

**HIGH-LIGHTS
OF
PAKISTAN'S
SECOND
FIVE YEAR
PLAN
1960-65**

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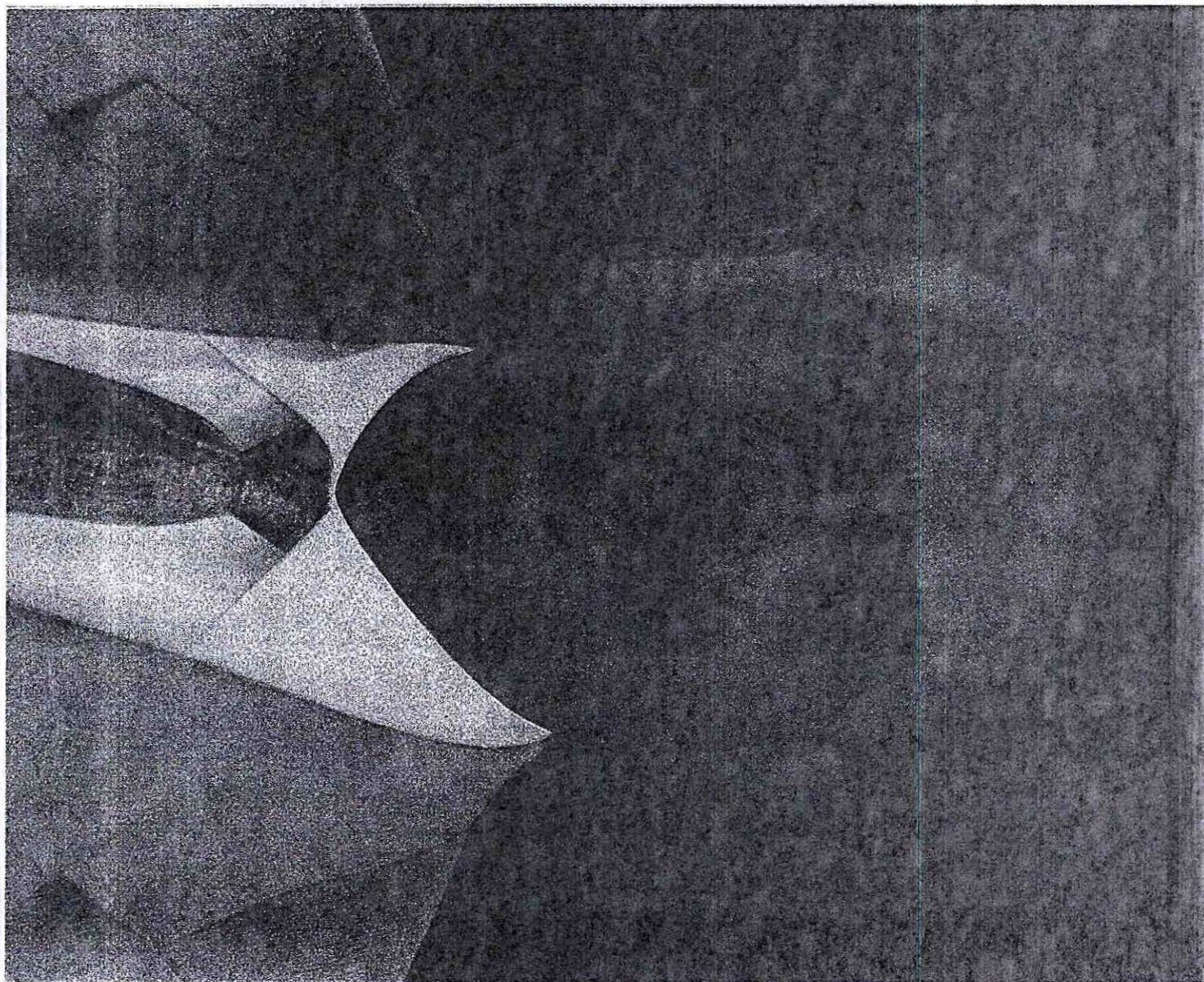
PREFACE

The High-lights of the Second Five-Year Plan (1960-65) is being published to provide, at a glance, basic facts about Planning in Pakistan. The need for such a publication for the benefit of the general reader became more pronounced following an upward revision, announced in March, 1961, in the Plan expenditure from Rs. 19,000 million as originally approved by the Government in June 1960 to Rs. 23,000 million.

Based as it is on the data made available by the Planning Commission to which indebtedness is greatly acknowledged, this publication represents an up-to-date version of the Second Plan. However, it should be recognized that it in no way substitutes the Second Five-Year Plan, published in detail by the Planning Commission and, therefore, the readers are advised to refer to it for a fuller version of development planning in Pakistan.

Rawalpindi,
2nd January, 1962.

(ANWAR IQBAL QURESHI)
*Economic Adviser to the
Government of Pakistan.*



PRESIDENT'S MESSAGE

The tasks that are set are not easy and will call for high endeavour, but they are neither fanciful nor impossible tasks. The Plan is an operations programme. It indicates the direction along which development should proceed; and it states the essential requirements, of resources as well of effort, if the country is to go forward at a pace and to the point which will set it firmly on the road to economic and social advancement.

If the Plan is to succeed—if all these gains are to be realised by you—they have to be won, not just picked up like free gifts. Planning for progress means investing for tomorrow the resources which we might have chosen to spend today. The Plan will cost some 1,900 crores of rupees during 1960 to 1965. To find resources of this magnitude will be no easy matter. Happily, we have good friends abroad, and it is hoped that by aid, loans and investment, they will provide a very substantial part of the resources. Our friends have stood by us in the past, and I am confident that they will stand by us in the future. Their help, past and future, is a token of their faith in Pakistan. We must justify that faith. By far the larger part of the resources we must find ourselves. We must do this, by hard and intelligent work; second, by taxing ourselves to free resources for the national effort; and third, by increasing our voluntary savings to the utmost. Many of our fellow countrymen cannot afford to save anything, and it would be a mockery to call on them to do so. Many others can and must. We must do our utmost to raise the resources for the Plan. To the extent we succeed in raising these resources, the Plan will be implemented.

