Original)	1973-74 (Revised)
1. **Public Sector**			
Highways and Bridges	9.50	21.50	23.50
2. **Semi Public Sector**			
Road Transport Corporation	4.22	23.38	23.38
Total ..	13.72	44.88	46.88

Highways

In 1972-73 a provision of Rs. 9.50 crore was made for the improvement and widening of 250 miles of roads and new construction of 80 miles of roads. Against this an expenditure of Rs. 11.70 crore was incurred on the reconditioning and widening of 382 miles of existing roads. A number of bridges were taken up for construction/improvement. Among these were two major bridges on the Chenab one near Wazirabad and other near Shershah. Another major bridge on Bein Nullah at Shakargarh is also under construction.

For 1973-74, provision of Rs. 21.50 crores was originally made for roads and bridges. However, in August, 1973 a total of 114 roads involving 935 miles were damaged by floods and heavy rains. The Grand Trunk Road between Lahore and Rawalpindi was seriously breached near Wazirabad. The Pakistan High Way was breached at several places in Bahawalpur Division. Extensive damage was done to roads in other areas. Road links with a number of important district headquarters were also disrupted. The total cost of reconstruction has been estimated at Rs. 83.3 million by the Provincial Government, which was met with by diversions from the PWP (Rs. 50.00 million) and increased allocation for 1973-74 (Rs. 20.00 million). The balance of Rs. 13.33 million has been spent from normal maintenance grants.

The revised allocations for Punjab, besides catering for reconstruction and rehabilitation for roads damaged in the floods, will provide for widening and improvement of 280 miles of roads and 400 miles of new construction. Also construction of bridges over Chenab at Wazirabad, Shershah and Bein Nullah will continue. In addition to the work on bridges started during 1972-73, some new bridges will be taken during 1973-74. Work will be completed on the two missing links on Indus Highway under Phase-I.

Punjab Road Transport Board

In 1972-73 the Punjab Road Transport Board incurred an expenditure of 2.04 crore representing 10 per cent down payment for 144 chasses and full cost of 90 buses. A sizeable proportion of the allocation will be spent on the fabrication of bus bodies to be built in the workshops of the Punjab Road Transport Board.

For 1973-74 a provision of Rs. 23.38 crore has been made for the procurement of 1948 buses, out of which under the Crash Plan 1374 buses will be procured, and 574 buses will be procured under normal development programme. Negotiations are also underway for purchase of 1200 buses from Romania.

Sind

The original ADP for 1973-74 provided Rs. 7.20 crores for highways and bridges and Rs. 5.91 crores for Road Transport Corporation. The ADP of the Province had to be revised to take into consideration the reconstruction and rehabilitation of the roads damaged by the recent flood. A comparative statement of sub-sectoral allocation for 1972-73, 1973-74 (original) and 1973-74 (revised) is given below :

(Crore Rupees)

Sub-Sector	1972-73	1973-74 (Original)	1973-74 (Revised)
1. **Public Sector**			
Highways and Bridges	4.28	7.20	8.9
Sind R.T.C.	0.750	—	—
2. **Semi Public Sector**			
Road Transport Corporation	2.73	5.91	5.91
Total ..	7.76	13.11	15.89

Highways

A provision of Rs. 4.28 crores was made in 1972-73 for the construction of about 104 miles of new roads and reconditioning and widening of about 127 miles of existing roads. Against this an expenditure of Rs. 3.96 crore was incurred and 30 miles of new roads were constructed and 90 miles of existing roads were reconditioned and widened.

The allocation of Rs. 7.20 crores had been originally made in 1973-74 for construction of 100 miles of new roads and reconstruction and widening of 150 miles of existing roads including Larkana-Sukkur road and Kinjher Lake road. Improvement of Indus Highway Phase-I and Drigh Road were also to be completed. Detailed investigation were to be taken up for a bridge over Indus between Dadu and Moro and some other projects. However, in Sind, roughly 100 miles of roads were affected by floods. Among the major roads affected by floods were the National Highway between Hyderabad and Sukkur and the Indus Highway on the right bank of the Indus between Kotri and Sehwan and in Larkana District. The cost of reconstruction of roads in Sind is estimated at Rs. 28.9 million, out of which Rs. 20.00 million was provided from the P.W.P. and the balance has been provided in the new allocation.

Sind Road Transport Corporation

During 1972-73 Sind Road Transport Corporation acquired 302 buses at a total cost of Rs. 3.59 crore. During 1973-74 an allocation of Rs. 5.91 crore has been made for the procurement of 492 buses, under a Crash Plan about 340 of these buses will be procured on a high priority.

N. W. F. P.

The ADP for 1973-74 provides Rs. 5.64 crore for highways and bridges including Rs. 1.16 crore for the Road Transport Corporation in the Public Sector. In addition, a provision of Rs. 1.74 crore has been made in the semi-public sector for R.T.C.

A comparative statement of Sub Sectoral allocation for 1972-73 and 1973-74 is given below :—

(Crore Rupees)

Sub-Sector	1972-73	1973-74
1. **Public Sector :**		
Highways and Bridges	3.32	4.42
N.W.F.P. Road Transport Corporation	0.33	1.16
Total ..	3.65	5.64

Highways

A provision of Rs. 1.99 crore was made in 1972-73 for the construction of 23 miles of black topped roads, 12 miles of shingle roads and improvement of 46 miles of existing roads. Against this an expenditure of Rs. 1.88 crore was incurred.

An allocation of Rs. 4.48 crore has been made for roads and bridges during 1973-74 for the construction of 60 miles of new roads and reconditioning and widening of 110 miles of existing roads. Improvement portions and missing links of Indus Highway Phase-I will be completed. Feasibility study of Dera Ismail Khan-Darya Khan bridge and construction of a bridge over Kabul river at Nowshera and a new Attock Bridge will be undertaken. In addition, several small bridges will also be constructed.

N.W.F.P. Road Transport Corporation

The Road Transport Corporation was allocated Rs. 0.33 crore during 1972-73 but no expenditure was incurred.

An allocation of Rs. 1.16 crore has been made in the public sector for the Road Transport Corporation during 1973-74 for the procurement of 50 buses, fabrication of bus bodies for 72 buses and procurement of 145 buses under a crash plan.

Baluchistan

Rs. 3.39 crore has been provided for highways and bridges in the Public Sector during 1973-74.

A comparative statement of Sub-sectoral allocation for 1972-73 and 1973-74 is given below :

(Crore Rupees)

Sub-sector	1972-73	1973-74
1. Public Sector		
Highway and Bridges	2.47	3,39
Baluchistan RTC	0.05	
Total ..	2.52	3.39

Highways

A provision of Rs. 3.472 crore was made during 1972-73 for roads and bridges. Against this an expenditure of Rs. 2.522 crore was incurred. Sizeable work was done on the RCD Highway and the bridge over Hub River has been completed.

An allocation of Rs. 3.39 crore has been made for roads and bridges during 1973-74 for the construction of 70 miles of new roads and reconditioning and widening of 122 miles of existing roads. Work will be in progress on the RCD highway, Killa Saifullah—Fort Sandeman road, Loralai—D.G. Khan road and bridge over Porali.

Centre

The original central Annual Development Programme 1973-74 provided Rs. 73.099 crores in the Public Sector and Rs. 187.53 crores in the Semi-Public Sector. However, the central ADP 1973-74 had to be curtailed by Rs. 1.5 crores, on account of flood damages to rail communications. The reduction in central ADP is only in the allocation for P.W.R. to meet the requirements of reconstruction and rehabilitation of the damaged tracks. A large amount in the semi-public sector is mainly accounted for the PIA allocations of Rs. 134.80 crores. Agency-wise allocation incorporating the affects of the floods are tabulated below :

(Crore Rupees)

Sub-sector	Allocation for 1972-73	Estimated Expenditure for 1972-73	Allocation for 1973-74	Revised allocation 1973-74
A Public Sector :				
1. Telegraph and Telephones	24.17	24.17	27.50	27.50
2. Post Offices	0.36	0.36	0.70	0.70
3. P. W. Railway	17.48	10.69	20.86	19.36
4. D. G. Ports and Shipping	0.32	0.15	0.38	0.38
5. Bunder Qasim	0.18	0.28	5.00	5.00
6. Other Roads	5.00	9.50	8.62	8.60
7. Roads in Azad Kashmir, Northern Areas and States and Frontier Regions..	1.37	1.71	2.51	2.51
8. Civil Aviation	2.92	3.33	1.54	1.54
9. Broadcasting	1.41	1.31	2.17	2.17
10. Television	0.50	0.50	3.82	3.82
11. National Academy of Mass Media	—	—	—	—
12. N. T. R. C.	—	—	†0.20	0.20
Total (A) ..	53.71	53.00	73.10	71.60

†To be met with by re-appropriation.

B. Semi-Public Sector :				
1. Karachi Port	5.38	6.76	5.97	5.97
2. National Shipping Corporation	10.03	0.41	46.76	46.76
3. P. I. A. C.	1.70	8.30	134.80	134.80
Total (B) ..	17.16	15.47	187.53	187.53

Telegraph and Telephones

A provision of Rs. 24.172 crore was made in 1972-73 for the expansion of telecommunication system, including installation of 25,000 telephone lines in West Pakistan. Both the physical and financial targets were achieved.

An allocation of Rs. 27.500 crore has been made in 1973-74 for achieving the following targets ;

(*i*) Installation of 25,000 telephone lines alongwith works.

(*ii*) Provision of telecommunication facilities in the Northern regions.

(*iii*) Improvement of telephone exchanges and long-distance facilities ; and

(*iv*) Expansion of the Telecommunications Research Centre.

It is also proposed to examine the possibilities of running the Department on more sound commercial lines and ensuring maximum utilisation of the installed capacity of the three factories in West Pakistan.

The floods damaged the main nerve of the telecommunication system between Rawalpindi and Karachi, which consisted of underground coaxial cable and allied equipment used in repeater huts installed at every 6 miles along the route from Rawalpindi to Lahore-Lyallpur-Sargodha-Jhang-Multan-Bahalwalpur-Sukkur-Hyderabad-Thatta and Karachi. Damage in the Bahawalpur-Rahimyar Khan section was the most serious. The telecommunication link between northern and southern areas remained out of commission for about a month, causing a serious set-back to the economy and a revenue loss of about Rs. 8 million to the T & T Department.

In all, 224 miles length of coaxial cable was affected in various flooded areas. Sixty coaxial repeater huts were damaged. In addition, about 2000 miles of carrier and trunk pairs, 500 miles of railway control and 250 miles of canal lines were damaged, costing about Rs. 3.5 crore.

Communication was restored initially by temporary repairs, wherever possible, followed by permanent repair to overhead lines, coaxial cable repeater huts etc. The work was completed with great expedition to the credit of the Department. The expenditure was met from the revenue budget.

Post Offices

An allocation of Rs. 0.36 crore was made in 1972-73 which was fully utilised. A provision of Rs. 0.696 crore has been made for 1973-74 to execute the following works :—

	(Crore Rupees)
(i) On-going schemes for the construction of 75 postal buildings and 358 residential quarters	0.266
(ii) On-going scheme for the construction of Office Building for the Directorate General and residential quarters at Islamabad	0.250
(iii) New schemes for the construction of 28 residential quarters and purchase of mail motors	0.180
Total ..	0.696

A province-wise description of works is as follows :—

	Baluchistan	*N.W.F.P.*	*Punjab*	*Sind*	*Total*
I. Post Office Building :					
Head Offices	—	—	2	—	2
Sub-Offices	4	6	16	12	38
II. Residential Quarters	35	38	60	70	200
III. Mail Motor Vehicles	1	2	4	3	10

Railways

A provision of Rs. 17.48 crore was made for Pakistan Western Railway in 1972-73 for rolling stock, track and other structural and engineering works. Against this an expenditure of Rs. 10.691 crore was incurred. The shortfalls in expenditure was due to lesser number of passenger coaches and wagons manufactured and also less mileage renewal under the track programme. During the year 1972-73, 28 passenger coaches and other coaching vehicles and 320 wagons were manufactured. Fifty miles of rail renewals and 50 miles of sleeper renewals were completed upto March, 1973. The last section of the Kashmore-D.G. Khan rail link was completed and opened to traffic. Construction of Shershah bridge was in progress.

A provision of Rs. 20.863 crores was originally made for 1973-74 for various works. However, PWR curtailed their ADP by Rs. 1.5 crores to meet the requirements of construction and rehabilitation of the flood damages. The original allocation called for manufacture for 75 passenger coaches and 40 wagons, beside modernising 800 wagons by fitting them with roller bearings. Also included were track renewal of about 100 miles, commencement of work at Pipri Marshalling Yard, detailed designing of second track on the bridge at Kotri. Provision has also been made for procurement of 68 Diesel Electric Locomotives under the Crash Programme. The remaining work of dry port at Lahore were also to be completed. Bridge works, improved signalling and line capacity works and rehabilitation and expansion of workshops are also included in the Annual Plan. However, the P.W.R. has furnished the list of the schemes to be droped to cater for the curtailed ADP has not been furnished by P.W.R.

During the floods of 1973, sixteen sections in Punjab, two in the NWFP and three in Sind were affected over the P. W. Railway. Of these, six were on the main line. The total number of breaches that occurred in all the Sections over the Railway is 263 aggregating a length of 8.5 miles and maximum depth varying from 4 feet to 30 feet. Of these 70 breaches occurred on the main line aggregating a length of 2.44 miles. In addition the railway track over the affected portions sank and partially eroded aggregating a length of 17 miles. Twenty-one bridges in all were seriously damaged. Out of this number, 18 were located on the main line. The piers, abutments in most of the briges were washed away which resulted in the falling of griders supporting the railway track. Two protective marginal bunds-one at Haripur and the other at Shershah also breached, Shahdra Bagh, Khanpur, Foroza, Chanigot, Amri, Wazirabad, Baddomalhi and Bhawalpur stations were inundated and the depth of water at these stations varied from 3 feet to 4 feet. The total estimated cost of restoration of damages stood at Rs. 3.00 crores, which has been accomodating from the revenue budget. The railways have curtailed their ADP by Rs. 1.5 crores with the revised allocation at Rs. 19.36 crores.

Ports and Shipping

A provision of Rs. 0.317 crore was made for studies on new port sites during 1972-73 against which an expenditure of Rs. 0.150 crore was incurred. Work was in progress on the model tests and other studies for a port at Sonmiani. The Seamen's Training Centre, and provision of Navigational Aids on the coast of West Pakistan also made progress during the year.

A provision of Rs. 0.39 crore has been made for the 3 projects during the year 1973-74.

Port Bunder Qasim

A provision of Rs. 5.00 crore has been made during 1973-74 for the development of Bunder Qasim.

Karachi Port

A provision of Rs. 5.37 crore was made during 1972-73 for the development of Karachi Port, against which an expenditure of Rs. 6.76 crore was incurred. Sufficient progress has been made in respect of the Second Karachi Port Project which includes the construction of Berths 1—4 on East Wharves, and replacement and purchase of crafts and equipment.

A provision of Rs. 5.97 crore has been made for 1973-74 to complete the works of the Second Karachi Port Project and to start work on the Third Karachi Port Project which includes construction of Berths at Juna Bunder, remodelling of M.I. Yard and procurement of two Twin-Screw Harbour and Salvage tugs.

Roads

A provision of Rs. 6.37 crore was made during 1972-73 for 'Other' roads, roads in Azad Kashmir and Northern Areas and roads in States and Frontier Regions. Against this an expenditure of Rs. 11.22 crore was incurred. Progress was made on the on-going schemes in Azad Kashmir and Northern Areas and States and Frontier Regions and the expenditure exceeded the provision in the ADP for 'other' roads by Rs. 4.50 crore.

A provision of Rs. 11.13 crore has been made during 1973-74 for other roads, roads in Azad Kashmir and Northern areas and roads in States and Frontier Regions. Works on the on-going schemes will continue and a few new schemes will be taken up. Conversion of existing jeepable road between Gilgit and Skardu into 3 tonner road will also be taken up.

Civil Aviation

A provision of Rs. 2.93 crore was made during 1972-73 for the development of airports and terminal facilities, against which an expenditure of Rs. 3.93 crore was incurred. The expenditure exceeded the ADP provision due to the inclusion of airport schemes for Mohenjodaro, Quetta and Peshawar.

A provision of Rs. 1.54 crore has been made during 1973-74 to complete the work on the on-going schemes at Islamabad, Karachi and Lahore Airports and, extention works at Mohenjodaro, Quetta and Peshawar airports.

National Shipping Corporation

A provision of Rs. 10.03 crore was made during 1972-73 for the acquisition of 5 ships by the N.S.C. but the actual achievement remained negligible for want of foreign exchange financing. A provision of Rs. 46.76 crore has been made for 1973-74 to procure eight ships as detailed below :—

(Crore Rupees)

	Cost	*Custom duty*
(i) Purchase of two secondhand oil tankers	10.00	1.50
(ii) Purchase of 3 secondhand cargo vessels	12.00	1.80
(iii) Construction of one vessel at K.S.E.W. (order placed)	6.28	—
(iv) Placement of orders for 2 new cargo vessels	15.18	(payable on delivery)
	43.46	3.38

P. I. A. C.

An allocation of Rs. 1.70 crore was made during 1972-73 mainly for the procurement of essential ground equipment for handling wide-bodied aircraft. An expenditure of Rs. 1.65 crore was incurred on this item. Besides this, an amount of Rs. 5.90 crore was paid in connection with the proposed procurement of wide-bodied aircraft. In addition Rs. 0.70 crore were spent on the new airport terminal building at Karachi. The total expenditure in 1972-73 was thus of the order of Rs. 0.829 crore.

In 1973-74, an expenditure of Rs. 134.80 crore is envisaged, of which Rs. 93.10 crore or about 70 per cent relates to the procurement of two wide-bodied aircraft. Other important items concern the procurement of three short to medium haul twin jets (Rs. 17.10 crore), ground support equipment for wide-bodied aircraft (Rs. 0.66 crore). Hangers and supporting facilities for wide-bodied aircraft (Rs. 8.75 crore), and decoration of the Boeing-707 fleet (Rs. 2.97 crore).

National Transport Research Centre

The proposal to establish a National Transport Research Centre in the Planning Commission to undertake basic research and ensure coordinated development of the transport system could not materialise during 1972-73. The scheme has now been approved under which the project will be taken up.

Broadcasting

A sum of Rs. 1.41 crore was provided for the development of broadcasting facilities in 1972-73, against which an expenditure of Rs. 1.31 crore was incurred. Progress was made on the on-going schemes concerning the installation at Islamabad of two 250 KW SW Transmitters, two 100 KW SW transmitters, one 1000-KW MW transmitter, and construction of a Broadcasting House, besides certain other essential facilities in the Federal Capital. The 150-KW MW transmitter project at Quetta also made some progress.