The Plan presents a great challenge to all of us. I look to you, the people of Pakistan, to accept this challenge. In particular, I look for honest, energetic and devoted service in this great cause from those who are occupying or will occupy positions of responsibility in the administration of the country or in institutions of Basic Democracies. A nation is judged not by its hopes, but by its deeds. God will reward you if, by your labour, you prove yourself worthy of His reward. For it is said in the Quran :

*“Man shall have nothing but
what he strives for; and his
striving shall soon be seen;
then he shall be rewarded for
it with the fullest reward.”*

MOHAMMAD AYUB KHAN, H.P., H.J.,
Field Marshal,
President.

30th December, 1959.

IMPORTANT OBJECTIVES OF THE PLAN

The principal goals of the revised Second Plan are to :

increase gross national product by 24 per cent ;

increase per capita income by 13 per cent ;

expand foodgrain production by 21 per cent to bring the country nearer to self-sufficiency in foodgrains ;

increase in industrial production by about 50 per cent ;

increase exports by 15 per cent ;

achieve substantial progress towards the target of 3 million new job opportunities ;

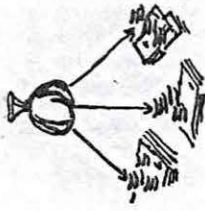
raise domestic saving rate from 6 per cent in 1955 to 9 per cent through a marginal rate of saving of 25 per cent ;

bring about a better distribution of incomes between various income groups as well as different regions ;

accelerate the economic growth of relatively less-developed areas in East and West Pakistan ;

reorientate and expand educational, health and social welfare facilities ;

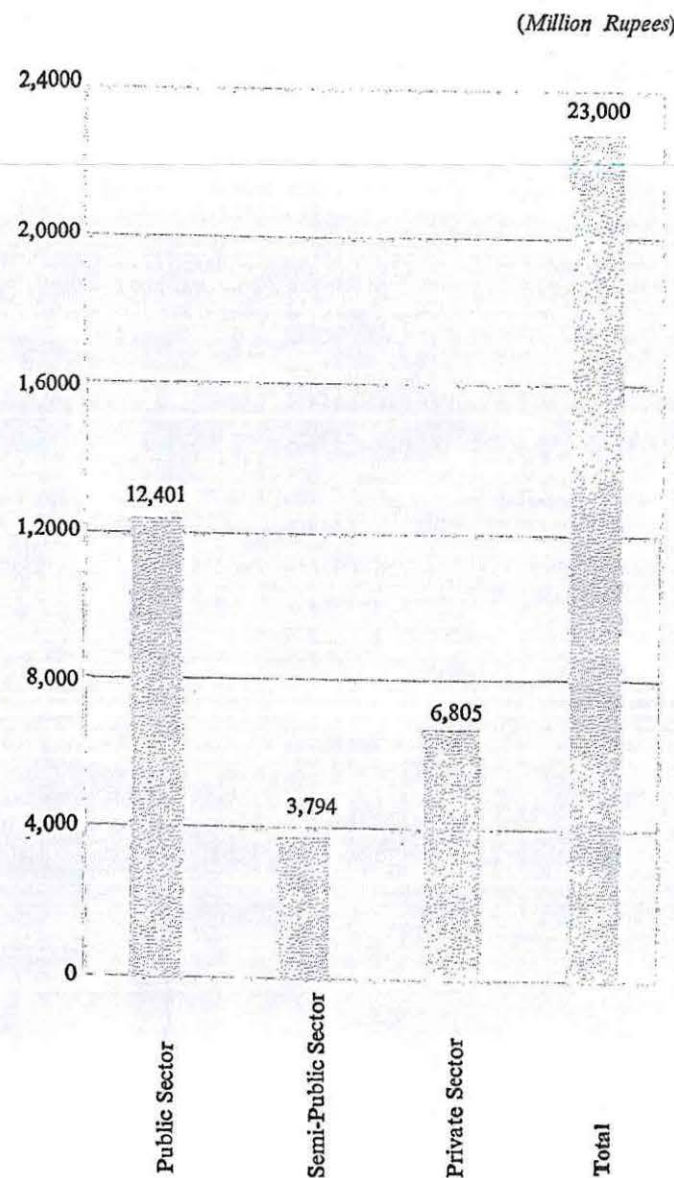
increase housing facilities, particularly for lower-income groups.



SIZE OF THE PLAN

After taking into account the objectives and strategy of the plan, the availability of resources and the problems of technical and administrative feasibility, the Second Plan, as revised, is estimated to cost Rs. 23,000 million. Of this amount, Rs. 12,401 million will be in the public sector, Rs. 3,794 million in the semi-public sector and Rs. 6,805 million in the private sector. The breakdown of the Revised Plan expenditure by major fields of development is given in the table on the opposite page.

Allocations in the Revised Second Plan over the actual expenditure under the First Plan are substantially higher in absolute terms; but the relative share of various sectors have changed according to the needs of the country. The share of agriculture has increased from 11 per cent to 15 per cent, that of water and power from 17 per cent to 19 per cent and of education and training from 3 per cent to 5 per cent. On the contrary, the share of industry including fuels and minerals, has been reduced from 31 per cent to 27 per cent and of housing and settlement sectors from 19 per cent to 15 per cent. The relative shares of other sectors are, more or less, the same as in the First Plan.



ALLOCATION OF EXPENDITURE IN VARIOUS SECTORS

(Million Rupees)

SECTORS	Public Sector	Semi-Public Sector		Private Sector	Total	Percentage of total allocation
		Contribution from Government	From own resources, private investments and loans			
Agriculture	2,515	—	—	905	3,420	14.9
Water and Power	4,140	—	190	60	4,390	19.1
Industry	100	1,360	575	3,085	5,120	22.3
Fuel and Minerals	179	271	—	550	1,000	4.3
Transport and Communications	2,612	113	420	905	4,050	17.6
Housing and Settlement	1,410	475	390	1,135	3,410	14.8
Education and Training	955	—	—	100	1,055	4.6
Health	370	—	—	50	420	1.8
Social Services	85	—	—	15	100	0.4
Manpower and Employment	35	—	—	—	35	0.2
TOTAL :	12,401	2,219	1,575	6,805	23,000	100
	14,620		8,380			
	(Government Financed)		(Private Financed)			

COMPARISON OF THE FIRST AND THE SECOND PLANS

(Million Rupees)

Field of Development	First Plan (actual expenditure)	Revised Second Plan (proposed expenditure)	Percentage Increase
	(In 1960-61 Prices)		
Agriculture	1,440	3,420	138
Water and Power	2,300	4,390	91
Industry, Fuels and Minerals	4,100	6,120 (a)	49
Transport and Communications	2,280	4,050	78
Housing and Settlements	2,580	3,410	32
Education and Training	410	1,055	157
Health	140	420	200
Manpower and Employment and Social Welfare	50	135 (b)	170
TOTAL	13,300	23,000	73

(a) Industry: Rs. 5,120 million and fuels and minerals: Rs. 1,000 million.

(b) Social Services: Rs. 100 million and Manpower and Employment: Rs. 35 million.

The expenditure under the First Five-Year Plan was estimated at Rs. 10,800 million; but actually it amounted to Rs. 13,300 million, showing an increase of Rs. 2,500 million. The increase is accounted for by the conversion of expenditure into 1960-61 prices, increase in physical targets, under-estimation of the cost of some projects.

Now the expenditure under the Second Five-Year Plan is estimated at Rs. 23,000 million, which represents an increase of Rs. 4,000 million or 21 per cent over the original estimate. The revised Second Plan envisages an increase in real expenditure of 73 per cent compared with the actual expenditure incurred during the First Plan. The revised Second Plan lays strong emphasis on agriculture and education which lagged in the First Plan and on expanding the infra-structure already laid in the First Plan period, particularly in the fields of water and power and transport and communications. The tempo of industrialization will also be maintained. Comparative figures of actual expenditure under the First Plan and revised Second Plan are given in the next column.

It is interesting to note that the planned acceleration in development outlays in agriculture shows an increase of 138 per cent over the First Plan expenditure (actual); education and training 157 per cent; health 200 per cent; manpower and employment and social welfare 170 per cent. These large increases over the First Plan outlays are partly the result of shortfalls in the physical implementation of the First Plan programme. The chart on the opposite page shows the comparative size of the First and Second Plans.

Agriculture	1,440	3,420	
Water and Power	2,300	4,390	
Industry, Fuels and Mineral		4,100	6,120
Transport and Communications	2,280	4,050	
Housing and Settlement	2,580	3,410	
Education and Training	410	1,055	
Health	140	420	
Manpower and Employment and Social Welfare	50	135	

First Plan (actual expenditure)
Revised Second Plan (proposed expenditure)

(Million Rupees)

FINANCING OF THE PLAN

The resources required for development expenditure under the Plan, as mentioned earlier, are estimated at Rs. 23,000 million. Of this 12,050 million will be raised from internal sources and Rs. 10,950 million from external sources by way of foreign aid, loans and investments.

The Gross National Product is projected to increase by 24 per cent over the Plan period. Gross investment will rise from about 10 per cent of Gross National Product in 1959-60 to nearly 20 per cent by 1964-65; while gross domestic savings are expected to increase from about 6 per cent of Gross National Product to over 9 per cent during the same period. The rate of marginal savings implicit in these projections is about 25 per cent. This would help mobilise internal resources of the order of Rs. 12,050 million projected in the Plan.

The foreign aid, loans and investments required for the Plan are intended partly to meet the foreign exchange costs of the development schemes in the Plan which are estimated at Rs. 8,450 million and partly to serve as balance of payments support of Rs. 2,500 million for increased supplies of raw materials and spare parts needed for effective utilisation of industrial capacity.

It may be pointed out that the Plan does not assume that the resources required for its implementation will be easily forthcoming. The mobilization of these resources will require very determined efforts on the part of all concerned. Additional taxation and a higher level of savings will be needed to raise internal finance and economies in non-development expenditure will need to be rigorously enforced. The volume of foreign assistance, already considerable, will have to be increased very substantially if the requirements of the Plan are to be adequately met.

It is the aim of the Plan to maintain financial stability in the country. It is for this reason that the Plan relies principally on orthodox means of financing, such as taxation and borrowing from the genuine savings of the people. The revised Plan does not also envisage resort to deficit financing. Also, it advocates a decisive switch-over from direct economic controls to a policy of regulation of the economy through suitable fiscal and monetary policies, and greater dependence on market mechanism.

The tables on opposite page show the sources and uses of resources and details of financing the Second Plan.