A provision of Rs. 2.17 crore has been made in 1973-74 to continue the work on these projects and take up work on a broadcasting house and a 300-KW MW Transmitter for Peshawar.

Television

An allocation of Rs. 0.50 crore was made in 1972-73 for the development of television facilities which was fully utilised. In 1973-74, a provision of Rs. 3.82 crore has been made. It is proposed to construct a microwave link between Karachi and Lahore and embark on a long-term programme which envisages a large-scale expansion of television facilities at a total estimated cost of Rs. 46.00 crore.

ANNUAL PLAN 1973-74

TRANSPORT AND COMMUNICATIONS

SUMMARY — ALL PAKISTAN AND BY EXECUTING AGENCIES

(Crore Rupees)

Sector/Sub-Sector	Allocation for 1972-73	Estimated expenditure in 1972-73	Revised Allocation for 1973-74
1	2	3	4
PUBLIC SECTOR			
West Pakistan			
1. Roads in Punjab	9.50	11.70	23.50
2. Roads in Sind	4.28	3.96	8.09
3. Sind R.T.C.	0.75	—	—
4. Roads in N.W.F.P.	2.00	1.88	4.48
5. N.W.F.P. R.T.C.	0.33	—	1.16
6. Roads in Baluchistan	2.47	2.52	3.39
7. Baluchistan RTC	0.05	—	—
Total (West Pakistan)	19.38	20.06	40.62
Centre			
1. Telegraph and Telephones	24.17	24.17	27.50
2. Post Offices	0.36	0.36	0.70
3. P. W. Railway	17.48	10.69	19.36
4. D. G. Ports and Shipping	0.32	0.15	0.38
5. Bunder Qasim	0.18	0.28	5.00
6. Other Roads	5.00	9.50	8.62
7. Roads in Azad Kashmir, Northern Areas and States and Frontier Regions	1.37	1.71	2.51
8. Civil Aviation	2.92	3.33	1.54
9. Broadcasting	1.41	1.31	2.17
10. Television	0.50	0.50	3.82
11. National Academy for Mass Media communication	—	—	—
12. N.T.R.C.	—	—	*0.20
Total (Centre)	53 71	53.00	71.60
Total (Public Sector)	73.09	73.06	112.22

*To be met with by re-appropriation.

SEMI — PUBLIC SECTOR			
West Pakistan			
1. Punjab Road Transport Corporation	4.22	2.04	23.38
2. Sind Road Transport Corporation	—	3.59	5.91
Total (West Pakistan)	4.22	5.63	29.29
Centre			
1. Karachi Port	5.38	6.76	5.97
2. National Shipping Corporation	10.08	0.41	46.76
3. P.I.A.C.	1.70	8.30	134.80
Total (Centre)	17.16	15.47	187.53
Total (Semi-public Sector)	21.38	21.10	216.82

ANNUAL PLAN 1973-74

TRANSPORT AND COMMUNICATIONS : PHYSICAL TARGETS

S. No.	Sub-Sector/item	Unit	Achievement in 1970-71	Achievement in 1971-72	Achievement in 1972-73	Total for 1973-74
1	2	3	4	5	6	7
1.	Pakistan Western Railway :					
	Locomotives	Number	60	—	—	68
	Passenger carriage and other coaching vehicles ..	Number	20	39	28	75
	Wagons	Number	429	792	320	840
	Rail renewal	Miles	100	111	50	100
	Sleeper renewal	Miles	250	245	50	100
	Passenger miles	Million	6,823	5,915	6,477	6,825
	Freight Ton miles	Million	4,579	4,723	5,142	5,600
2.	High Type roads :					
	(a) Improvement	Miles	594	622	620	660
	(b) New construction	Miles	109	36	90	630
3.	Traffic handle at Karachi Port	Million tons	9.436	9.472	10.12	10.50
4.	Telephones installed	Number	20.0	10.0	25.0	25.0
5.	Post Offices	Number	80	100	140	180
6.	Traffic handled by PIA	Ton Kilo-meters	253.2	201.0	182.6	210.0
7.	Aircraft acquired by PIA	Number	9	—	—	2
8.	Ships acquired by NSC	Number	5	1	—	8

CHAPTER 16

PHYSICAL PLANNING AND HOUSING
REVIEW OF 1972-73

Financial Implementation

1. Inspite of an acceleration of about 105 per cent in financial resources for Physical Planning and Housing Sector in ADP 1972-73, these were still inadequate for the actual requirement. Additional resources of Rs. 6.27 crore were provided outside the ADP (Rs. 23.30 crore) during 1972-73. The total sectoral allocation for the year 1972-73 was therefore of the order of Rs. 29.57 crore. The total expenditure during 1972-73 is estimated to be Rs. 26.42 crore as detailed below :—

(Crore Rupees)

Executive Agency	Original allocation in the ADP 1972-73	Total allocation including the allocation made outside ADP the 1972-73	Estimated Expenditure	Percentage Implementation against original allocation
1. Punjab	8.00	11.12	11.00	137.5
2. Sind	4.24	7.39	5.13	121.0
3. N.W.F.P.	1.90	1.90	1.46	77.0
4. Baluchistan	1.19	1.19	0.57	48.0
5. Federal Government	7.97	7.97	8.26	104.0
Total ..	23.30	29.57	26.42	113.0

Physical Implementation

2. The public sector programme for housing was envisaged to concern itself primarily with the provision of land areas and infra-structure for residential purpose, to meet the needs of the low income groups. Provision of sites and infra-structure for the middle and uppper income groups was also made in the housing schemes of low income families for generating surpluses to be used in subsidizing plots for low income people.

3. The major physical targets to be achieved during 1972-73 were the development of 15,000 residential plots (12,200 in Lahore, 2,000 in Karachi and 800 in other major urban centres). In the field of water supply and sanitation, it was envisaged that work on 52 new rural water supply schemes would be initiated and the work on the on-going schemes would be completed. In addition, 28 new urban water supply, sewerage and drainage schemes were to be taken up while the work on the on-going schemes was to continue.

4. A new programme called " Agrovilles " was to be launched in 1972-73. The basic objectives of this programme being to ensure that large cities do not become over-crowded and that efforts are made to develop small towns in the rural areas to productively absorb population moving out of the rural areas in search of employment. Since this was a new programme only initial surveys and research were contemplated for launching pilot projects in the four provinces. For the capital city of Islamabad, priority was given to the construction of Simly Dam to ensure regular supply of water to Islamabad. Work on the preparation of Master Plans and Outline Development Plans of various cities and construction of most essential Government Office Buildings and Public Servants Housing was to continue.

Physical Achievements

5. The most significant achievement was the establishment of independent departments of Physical Planning and Housing in the Provinces of the Punjab and Sind and the enactment of land acquisition Act 1973 in the Punjab to facilitate speedy acquisition of land for housing at a reasonable price. In order to stimulate housing activity in the private sector, the commercial banks were authorised to provide loans for housing and the capital resources of House Building Finance Corporation were augmented so as to increase its loaning operations.

Regional Planning and Basic Development :

6. In Sind, the first phase of work relating to the preparation of Master Plan for Karachi Metropolitan Region was completed and the second phase was initiated. Aerial photography of 8 towns of Sind was completed in connection with the preparation of Outline Development Plans. The mapping work of Larkana town and town planning of areas around shrines of Shah Abdul Latif and Shah Baz Qalander progressed satisfactorily.

7. In the Punjab, aerial photography of 11 towns was completed and work on 3 towns made satisfactory progress. Outline Development Plans for Sialkot and Sahiwal were completed and the work of the preparation of Outline Development Plans for Burewala and Khanewal was initiated. Various socio-economic and physical planning studies/surveys were initiated for the preparation of Regional Development Plan for Lahore Metropolitan Region. In addition, the remaining work on the construction of residential accommodation for the staff of the Building Research Station, Lahore, was nearly complete and the construction of a Public Health Engineering Laboratory at Rawalpindi was underway.

8. In N.W.F.P. the first phase of the Regional Development Project was completed and the report on the Outline Development Plan for the Regional Development of N.W.F.P. was finalized.

9. In the Federal Government , work on the on-going Regional and Urban Development Project and selected research studies for the establishment of a Pakistan Centre for Regional and Urban Development made further progress. In addition, work on a research project entitled " Slum Improvement and Urban Development " continued and in-depth study of a slum area called " Chanesar Goth " was completed.

Agrovilles

10. In order to rationalise the spread of urbanisation in the country and provide job opportunities to the surplus farm labour, a new programme called " Agrovilles Development Programme " was launched. The agrovilles are considered to be relatively self-contained new urban settlements planned to offer their inhabitants a balanced range of essentail public services and social and cultural facilities. In order to prepare specific projects, initial surveys and research was undertaken and sites for the establishment of Agrovilles were selected.

Housing

11. In Lahore, the Lahore Township Scheme made satisfactory progress and 1,600 quarters were constructed. Work on the construction of 380 flats in Rivaz Garden Scheme was also initiated. The Lahore Improvement Trust acquired 3,900 Kanals of land and initiated the work of development of 4,270 plots for various income groups. In addition, land acquisition proceedings for the new area development schemes for providing housing to low income families in various towns and cities in the Punjab were initiated.

12. In Karachi, 2,000 residential plots were developed for various income groups and about 500 residential plots were developed in other urban centres of Sind. Construction of 1,700 flats for industrial workers was also completed in Karachi.

Government Servants Housing

13. A total of 2,000 houses were constructed for the Federal and Provincial Governments employees at Bahawalpur, Lahore, Karachi, Hyderabad, Peshawar, Quetta and Kalat.

Urban Water Supply, Sewerage and Drainage :

14. In the Punjab, work on 12 urban water supply schemes in Lahore, Gujranwala, Rawalpindi, Jhelum, Gujrat, Mianwali, Kamalia, Daska, Muzaffargarh, Shahkot and Khewra progressed satisfactorily. Work on the first phase of a comprehensive water supply, sewerage and drainage scheme at Lahore, reached an advanced stage of completion. In addition, 16 new water supply and 8 sewerage schemes were initiated in various towns of the Punjab. Of a total of 36 schemes, 12 schemes were completed serving a population of 3.75 lakh.

15. In Sind, work on Greater Karachi Bulk Water Supply scheme to bring in 25 mgd of water to Karachi was initiated. Some progress was also made towards the completion of the on-going drainage schemes at Hyderabad, Sukkur and Larkana and on water supply schemes at Dadu, Tando Adam, Mirpurkhas, Sukkur, Larkana, Jacobabad, Khairpur, Nawabshah, Thatta and Tando Allahyar.

16. In N.W.F.P. work on 8 schemes of water supply and drainage continued and the water supply schemes at Abbotabad, Nowshera Kalan and Bannu were completed to the extent of 50%. Work on the drainage scheme in Mardan, Nowshera Kalan and water supply scheme in D.I. Khan made satisfactory progress.

17. In Baluchistan, work on the water supply scheme at Quetta and Gwadar continued and 70% work at Nokundi was completed, Five new schemes of water supply were started at Sibi, Fort Sandaman, Bagh, Pasni and Uthal.

Rural Water Supply

18. In the Punjab, work on 42 rural water supply schemes was initiated out of which 22 were completed which would serve a population of 21,000.

19. In Sind, work on 41 on-going schemes relating to water supply was continued out of which 35 schemes were nearing completion. Two new schemes at Keti Bunder and Thatta were also started.

20. In N.W.F.P. work continued on 13 schemes out of which the work of water supply schemes at Siraj Khel, Guddi Khel, Dera Nali, Muzazar, Daraban Kalan and Kulachi made satisfactory progress.

21. In Baluchistan, work was started on 10 new schemes for providing water supply to Kudi, Ismail Shehr, Kohlu, Ormora, Liara Chagai etc.

Capital at Islamabad

22. Construction of Islamabad moved ahead and considerable progress was made on the Bulk Water Supply, Scheme Phase II, construction of President's House, Water supply distribution and drainage system and construction of roads. Work on the construction of office and residential accommodation for the D.I.B. was completed.

ANNUAL PLAN 1973-74

Housing Problem

23. In 1961, the population of West Pakistan was 42.88 million and 22.5% of the total population was living in the urban areas. In 1972 the population increased to 64.9 million and the urban population was estimated to be 30% of the total population. These figures indicate that the population in urban areas is increasing by more then 1.0 million persons every year. If the existing rate of population growth and urbanization continues, then by 1975 about 25 million people will be living in urban areas. By 1985 it is estimated to increase to 35 million and by 2,000 it will be more than 50 million people.

24. The above-mentioned statistics indicate that about 2,40,000 new families are created every year in the urban areas due both to natural and immigration growth. In the rural areas about 1,20,000 families are added every year. On the basis of household, the annual housing demand works out to 1,60,000 units in urban areas alone, against which hardly 30,000 to 40,000 houses are built. As a result of this, the housing backlog in urban areas has progressively increased from a shortage of 6,00,000 dwelling units in 1961 to approximately 1.5 million units in 1971.

25. The position of water supply is even more alarming ; hardly about 10 per cent of the total population has access to drinkable water. In urban areas, not more than 35 per cent of the population has access to piped water and only 7 per cent of the urban population has piped water supplied to their houses. Piped sewerage and drainage facilities are available to harldy 4 per cent of the urban population.

26. In the rural areas, the housing problem is not of a quantitative but of a qualitative nature. The houses are built of such materials which need constant repair. Cheaper construction materials and improper construction methods result in sub-standard housing. Less than 5 per cent of the population has access to protected piped water supply, and this situation continues to deteriorate as the increase in population exceeds the rate of provision of new water supplies. Sewerage, drainage and excreta disposal facilities are virtually non-existent. Most of the villages are unplanned having narrow roads and unpaved streets.

27. Following are some of the major factors which have contributed to the acute housing situation in the country :—

(*i*) The lag between housing construction and population growth ;

(*ii*) Rapidly increasing price of land and land development, which has placed land-ownership out of the reach of the lower-middle and low-income families ;

(*iii*) High cost of building materials ;

(*iv*) The failure to achieve decentralization of industry, and the integration of industrial development and housing programme ;

(*v*) Poverty of the people ;

(*vi*) Lack of financial institutions for providing adequate credit for housing ;

(*vii*) Lack of proper institutional arrangement to deal with the housing problems ;

(*viii*) Immature policies converted into plans and programmes as well as poor recovery of dues from allotees in many housing schemes which result in blocking up of large capital resources ;

(*ix*) Low priority accorded to operational research, analysis, and training in housing finance, construction and management ;

(*x*) Shortage of materials, machinery and equipment, and inadequate development of building industry ;

(*xi*) Lack of any process of evaluation and feed back ;

(*xii*) Lack of integration between economic, social and physical development programme.

Policy

28. In order to achieve the objective of providing housing facilities to people at a reasonable cost. the following policies have been adopted for the Annual Plan 1973-74 :—

(*i*) All efforts and resources available with the Government for housing would be devoted to the development of residential plots for low income people ;

(*ii*) Home ownership among low income families would be encouraged so as to provide incentive for family savings for the construction of a house on self-help ;

(*iii*) Slum improvement rather than slum clearance would be initiated as a programme. Facilities such as paved streets, water, electricity, drains, dispensary, schools, etc., would be provided alongwith regularization of land to the slum dwellers.

(*iv*) House Building Finance Corporation resources would be increased so as to enable it to extend its credit facilities to a maximum number of people and especially to low income families ;

(*v*) Effective institutional arrangements would be made at all levels of Government.

(*vi*) In the rural areas, rural water supply programme would be undertaken on a large scale.

(*vii*) High priority would be accorded to the provision of water supply, sewerage and drainage facilities in the urban areas.

Financial Allocations

29. An allocation of Rs. 50.20 crore was made for the sector in the A.D.P. 1973-74 as against an allocation of Rs. 23.30 crore originally made in the ADP 1972-73. This represented an increase of 115.0 per cent over the 1972-73 level. Out of the total allocation of Rs. 50.20 crore, the Federal Government's programme would cost Rs. 21.72 crore and the remaining amount of Rs. 28.48 crore is for the four Provinces. The break down of sectoral allocation in ADP 1973-74 by executing agencies is given below :

(*i*) Punjab	Rs. 17.00 crore
(*ii*) Sind	Rs. 6.35 crore
(*iii*) N.W.F.P.	Rs. 3.19 crore
(*iv*) Baluchistan	Rs. 1.94 crore
(*v*) Federal Government	Rs. 21.72 crore
Total ..	Rs. 50.20 crore

30. Soon aftter the above-mentioned alloeations were made it became necessary to revise the sectoral allocation because of the havoc caused by the floods in August 1973. In order to repair the damaged infrastructure as well as to rehabilitate the displaced persons the Provincial Governments of Sind and the Punjab have revised their ADPs for 1973-74. The sectoral allocation in the Punjab ADP 1973-74 has been reduced from Rs. 17.00 crore to Rs. 14.95 crore. The reduction of Rs. 2.05 crore is affected from the sub-sectors of Low Income Housing (Rs. 0.90 crore) Agrovilles (Rs. 0.15 crore), Urban Water Supply (Rs. 0.05 crore), R ural Water Supply (Rs. 0.75 crore) and Government Servants Housing (Rs. 0.20 crore). Out of the total revised allocation of Rs. 14.95 crore, an amount of Rs. 13.05 crore has been provided to cater for the regular development programme and the remaining amount of Rs. 1.90 crore has been allocated to the flood repair-*cum*-restoration works.

31. The sectoral allocation in Sind ADP 1973-74 has been revised upward from 6.35 crores to Rs. 7.39 crore. The increase has been made in sub-sectors ; Low Income Housing (0.25 crore), Aid to Local Bodies (Rs. 0.5 crore), Urban Water Supply (Rs. 0.45 crore). However, a total reduction of Rs. 0.16 crore has been made (Rs. 0.11 crore in Government Servants Housing. and Rs. 0.05 crore in Agrivilles Sub-sectors). The net increase in Sind ADP 1973-74 is Rs. 1.04 crore. No revision in the sectoral allocation of N.W.F.P., Baluchistan and the Federal Government ADPs 1973-74 has been made.

32. The total revised allocation for the Physical Planning and Housing Sector is Rs. 49.24 crore which represent an increase of 111.00 per cent over the allocation of Rs. 23.30 crores made in the ADP 1972-73. The break-down of the original and the revised sectoral allocations in ADP 1973-74 by executing agencies is given below :

(Crore Rupees)

Executing Agency	Allocations	
	Original	Revised
1. Punjab	17.00	14.95
2. Sind	6.35	7.39
3. N.W.F.P.	3.19	3.19
4. Baluchistan	1.94	1.94
5. Federal Government	21.72	21.72
Total ..	50.20	49.19

A table showing the revised sectoral allocation for 1973-74 by sub-sectors and executing agencies is at Annexure I.