SOURCES AND USES OF RESOURCES FOR DEVELOPMENT

SOURCE	<i>(Million Rupees)</i>	USES	<i>(Million Rupees)</i>
Domestic savings	12,050	Public Sector	12,401
Foreign aid, loans and investments	10,950	Semi-Public Sector (Public Corporations)	3,794
		Private Sector	6,805
	23,000		23,000

FINANCING OF THE SECOND PLAN

I T E M S	<i>(Million Rupees)</i>		
	Local Currency	Foreign Currency	Total
Revenue Surplus	1,220	—	1,220
Net Capital Receipts	1,400	—	1,400
Additional Taxation	1,750	—	1,750
Deficit Financing	—	—	—
Local Bodies	200	—	200
Project Aid and Loans	—	6,850	6,850
Foreign Private Investment	—	600	600
Commodity Aid	—	3,500	3,500
Customs on Commodity Aid	700	—	700
PL 480 Counterpart Funds	600	—	600
Private Savings (including Public Corporations' own resources)	6,180	—	6,180
TOTAL :	12,050	10,950	23,000

FINANCING OF THE PUBLIC SECTOR

The public Sector is expected to mobilise Rs. 14,620 million of resources. Of this, Rs. 12,401 million will be needed for the Public Sector programme and Rs. 2,219 million will be transferred to the Semi-Public Sector.

It may be mentioned that this does not include expenditure on the Indus-Basin Replacement Works which falls outside the Plan's expenditure.

It is expected that the Government will have a surplus of Rs. 1,220 million on revenue account after meeting all non-development revenue expenditure. As a result of the increase in

national income, the tax revenues in 1964-65 are expected to be nearly 27 per cent higher than in 1960-61. This projection is based on past experience regarding the relationship between the growth in income in various sectors and the rise in tax revenues. The sectors from which tax revenues are mainly raised are industry and commerce. Income in these sectors will increase at a rate much faster than the national average.

The chart on the opposite page shows the sources and uses of the Public Sector programme.

SOURCES AND USES OF THE PUBLIC SECTOR

(Million Rupees)

	1,220		
	1,400		
	200		
	4,200		
	600		
	5,250		
	1,750		
14,620			
			S O U R C E S
			Surplus on Revenues Account
			Capital Receipts
			Local Bodies
			Sale Proceeds of Commodity Aid
			P.L. 480 Counterpart Funds
			Foreign Aid and Loans
			Additional Taxation
			Deficit Financing
			TOTAL :
			U S E S
			Public Sector's Development Programme
			Loans to the Semi-Public Sector (Public Corporations)
			TOTAL :
			14,620

SEMI-PUBLIC SECTOR

A new classification—the Semi-Public Sector—has been introduced in the Second Plan.

The semi-public sector consists of Government-sponsored corporations which draw their finances both from the public and private sectors. The decision-making power of the corporations rests with a board of directors which combines representation from the Government and from private enterprise. These corporations have been set up to supplement and encourage private enterprise, not to replace it. The criteria guiding their policy must be much

broader than considerations of private profitability; but this does not mean that the corporations should not be run on commercial lines.

It is estimated that the expenditure in the semi-public sector will be of the order of Rs. 3,794 million. Of this, the Government is expected to contribute Rs. 2,219 million through loans and grants and the private sector's investment would be Rs. 1,575 million. The table on the opposite page shows the allocations in various fields in the semi-public sector.

ALLOCATIONS IN THE SEMI-PUBLIC SECTOR

SECTOR	REVISED PLAN ALLOCATION		Total
	Contribution from Government	From own resources, Private Investment and loans	
Water and Power	—	190.00	190.00
Industry	1,360.00	575.00	1,935.00
Fuels and Minerals	271.00	—	271.00
Transport and Communications	113.00	420.00	533.00
Housing and Settlements	475.00	390.00	865.00
TOTAL :	2,219.00	1,575.00	3,794.00

(Million Rupees)

PRIVATE SECTOR

An investment of Rs. 6,805 million is expected by the private sector during the Plan period. In addition, this sector is also expected to contribute Rs. 1,575 million in the semi-public sector, bringing the total investment by the private sector to Rs. 8,380 million. Of Rs. 8,380 million, Rs. 2,200 million is expected to be available through foreign aid, loans and investments. The balance of Rs. 6,180 million will be raised through the self-financing of public corporations and private sector and through borrowings from the banking system and the stock exchange. A provision has been made for the private sector to borrow up to Rs. 2,000 million from the banking system over the Plan period. The stock exchange are expected to help in mobilising at least Rs. 500 million of domestic capital. It should not be difficult to mobilise the balance of domestic savings in the private sector in view of the considerable expansion in the size of the industrial sector which is being projected and the past tradition of this sector of re-investing 75 per cent to 80 per cent of its profits.

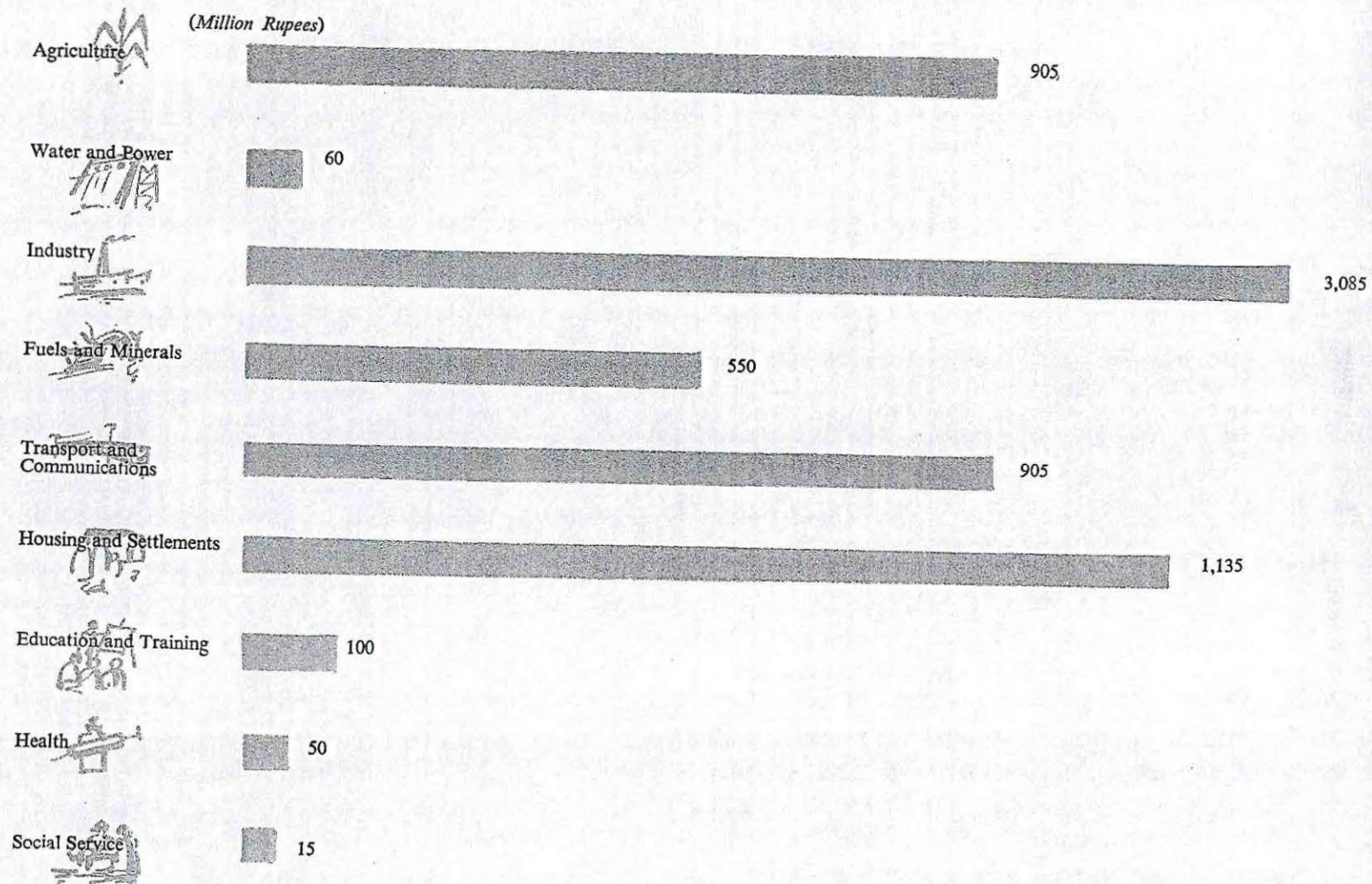
Self-financing operations will be the most important means of financing the requirements of the private sector. The growth of the industrial sector is expected to lead to a cumulative process of self-financing. The average tax incidence on industry is not very high either. The combined incidence of income tax, sales tax and excise duties does not come to more than 30 per cent on an average, because of the liberal depreciation allowances and tax concessions enjoyed by industry. The wage bill is also a relatively small part of the total

value added in industry, being less than 40 per cent. This means that a significant share of total value added accrues to the industrialist for distribution as well as for further re-investment. The Plan also proposes to strengthen incentives for re-investment of profits.

A substantial amount of self-financing will be needed for private housing and road transport. In the case of private housing, it is expected that rationalization of existing rates of taxation on property, removal of rent controls on new construction, special tax incentives for low-cost housing, and increasing supplies of key construction materials will bring forth substantial savings, usually earmarked by individuals for owning their houses. The road transport programme contains a large element of replacement, and it should be possible to finance it out of the accumulated replacement funds as well as from the profits being made by private operators in this field.

Private Sector allocations should be interpreted in a different manner from those in the public and semi-public sectors. These allocations should be viewed as targets based on the objectives and priorities of the Plan, rather than as specific programmes centrally determined. Private investment decisions will be made by a host of people, influenced by market considerations and by incentives or disincentives provided by public policy. The purpose of indicating a breakdown is to provide guidelines for the private investor as well as the public authorities and also to show the relationship between private and public development expenditures. The chart on the opposite page shows the estimated investment in the private sector.

ESTIMATES OF INVESTMENT IN THE PRIVATE SECTOR



ALLOCATIONS BY GEOGRAPHICAL REGIONS

Out of a total allocation of Rs. 14,620 million in the Government financed programme (including Rs. 2,219 million in the semi-public sector), a sum of Rs. 6,391 million has been allocated to East Pakistan and Rs. 7,878 million to West Pakistan and Rs. 351 million for the Centrally administered areas. In view of the slow

growth of East Pakistan's economy during the First Plan period, the allocations for East Pakistan have been substantially raised in the revised Second Plan over the original allocations. The table on the opposite page shows the allocations by geographical regions.

ALLOCATIONS BY GEOGRAPHICAL REGIONS

(Government Financed Programme)

(Million Rupees)

SECTOR	EAST PAKISTAN			WEST PAKISTAN			Centrally Administered Areas (Central only)	Total Pakistan
	Provincial	Central	Total	Provincial	Central	Total		
Agriculture	928	235	1,163	1,057	279	1,336	16	2,515
Water and Power	1,760	36	1,796	2,260	66	2,326	18	4,140
Industry	217	651	868	142	448	590	2	1,460
Fuels and Minerals	—	142	142	—	308	308	—	450
Transport and Communications	322	699	1,021	250	1,406	1,656	48	2,725
Housing and Settlements	723	11	734	409	520	929	222	1,885
Education and Training	389	59	448	401	101	502	5	955
Health	161	3	164	144	22	166	40	370
Social Service	29	12	41	27	17	44	—	85
Manpower and Employment	11	3	14	10	11	21	—	35
TOTAL :	4,540	1,851	6,391	4,700	3,178	7,878	351	14,620

Note.—Breakdown of Central allocations by geographical regions is based on rough estimates.