PHYSICAL TARGETS

Regional Planning & Basic Development

33. In the Punjab, the Regional Plan for Lahore Metropolitan Region and Outline Development Plans for Sahiwal, Khanewal and Burewala will be completed and work on the plan for Bahawalpur, Bahawal nagar, Rahimyar Khan and Regional Development Plan for Sargodha Region will be initiated. Work of aerial photography of several towns will also be started.

34. In Sind, the Master Plan for Karachi Metropolitan Region would be completed and submitted to Government for approval. The mapping work of Larkana town and planning of areas around shrines of Shah Abdul Latif and Lal Shah Baz would also be completed.

35. In N. W. F. P. preparation of the Regional Development Project will continue and the following work will be completed

(*i*) Determination of development strategies and priorities ;

(*ii*) Identification of projects and preparation of feasibility and pre-investment studies ;

(*iii*) Formulation of an Outline Provincial Implementation Programme until 1975 ; and

(*iv*) Legislation and implementation policies.

36. Under the Federal Government programme, work on the Regional Development Project which aims at carrying out feasibility studies and the preparation of a scheme for the establishment of a Training and Research Institute for Regional and Urban Development will be continued.

37. Work on the " Slums Improvement and Urban Development Project " which aims at finding out effective ways and means of dealing with the slum problems will be continued and action oriented proposals will be furnished to the concerned departments for starting the slum improvement works in the slum area of Chanesar Goth. In addition, studies on another slum will also be started.

Agrovilles

38. The work on the first Agrovilles at Badin has been initiated. In addition, feasibility studies for the establishment of agrovilles at other places in Sind will be prepared.

Housing

39. Recent floods in Pakistan have further aggravated the housing problem in the country. The total number of houses lost or damaged in the Punjab and Sind during the floods is estimated at 8,85,000 (7,16,000 are in the rural areas and 1,69,000 in the urban areas). The cost of reconstruction and repairs of these houses is estimated at Rs. 91.7 crore.

40. The process of reconstruction of houses lost or damaged during the floods has already been started. The flood affected population has moved back to their homes and have started construction of their houses. In case of pucca houses which have been lost or damaged, particularly in the towns, the Government would provide credit and also assist in the development of other facilities on the following lines :

(*i*) The House Building Finance Corporation has earmarked 50% of their total allocation for 1973-74 (about Rs. 15 crores) for loans to house owners in the flood affected areas, Special arrangements have been made for disbursement of this loan which will be interest free for two years ;

(*ii*) A scheme costing Rs. 51.00 million has been initiated by the Government of the Punjab which aims at providing 12,960 developed plots in six urban centres (Khanpur, Jhang, Chiniot, Muzaffargrah, Lyallpur and Lahore) which were adversely affected by the flood ;

(*iii*) Arrangements have been made to provide timber from Government forests for house construction in rural areas.

41. In the Punjab a total of 14,600 plots (including 12,960 plots to be developed in the flood affected towns) and 2,630 houses would be developed and constructed.

42. Out of the 15,600 plots, 4,500 will be developed in Lahore under the " Kutcha Multan Road Area Scheme" and the remaining plots will be developed in Lyallpur, Chiniot, Gujranwala, Multan, Rahimyar Khan, Muzaffargarh, Jhelum, Bahawalpur, Sargodha, Sialkot, Rawalpindi, Jhang, Cambellpur and Khanpur, Construction of 2,630 housing units will be located in Lahore *i.e.* 380-two-roomed flats in Rivaz Garden, 1,000 housing units in Lahore Township Scheme and 1250 D type one-roomed houses in various places at Lahore.

43. In Sind, a total of 7,000 plots, 5,000 under the Greater Karachi Resettlement Programme and 2,000 under Deh Sari low cost housing scheme will be developed.

44. In Baluchistan, two new schemes in Quetta will be initiated to develop residential plots for low income families in Quetta. In N.W.F.P., work on the Satellite Town scheme at Peshawar will be initiated.

Government Servants Housing

45. In the Punjab, an allocation of Rs. 4.5 million has been provided for the on-going schemes relating to the construction of 92 quarters for Class IV employees, family quarters for Civil Judges and Policemen in certain cities, Civil Judges residential accommodation in Bahawalpur, Ahmadpur East, residential estate for 100 low paid government servants on Ferozpur Road, Lahore and pooled residential accommodation at Bahawalpur, D. G. Khan and Sahiwal while Rs. 2.0 million has been provided for repairs of damages caused by floods to the existing buildings.

46. In Sind, work on the construction of residential accommodation for Secretariat staff at Hyderabad will be completed and work on new schemes for the construction of residential quarters for Government staff at various places will be initiated.

47. In N. W. F. P. there are seven minor on-going schemes out of which five schemes at Batagram, Biavi, Thakot and Peshawar will be completed while work on Jamrud Road scheme, Peshawar and D.I. Khan will continue. In addition, work on 18 new schemes will be initiated.

48. In Baluchistan, work on the major schemes of construction of B & R colonies at Loralai, Fort Sandeman and Turbat will be continued and work in Turbat will be completed.

49. Under the Federal Government programme, work will continue on the on-going schemes for the construction of residential accommodation for Federal Government employees at Quetta and Peshawar. In addition, a new scheme for construction of multi-storeyed flats in Federal Capital Area at Karachi will be initiated.

Rural Water Supply

50. In the Punjab, an allocation of Rs. 2.21 crore has been made in ADP 1973-74 for rural water supply to complete 20 on-going schemes, continue further work on 19 on-going schemes and initiate 92 new schemes in various districts of the Province. The completion of 20 schemes will provide water supply facilities to a rural population of 21,000. In addition, Water Supply will be provided in 15 rural areas affected by floods for which an allocation of Rs. 0.4 million has been made.

51. In Sind, besides the completion of on-going rural water supply schemes, work on a substantial number of new schemes will be initiated under the People's Works Programme.

52. In N. W. F. P. out of the 16 on-going schemes, 13 schemes of water supply at Kulachi, Muddi, Timergarh, Tor Worsak, Takht Bhai, Babuzai, Mian Khan, Terri, Tangi, Musazai Phase I, Daraban Kalan, Wando Madot and Pehar Khel will be completed and work on the remaining three scheme at Gumbut, Sangu and Hingoro, will continue. In addition, a large number of new rural water supply schemes will be undertaken.

53. In Baluchistan, work on 7 on-going rural water supply schemes at Alamo, Ismail Shehr, Fort Sandeman, Lehri, Sur, Liari Lakra, Somiani and Damb will continue and will reach an advanced stage of completion. Work on 11 new water supply schemes in Pishin, Marao Bugti, Luni-Gulu Shehr, Sanjawai, Barakhan, Loralai, Kharan, Dump, Dalbandin, Duraji and Rustam Khan Jamali will also be completed.

54. In addition to the above mentioned rural water supply programme, it is proposed to undertake large scale installation of hand pumps in the sweet sub-soil water zone in the flood affected areas of the Punjab and Sind. This programme is considered an important measure to control the spread of water borne diseases. Under this programme it is proposed to install 100,000 handpumps to serve a population of 5.00 million.

Urban Water Supply, Sewerage and Drainage

55. In the Punjab, out of the 34 on-going schemes, 20 water supply schemes at Gujranwala, Jhelum, Gujrat, Mianwali, Kamalia, Daska, Muzaffargarh, Sialkot, Muridke, Nankana Sahib, Fort Abbas, Rahimyar Khan, Haroonabad, Sadiqabad, Dera Nawab Saheb, Campbellpur, Chiniot, Khushab, Bahawalpur and Khanpur and 5 sewerage and drainage scheme at Gujranwala (2 schemes), Sialkot, D. G. Khan and Leiah would be completed which will benefit about 5.36 lakhs people. Work on the remaining 9 on-going water supply and sewerage schemes will be continued and work on 18 new water supply and 12 sewerage and drainage schemes at vaious places would be initiated. This programme has been designed in such a manner that the flood affected towns (Jhang, Chiniot, Lyallpur, Khanpur, Liaqatpur, Wazirabad, Uch, Muzaffargarh, and Sialkot) will be given the highest priority so that their drainage works are rehabilitated immediately.

56. In Lahore, 25,000 new water supply connections would be made available and sewerage facilities will be extended to an additional population of 1.0 lakh under the Greater Lahore Water Supply and Sewerage Scheme. In addition, 22 new water supply and 13 sewerage and drainage schemes will be started in other urban areas of the Punjab.

57. The West Pakistan University of Engineering at Lahore will continue studies of cheaper methods of waste water disposal by the use of oxidation ponds, for the Urban and Rural communities.

58. The University has also set up a Research Institute with the help of UNDP/WHO for industrial and trade waste treatment and disposal from the Kalashah Kaku industrial area north of Lahore.

59. In Sind, an allocation of Rs. 1.06 crore has been made for Part I of Third Phase of Greater Karachi Bulk Water Supply, and Lyari, Water Supply schemes and Rs. 1.06 crore has been provided for urban water supply/sewerage/drainage schemes at other places in Sind. Under the Lyari water supply scheme, water distribution pipes will be laid and sewerage facilities provided. Further work on Part I of the Third Phase of the Greater Karachi Bulk Water Supply Scheme which is designed to bring an additional supply of 25 MGD will be continued and syphon Nos. 1 to 15 will be laid besides the construction of some staff quarters. In other urban areas of Sind, the on-going water supply projects at Jacobabad, Nawabshah, Dadu, Mirpurkhas, Tando Adam, Tando Allahyar and Thatta will be completed. On completion of these projects 60 to 80% water supply needs of these towns will be satisfied. In addition, work on water supply schemes at Khairpur, Larkana, Hyderabad and sewerage and drainage schemes at Larkana, Sukkur, and Hyderabad will continue and one new drainage scheme at Shikarpur will be taken up.

60. Work on the Master Plan of Greater Peshawar Water Supply has commenced with UNDP/WHO assistance and preliminary investigation indicates that final reports will be completed by the end of 1974. However, improvements in water supply will have to be taken in hand before that date.

61. In N. W. F. P., work on five on-going water supply and three sewerage and drainage schemes will continue and completed in Abbottabad and Mardan. In addition, two new urban, sewerage and drainage schemes will be initiated and it is expected that work on these two schemes will be completed.

Aid to Local Bodies

62. An allocation of Rs. 1.65 crore has been provided, in the Sind ADP 1973-74 for works pertaining to widening of Drigh Road by Karachi Development Authority, construction of Market and Hospital by Karachi Municipal Corporation and starting work on the Low Cost Housing Scheme at Jacob Lines Karachi. The work of widening of Drigh Road as well as the provision of street lights, green belts and storm water drains will continue.

Government Office Buildings

63. A large number of on-going and minor schemes relating to construction of office accommodation for Police, Judicial, Communications and Works, Rangers, Revenues, Jails, Income Tax and other departments of the Federal and the four Provincial Governments at various places will continue. In addition the construction of Sind House at Islamabad and Office Block for Sind Secretariat staff at Hyderabad will be initiated. A number of new schemes of office buildings will be taken up at various places. Funds have also been provided for repairs of existing office buildings in the Punjab.

Capital at Islamabad

64. An amount of Rs. 6.30 crore has been provided in ADP 1973-74 for various schemes being executed by the Capital Development Authority. The bulk of the allocation is made for accelerating the work on the construction of Presidency and Simly Dam. CDA will also continue work on the schemes of water supply distribution and sewerage systems, construction of roads, and highways. CDA has been allowed to incur expenditure of up to Rs. 0.63 crore from its own resources to carry on the development of two residential sectors in Islamabad.

Tourism

65. Major development activities in the field of Tourism have been transferred to the Pakistan Tourism Development Corporation. The allocation for Tourism in ADP 1973-74 is meant for internal and external publicity and acquisition of skiing equipment for Malam Jabba Project. Other projects on which work will continue are the establishment of a Hotel and Tourism Training Institute, development of Tourist infrastructure facilities in Chitral, Gilgit, Hunza and Swat and minor development schemes of tourism in various parts of the country.

Special Areas

66. In Azad Kashmir, work will continue on the on-going schemes of construction of residential accommodaion for Government Servants which is expected to reach an advanced stage of completion. The scheme for providing drinking water to Bhimber will be continued while the water supply scheme for Bagh town will be completed. Work on two new schemes relating to housing for Government servants, supply of drinking water to Kalri and other places will aslo be initiated.

67. In Gilgit Agency, work on the construction of 80 housing units will be completed while work on the water supply and sanitation scheme for Gilgit will continue. Work on a number of new schemes relating to construction of Residential, Office and Jail buildings will be started.

68. The programme for Baltistan Agency includes the completion of Treasury Office and Court Building at Skardu and water supply to Skardu town. Further work will be done on the construction of residential accommodation for Government servants at Skardu, Shigar and Khaplu.

Private Sector

69. The House Building Finance Corporation has rationalized its rules and procedures and liberalized the conditions for grant of loans so that more and more people can get loans for house construction. In March 1973, the amount of loans sanctioned exceeded Rs. 0.70 crore as against Rs. 0.10 crore in March 1972.

70. A comparative statement of the number and amount of loans sanctioned by H.B.F.C. is as follows :

(Crore Rupees)

Year ending	No. of cases sanctioned	Amount of loans sanctioned
31-3-1971 ..	947	1.66
31-3-1972 ..	1998	1.14
31-3-1973 ..	1998	3.94

71. The operations of the Corporation are being expanded further and the target for the financial year ending June 1973 is Rs. 6 crore and Rs. 20 crore for the year ending June 1974. It is, however, feared that these targets might not be fulfilled because of various dis-incentives in the field of housing.

Annexure I

ANNUAL PLAN 1973-74

PHYSICAL PLANNING AND HOUSING

SUMMARY—ALL PAKISTAN AND BY EXECUTING AGENCIES

Financial Allocations

(Rupees Crore)

Sub-Sector	Punjab	Sind	N.W.F.P.	Baluchistan	Federal Government	Total
1. Basic Development and Regional Planning.	0.20	0.11	0.03	—	0.06	0.40
2. Agrovilles	—	0.45	0.10	—	0.70	1.25
3. Low Income Housing	6.35	2.14	0.10	0.22	—	8.81
4. Advances to Govt. Servants	—	—	—	—	1.00	1.00
5. House Building Finance Corporation ...	—	—	—	—	10.00	10.00
6. Urban Water Supply/Sewerage/Drainage.	3.95	2.12	0.29	—	—	6.36
7. Rural Water Supply	2.25	—	1.53	0.59	—	4.37
8. Government Servants Housing	0.65	0.17	0.50	0.15	1.30	2.77
9. Govt. Offices and Buildings	1.55	0.75	0.64	0.98	0.20	4.12
10. Office Buildings under Finance Division ..	—	—	—	—	0.14	0.14
11. Aid to Local Bodies	—	1.65	—	—	—	1.65
12. Islamabad	—	—	—	—	6.30	6.30
13. Tourism	—	—	—	—	0.53	0.53
14. Special Area (Azad Kashmir and Northern Areas).	—	—	—	—	0.69	0.69
15. States and Frontier Regions Development.	—	—	—	—	0.61	0.61
16. C.A.T., A.D.C.	—	—	—	—	0.14	0.14
17. Works and Housing Research	—	—	—	—	0.05	0.05
TOTAL ..	14.95	*7.39	3.19	1.94	21.72	49.19

*Rs. 7.40 crore is the revised ADP allocations as presented by the Provincial Government at the review meeting held in December, 1973.

Annexure II

ANNUAL PLAN 1973-74

PHYSICAL PLANNING AND HOUSING

MAJOR PHYSICAL TARGETS

Sub-Sector	Unit	Targets for 1973-74
1. Plots	Nos.	23,600
2. Houses	Nos.	5,000
3. Urban Water Supply, Sewerage and Drainage	No. of Urban Areas.	45
4. Rural Water Supply	No. of Rural areas	175

CHAPTER 17

PEOPLE'S WORKS PROGRAMME

People's Works Programme was launched on October 1, 1972 with the specific purpose of mobilizing local resources especially in manpower in an effort to eradicate poverty, unemployment, under-employment and to get local participation in the actual process of planning and development.

2. Initially 30 projects in the field of cottage industry, agriculture, education, physical planning and housing, transport and communications and tree plantation were included in the programme. The national targets for six important sectors to be achieved by the end of October, 1973, as fixed by the President, are given as follows :

Physical Planning and Housing :	
Residential and commercial Plots (Nos.)	450,000
Playgrounds (Nos.)	10,000
Transport and Communication :	
Metalled Roads (Miles)	1,500
Unmetalled Roads (Miles)	6,000
Education and Training :	
Industrial Homes for Women (Nos.)	2,600
Adult Literacy Centres (Nos.)	1.4 Million
Tree Plantation :	
Number of trees to be planted	15 Million

In other sectors the District Councils were given an option to pick and choose projects most suited to the local conditions and assign priorities according to the needs of the area.

The first three months were devoted to the setting up of organizational structure and making institutional arrangements for carrying out the programme. No project could, therefore, be undertaken during this period. The implementation of the projects began in January, 1973.

PHYSICAL PROGRESS ACHIEVED DURING 1972-73

The progress of work in some of the important sectors of the programme in the Punjab and Sind is as follows :

Communications.—In the Punjab, 130 miles of metalled roads and 572 miles of kutcha roads were completed. Work on another 360 miles of metalled roads and 365 miles of kutcha roads was in progress.

In Sind, 972 miles of Kutcha Link Roads were completed with work in progress to meet the target of 2000 miles by October, 1973.

Health and Sanitation.—In the Punjab 21 Hand-pumps, 63 rural drainage schemes and 26 Civil Dispensories were completed and work on 5 hand-pump, 105 drainage schemes and 62 dispensaries reported under implementation.

In Sind, 27 schemes of Water Supply and two schemes of drainage were approved by Provincial Rural Development Board and work on these is in progress. A total of 4397 hand-pumps have been installed in various districts of Sind against the Presidential Target of 4996 to be achieved by October, 1973.

Irrigation.—In the Punjab 4 tubewells, 34 Open surface Wells, 5 small Dams and 3 Water Courses were completed whereas work on 93 open-surface wells, 4 small dams and 11 water courses was in progress.

The scheme for lining water courses is being executed by Irrigation and Power Department. The water courses have been identified in most of the districts and actual work is being initiated.

Education.—In the Punjab, 406 new Schools have been opened. New rooms have been added or repair work has been done in 384 existing schools. Work is in progress on another 322 schools. About 5000 adult literacy centres are being set up for which 5982 volunteers have been recruited.

In Sind, the education department is executing the scheme of Adult Literacy, whereby 400 Leader Trainers have already completed their training and a force of 10,000 teachers raised to execute this programme.

Housing and Social Welfare.—In the Punjab, 12 small bridges, 125 culverts, 17 community shops, 380 play-grounds and 1311 Industrial Homes for Women have been constructed and work is in progress on another 6 community shops, 84 play-grounds and 166 industrial homes. Besides, the development of a plot for construction of cheap Housing Units is in progress.