PHYSICAL TARGETS

Agriculture

The highest priority is attached to increasing agricultural production which is proposed to be stepped up by 14 per cent over the Plan period. Foodgrains output is to be stepped up by 21 per cent which would close the gap of foodgrains deficit and make the country self-sufficient. This will require a major effort. Effective agricultural programme and administrative policies to execute the programmes will have to be devised; increased provision and utilization of fertilizers, pesticides and other aids to agriculture will have to be undertaken; consumption will require to be held at a reasonable level; and about 9.5 million acres of land will have to be provided

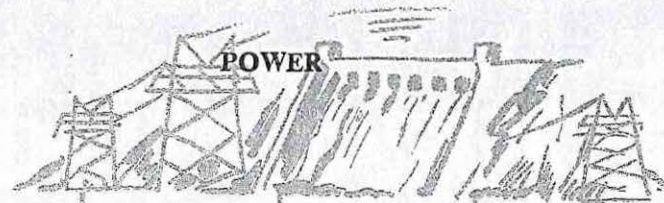
with new or improved irrigation, drainage, flood control or reclamation facilities.

Water and Power, Transport and Communications

Increases in agricultural and industrial production will require further development of water and power resources, transportation and communications. In particular, it is necessary that transport keep abreast of increasing development requirements. Large investments will be needed for the rapid completion of on-going projects as well as for undertaking selected new schemes, so that deficiencies in these basic services do not stagnate the achievement of production and income targets. Please see tables on the following pages.

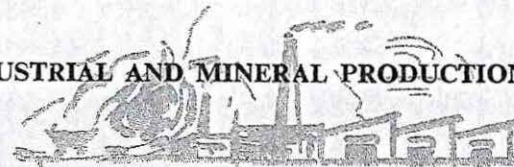
AGRICULTURE

Agricultural Production	Unit	1959-60	1964-65	Percentage increase
Wheat	Thousand Tons	3,703	4,329	17
Rice (cleaned)	"	8,341	10,164	22
Other grains	"	1,145	1,428	24
Total Foodgrains :		13,189	15,921	21
Jute	Thousand Bales	6,000	7,300	22
Cotton	"	1,666	2,292	38
Sugarcane	Thousand Tons	15,430	20,800	35
Fish	"	290	360	24



	Unit	1959-60	1964-65	Percentage increase
Installed Electric Power Capacity (net)	Thousand K.W.	906	1,272	40

INDUSTRIAL AND MINERAL PRODUCTION



Industrial and Mineral Production :	Unit	1959-69	1964-65	Percentage increase
Cotton Yarn	Million Lbs.	380	520	36
Jute Goods	Thousand Tons	250	380	52
Cement	"	1,050	3,000	186
Steel	"	—	350	—
Soda Ash	"	25	74	196
Coal	"	723	1,500	107

Industry and Mining

A substantial increase is projected in industrial, fuel and mining sector which is expected to rise by about 50 p. c. Provision is made for optimum utilization of existing capacity and substantial additional investment for its balancing and modernisation. New capacity is to be established where it demonstrably and substantially earns or saves foreign exchange or is based in the main on the use of indigen-

ous raw materials. Basic industries are to be encouraged where economically feasible. Special emphasis is placed on the development of small scale industries, both because of their intrinsic merits and because of their employment potential. In particular, those major industries are to be encouraged which stimulate agricultural development or which support small scale industries. Private investment in industry is to be given maximum encouragement.

Foreign Exchange Earnings

The Plan aims at narrowing the present gap between foreign exchange earnings and the essential non-development import requirements of the country. The attainment of this objective will require much effort. In particular, agricultural and industrial output will have to be stepped up with a view to increasing the production of exportable goods and of import substitutes. Improvement in the balance of payments position has been the principal consideration in determining the various production targets set in the Plan.

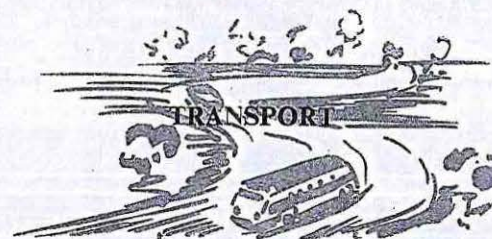
Economic Growth of Less Developed Areas

The Plan endeavours to accelerate economic growth of relatively less-developed areas in East and West Pakistan Special attention is

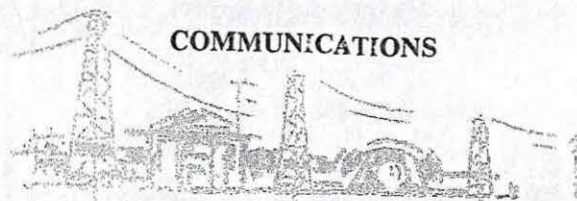
given to creation of the economic and social overheads which are a pre-condition for development, and appreciable increase is planned in the per capita income of the less-developed areas.

Human Resources

The development of human resources suffered much neglect during the First Plan period. Measures are suggested in the Second Plan to make up some of the deficiencies. Education is accorded high priority. Institutional facilities are to be expanded and emphasis laid on technical and vocational education, particularly to meet the requirements of the Plan. A nationally coordinated programme for the training and use of manpower is to be undertaken. Health and social service facilities are to be reorganised and expanded. Con-



Field :	Unit	1959-60	1964-65	Percentage increase
Railway Rolling Stock (acquired during previous five years)				
Locomotives	Thousand Units	135	202	—
Wagons	" "	7,253	12,708	—
Coaches and others etc	" "	628	789	—
Metalled Roads	Miles	10,775	14,520	35
Buses and Trucks	Units	25,000	36,000	44
Inland Water Transport Channels	Miles	2,800	4,000	43



COMMUNICATIONS

Communications	Unit	1959-60	1964-65	Percentage increase
Post Offices	Units	9,850	11,150	13
Telegraph Offices	"	1,040	1,340	29
Telephones	Thousands	75	121	60

sideration is also given to the improvement in the living and working conditions of the workers and to provision of a measure of social security. Housing facilities, particularly for lower-income groups, are to be extended, although it will not be possible to eliminate the housing shortage in the near future. Finally, a provision is made in the Plan for organising a programme of family planning. Hitherto,

the fruits of economic development have been almost completely absorbed in maintaining an increasing population. The present menacing growth of population has to be arrested.

Further details of the above programmes appear under the caption Sectoral Programmes at the end.

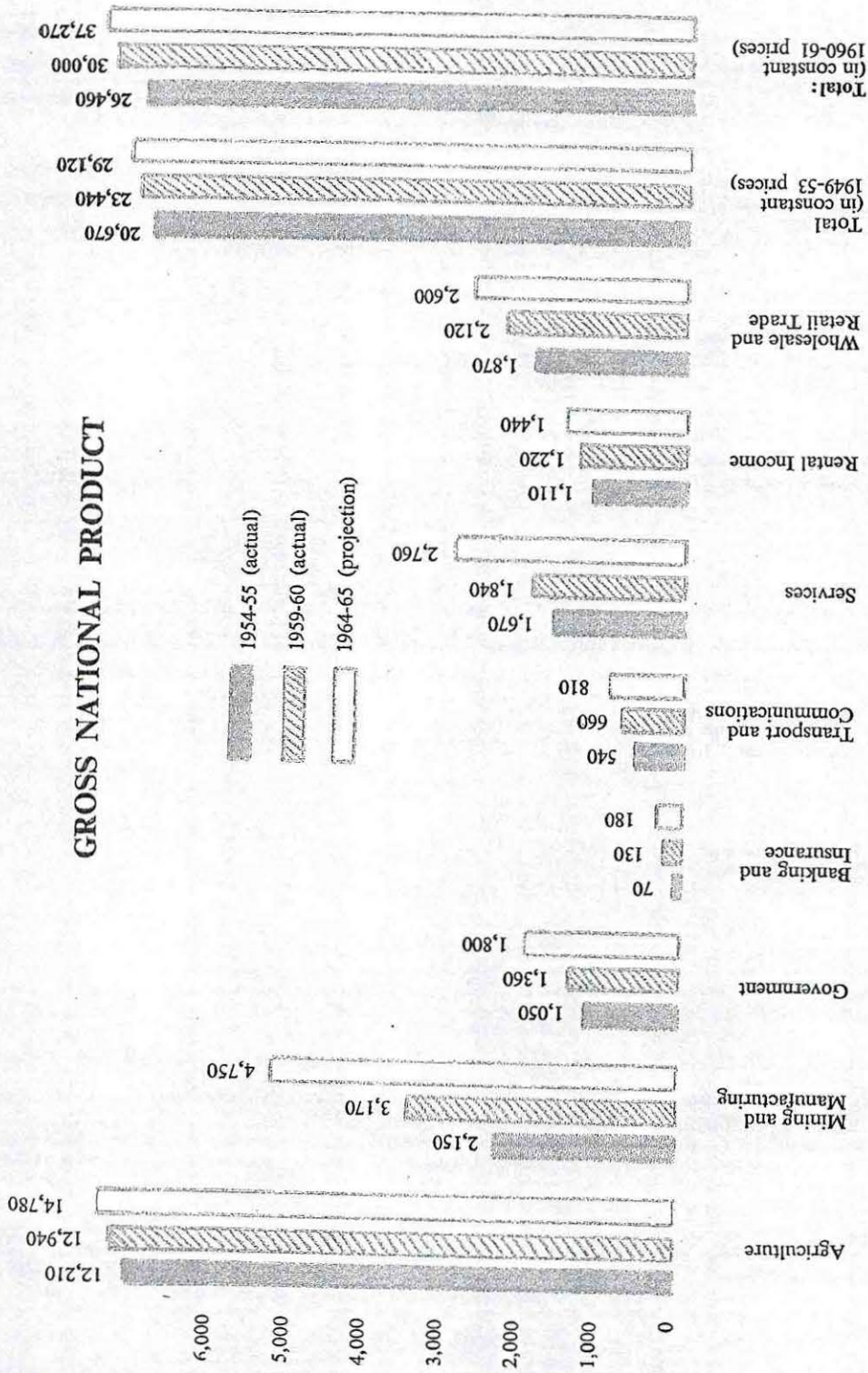
GROSS NATIONAL PRODUCT

The Second Plan period will witness a decisive acceleration in economic growth, investment and consumption. The original projections of gross national product showed an increase of 20 per cent. This has since been raised in the light of the upward revision of the Plan and the integration of Indus Basin Replacement works programme. The Gross National Product is now expected to increase by 24 per cent over the Plan period. Since population is expected to increase by about 11 per cent over the same period, this should enable the country to obtain a per capita growth rate of nearly

2½ per cent per annum. It should be noted, however, that the original plan projected per capita income in 1964-65 at Rs. 292 (constant prices of 1949-53), whereas the revised projections place it at Rs. 289. This is because of higher level of population revealed by the 1961 census as well as the projection of the higher rate of population growth in future. The table on the opposite page shows the growth of gross national product and per capita income during the Second Plan period.

(Million Rupees)

GROSS NATIONAL PRODUCT



Population (in million)	1954-55 (actual)	1959-60 (actual)	1964-65 (projection)
Population (in million)	83.10	91.00	100.60
Per Capita Income (Rs.):			
(in constant 1949-53 prices)	249	258	289
(in constant 1960-61 prices)	319	330	370

FOREIGN EXCHANGE EARNINGS

Foreign exchange earnings of the country depend largely on world market conditions for exports of raw jute, raw cotton, raw wool, hides, skins and tea. The two major commodity exports, raw jute and cotton, are susceptible to wide fluctuations in world demand and prices. The new major industrial products, jute goods and cotton goods, which currently constitute about one quarter of total commodity earnings, have to confront uncertain markets and competition from other countries. Export earnings also depend on the availability of export surpluses which are, in turn, dependent on increases in agricultural and industrial production and changes in domestic consumption. The magnitude of market fluctuations cannot be foreseen. The projections of foreign exchange earnings during the Plan period are, therefore, based on the assumption that world market conditions will not be subject to violent fluctuations and that the production targets of the Plan will be achieved.