In Sind, the scheme of setting up of industrial homes is being executed by the department of education and the sites where industrial homes are to be set up have been identified. The Provincial Rural Development Board has approved the scheme for construction of 11 Model Villages providing about 4000 plot with some actual construction.

Sites have been selected in all the districts and actual work has started at Sukkur, Karachi, Jaccobabad, Dadu, Thatta and Sanghar, and lay out plans for 9 districts have been finalized.

Agriculture.—In the Punjab, 15 veterinary Centres, 2 sheep breeding Centres and 4 Model Poultry Farms have been established and 44 lakh trees have been planted, whereas work on the development of another 25 veterinary Centres is in progress.

In Sind, the scheme of tree-plantation is being executed in collaboration with the Forest Department and a total of 89,159 trees have already been planted.

Industry.—In the Punjab, one Centre of Cottage Industry has been established and another 7 are under construction.

In Sind, 5500 Radio Sets have been received and distributed among various workers.

The physical progress of work on various schemes included in the Provinces of NWFP and Baluchistan could not be obtained. The sectoral financial achievement are, however, given as under :—

Utilization in NWFP.—In NWFP work is continuing on 98 schemes 4 of which have already been completed and 24 are in various stages of completion. Tenders for the remaining 68 schemes have been invited and work on them is expected to start shortly.

Out of an allocation of Rs. 1.10 crore, Rs. 0.02 crore had been spent upto March 31, 1973. The amount committed, however, was Rs. 0.23 crore.

Utilization in Baluchistan.—The Government of Baluchistan, have upto the end of March, 1973, spent an amount of Rs. 0.16 crore against their total allocation of Rs. 0.32 crore in the ADP of 1972-73. About 40 per cent of the expenditure was on small irrigation schemes and another 20 per cent on low-cost housing. The amount committed is over Rs. 0.237 crore.

IMPACT ON EMPLOYMENT

According to rough estimate the number of employment opportunities created both on regular and casual basis are as follows :—

	Number of Jobs
Punjab	35,000
Sind	12,000
N.W.F.P.	500
Baluchistan	1,300
Total ..	48,800

TARGETS FOR 1973-74

The actual progress during 1972-73 has not been able to keep pace with the resource allocation primarily due to delay in the setting up of institutional frame-work and lack of proper field organisation. With the over-coming of the initial difficulties the programme was likely to make as teady progress during 1973-74, but due to the devastating floods in August, 1973, the scope of the programme had to be changed in the provinces of Punjab and Sind. The original and the revised province-wise financial programme for the year 1973-74 is given in Appendix I.

PUNJAB

The Punjab Government have decided that the following items of work would be deferred to next year and the saving thus made, transferred to the flood rehabilitation/reconstruction measures :—

	(Million Rs.)
1. Allocation to Municipalities	10.00
2. Allocation to IRDP for lining of water courses	7.50
3. Equipment for Industrial Homes	1.50
4. Establishment of four training Institutes at divisional level	1.20
Sub-Total	20.2

In addition, the following amounts would be transferred to the flood rehabilitation reserves :

	(Million Rs.)
1. 50% of the grant to the Districts works councils for development works	33.7
2. Reserve in the Budget	1.1
Sub-Total	34.8
Total	55.0

Thus a saving of Rs. 55.0 million would be possible from the PWP programme which would be used for the flood rehabilitation works in Punjab. This amount would be spent only in the flood-hit areas and for the following categories of the specified works under the Peoples' Works Programme :

(*a*) All the common purpose buildings for schools, dispensaries, veterinary centres and Offices of Union Councils.

(*b*) All the access roads to villages, link roads, small bridges and culverts on such roads.

(*c*) Street pavements and surface drains.

(*d*) Repairs of minors and distributaries alongwith construction of masonry structures.

(*e*) Community arrangements for drinking water supply.

The Districts have been informed about the reduced allocation which they would get during 1973-74 for development works and also been asked to prepare Rehabilitation Plans for the flood affected areas so that allocation of funds can be made to them.

SIND

The programmes of rural development namely, People's Works Programme, Integrated Rural Development and Agrovilles are administered by the newly created Rural Development Department. The total budgetory allocation for 1973-74 for the three programme was Rs. 39.00 million with the following break-up :

	(Million Rs.)
1. PWP	20.00
2. IRDP	14.00
3. Agrovilles	5.00
Total	39.00

However, due to the tremendous damages from the floods the funds of PWP were frozen by the Sind Government and the Rural Development Department was asked to make a quick assessment of expenditure required on-going schemes under the Programme. It was assessed that the on-going schemes would require about 40.00 million Rs. during the current year. In view of the rehabilitation work in the flood affected areas, the Sind Government has now decided that work on such schemes should continue which have been executed to the extent of 25%. Those on which lesser work has been done, will be kept in abeyance and work on new schemes will not be initiated during the year. The schemes permitted to be executed are estimated to cost Rs. 35.1 million.

There would be no change in the programmes of NWFP and Baluchistan.

Appendix I

FINANCIAL ALLOCATIONS AND ACHIEVEMENTS

(PEOPLES' WORKS PROGRAMME)

(Million Rs.)

Province	ADP 1972-73		ADP 1973-74	
	Allocation	Achievements	Original allocation	Revised allocation
1. Punjab	140.00	55.95@	120.0	65.0
2. Sind	70,0	5.56*	39.0	35.1
3. N.W.F.P.	11.0	0.15*	14.1	14.1
4. Baluchistan	3.18	1.57*	11.0	11.0
5. Federal Area	—	—	0.5	0.5
6. Azad Kashmir	2.50	N.A.	10.0	10.0
7. Northern Areas	1.50	N.A.	2.5	2.5
8. States and Frontier Regions	4.00	N.A.	5.0	5.0
Total ..	232.18	—	202.1	143.2

@Estimated actual expenditure from 1st July, 1972 to 31st May, 1973.
*Estimated actual expenditure from 1st July 1972 to 31st March, 1973.

PART III

HUMAN RESOURCES AND SOCIAL DEVELOPMENT

CHAPTER 18

EDUCATION AND TRAINING

The Annual Development Programme for 1973-74 initially provided Rs. 31.025 crore for Education and Training. But due to the disasterous floods in August and the extensive damage suffered by the economy it became necessary to find resources for immediate relief, restoration and rehabilitation by making inter sectoral and intra sectoral adjustment in the Annual Development Programme. As a result the Annual Development Programme of Education and Training now stands at Rs. 29.910 crore *i.e.* a reduction of Rs. 1.115 crore. A number of other adjustments were made within the programmes of Education and Training to find money for repair and re-construction of flood damaged educational institutions including primary schools. The number of middle and high schools which were damaged is large and some colleges and other educational institutions for post-matric education have also been damaged. Details of these damages and the provision made in the Annual Development Programme for their repair and re-construction are discussed in the programmes of the respective provinces.

The amount of Rs. 29.910 crore now available for meeting the developmental cost of educational projects during 1973-74 which is about 34% higher than the revised estimate of development expenditure of Rs. 22.000 crore for 1972-73, is about 5.4% of the total Annual Development Programme of Rs. 557 crore. Even the earlier allocation, which was slightly higher, was inadequate to meet the requirements of programmes envisaged in the Education Policy for 1973-74. The position is worse now and most of the physical targets set in the Education policy 1972-73 may not be achieved.

REVIEW OF 1972-73

Financial implementation

4. The financial implementation of the ADP 1972-73 by various executing agencies was as follows :—

TABLE

(Crore Rupees)

Executing Agency	Original allocation ADP	Revised estimates of expenditure	Percentage utilization of revised allocation
*Punjab	*11.52	*10.72	*93
Sind	6.84	4.34	64
N.W.F.P.	2.81	2.22	80
Baluchistan	1.22	0.77	64
Centre	4.80	3.95	80
Toal ..	27.19	22.00	81

*Excluding University of Agriculture Lyallpur.

5. A detailed examination of this development expenditure indicates that the actual rate of utilization of funds in respect of on-giong projects was about 90 to 95 per cent. The short-fall was mostly in the implementation of the progrmmes. However, a very large number of new projects formulated during the year were processed and approved and the stage is nowset for speedy implementation of these programmes in the coming years.

PHYSICAL IMPLEMENTATION

Physical implementation

Punjab

6. During 1972-73, 3300 new primary schools were opened including 200 schools in the backward areas. Twelve hundred existing primary schools were provided with equipment and new buildings were constructed for 500 of them. Two hundred primary schools were up-graded to middle standard and 32 middle schools were raised to high standard. Buildings, furniture and equipment required for the new classes, were also provided to these up-graded schools. Construction of building of new double section high schools was

completed and construction of building of 8 comprehensive high schools and a high school at Jauharabad made good progress. Three hostels were constructed for the existing high schools and equipment and furniture provided to other 33 hostels constructed earlier. Integrated science courses in Mathematics, Physics, Chemistry and Biology were introduced in 3 comprehensive high schools. Library books for students and teachers and equipment were provided to 200 secondary schools. Arrangements for raising four Normal Schools/ Teacher Training Institutes to the level of Colleges of Elementary Teachers were made. Land was acquired for opening of a Science Teachers Training College at Lahore and six more colleges for elementary teachers. The programme of expansion and improvement of the existing teachers training colleges made some progress. In-service training was provided to the teachers of primary and secondary schools ; Polytechnics. vocational institutes and colleges.

7. Projects for the establishment of Polytechnic Institutes at Multan, Lyallpur, Lahore for women, Leiah and Sargodha were completed. Programme of expansion of Polytechnic Institutes at Lahore, Sialkot, Rawalpindi and Bahawalpur also made good progress. Equipment was provided to Polytechnic Institute, Sahiwal and Commercial Institute, Rawalpindi. Construction of building of the Polytechnic Institute at Sahiwal and the Swedish Pakistani Institute of Technology (SPIT), Gujrat was continued. Polytechnic Institutes at Multan and Rasul were provided additional equipment for being raised to the level of Technical Colleges. Construction of building for the newly established Vocational Institutes at Khanewal and Bahawalpur was completed and equipment was provided to these institutions. Provision of equipment was also made to the new Vocational Institutes at Sheikhpura and Jauharabad and re-organized industrial/vocational schools which were raised to the Level of vocational institutes. Existing physical facilities for the training of teachers at Polytechnic Institute Rawalpindi were also improved. The development programme of the University of Engineering and Technology, Lahore made progress. At this University the programme for the establishment of a computer section and an Institute of Public Health Engineering was also continued.

8. Buildings for a new Intermediate science College were completed and equipment was supplied to 15 similar colleges completed earlier. Programme for setting up superior Science College at Lahore, Multan and Lyallpur were also put to implementation. hostels occommodation was provided to the colleges at Jhang and Multan and construction of hostals at 6 other colleges was started. Physical facilities of the nationalised colleges were improved at a cost of Rs. 0.28 crore. The development programme of the University of the Punjab also made further progress. The Institute of chemical Engineering of the University was supplied equipment for starting new programmes and some progress was registered in respect of introduction of Ph.D. programme in Solid State Physics. At the Institute of Education and Research programmes of science, technical and vocational education were developed and re-search efforts were intensified which also included a pilot research and training programme of literacy and adult education.

9. Development programmes of Lahore and Bahawalpur Museums was continued. Research programmes under the Departments of Education and, Planning and Development also registered further progress. The Bureau of Curriculum Developments and Research organized a number of seminars and committees of teachers and educators to prepare and review the curricula of primary and secondary schools. Some success was also achieved in acquiring evacuee trust buildings for educational institutions.

10. About 12800 scholarships were awarded to students of various categories at a cost of Rs. 1.40 crore, most of them to talented students from low income families.

Sind

11. In the sub-sector of primary education buildings were completed for 150 units and equipment was provided for 204 schools against the target of 386 and 700 respectively. Work in respect of all other units also made good progress and was completed partially. New buildings were provided to 47 existing primary schools and equipment was provided to another 14 schools. Against the target of raising 94 primary schools to elementary level, work in all respects was completed at 20 schools, it was near completion stage at another 22 schools and partially completed at the remaining 52 schools. About 70% work was completed in respect of the upgradation of 15 middle schools to high schools. Establishment of two comprehensive high schools was completed and it reached near completion stage at 3 other comprehensive high schools. Eight High schools were provided science equipment and Cadet College Petaro and public School Hyderabad were improved. The programme was fully implemented in respect of the introduction of agricultural/industrial courses in 21 rural high schools and introduction of industrial/commercial courses in 20 urban high schools. About 75% progress was registered in respect of addition of 19 teaching units at matric stage in Industrial (5), Agricultural (5), Education (4), and Home Economics (5) courses. About 50% progress was also registered in respect of the programme of construction of 23 agricultural, and 20 industrial workshops at middle schools. Fifty additional class-rooms were provided at existing middle schools. In-service training programmes were provided for teacher of primary and secondary schools and Colleges.

12. The programmes for the establishment of Vocational Institutes for Boys at Sukkur and Nawabshah and for Girls at Karachi, Dadu and Nawabshah made progress. Projects for the expansion of polytechnics at Karachi, Hyderabad and Khairpur made good progress and reached completion stage. The construction of building of Polytechnic Institute at Larkana was completed but the students of this Institute had to be shifted to the Polytechnic Institute Khairpur because of the Government decision to house the new Chandka Medical College, Larkana in the buildings of this Institute. At the Sind University Engineering College progress was registered in respect of introduction of post-graduate courses and other general developments. Preliminaries for undertaking the implementation of the project of the N.E.D. Engineering College were also completed and IDA approval of the tender documents obtained.

13. Five Intermediate Colleges were upgraded to the degree level and about 70% work completed in respect of addition of 22 new courses in Agriculture (5), Business (4), Home Economics (5), Education (4) and Industrial Arts (4) at the intermediate level. Miscellaneous improvements in physical facilities were made at Government and Nationalized Colleges at Karachi. A number of new programmes of study and research such as Ph.D. Analytical course in Chemistry, setting up of sections on Nuclear Chemistry, Micro-biology, Communication Physics etc., were started and Research Fellowships awarded to scholars. The construction work in respect of 12 bungalows for teaching staff and 52 quarters for the non-teaching staff also made progress. At the University of Karachi construction of the Central Canteen, hostel for students and on-going construction work of the building of the Institute of Marine Biology were completed. Progress was also made in respect of acquisition of land, procurement of scientific equipment and library books and construction of additional accommodation for students at the Karachi University.

14. To start adult education programmes, 30 leader trainees and 360 teachers were trained during the year and some reading material prepared. Under the programme of social and cultural activities grants-in-aid were awarded for the development of Bhitshah Cultural Centre, Arts Council Karachi, Mehran Arts Council, Hyderabad and Sindhi Adabi Board Jamshoro. The development projects of Hyderabad Museum and Institute of Sindhiology also made progress.

15. During the year under review, 11393 students studying at various levels received scholarships under the comprehensive scholarship scheme. Of these 8500 students received the scholarships under the on-going programme and 2893 under the new programme.

N.W.F.P.

16. During the year under review 110 new primary schools were opened. Of these buildings were completed for 92 schools and the remaining buildings are under construction. Nine primary schools were upgraded to middle standard and new buildings were constructed for 8 schools which were upgraded to the middle standard in 1970-71. Eighteen middle school were raised to high standard and construction of building was completed in respect of 2 existing Government high schools. The building of Comprehensive High School at D.I. Khan was completed and the construction of buildings of Comprehensive High Schools at Abbottabad Peshawar, Kohat, Mardan and Bannu was continued. Construction of Science Laboratories at High Schools located at Bilitang. Chakdara and Peshawar were completed and further improvement were made in the Government High Schools located at Hangu and Sirikot.

17. Development programme of Cadet College Kohat was completed science equipment was supplied to 6 Intermidate and 10 Degree Colleges, facilities of Library/reading rooms were improved at another 6 Intermediate and 10 Degree Colleges. Hostels were constructed for College at Swabi, Mardan and Timargarh. Extensions were made in the academic block of Frontier College for Women, Peshawar and in the buildings of Government College, Charsadda, Mardan, Nowshera and D.I. Khan. Work has started in respect of the construction of buildings of Intermediate Colleges at Karak, Timargarh. Lakki and Superior Science College at Peshawar and land was acquired for the new building of Government College Bannu.

18. In-service training was provided to 1000 secondary school teachers including 200 female teachers in the modern methods of teaching in Science and Mathematics. One thousand college lecturers including 30 female lecturers were also provided in-service training in the modern techniques of teaching in Chemistry and Physics.

19. Work was completed in respect of construction of academic buildings and workshop of the Polytechnic Institute at Haripur and Vocational Institute at Kohat. The expansion programme of Peshawar Polytechnic Institute was continued and training in Radio Electronic Technology was started. Existing Commercial Institutes at Peshawar and Mansehra were provided with improved buildings and equipment and the construction of buildings of the Commerical Institutes at Peshawar and Chitral was continued. Development programme of Vocational Institute for Women, Peshawar also made progress.

20. At the University of Peshawar Ph. D. programme in physical chemistry was initiated to which 3 scholars have been admitted. A hostel for 250 students and 13 residences for University Teachers were constructed. Furniture and equipment was provided for the students Union. The Islamia College Peshawar, which is a constituent college of the University, was improved in respect of academic programme and residential accommodation for teaching staff. Laboratory equipment was supplied to the colleges of Engineering and Agriculture at the University of Peshawar.

21. Under the Programme of social and cultural activities the projects implemented during the year included improvement of buildings of Peshawar Museum and construction of hall, art-gallery and stage for the Abbasin Art Council, Peshawar. Buildings of the Blind Institute, Peshawar were also improved.

22. Scholarships worth Rs. 0.13 crore were awarded to the students at the various levels of education.

Baluchistan

23. In Baluchistan 200 new primary schools were established and 200 existing primary schools were improved in respect of buildings and equipment.

24. Thirty primary schools were upgraded to middle standard and eight middle schools were raised to high standard. Facilities for teaching of science were improved in 80 existing middle schools by providing buildings, scientific equipments and materials. Five new hostels were also constructed for the existing high schools. Fishery courses were introduced in three coastal area high schools at Pasni, Gwadar and Ormara and two trade training Centres were established for imparting training in different vocations to the girls.

25. Two new Intermediate Colleges at Chaman and Us to Mohammad were established. Some progress was registered on the programme of extension of science block and hostel for women College Quetta.

26. Programme of University of Baluchistan made progress both in academic and physical terms and a sum of Rs. 0.18 crore was spent during 1972-73 on the construction of its Campus.

27. Text-books worth Rs. 0.62 crore were supplied to the University of Baluchistan, and existing colleges and other educational institutions for the setting up of Book Banks.

Centre

28. Construction of academic and residential buildings of the University of Islamabad was continued and equipment and furniture was purchased. The enrolment of the University rose from 193 in 1972 to 579 in 1973. Of these 135 students are enrolled in his M.Sc. and M. Phil programmes in Social Sciences, and 444 are enrolled in M. Sc., M. Phil and P. h. D. programmes in Natural Sciences. Twenty - nine scholars proceeded abroad to study at Ph. D. level in various specialized disciplines. Of these 13 received scholarships under Central Overseas Training Programme, 13 under Merit Scholarships programme and 3 under the Quaid-e-Azam Merit Scholarships scheme. Thirty six students were provided financial assistance to supplement foreign grants to receive overseas training and 216 students from different foreign countries received grants to study in Pakistani educational institutions.

29. The Urdu Development Board published 25 text-books for B. Sc. and M. Sc. classes. The National Book Foundation was set up to lay the foundation for organized action on the import, production, supply and distribution of books and other reading materials. Under the programme of National Book Foundation 82 foreign books required, for students of higher and professional education were locally printed and foreign books costing Rs. 0.30 crore were imported from abroad. Grants amounting to Rs. 0.25 crore were provided to Universities, Colleges and other Institutions to set up book banks. Some progress was also made with the programme of the Award of President's Thousand Scholarships and provision of Interest Free Loans to students from low income groups to pursue higher education.

The National Bureau of Crricula and Text books prepared draft syllabi for classes I to VIII and a scheme of studies for Classes IX & X. These have been circulated to teachers and other educators for obtaining professional views. The National College of Engineering and Technology Karachi (Dawood Engineering College Karachi) and the National College for Arts, Lahore have been taken over by the Federal Government and plans are under preparation for developing them into high quality National Institutions. A sum of Rs. 0.24 crore was paid to C.D.A. towards the cost of secondary schools in Islamabad which have already been constructed.

30. The programme of the development of Archaeology and Meseums, expansion of Central Museum at Karachi, establishment of Museum at Hyderabad made progress. Construction of reserve collection building at Taxila was strrted. Staff quarters were constructed at Haruppa and Mohenjodaro. To explore

the possibilities of obtaining foreign assistance for financing the cost of the project for the preservation of valuable archaeological remains at Mohenjodaro an international Symposium was organized in which a number of eminement foreign experts participated. A sum of Rs. 0.25 crore was released as grants-in aid to the National Sports Trust for the development and promotion of sports activities in the country.

Establishment Division

31. During 1972-73, 3400 childern of Class II (non gazetted), class III and IV Central Government Employees were awarded scholarships at a cost of Rs. 0.08 crore.

Economic Affairs Division

32. Rupees 0.19 crore were spent on the development of statistical service and re-organization of C.S.O.

Northern Areas

33. *Baltistan Agency :* Six primary schools were opened, buildings were constructed for 6 existing primary schools and one middle school, and equipment was provided to 18 primary schools. Two primary schools were upgraded to middle schools and one middle school was raised to high standard. Four existing high schools were improved in respect of equipment and furniture and industrial courses were started at one school. The programme of raising the Intermediate College, Skardu was continued and work was started on the construction of a hostel for this college and colonies for the teaching staff at different places.

(b) **Gilgit Agency**

34. Ten new primary schools were opened and 3 middle schools were raised to high schools. Programme of introduction of diversified courses in middle schools was completed. The programmes on which work was continued included introduction of technical/vocational courses in high schools, up-gradation of 4 primary schools to middle schools and raising of 5 middle schools to high standard. The project for the establishment of Intermediate College, Gilgit was completed and additional facilities of science equipment, furniture and library books were provided to strengthen its teaching programmes especially in science courses. In addition, construction of additional buildings was started to up-grade this college to degree standard. Bursaries were awarded to teachers for studying in training institutions and steps were taken to set up a Directorate of Education.

Kashmir Affairs Division

35. Additional equipment and furniture was provided to expand the facilities of education at the existing primary and middle schools. One middle school was up-graded to high school, building of one existing high school was improved and 3 existing high schools were provided with equipment and hostels. Construction of building of vocational institute at Muzaffarabad was started. Work was continued on the ongoing programme of opening two intermediate colleges alongwith residences for the teaching staff. Land was acquired and some furniture and equipment procured for raising 11 high schools to the level of intermediate colleges. Provision of additional accommodation equipment and furniture was made to introduce new courses at the existing intermediate and degree colleges and for up-grading the intermediate colleges of boys and girls at Muzaffarabad to degree level. Land was also acquired for the construction of building of Intermediate College Pallandri.

STATES AND FRONTIER REGIONS DIVISION

Centrally Administered Tribal Areas :

36. During the year under review, scholarships were awarded to students of Tribal Areas of Peshawar Division, D. I. Khan and Malakand Divisions. In the tribal areas of all the three divisions expanded educational facilities were provided by up-grading primary schools to middle schools and middle schools to high standard.The programme of construction of 2 hostels at the Compus of the University of Peshawar for tribal students was continued on an acceletated pace. Construction of building of the Government Intermediate College at Miranshah (D.I. Khan) and of staff quarters in Malakand Division was completed.

ANNUAL PLAN FOR 1973-74

Financial Allocation

37. A sum of Rs. 19.91 crore has been provided with the following distribution to the various executing agencies :—

(Crore Rupees)

Executing Agency	Allocation for 1973-74
Punjab ..	*10.70
Sind ..	5.44
N.W.F.P.	4.09
Baluchistan	1.53
Centre	8.15
Total ..	29.91

*Excluding University of Agriculture, Lyallpur.

38. Details of allocations made for various sub-sectors of education in the programmes of the Provinces and Central Ministries/Divisions are given in the statement given at the end of this Chapter.

PHYSICAL PROGRAMMES

Punjab

39. The programme of opening one hunderd new primary schools will be restricted to the economically backward areas where 100 schools will be opened. Existing 750 primary schools will be improved in respect of buildings and equipment. A sum of Rs. 0.25 crore has been ear-marked for supplying equipments and furniture to the flood damaged primary schools and the buildings of these schools will be repaired/re-constructed under the People's Works Programme.

40. Programme of up-grading 250 primary schools to middle schools and 150 middle schools to high standard will be undertaken. The provision of funds for these programmes during the year have however been restricted to 50% of the total requirements. Construction of buildings of 10 double section high schools and 8 Comprehensive high schools will be continued. Eighty high schools will be provided with science equipment, library books and professional literature for teachers. Programme of introduction of integrated courses in three Comprehensive high Schools will be completed and agro-technical courses will be introduced in class VI in 400 middle and high schools.

Work will be started on the improvement and consolidation of nationalised schools which include 578 primary schools, 200 middle schools and 120 high schools. Hostels will be constructed for students and residential quarters for the teaching staff. A sum of Rs. 1.15 crore has been ear-marked for the repairs/reconstruction and restoration of facilities in the middle and high schools damaged by floods.

41. The programme of Teacher Education provides for the in-service training of all categ-ories of teachers especially those required for teaching agro-technical courses. Both on-going and new programmes of developing colleges for the training of elementary teachers will be continued. The existing teachers training colleges will be provided with improved facilities for the training of science treachers'. A number of new programmes of training of teachers and related research will be undertaken with the assistance of UNICEF. These included exposure of teachers to the techniques of curriculum development, educational management and supervision, evalution system pre-service in-service teachers education and related research. Also included are pilot projects for organizing emergency short courses for volunteers of National Literacy Corps and preparation of reading/teaching materials for students, teachers and neo-literates.

42. Expansion programme of polytechnic Institute at Lahore, Sialkot, Rawalpindi and Bahawalpur will be completed. Both the on-going and new programmes of the conversion of existing polytechnic institutes into technical colleges will be taken up at an accelerated pace. Training in radio electronics, oil-fats, soap and textile technologies will be introduced at Polytechnic Institute, Multan, gas and petroleum

technology at Polytechnic Institute, Rawalpindi and aeronautics at Polytechnic Institute, Sargodha. Construction of building of Polytechnic Institute, Sahiwal will be continued and equipment and professional literature will be provided to the existing polytechnic institutes for the introduction of new programmes. Construction of buildings of 6 commercial institutes will be started. The on-going programme of developing existing industrial/vocational schools into vocational institutes will be continued. The development project of the University of Engineering and Technology, Lahore will make further progress and the programmes for the establishment of Computer Section and Public Health Engineering Institute at the University will be continued.

43. Work will be completed on the establishment of 8 intermediate Science Colleges, 3 Superior Science Colleges and construction of hostels at 4 Intermediate and 2 Degree Colleges. In addition work will be started on the opening of 8 new intermediate colleges, upgradation of 4 intermediate colleges to degree level, introduction of teaching in science courses in 10 intermediate and 5 degree colleges and introduction of teaching in Biology in 2 other degree colleges. Necessary laboratories, science apparatus, books and furniture will be provided to these colleges according to their requirements. Improvement/repairs of recently nationalized college buildings will also be taken up.

44. Development project of the University of the Punjab will be continued and the Institute of Chemical Engineering Technology will be supplied additional equipment and apparatus for the development/introduction of petroleum and Gas Technology Section, High Plastic and Polymer Technology Section, Fertilizer Technology Section and Pilot Plant Division. A number of other research projects/studies will be taken up at University. The subjects covered will include sugar technology, paper technology, material science and corrosion technology, instructional method of analysis and unit process laboratory.

45. The programme of scholarships will be continued at an accelarated pace on which an expenditure of Rs. 1.70 crore will be incurred against the expenditure of Rs. 1.40 crore in 1972-73.

46. A number of other miscellaneous programmes will be undertaken. Major programmes are development of Lahore and Bahawalpur Museums, acquisition of evacuee buildings for schools and college, establishment of people oriented libraries, provision of radio and television sets at the community centres, curriculum development and research, National Cadet Corps, development of the Manpower Planning Cell, Bureau of Statistics and Audio Visual Aids. Funds have also been provided for grants-in-aid to privately managed institutions for handicapped students, for raising the Government Primary School for Blind at Lahore to middle standard and for introducing technical courses and free supply of books in other shcools for children.

Sind

47. During 1973-74, 55 new primary schools will be opened and 100 nationalised primary schools will be improved in respect of accommodation, equipment and teaching aids.

48. Under the on-going programmes, work will be completed in respect of the improvement of 62 middle schools, 60 high schools, Cadet College Petaro and Public School Hyderabad. Implementation of the project for the establishment of 8 comprehensive high schools will be accelerated and work is expected to be completed to the extent of about 90 percent. Under the new programmes 100 Government and nationalised scools will be improved in respect of accommodation, scientific equipment, 24 primary schools will be converted into elementary schools and 13 middle schools will be raised to high standard. Courses in Industrial Arts. Agriculture, Home Economics and Education will be introduced in 20 high schools in accordance with the local requirements of the respective areas. One hundred additional class rooms will be provided at the existing middle schools. Provision of Library-*cum*-Reading rooms will also be made at 10 Government high schools.

49. Physical facilities of the existing teacher training colleges will be expanded to accommodate more trainees. It is estimated that the intake of the training colleges will increase from 1,500 to 2,000.

50. Programme of expansion of Polytechnic Institutes located at Karachi, Hyderabad and Khairpur will be completed and . technical courses will be introduced at these Institutes. On-going projects for the establishment of Vovcational institutes for Boys at Dadu, Jacobabad, Sukkur and Nawabshah will be completed. Grants-in-aid will be given to natonalised polytechnic instetutes and vocational institutes. Project for the establishment of 14 vocational schools for girls in rural areas/small towns and a Government Vocational Teachers Training Institute at Hyderabad will be completed. Work will be started on the project for the establishment of 49 vocational inst tutes of which 45 will be estsblished at Taluka level. Buildings and equipment will be provided to the existing commercial instritutes to introduce classes in Sindhi typing. A sum of Rs. 1.314 crorehas been provided for implementing development project of N.E.D. Engineering college which is aided under IDA assistance. Action will also be initiated to upgrade the Sind University Engineering College and Tando Jam Agriculture College to University level.

51. Four intermediate colleges will be raised to degree level and science courses will be introduced in 2 degree colleges. Work will be continued on the establishment of 8 intermediate colleges and on improvement and consolidation of nationalised colleges. Workshops will be provided at 10 existing intermediate colleges for the introduction of teaching in technical/occupational subjects.

52. The development programme of the University of Karachi will include completion of the construction of building of Central Canteen for students, a research study on social aspects of family planning, provision of equipment and apparatus for the Department of Physics. Funds have been provided for the purchase of books and journals for the University library. Additional land will be acquired and construction of hostels will be undertaken. The programme of University of Sind provides for research fellowship, introduction of Ph. D. courses in Analytical Chemistry, establishment of centres for Nuclear Chemistry, Fresh Water Biology and National Herbarium. It also provides for the construction of residences for teaching and Non-teaching staff and procurement of books and journals for the University Library. Work will also be initiated on upgrading the Engineering College, Jamshoro and Agricultural College, Tandojam to the level of Universities.

53. The programme under sub-sector of social and cultural activities included development of Bhitshah Cultural Centre, Art Council Karachi, Institute of Sindhiology and Hyderabad Museum. During 1973-74, 11,393 scholarships will be awarded to talented students at various levels. Other programme for which provision has been made in the A.D.P. include the project for curriculum development and text books, instructional technology and provision of gymnasia and play-grounds at secondary schools and colleges.

54. The programme described in the preceding paragraphs was prepared before the onslaught of floods which among other things, have also damaged a number of primary, middle and high schools. Some of the schools have been completely washed away while other have been severely damaged. The financial requirements of repairs and reconstrucion of damaged required a number of adjustments in the overall Annual Development Programme of the Province. As a result the provision for education and training has been reduced from 5.83 crore to Rs. 5.44 crore. Further adjustment will be made in the A.D.P. during the course of the year in order to accommodate the requirements of reconstruction and repairs of flood damaged education institutions which is estimated at Rs. 0.792 crores.

N.W.F.P.

55. During the year 154 new primary schools will be opened for which buildings will be constructed and equipment will be purchased. Equipment will also be provided to 264 primary and middle schools. Ten primary schools will be upgraded to middle standard and workshops will be constructed in 3 middle schools for the introduction of diversified courses. Construction of building will be completed in respect of 15 middle schools and 18 high schools upgraded in the preceding year. Construction of building of 5 comprehensive high schools alongwith hostel will be continued. Programme of improvement of existing schools will include supply of science equipment to 81 high school construction of science laboratories at 3 high schools, provision of library books at a high schools provision of facilities for the introduction of agricultural courses at 25 high schools, introduction of industrial art courses at 2 high schools and introduction of homeeconomics courses in 5 girls high schools. Miscellaneous improvements will be made in the buildings of high schools which will include addition of class rooms, art/drawing rooms, hostels and teacher's residences. A new building will be constructed for Government High School Karak and land will be purchased for the construction of high school building at Buddabir, Zaida and Charsadda (girls). Additional requirements of teachers will be met by the output of existing teacher training institutions and 200 secondary school teachers (including 60 feamale teachers will receive in-services training for teaching improved courses in Science and Mathematics.

56. Construction of residential quarters for the staff of the polytechnic Institutes of D. I. Khan and Haripur will be completed. Equipment will be procured for the Polytechnic Institute at Peshawar, D. I. Khan, Haripur, and for vocational institutes at Kohat, Peshawar (women), and Nowshera. Construction of buildings of Commercial Institute at Peshawar, Vocational Institutes at Kohat, Peshawar (women), Chakdara and Chitral will be continued. Work will be started on the construction of buildings for the proposed Polytechnic Institutes at Saidu Sharif, Commercial Institute at D. I. Khan, and Vocational Institutes at Bannu and Abbotabad. In service training programme will be organised at the Polytechnic Institute, Peshawar for 30 teachers of Polytechnics, and Commercial and Vocational Institutes.

57. Construction of building of Superior Science College Peshawar, of the departments of Zoology and Botany in Government College, Kohat and of departments of physics and Chemistry in Government College Bannu will be completed. Both new and ongoing construction programmes of buildings of intermediate colleges will be taken up. Five intermediate colleges at Mansehra, Lakki, Tank, D. I. Khan and Haripur (girls) will be upgraded to Degree level. Scientific equipment will be supplied to 30 colleges (9 intermediate and 21 degree) and library and reading rooms of 19 colleges (4 intermediate and 15 degree) will be improved. Provision of laboratories and scientific equipment will be made at the Agriculture College, D. I. Khan

where courses will also be introduced in dairy farm and poultry Equipment will also be supplied to the Degree College at D. I. Khan, Abbottabad and Bannu for introducing post-graduate programmes. Residential accommodation for teachers will be constructed at degree college, Swabi and Intermediate Colleges at Lakki and Timrgarah.

58. At the University of Peshawar, the Ph. D. programme in physical Chemistry will be strengthened. Improvement will also be made in the instructional programmes both at post-graduate and under graduate levels. Development programmes of the colleges of agriculture and engineering at the University will be continued. Residential accommodation will be constructed for the teaching and non-teaching staff of the University and the physical facilities of the students union will be improved.

59. The programme of scholarships will be continued at an accelerated pace on which an expenditure of Rs. 0.40 crore will be incurred against the expenditure of Rs. 0.13 crore in 1972-73. Students loans of the value of Rs. 405 to 550 per annum will be awarded to 222 talented students coming from middle and low income groups to enable them to continue their education beyond Matric level.

60. Other miscellaneous programmes for which provision has been made in the A.D.P. include improvement of museums at Peshawar and Dir, setting up of 50 Adult Literacy Centres for providing adult and continuing education to 2500 illiterates and construction of building for the deaf and dumb school, Peshawar

Baluchistan

61. Eighty primary schools will be opened, 200 existing primary schools will be provided with one additional class room each, 200 other existing primary schools will be improved in respect of equipment, furniture and teaching aids. Overcrowded schools in Quetta will be provided with additional class rooms and a new building will be consructed for the primary section at the Special High School, Quetta.

62. Thirty pirmary schools will be upgraded to middle schools and 5 middle schools will be raised to high standard. Construction of buildings will be started for the 30 primary schools upgraded to middle standard in 1972-73 and for High Schools at Jhal Magsi and Aawaran. Existing Middle and High schools will be improved in respect of building, equipment, audio-visual-aids, drinking water facilities, playgrounds and boundarywalls (in girls schools). Home Economic courses will be added in the existing girls high school. Five high schools, upgraded in the preceding years will be provided with hostels and residential accommodation will be constructed for lady teachers.

63. The existing Teachers Training Institutions at Quetta and Mastung will be improved. New units will be added to the Teacher Training Units at Bela and Panjgur. Education Extension Centre will be expanded and a hostel will be provided for it. Hostel will be constructed for the Teachers Training Institute, Quetta.

64. The existing Intermediate Colleges at Turbat, Fort Sandeman, Loralai and Sibbi will be upgraded to degree level. Construction of building for Intermediate College at Chaman and Usta Muhammad will be completed. Efforts will be made to accelerate the pace of construction of buildings and hostels for the intermediate college, Turbat, which is being upgraded to the degree level. A new Science Block will be constructed at Government College for women Quetta and a Science Laboratory will be constructed at Intermediate College Mastung. The facilities for the teaching of science will be improved at the boys degree college Quetta.

65. The Construction of University Campus of the University of Baluchistan will be accelerated and new teaching departments will be set up. Book Banks will be established at the University of Baluchistan, Intermediate and Degree Colleges, Polytechnics and Commercial Institutes.

Centre

66. During 1973-74 the site of the University of Islamabad will be developed further. Construction of buildings of the library, students centre(—)and central workshops will be undertaken. Library books and other equipments required for University will be purchased. Scholarships and fellowships will be awarded to research scholars of the University. Grants-in-aids will be given to all the Universities in the country to start Centres of Excellence in various scientific disciplines for establishing Area Study Centres providing facilities for research and study on different regions of the world and to establish Pakistan Study Centres providing facilities for the study of language, literature, social structure, customs and other aspects of the life of the people of different regions within the country. Work will also be undertaken on the establishment of People's Open University. Under the programme of the Board for the development of Urdu Language and literature more science textbooks will be published in Urdu for students studying at B.Sc. and M.Sc. levels. Supplementary reading for various age-levels will also be published and urdu shorthand and typewriting courses will be organised at Karachi, Lahore and Quetta.

67. Funds have been provided for supporting 14 scholars already studying abroad under the Merit Scholarship Scheme and 18 scholars studying in the foreign universities under the Central Overseas Training Scheme and 3 scholars under the Quaid-e-Azam scholarship scheme. In addition, 15,30 and 8 more scholars will be sent abroad under these programmes respectively. Seven students one from each Board of the Intermediate and Secondary Education securing first position in Intermediate Examination will be awarded Nishan-e-Haider Scholarship to study further. Under the programme of president's Thousand Scholarships, 1000 students coming from families having income upto Rs. 500/ per month will be awarded scholarships to sutdy in various courses beyond matric stage. Two hundred and nine students from other countries will also be provided scholarships to study at post-matric courses in various educational institutions in Pakistan and foreign students centres will be established at Karachi and Lahore.

68. The project for the establishment of a Museum of Science and Technology, Lahore will make further progress. Work will be started on the construction of buildings of National Archives, National Library and National Council of Arts, at Islamabad. Special emphasis will be placed on the programme for the development of Archaeological sites and the project for the preservation of pre-historic remains at Mohenjodaro will be continued. Work will also be started on the projects for the preservation and maintenance of Shalamar Gardens and Lahore Fort.

69. Provision of funds has also been made for continuing work on the establishment of Training and Coaching Centres and starting implementation of the programmes of National Service Corps and Pilot Project for education of the handicapped. Revision and modernization of curricula and text-books will be continued under the programmes of Bureau of Curricula and Text-books. Book Banks will be established at Universifies, general and professional colleges and polytechnics and commercial institutes. Foreign books immediately required by the students of higher and professional courses will be imported and other foreign books required in large number will be printed Locally. Measures will also be adopted for the production of local books under the programme of National Book Foundation. Other projects on which work will be taken in hand include Examination Reforms, preparation of Basico Vcabulary Booklets and setting up of a Unit of Instructional Technology at National level.

70. The Development projects of Islamabad Model Schools for Boys and Girls will be completed. Work will be continued on the programme of Central Government College for women and construction of buildings of Men's College will be started. Action will be initiated on the project for the establishment of 3 more Secondary Schools in Islamabad, Educational facilities at the existing Central Government Secondary Schools will be improved by providing library books, scientific and audio-visual equipment s and text -books. Merit Scholarships will be awarded to talented students studying in central government educational institutions. Additions and alteration will be made in the buildings of central government primary and secondary schools to meet the increasing pressures of admissions. Steps will be taken to develop National College of Engineering and Technology Karachi and National College of Arts, Lahore, which have recently been nationalized, into high quality educational institutions in their respective fields of specialization.

71. A comprehensive programme for the construction of hostels and teacher's colonies, estimated to cost Rs. 4 crore will be under taken during 1973-74. The Ministry of Education will contribute a sum of Rs. 2.43 crore towards the cost of this construction programme and the balance will be met by the provincial Governments. In addition a provision of Rs. 0.50 crore has been made for meeting the cost of new projects which will be prepared during the year according to the recommendation of the Education Policy.

Establishment Division

72. Scholarships will be awarded to 4600 children of Class IV, Class III and Class II (non-gazetted) Central Government Employees to study at various levels of education. In-service training courses will be organised at NIPA Karachi, Pakistan Administration Staff College and Secretariat Training Institute for the senior officers and staff of the Central Government.

Planning Division

73. A sum of Rs. 0.05 crore has been provided for initiating work on research studies relating to significant aspects of the Development of Small and Cottage Industries and Minerals.

Finance Division

74. Rupees 0.02 crore will be spent on the feasibility studies relating to the improvement of finance/ accounts procedure.

Kashmir Affairs Division

(a) Azad Kashmir

75. The proposed programme of educational development in the Azad Kashmir Area inculdes expansion and improvement of existing primary, middle and high schools, up-gradation of 30 middle schools to high standard, introduction of diversified courses in high schools, and acquisition of land for agricultural farms. The on-going programmes for opening of 2 Intermediate colleges and Teacher's Training Institute, Afzalpur will be completed.

Work will be continued on the up-gradation of 12 high schools into intermediate colleges, establishment of vocational school at Muzaffarabad, construction of residential accommodation for teachers and other staff, provision of equipment and furniture to educational institutions and provision of sports by providing playgrounds and sports equipment. The intermediate colleges at Bagh and Mirpur will be upgraded to degree level. Degree level courses in Geography, Botany and Biology will be introduced at Kotli and Muzaffarabad Colleges and post-graduate classes will also be started at Government Degree College, Muzaffarabad. Courses for the training of primary schools teachers will be organized for working teachers of various categories and B. Ed. courses will be introduced at the Teachers' Training Institute, Afzalpur. Scholarships will also be awarded to the talented students to enable them to continue their education beyond matric level.

A—Gilgit Agency

76. The proposed programme includes opening of 16 primary schools, up-grading of primary schools to middle standard and 2 middle schools to high standard. The on-going programmes for up-grading of 3 middle schools to high standard with hostels and of the existing K.G. School to middle standard will be completed. Construction of hostel for inter-college, Gilgit and its up-gradation to degree level will be carried further. Construction of building for a new vocational institute will be started. Buildings will also be constructed for the Inspectorate of Schools in Dimar Agency and for Directorate of Education, Gilgit. Bursaries will be awarded to enable the talented students to study at higher level of education.

B—Baltistan Agency

77. The proposed programme includes opening of 22 primary schools up-grading of 3 primary schools to middle standard and one middle school to high standard. Buildings will be constructed for 9 primary schools housed in rented buildings, equipment and teaching aids will be supplied to 50 existing primary schools and scientific equipment and furniture will be provided to 3 high schools.

78. The on-going programmes for the construction of buildings for Middle School, Ghamba, will be completed. Work will be continued on up-grading the high school, Skardu to Intermediate College, construction of residentsal accommodation for students and staff of Inter College, Skardu and on construction of educational colonies at Skardu, Ghamba, Thowar, Shigar, Khaplu and Parkata. Construction of buildings will also be taken up for Teachers' Training Institute Skardu and of Inspectorate of Education.

States and Frontier Regions Division :

Centrally Administered Tribal Areas :

The proposed programme includes up-gradation of primary schools to middle standard and middle schools to high standard, in the centrally administered tribal areas of Peshawar, D.I. Khan and Malakand Division. The on-going scheme for the construction of 2 hostels for tribal students at University Campus Peshawar will be completed. Scholarships will also be awarded to tribal students of various levels of education in all the three Divisions.

EDUCATION AND TRAINING

SUB-SECTORAL DISTRIBUTION OF A.D.P. ALLOCATION 1973-74 OF VARIOUS EXECUTING AGENCIES

(Crore Rupees)

Items	Punjab	Sind	N.W.F.P.	Baluchistan	Centre	Total
Primary Education	0.85	0.31	0.84	0.33	0.01	2.34
Secondary Education	3.25	0.83	0.55	0.37	0.32	5.32
Teacher Education	0.75	0.04	0.02	0.08	—	0.89
Technical Education	1.75	2.04	0.57	0.01	0.07	4.44
College Education..	1.25	0.55	0.69	0.32	0.15	2.96
University Education	0.50	0.68	0.46	0.30	1.38	3.32
Scholarships/Loans	1.70	0.45	0.41	—	0.41	2.97
Madrassah Education	—	—	—	0.03	—	0.03
Adult and Continuing Education	—	0.01	0.01	—	—	0.02
Curriculum Development and Book Production.	0.04	0.04	—	—	0.46	0.54
Instructional Technology	0.04	0.03	—	0.01	0.01	0.09
Research and Statistics	0.17	0.15	—	0.02	—	—0.34
Social and Cultural activities	0.07	0.10	0.07	0.02	0.94	1.20
Establishment Division	—	—	—	—	0.24	0.24
Economic Affairs Division	—	—	—	—	—	—
Planning Division	—	—	—	—	0.05	0.05
Finance Division	—	—	—	—	0.02	0.02
Information and Broadcasting Division ..	—	—	—	—	0.04	0.04
Kashmir Affairs Division :						
(*a*) Northern Areas	—	—	—	—	0.41	0.41
(*b*) Azad Kashmir	—	—	—	—	0.39	0.39
States and Frontier Division : (Centrally Administered Tribal Areas).	—	—	—	—	0.67	0.67
Regional and Feasibility studies by P&D Department	—	—	0.13	—	—	0.13
Miscellaneous	0.33	0.21	0.34	0.04	2.58	3.50
Total ..	10.70	5.44	4.09	1.53	8.15	29.91

PUBLIC ADMINISTRATION

I. Training

Under the Programme for Training (National Institute of Public Administration, Secretariat Training Institute and Pakistan Administrative Staff College) an amount of Rs. 15 million was provided in the Fourth Five Year Plan. Of this an amount of Rs. 1.519 million has already been spent or is expected to be spent by the end of 1973-74. A further sum of Rs. 2.688 million is expected to be spent during 1974-75. Thus a total amount of Rs. 4.207 million is expected to be spent on the Training Programme by the end of the Fourth Five Year Plan.

Under the Training Programme, the National Institute of Public Administration, Karachi has already acquired 3.5 acres of land adjacent to the existing Institute for the construction of staff quarters. It is proposed to construct the quarters during 1974-75 at an estimated cost of Rs. 1.150 million.

The Administrative Staff College has spent an amount of Rs. 0.100 million in improving the existing facilities especially the drainage and sewerage system of the building. They further proposed to improve the facilities in respect of telephones, internal roads etc. during 1974-75.

The Establishent Division has already paid an amount of Rs. 0.139 million to the Capital Development Authority as the cost of land for the proposed building of Secretariat Training Institute in Islamabad. It is proposed to construct the building at an estimated cost of Rs. 2.367 million by the end of 1974-75.

II. Staff Welfare

Under the Programme for Staff Welfare, an amount of Rs. 15.00 million was provided in the Fourth Five Year Plan. An amount of Rs. 2.785 million has already been spent or is expected to be spent by the end of 1973-74. Another amount of Rs. 2.550 million is expected to be spent during the year 1974-75. Thus a total amount of Rs. 5.335 million is expected to be spent by the end of the Fourth Five Year Plan.

CHAPTER 19

MANPOWER AND EMPLOYMENT

As reliable statistics on the size of the labour force, and the extent of current employment and unemployment are not available, some broad inferences can be drawn from the following facts :

(*i*) The labour force has increased rapidly in recent years. This is implicit in the results of the 1972 census of population, which has revealed that the total population (64.892 million in 1972) has increased faster (nearly 3.11 per cent per annum) than the rate of growth projected by various agencies. The labour force participation, reported at different rates between 29.90% and 33.91% during the period 1961 to 1972 in the surveys of the current economic conditions, is among the lowest in the world, which indicates a high dependency burden for the economically active population and reflects substantial under-utilization of manpower resources. A faster increase in the labour force is also very significant for coming years. Any decline in fertility in the coming years would take some fifteen years to materialise in respect of labour force.

(*ii*) The quarterly surveys of current economic conditions have successively shown unemployment rates around 1 per cent over the period 1961 to 1972, which is obviously an under-statement. The Housing, Economic and Demographic Survey of the Population Census Office is also expected to be conducted on the same lines and may, therefore, not yield realistic results.

(*iii*) The employment exchange statistics, despite their known limitations, present a gloomy picture of the urban labour market as the live registers of employment exchanges constantly remain heavily loaded with job seekers.

(*iv*) Educated manpower constitutes an important part of the new entrants to the labour force and studies conducted some time ago have revealed high un-employment rates among the educated labour force, not only among persons having general education but also among technicians and specialists. The supply of educated manpower, both at the second and third levels of education, has increased faster than the demand for them during the last several years, causing increasing unemployment among these groups.

(*v*) Measures taken to generate economic activity have proved to be inadequate to cope with the employment problem created by the recession of calendar years 1970 and 1971. The revival of economic growth in 1972-73 will not materially affect the backlog of unemployment.

2. In view of all this, creation of additional employment opportunities is a major goal of the government's overall economic and social polices which simultaneously aim at reducting the present inequalities in income.

Policies and Programmes

3. A number of programmes were initiated during 1972-73 to promote employment. These included People's Works Programme, Integrated Rural Development Programme, Agrovilles, Education and Literacy Corps and the National Development Volunteer Programme. A policy decision of far-reaching importance was taken recently whereby greater employment was to be treated as a primary goal of economic development and considered essential in assessing the viability of projects and programmes. Growth rate, as such, was, therefore, no longer to be the over-riding goal. The potential contribution to employment promotion of all the economic and social policies and programmes covering the fields of public administration, wage and income, education and training, agriculture, industry etc., will have to be fully explored and employment promotion will now be made the primary responsibility of both the public and private sectors.

4. Special mention may be made of the NATIONAL DEVELOPMENT VOLUNTEER PROGRAMME which is a new venture to tackle the problem of mounting unemployment among the educated youth. The programme which has a statutory backing, was launched on the 30th April, 1973. Although the programme will eventually cover all categories of the educated unemployed, a start was made by registering unemployed scientists, engineers and technicians in its first phase. Aside from providing useful and remunerative apprenticeship opportunities, the programme involves registration and placement of candidates directly or through on-the-job training, against vacancies found in the Government, industrial and commerical establishments employing 50 or more workers. In a couple of months since the launching of the programme, over 12000 persons were registered at the Registration Centre set up at Karachi. The work relating to matching of applicants' qualifications with the job-openings is underway with the help of the computer. An amount of Rs. 3.00 crore has been allocated for the National Development Volunteer Programme for 1973-74.

Organizational Arrangements

5. As employment and manpower functions are widely distributed and shared virtually by every arm of the Government at the Centre and the Provinces and also in the private sector enterprises, implementation of employment and manpower programme on an integrated basis requires coordination and harmonization of the functions of a large number of agencies. A Manpower Division was, therefore, established at the Centre in May, 1973 to evolve a unified programme for employment promotion and manpower development. The Directorate of National Manpower Council, set up in the Labour Division in 1962, was merged in this Division. Similar organizational arrangements are required in the Provinces also.

CHAPTER 20

LABOUR POLICY AND SERVICES

The objectives and programmes of the Labour Policy and Services Sector are designed to develop the skill and efficiency of the labour force and build sound and harmonious labour management relations.

REVIEW OF PROGRAMME DURING 1972-73

Financial Implementation

2. Against an allocation of Rs. 0.82 crore, the estimated expenditure would be Rs. 0.55 crore which gives an achievement of about 67 per cent. The financial allocation and estimated expenditure for each province and the Centre with regard to the Development programme in this Sector are given in the following table.

(Crore Rupees

Province	1972-73	
	Allocation	Expenditure
Punjab ..	0.50	0.31
Sind ..	0.05	0.03
N.W.F.P.	0.11	0.10
Baluchistan	0.03	0.03
Total (Provincial) ..	0.69	0.47
Centre..	0.13	0.0
GRAND TOTAL ..	0.82	0.55

Physical Performance

3. The first phase of expansion of the existing Technical Training Centre at Gulberg, Lahore was largely completed. About two-third of work on the construction of building for the Technical Training Centre, Rahimyar Khan was also completed. Some progress was made on the second phase of this Centre. About one-third construction work on the Apprenticeship Training Centre, Lyallpur was completed. Construction of building for the Technical Training Centre, Gujar Khan made good progress.

4. The construction work on the building for Trade Union Institute, Lahore was continued and nearly two-third of work was finished.

5. The construction of building for the Weights and Measures Laboratory, Lahore was taken up and about two-fifth of work is already over. No work could, however, be done on Mines Rescue and Safety Station at Khushab.

6. The Survey and Statistical Cell in the Manpower and EmploymentWing of the Labour Directorate was further strengthened and survey work in connection with the Pilot Research Project for Rural Employment Promotion was continued. Work was also initiated with regard to the programme on vocational guidance and employment counselling.

Sind

7. The scheme for providing additional facilities at the existing Technical Training Centre, Kotri was completed. No Staff for Research and Planning Cell could, however, be recruited. Efforts were made to acquire land from Karachi Development Authority for the Weights and Measures Laboratoy.

N.W.F.P

8. The construction of building for the Occupational Rehabilitation Centre at Khalabat, Haripur (Hazara) was taken in hand and more than 50 per cent of work was completed. Land for the Technical Training Centre, D.I. Khan was purchased and construction of hostel block was started. As in the Punjab and Sind, the Research, Planning and Statistical Cell set up in 1971-72 was further strengthened during 1972-73.

Baluchistan

9. The only scheme in the process of implementation in Baluchistan in this Sector related to the Mines Rescue and Safety Station at Sinjidi, Kalat.

Centre

10. Only one scheme relating to construction of a Seamen's Hostel at Karachi was in hand and it was completed during 1972-73.

ANNUAL PLAN 1973-74

11. The Public sector programme in the field of labour policy and services consists mainly of the continuation of work on the on-going projects. Some new schemes are also proposed to be undertaken. In financial terms, the allocation is higher by half a million rupees as compared to that of 1972-73.

Financial Outlay

12. The allocation for Labour Policy and Services Sector for 1973-74 is Rs. 0.87 crore ; Province-wise distribution being Rs. 0.45 crore for the Punjab, Rs. 0.05 crore for Sind, Rs. 0.14 crore for NWFP, Rs. 0.10 crore for Baluchistan and Rs. 0.13 crore for the Centre (Food and Agriculture Division : Rs. 0.105 crore, Labour and Local Bodies Division : 0.025 crore).

PHYSICAL TARGETS

The Punjab

13. The remaining part of the first phase of expansion of Technical Training Centre, Gulberg (Lahore) will be completed. The second phase of Expansion of this Centre will also be taken up. Likewise, work will be continued on the Technical Training Centre, Rahimyar Khan completing both its first and second phases. It is expected that construction of buildings for the Technical Training Centre, Gujar Khan will reach the completion stage and that of Apprenticeship Training Centre, Lyallpur will make considerable progress.

14. The building for the Trade Unions Institute, Lahore is expected to be completed and the Institute is expected to start functioning in its new premises by the end of the year.

15. The building for the Weights and Measures Laboratory, Lahore will be nearly complete and work will start on the setting up of Mines Rescue and safety station at Khushab.

16. Work will continue on the Research schemes relating to (i) Pilot Research Project for Rural Employment, (ii) Vocational Guidance and Employment Counselling, and (iii) expansion of Survey and Statistical Cell of the Manpower and Employment Wing of the Labour Directorate.

Sind

17. No new scheme will be taken up during the year and the Development programme will be confined to the continuation of work on the two on-going schemes relating to (i) expansion of Research and Planning Cell in the Manpower Wing of Labour Directorate, and (ii) Weights and Measures Laboratory, Karachi.

N.W.F.P.

18. The construction work of the Occupational Rehabilitation Centre, Khalabat, Haripur (Hazara) will receive greater attention and major portion of work on its building will be completed. The work relating to the Technical Training Centre, D.I. Khan will include construction of academic block, hostel block and residential quarters.

19. The Research, Planning and Statistical Cell at the Headquarters of Labour Directorate will be further strengthened.

Baluchistan

20. Work will be continued on the on-going scheme pertaining to the Mines Rescue and Safety Station at Sinjidi, Kalat.

21. The Central Programme will include two schemes. One will be the initiation of work for the setting up of an Institute of Manpower Studies, Karachi under the administrative control of Manpower Division. The other will be a survey programme known as FAO/ILO Pak Joint Rural Employment Project and will be organized by the Food and Agriculture Division with the assistance of FAO/ILO. The project is designed to measure and evaluate the present and projected demand for labour and resultant income distribution in agriculture and such related activities as high-yielding variety of seeds. It is expected that major portion of survey work of this project will be completed in 1973-74.

LABOUR POLICY AND LEGISLATIVE AND ADMINISTRATIVE MEASURES

22. The provisions of two packages of labour policy and reforms announced in February and August, 1972 were outlined in the Annual Plan for 1972-73. These reforms embarce wide areas for improving the working and living conditions of labour and relate to issues covering workers' share in profits, payment of bonus, old age pension, group insurance, gratuity, social security, lay-off benefits, holidays, payment of wages, security of service, protection of office bearers of trade unions, matters relating to freedom of association and collective bargaining and extension of labour laws to tribal areas of Baluchistan and NWFP and to numerous smaller establishments not covered so far.

23. In order to give effect to the labour policy, a number of labour laws were enacted and were mentioned in the Annual Plan for 1972-73. Additional Labour laws enacted are:

(*i*) Workmen's Compensation (Amendment) Act, 1973.

(*ii*) West Pakistan Employees' Social Security (Amendment) Act, 1973.

(*iii*) Factories (Amendment) Act, 1973

(*iv*) Payment of Wages (Amendment) Act, 1973.

(*v*) Companies Profits (Workers' Participation) (Amendment) Act, 1973.

(*vi*) West Pakistan Industrial and Commercial Employment (Standing Orders) (Amendment) Act, 1973.

(*vii*) Workers' Children (Education) (Amendment) Act, 1973

(*viii*) Industrial Relations (Amendment) Act, 1973.

(*ix*) Mines (Amendment) Ordinance, 1973.

24. A National Industrial Relations Commission was set up to deal with cases of unfair labour practices and to promote the formation of national organisation of workers. The Commission, since its inception, received a total of 391 cases of which 349 related to unfair labour practices, and disposed of 289 cases. The Commission undertook extensive tours and met representatives of workers and employers with a view to ensuring industrial peace and promotion of healthy trade unionism.

25. In order to ensure proper implementation of the reforms, the implementation machinery has been reorganized and strengthened. An Implementation Cell has been set up in the Labour Division. The Provincial Labour Directorates have been suitably expanded. Ten Labour Courts have been established so far. Of these, 6 are in Sind, 2 in the Punjab and one each in NWFP and Baluchistan. It is proposed to set up 2 more Labour Courts in the Punjab during the current financial year. In addition, a total of 44 Junior Labour Courts of which 15 are in Sind, 12 in Punjab, 16 in NWFP and one in Baluchistan, are functioning in the country. Proposal for setting up seven part-time Junior Labour Courts is under consideration.

26. A Governing Body of the Workers' Welfare Fund has been established for provision of housing facilities to workers. Out of the Workers' Welfare Fund constituted by the Central Government under the Workers' Welfare Fund Ordinance, 1971, funds were made available to the Provincial Governments to enable them to finance projects for workers' housing. On completion of their first project of 1700 flats for workers financed from the earlier allocation of Rs. 1.00 crore from the Fund, a further sum of Rs. 1.69 crore has been allocated to the Government of Sind to enable them to construct 2500 more flats. The Governments of the Punjab, NWFP and Baluchistan have been allocated Rs. 1.75 crore, Rs. 0.21 crore and Rs. 0.35 crore respectively.

Workers' Education

27. The National Institute of Labour Administration Training (NILAT), Karachi was re-organized and expanded in 1972-73. Its activities included workers' education, and research in the field of industrial relations and personnel management. During 1973-74, it is proposed to further augment the workers' education programme in the country laying special emphasis on their training in the essentials of trade unionism. The Institute will conduct advance courses for trade unionists and lower level courses for workers besides other similar activities.

Labour Situation

28. Before the annoucement of the labour policy, as well as for some time thereafter, the labour situation was not satisfactory in the country since there were wide-spread strikes and work stoppages. The situation improved considerably after the grievances of the workers were heard and their solution found.

CHAPTER 21

HEALTH PROGRAMME

Financial

In financial terms the Annual Plan envisages an allocation of Rs. 17.85 crore in the public sector which shows an increase of 30% over the 1972-73 expenditure. The province-wise break-down is as follows ;

(*Rs. in crore*)

Punjab ...	8.42
Sind ...	3.15
N.W.F.P.	2.90
Baluchistan	0.95
Centre ...	2.43
Total ...	17.85

Physical Programme

A major portion of the programme is devoted to implement the proposed People's Health Scheme. Targets to be achieved in 1973-74 are :

(*i*) medical cover to be extended to the rural areas by up-grading the existing rural dispensaries and by commissioning new health units and centres ;

(*ii*) provision for medicines to be increased to three times the existing provisions in case of higher hospitals ;

(*iii*) training facilities in medical colleges and para-medical institutions to be expanded ;

(*iv*) two more medical colleges to be opened in the Punjab ;

(*v*) job opportunities to be created for the following personnel :

Doctors	816
L.H.Vs.	1413
Sanitary staff	1844
Technicians/dispensers	1595
Midwife/Naids ...	305

The incidence of malaria had shown an alarming increase. The following remedial measures will be taken :

(1) The programme will be implemented through out the country on a uniform basis, covering both rural and urban areas using effective insecticides like malathion ;

(2) Steps will be taken to absorb the Malaria Eradication Programme alongwith its staff in the general health services thus satisfying the personnel in regard to their job security and thereby reducing their turn over.

Centre

Federal ADP for 1973-74 stands at Rs. 2.43 crore out of which Rs. 0.30 crore are earmarked to general hospitals. Allocation for medical education is Rs. 1.28 crore.

In the Federal Programme work on the improvement and extension of Jinnah Post-graduate Medical Centre, Karachi will continue. Besides this, it also includes the extension of Central Government Poly Clinic, Islamabad. Construction of Bolan Medical College, Quetta will be financed by the Federal Government at a cost of Rs. 1.00 crore.

Punjab

The allocation of Rs. 8.42 crore for the Health Sector includes Rs. 1.60 crore for Malaria Eradication Programme, Rs. 2.50 crore for general hospitals, Rs. 1.74 crore for medical education, Rs. 1.31 crore for Rural Health Centres, Rs. 0.40 crore for scholarships and the balance of Rs. 0.87 crore for T.B. Control, Smallpox Eradication Programme and other miscellaneous schemes.

The allocation for general hospitals includes Rs. 1.00 crore for the teaching hospitals and Rs. 0.75 crore each for district headquarters and tehsil headquarter hospitals. Out of the allocation of Rs. 1.00 crore for teaching hospitals, Rs. 0.60 crore has been earmarked for construction work on Blocks 5, 6, 7 and 8 and on air-conditioning of the operation theatres in Nishtar Hospital, Multan. A provision of Rs. 0.20 crore and Rs. 0.10 crore respectively has also been made for expansion and improvement of Mayo and Ganga Ram Hospitals. The Lahore General Hospital and Lady Willingdon Hospital have been given Rs. 0.05 crore each, the former for equipment for the neuro-surgery deptt., and the latter for a much needed tube-well and out-patient department lift. In case of district headquarters hospitals, the allocation of Rs. 0.75 crore includes Rs. 0.10 crore for the purchase of equipment. In the case of tehsil headquarters hospitals, there is a similar provision of Rs. 0.25 crore.

In the field of medical education and training, the on-going works on the Quaid-e-Azam Medical Colleage at Bahawalpur account for a little over Rs. 0.89 crore of the total allocation of Rs. 1.74 crore for this sub-sector. A provision of Rs. 0.20 crore has been made for a new medical college at Lyallpur. A provision of Rs. 0.01 crore has also been made for a medical college at Lahore. The requirements of the dental section, Lady Health Visitors' School and other works at the Nishtar Medical College account for another Rs. 0.32 crore. There is also a provision of a little over Rs. 0.17 crore for the Boys' Hostel, Auditorium and purchase of equipment for King Edward Medical College at Lahore.

The allocation of Rs. 1.31 crore for Rural Health Centres, is indicative of the new priority being given to rural areas for medical cover on a crash programme basis. Out of this allocation, Rs. 0.61 crore have been earmarked for 38 new Centres—two per each district.

Flood Re-construction

The following allocations have been made in the ADP of the province :

		(*Rs. in crore*)
1.	Restoration of damages caused by rains/floods to the buildings of health departments	0.25
2.	Replacement of equipment, linen etc. lost during recent floods in various institutions	0.08
3.	Malaria Eradication Programme	0.25
	Total ..	0.58

Sind

The allocation of Rs. 3.15 crore includes Rs. 0.54 crore for malaria eradication, Rs. 1.215 crore for hospitals, Rs. 0.504 crore for medical education and Rs. 0.882 crore for Rural Health Programme.

The allocation of general hospitals includes Rs. 0.279 crore for provision of medicines and Rs. 0.09 crore for improvement of D.H.Q. Hospital at Larkana. A Tehsil Headquarter Hospital will be constructed at Retodero at a cost of Rs. 0.09 crore.

In the field of medical education Rs. 0.135 crore have been provided for Chandka Medical College at Larkana and Rs. 0.144 crore for Sind Medical College at Karachi.

An allocation of Rs. 0.882 crore has been made for the implementation of the Rural Health Programme of People's Health Scheme.

N.W.F.P.

The total of Rs. 2.90 crore for the health programme includes Rs. 0.60 crore for Malaria Eradication Programme, Rs. 1.03 crore for hospitals, Rs. 0.22 crore for medical education and Rs. 0.96 crore for Rural Health Centres. Out of the allocation for hospitals, Rs. 0.70 crore have been earmarked for Khyber Teaching Hospital, Peshawar. Rs. 0.10 crore have been provided for the improvement/extension of Lady Reading Hospital, Peshawar, Civil Hospital at D.I. Khan will be up-graded at a cost of Rs. 0.13 crore.

Rural Health Programme allocation is Rs. 0.13 crore for construction of 31 new health centres for provision of medical services in the rural areas.

Baluchistan

Out of the total ADP of Rs. 0.95 crore, Rs. 0.37 crore have been provided for improvement and extension of hospitals, Rs. 0.27 crore for Rural Health Prgoramme and Rs. 0.20 crore for Malaria Eradication Programme. Construction of Bolan Medical College is to be financed by the Federal Government.

A statement showing the allocation for 1973-74 by executing agencies under functional sub-sectors appears below :

Abstract showing the allocation for 1973-74 *by executive agencies*

(Crore Rupees)

Sub-Sector	Centre	Punjab	Sind	N.W.F.P.	Baluchistan	Total
1. Hospitals	0.29	2.50	1.215	1.03	0.37	5.405
2. Medical Education and training	1.37	2.14	0.504	0.22	—	4.234
3. Rural Health Programme	—	1.31	0.882	0.96	0.27	3.422
4. Malaria Eradication Programme	0.05	1.60	0.450	0.60	0.20	2.90
5. T.B. Control	0.01	0.37	0.045	0.02	0.09	0.535
6. Smallpox Eradication Programme	—	0.03	0.054	0.02	—	0.104
7. Miscellaneous	0.71	0.47	—	0.05	0.02	1.25
Total ..	2.43	8.42	3.15	2.90	0.95	17.850

As mentioned under the physical programme for 1973-74, the major portion of the programme is devoted to the implemention of the proposed People's Health Scheme, the salient feature of which are :

1. The establishment of a Basic Health Unit (BHU) for every 10,000 persons in densely populated areas and 5,000 in sparsely populated areas. It will have a doctor, a lady health visitor and other para-medical and ancilliary staff.

2. Every fifth unit in rural areas will be a Rural Health Centre with 10 beds and additional trained staff.

3. Expansion of Tehsil/Taluka and District Hospital will provide all major services. In addition, the District Hospitals will cover mental and psychiatric disorders.

4. A proper referral system in all the health institutions will be established.

5. All services connected with the health of a community including programmes for family planning, malaria eradication, small-pox, tuberculosis control and the like will be integrated.

6. Medical and para-medical education will be improved and 12 specialized institutes will be established. New medical colleges will also be established. For para-medical staff, training facilities will be provided at district and tehsil levels.

7. State-owned fair-price shops for drugs and medicines at the rate of one for every 50,000 population will be established.

8. Environmental sanitation, counteracting of food adulteration, improvement of nutrition and intensification of other preventive programme will receive special attention.

POPULATION PLANNING PROGRAMME

The population in West Pakistan is estimated to have increased from 46.2 million in 1961 to 64.2 million in 1972. On the basis of these figures the average annual growth rate for the period February, 1961 to September, 1972 comes to 3.1%. Different fertility and mortality assumptions give estimated population growth rates between 2.7 and 3.2 per cent with a likehood of its being 2.9%.

The population in Pakistan would increase to 90.1 million in 1985 ; 110 million in 1990 ; 170 million in 2000 and 249 million in 2010 at the existing fertility rates. The projection, indicates a bleak future unless urgent action is taken to check the fertility rate. Such a rapid increase in population would require provision of employment and other population related services at a level much beyond the economic potential of the country. There is, therefore, a pressing need for an effective family limitation system, and important factors have been taken into account to improve the programme in the Annual Plan, 1973-74.

REVIEW OF 1972-73

Financial

The financial utilization of the family planning programme which was redesignated Population Planning Programme was 35% over and above the ADP provision as detailed below :

(Crores of Rupees)

Year	*ADP Provision*	*Estimated expenditure*
1972-73	2.4	3.22

1. The entire programme was centralized and a new approach of operation known as the Continuous Motivation System (CMS) was evolved. CMS envisages, registration of all house-holds and contacts with eligible couples for motivation and service by a trained team of a literate man and woman approximately 4 times a year.

2. CMS was tested and evaluated in Sialkot District and after encouraging initial results has been extended to cover six more districts of Pakistan.

3. Due emphasis was laid on proper training and supervision of field workers.

4. Data collection and processing was improved.

5. A scientific strategy of publicity was worked out.

In terms of physical performance the programme showed the following figures :

Sterilizations	3095 No.
I.U.D. Insertions	106,385 No.
Oral contraceptives	0.118 million cycles.
Conventional contraceptives	30.0 million units.

PLAN FOR 1973-74

Financial

To avoid any financial bottleneck in the proper implementation of the Population Planning Programme, an allocation of Rs. 10.2 crore is being made in the ADP of 1973-74. The financial scope of the revised plan is compared below with the annual plan allocations for the preceding three years to show the size of the effort involved :

Year	*Allocation*
1970-71	Rs. 4.81 crores.
1971-72	Rs. 2.79 crores.
1972-73	Rs. 3.40 crores.
1973-74	Rs. 10.20*crores.

*This allocation includes US-AID contribution to the extent of Rs. 6.7 crore.

Physical

Continuous Motivation System is proposed to be extended to all the areas with a population density of 300 persons per square mile or above by taking Tehsil/Taluka as the basic unit. This will cover approximately 74 per cent of the population. Areas having a population density of less than 300 persons per square mile will be covered by a combined health-population planning approach. This will give an additional coverage of 19 per cent of the population. This will bring 93% of the entire population under the impact of the programme.

CHAPTER 22

SOCIAL WELFARE SERVICES

Introduction

Social Welfare Services traditionally have been concerned with those activities which improve the life of the people as individuals, members of families, or social groups. Government's responsibility for social welfare has largely been around remedial and preventive services through the introduction of social work education at college and university levels, through pilot projects in community development, through projects for children and women, the handicapped, the youth and the delinquents. Medical social work and school social work were also encouraged. The present Government has enlarged the scope of these responsibilities and made social welfare as a major plank of their policies. The reforms introduced in the fields of labour, education, health, etc. are all various facets of these policies.

Review of 1972-73

2. Except for Baluchistan, the over all utilization of funds was more than satisfactory and physical achievements were almost 100%. In Baluchistan, however, no new schemes were formulated after transferring the 16 completed schemes from development to revenue side. The Government of Baluchistan had, therefore, no provision for development programme in 1972-73.

3. The financial implementation during 1972-73 is estimated at Rs. 0.22 crore for the Centre, Rs. 0.39 crore for the Punjab, Rs. 0.01 crore for Sind and Rs. 0.10 crore for N.W.F.P. totalling an estimated expenditure of Rs. 0.77 crore.

Programme for 1973—74

4. The Federal Annual Development Programme for 1973-74 has an allocation of Rs. 0.25 crore—Rs. 0.02 crore for Social Work Education and Rs. 0.18 crore for grant-in-aid to voluntary social welfare agencies under the Health & Social Welfare Division and Rs. 0.04 crore for Staff Welfare Schemes under the Establishment Division. The Annual Development Programme for 1973-74 envisages :

(*i*) provision of grant-in-aid to 300 deserving voluntary social welfare agencies in order to improve their services, ensure a minimum standard of their functioning by employment of professional staff and generating private investment initiative and effort for voluntary social work ;

(*ii*) provision of grant-in-aid to 3 universities and 22 colleges to train professional social workers ;

(*iii*) continuance of staff welfare facilities for the Central Government employees particularly for the low-paid staff.

5. The Annual Development Programme for the Punjab comprises the following on-going services/projects :—

Grant-in-aid to the Punjab Social Services Board, grant to Cholistan Development Fund, Homes for Destitute and Under-privileged Women, Child Welfare and In-Service Training Institute, Statistics Survey and Research Unit, Child Welfare Cell in the Directorate, Rural Community Development Projects, Welfare Home for Rehabilitation of Beggars, School Social Work Projects, Mother and Children Home, Model Orphanage, Supervisory Services for Voluntary Community Development, Medical Social Work Projects, Rescue Homes, School Social Work Projects, Planning, Monitoring and Evaluation Cell in the Directorate, Grant-in-aid to Anjuman-i-Himayatual-Islam, Abandoned Babies and Destitute Children Home, Industrial Centres of Excellence and Day Care Centres for Children of Working Women.

6. The ADP for Sind comprises the following on-going services/projects :—

Day Care Centres, Model Orphanages, Socio-economic Centre for Women, Home for Destitute and Under-privileged Women, Grant-in-aid to Sind Social Welfare Council, Supervisory service for Voluntary Community Development, School Social Work Projects, Development of Child Welfare Services, Child Welfare and In-Service Training Institute, Evaluation and Research Unit, Voluntary Rural Community Development Project, Medical Social Work Programme, Social Research Centre, Karachi University.

7. The ADP for N.W.F.P. comprises the following on-going services/projects :—

Urban Community Development Projects, Grant-in-aid to Social Welfare Council, Statistical and Evaluation Cell, Pilot Rural Community Development Projects, Supervisory Services in Voluntary Community Development.

8. In Baluchistan, the emphasis appears to be on the schemes transferred to the revenue side and as such no provision has been made for Social Welfare Services in the development budget.

Financial Outlay for 1973-74

9. The Annual Plan for 1973-74 provides a total allocation of Rs. 1.06 crore — Rs. 0.25 crore for the Centre, Rs. 0.55 crore for the Punjab, Rs. 0.15 crore for Sind and Rs. 0.11 crore for N.W.F.P.

CHAPTER 23

SCIENTIFIC AND TECHNOLOGICAL RESEARCH

Introduction

Under a Presidential directive a Ministry of Science and Technology was created in 1972 and the following Research Councils which were functioning under other Ministries were placed under its administrative control :

(*i*) the Pakistan Council of Scientific and Industrial Research (PCSIR) ;

(*ii*) Irrigation Drainage and Flood Control Research Council ;

(*iii*) the Pakistan Medical Research Council ;

(*iv*) Works and Housing Research Council.

The research bodies in Agricultural and Atomic Energy, however, continued to operate under their relevant Ministries. A number of organizations were set up to look after the various tasks in policy formulation and programmes implementation.

NATIONAL SCIENCE COUNCIL

The National Science Council, which is the supreme advisory body of the Government on planning and coordination of the overall scientific and technological effort is being strengthened. Under their revised charter this Council has to formulate national science policy, advise the Government on matters relating to promotion of scientific activities in the country, review and evaluate the programmes of various research councils with the objectives of correlating them with the plans for economic development, and establish and maintain liaison with corresponding international organizations.

PAKISTAN SCIENCE FOUNDATION

The main functions of this Foundation as provided in the Act are establishment of information and dissemination centres; promotion of basic and fundamental research on scientific problems relevant to the socio-economic development of the country; promotion of scientific societies, association and academies; organization of periodical science conferences, symposia, and seminars; and exchange of visit of scientists and technologists with other countries.

The Foundation is also to maintain a National Register of highly qualified and talented scientists of Pakistan, both inside and outside the country. It will review the progress of sponsored scientific research and evaluate its results from time to time. Funds to the tune of Rs. 0.50 crore have been provided in the revenue budget 1973-74 for the Foundation.

Pakistan Scientific and Industrial Information Centre (PASTIC)

A scheme has also been prepared to set up an just Information Centre at Islamabad, with units in the Provincial Capitals to keep the scientists, research workers, engineers and technologists informed of the progress made in their respective fields, both inside and outside the country. These Centres will be charged with the responsibilities of carrying out translation, documentation, reproduction, etc. A sum of Rs. 0.07 crore has been provided in the ADP 1973-74 for the scheme under PCSIR.

RESEARCH ACTIVITIES IN DIFFERENT SECTORS

The following are some of the important sectors under which different research projects are either in progress or have been proposed :

1. Agriculture and Food

(*i*) *Agriculture Research Council.*—The Council will develop national cooperative research programme for major commodities such as wheat, rice' sugarcane etc. with particular emphasis on improvement of dry

land forage grasses and legumes for livestock feeds. The Council will strengthen research capabilities of the provincial Institutions to execute the various programmes by supplying funds, equipment and by imparting training to the staff. An ARC Project, with the above objectives, is now being processed. The normal research programme for improvement of various crops will continue in 1973-74.

(*ii*) *Arid Zone Research Institute.*—Preliminary work on the establishment of Arid Zone Research Institute was started during 1972-73. The ADP 1973-74 provides a token amount of Rs. 0.01 crore.

(*iii*) *General Agriculture Research.*—The First Joint-Pak-American Research Review Team submitted its report to the Government sometimes in 1968-69. The second Report was submitted to the Government and its recommendations are under consideration.

(*iv*) *Research on Crop Production.*—Research on improvement of crops such as wheat, rice, maize, oilseeds, gram, pulses, potatoes and fruits continued during 1972-73. The improved wheat variety 'Khushal', maize variety 'khalil' rice varieties '*YRLI*', and '*GP-5*' and cotton variety 13/28 were released for general cultivation in NWFP. work on introduction of special crops of tea, jute and olive will be continued during 1973-74 in addition to the development of new varieties for other crops.

(*v*) *Miscellaneous Research Stations.*—During 1973-74 the Dokri Rice Station in Sind will be strengthened, while two new Sugarcane Stations will be set up at Thatta and Larkana. Research on pistachio cultivation will be continued in Baluchistan.

(*vi*) *Zoological Survey Department.*—Since the transfer of the department to Ministry of Science and Technology the scope of the Zoological Survey Department has been enlarged to include zoological, botanical and sociological research. The Department is being expanded to discharge its new responsibilities. Additional staff is being recruited for the work of Botanical Survey. The Department is preparing a 5-year programme of work for Survey of the faunistic and flora resources of the country.

For reservation of the vast wealth of fauna and flora of the country and its proper display for educational, research and recreational purposes, pilot schemes for the establishment of a National History Museum and a *Zoo-cum*-Botanical Garden at Islamabad have been approved. Land for these schemes has been acquired from the CDA. Detailed schemes are under preparation with the assistance of groups of experts in the biological field.

An allocation of Rs. 0.05 crore has been made for the scheme in the Annual Development Programme for 1973-74.

2. Water Resources Development

(*i*) *General Investigation—(WAPDA).*—The Planning and Investigation Directorate responsible for preparing, reviewing and up-dating Master/Regional Plan for development of water resources and feasibility studies for surface and sub-surface water projects. Against a revised estimated expenditure of Rs. 1.09 crore during 1972-73 an amount of Rs. 1.82 crore has been provided in the ADP of 1973-74. Work on over 30 projects was carried out during the year 1972-73 and is likely to continue during the year 1973-74.

(*ii*) *Mona Reclamation Experimental Project.*—This project aims at deriving such information from operational research which will make it possible to identify and apply the agricultural, pump maintenance, and groundwater hydrology techniques most adaptable in the areas being developed under SCARPS.

The total cost of the project is estimated at Rs. 0.79 crore including a foreign exchange component of Rs. 0.05 crore against this an amount of Rs. 0.45 crore is estimated to have been spent upto the end of June, 1973. A sum of Rs. 0.20 crore has been provided in the ADP 1973-74 for carrying out the programme under the project.

(*iii*) *Groundwater Investigation in Baluchistan.*—The only possible sources of water supply both for drinking and irrigation is groundwater in Baluchistan. Unfortunately no definite and systematic study of the groundwater resources of the region was carried out so far. It has now been proposed to properly assess the availability of groundwater resources the region with the help of UNDP. A sum of Rs. 2.70 crore has been provided for the scheme in the ADP 1973-74.

(*iv*) *Irrigation Research Institute, Lahore.*—This Institute is responsible for carrying out field and laboratory studies and research on problems faced in the operation of the irrigation system in Pakistan in general and in the Punjab in particular. The work is likely to continue and a sum of Rs. 0.02 crore has been provided in the ADP 1973-74.

(v) *Irrigation, Drainage and Flood Control Research Council.*—A block provision of Rs. 0.17 crore has been made for the research and development programmes of this Council during the year 1973-74. The following priority tasks have been assigned to the Council :

(*a*) Some basic studies on hydraulic problems.

(*b*) Lysimater studies on soil-water-plant relationship on salinity and waterlogging control; and

(*c*) Improved designs of hydraulic structures including study of river flow and control, sedimentation and energy dissipation.

The Council envisages to establish three independent Institutes for Hydrology, Drainage and Reclamation and Hydraulic Research.

(vi) *Pakistan Meteorological Department.*—The department which is responsible for the collection and analysis of weather and wind data for use of aircrafts and formulation of other development projects has been provided a sum of Rs. 0.38 crore in the A.D.P. The department envisages to extend its network of various types of stations and observatories to areas where these facilities do not exist and enlarge its present activities in areas where facilities for the collection of data are inadequate.

(vii) *Geological Survey of Pakistan.*—This is another service department which provides necessary data for the formulation and preparation of development schemes in the various sectors mainly water resources, fuels, minerals and agriculture etc. The activities of the department comprise collection and analysis of geological data, preparation of geological maps on various scales, geological study of strata and their succession and assessment of quality and quantity of minerals and groundwater resources. The ADP 1973-74 provides a sum of Rs. 1.02 crore for four specific schemes relating to minerals explorations.

3. Power — Atomic Energy Commission

PAEC research on various problems can be broadly grouped in the following four disciplines :—

(*a*) Physical Science.

(*b*) Nuclear Minerals.

(*c*) Solar Energy.

(*d*) Biosciences.

The Research Programme embraces advanced research in Reactor technology, Radiation chemistry, Analytic Chemistry, Nuclear Engineering and Solid state physics. PAEC has also been engaged in investigations related to prospecting, exploration and exploitation of nuclear raw material in Pakistan. Research in the field of utilization of solar energy has also been carried out and extracting electrical energy out of solar energy has been the primary area of interest in this field.

In the sphere of Biosciences problems on evolution of improved varieties of grain and cash crops, eradication of pests, evaluation of fertilizers and fungicides and investigations in respect of salinity, water use efficiency and soil fertility problems were undertaken. A sum of over Rs. 1.80 crore has been provided for the programme.

4. Industry

(*i*) *Pakistan Council of Scientific and Industrial Research.*—The Council has been reorganized through an Act of the legislature. Under the Council twelve monopurpose institutes for some of the major and important industries in the country like textiles, leather, pharmaceuticals and chemicals, electronics, glass and ceramics etc. are proposed to be set up.

A provision of Rs. 0.31 crore has been made for the development programmes sponsored by the PCSIR for 1973-74. In addition, a sum of Rs. 1.92 crore has also been provided for the Council in the current year's Revenue Budget.

(ii) *Hydro-carbon institute.*—The scheme for establishment of the institute with the objective of evaluation of imported crude oil, review of specifications for petroleum products, conducting economic studies on various aspects of petroleum and gas industry, independent testing of crude oil and petroleum products, development of indigenous technology or processing of oil and gas, carrying out basic studies, to sponsor research into adoption of technical standards for oil and gas industry and establishment of documentation centre was approved in 1970 but not properly implemented. A sum of Rs. 0.003 crore has been provided in the ADP 1973-74 and it is envisaged that the Institute will start operating and testing of crude oil and petroleum products.

(iii) *Centre for Reorganization and further development and Modernization of Cotton Textile Industry in Pakistan.*—In view of the great economic and social importance of the Cotton Textile Industry in Pakistan, Government have resolved to establish Cotton Textile Industry Research and Development Centre with the assistance of the United Nations Development Programme (UNDP/United Nations Industrial Development Organization (UNIDO). The Centre will work on problems like standardization of facilities to manufacturing sector, quality control, improved efficiency through production planning, measures for development of specialist expertise in the fields of spinning, weaving, finishing, etc., rendering advice on the modern trends in textile machinery and special blends etc.

A provision of Rs. 0.29 crore has been made for this scheme during 1973-74.

5. Transport and communications

(i) *Telecommunication Research Centre.*—The Centre which was established in 1963-64 is now proposed to be shifted to Islamabad and further expanded at a cost of Rs. 3.50 crore, with a foreign exchange component of Rs. 3.00 crore. The Japanese Government has agreed to give a grant in the form of technical and financial assistance covering the entire foreign exchange cost. The ADP 1973-74 provides Rs. 0.05 crore for the scheme.

(ii) *National Transport Research Centre.*—It has been decided to establish a National Transport Research Centre in the Planning Commission to undertake continuous basic research and to ensure coordinated development of the transport system, and a nucleus research staff will be recruited during the current year for initial studies. The cost of the initial Phase during 1973-74 is estimated at Rs. 0.20 crore.

(iii) *Five-Year Road Development Research Programme.*—This programme is currently in progress with the following principal objectives :—

(*a*) expansion of existing road research laboratory at Lahore (Punjab).

(*b*) establishment of material testing laboratories at Peshawar (NWFP), Hyderabad (Sind), and Quetta (Baluchistan).

(*c*) establishment of new field control laboratories at Multan, Bahawalpur, Lahore, Sargodha and Rawalpindi.

Two field control laboratories have already been set up each in NWFP and Baluchistan under a separate scheme. In addition, it has been decided to establish a National Institute of Road Research in the Centre.

The present road research facilities in the country are very modest and can handle only material testing and quality control work. With the establishment of the above mentioned new research and material testing laboratories, the cost of road construction will be reduced and better specifications of roads would be available for implementing the road development programme which amounts to Rs. 43 crore during 1973-74.

The scheme has been provided a sum of Rs. 0.47 crore in the 1973-74 budget. This provision has been made out of the Central Road Fund, which is not reflected in the Annual Development Programme.

6. Physical Planning and Housing

(i) *Works and Housing Research Council.*—This Council is being strengthened. A whole-time Chairman has been appointed for the first time to head this Council. The Council is preparing a comprehensive scheme for the establishment of National Building and Housing Research Institute. The Building Research Station at Karachi was transferred from PCSIR to this Council in June, 1970, but it continued to function more or less as a testing laboratory. It is now proposed to reorganize and strengthen the station to enable it to conduct research on the following important problems to reduce cost of construction and to play a meaningful role in the field of low cost housing in Karachi :

(*a*) Investigation of strength of cement blocks and masonary for load bearing walls.

(*b*) Introduction of lighter and bigger blocks to increase productivity and to reduce cost of construction.

(*c*) Introduction of concrete frames for doors and windows to reduce cost of construction and to eliminate hazards of white ants.

(*d*) Design of concrete mixes from local aggregates for various strengths.

(*e*) Investigation on minimum heights of ceiling for thermal confort and ventilation.

(*f*) Introduction of shallow reamed piles for foundations of low cost multistorey buildings.

For the Annual Development Plan 1973-74 an amount of Rs. 0.05 crore has been provided to organize research and development programmes in addition to what is provided in the Revenue Budget for the existing set up.

(ii) *Regional Planning and Urban Development.*—The proposals regarding establishment of a proper institutional framework for carrying out urban and regional planning in the country would be finalized during 1973-74. The Regional Plan for Lahore Metropolitan Region is expected to be completed during the year. The Master Plan for Karachi Metropolitan area would also be completed and submitted for government approval. The work on the preparation of Regional Development Plan for N.W.F.P. will, however, continue.

(iii) *Slum Improvement.*—A Joint Research Project is being executed by the Karachi University and the Free University of Amsterdum. The aim of this project is to find ways and means to deal with slum problems of Karachi. In addition to the above mentioned urban and regional planning projects the outline development plans for Gujranwala, Sialkot and Sheikhupura were completed and work started on the outline development plan for Sahiwal, Khanewal, and Burewala. Similar plans for Bahawalpur, Bahawalnagar, Rahimyar Khan and Regional Development Plan for Sargodha Division are proposed to be initiated during the year.

(iv) *Environmental Health.*—During the current year West Pakistan University of Engineering with the assistance of US AID will initiate studies in respect of cheaper methods of waste water disposal by the use of oxidation ponds, for both urban and rural communities. In addition the University will set up a full fledge research institute with the help of UN for research and training in all fields of environmental health engineering.

7. Health

(i) *Pakistan Medical Research Council.*—In order to initiate, aid and develop medical research in the country, Pakistan Medical Research Council was constituted by the Central Government in 1953 and reconstituted in 1962. This Council was transferred to the Ministry of Science and Technology in 1972.

An amount of Rs. 0.07 crore in the form of grant-in-aid was provided for the Council in 1972-73 for its research programmes. In addition, a provision of Rs. 0.44 crore was made in the budget of Ministry of Health for medical research from agencies abroad. These funds were utilized for carrying out as many as 31 research studies by different hospitals and medical institutes at Karachi, Lahore and Multan.

PMRC has set up three research cells at Jinnah Post-graduate Medical Centre, Karachi, Khyber Medical College, Peshawar and Nishtar Hospital, Multan. Additional research cells at other medical colleges are planned to be opened during 1973-74. In these research cells some of the national health problems will be studied *e.g.* Communicable diseases, Liver Diseases, Matabolic Disorders, Pulmonary Diseases, Gastro Intestinal Diseases, etc. The total cost of the scheme is Rs. 0.12 crore including Rs. 0.04 crore in foreign exchange and spread over a period of 3 years.

(ii) *National Health Laboratory.*—The Nutrition Division of National Health Laboratories, Islamabad, are conducting pilot programmes at Tarlai and Lehtrar about nutritional deficiencies/malnutrition among mother and children. These projects are supported by W.H.O. and UNICEF funds

In addition, the National Health Laboratories, Islamabad are carrying out 8 studies on different vaccines and conversion of various fractions of venom into Toxoids. These studies, however, do not appear in the Annual Development Programme.

8. Population Planning

(i) *National Research Institute of Fertility Control Karachi.*—The Institute at Karachi is concerned with clinical and bio-medical research and studies. During 1972-73, eight studies in the use of different kinds of contraceptives and their effects on fertility and ten laboratory studies based on various tests were completed. This programme is proposed to be continued during 1973-74.

One of the units of the Institute is responsible for carrying out research in Unani System of Medicines for evolvong new and better contraceptives from indigenous medical plants such as Bahachi and Scarlet Rati.

(ii) *Training Research and Evaluation Centre, Lahore.*—This Centre has been charged with the responsr bilities of conducting research needed for population planning programme, devising new methodologies fo evaluation of the programme on a continuous basis and preparing training and communication material for the functionaries of the department. During 1972-73, 18 studies were undertaken and completed. During 1973-74, sufficient funds will be placed at the disposa of this Centre to meet the requirements of research contracts and research grants.

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