It is estimated that total foreign exchange earnings will rise from 2,210 million in 1960-61 (actual) to about Rs. 2,450 million in 1964-65, an over-all increase of 11 per cent. The principal underlying assumptions are that, by 1964-65, it would be possible to export 4.4 million bales of raw jute, 290 thousand tons of jute manufactures, 650 thousand bales of raw cotton, 50 million lbs. of cotton yarn, 225 million yards of cotton cloth and a considerably increased amount of other manufactured products covered by the export bonus scheme.

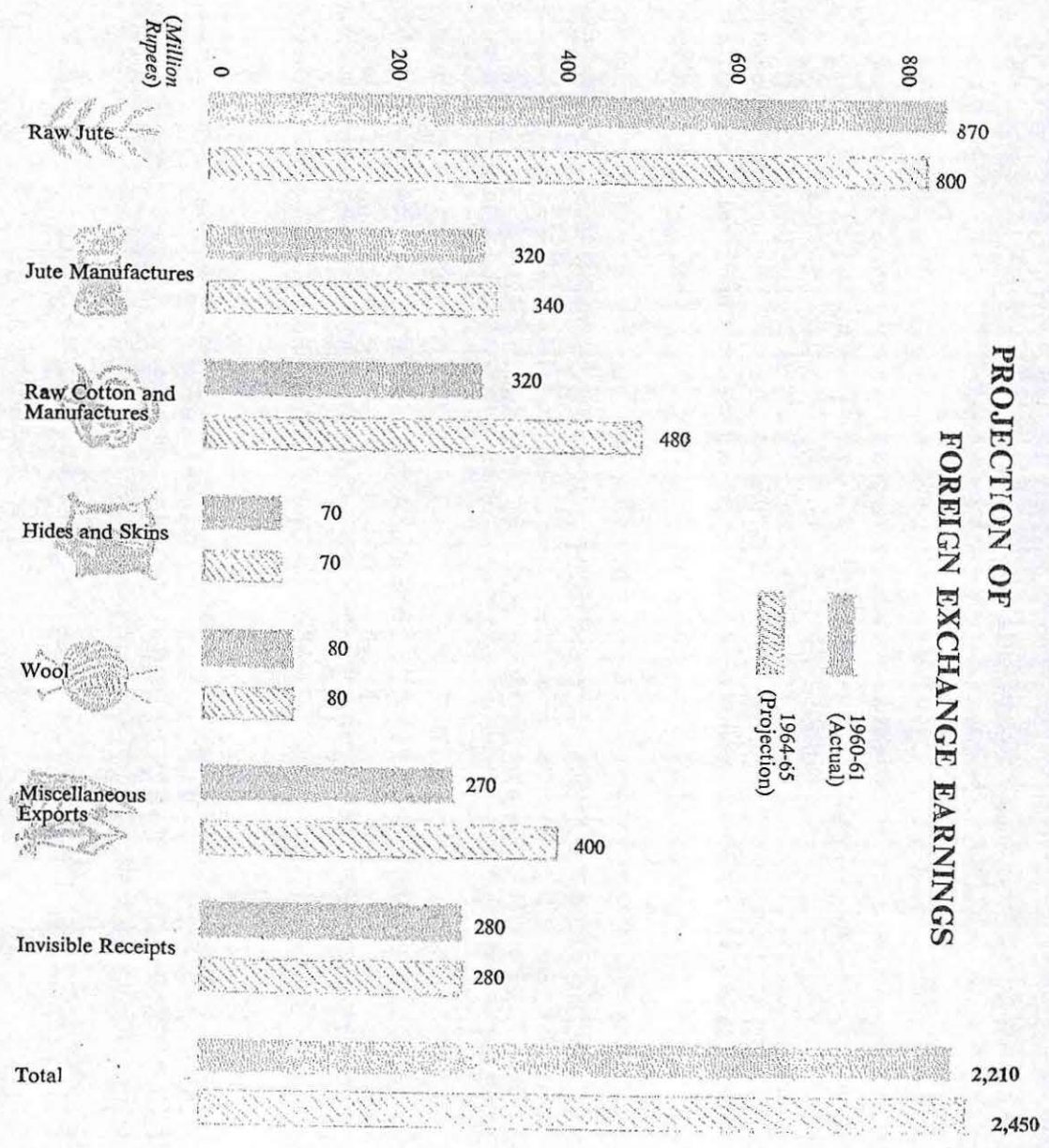
The following table shows the details of these earnings :

PROJECTION OF FOREIGN EXCHANGE EARNINGS

(Million Rupees)

	Annual Average First Plan	1960-61 (Actual)	1964-65 (Projection)	Total Second Plan
Raw Jute	843	870	800	4,100
Jute Manufactures	137	320	340	1,600
Raw Cotton and Manufactures	388	320	480	1,900
Hides and Skins	50	70	70	350
Wool	84	80	80	400
Tea	31	—	—	—
Miscellaneous Exports	159	270	400	1,500
Invisible Receipts	220	280	280	1,400
Total	1,912	2,210	2,450	11,250

**PROJECTION OF
FOREIGN EXCHANGE EARNINGS**



FOREIGN EXCHANGE GAP IN THE PLAN

During the course of five years, foreign exchange earnings are expected at Rs. 11,250 million rupees, while the total expenditure involved in foreign exchange during the Plan period for all types of requirements are estimated at Rs. 22,200 million, thus leaving a deficit

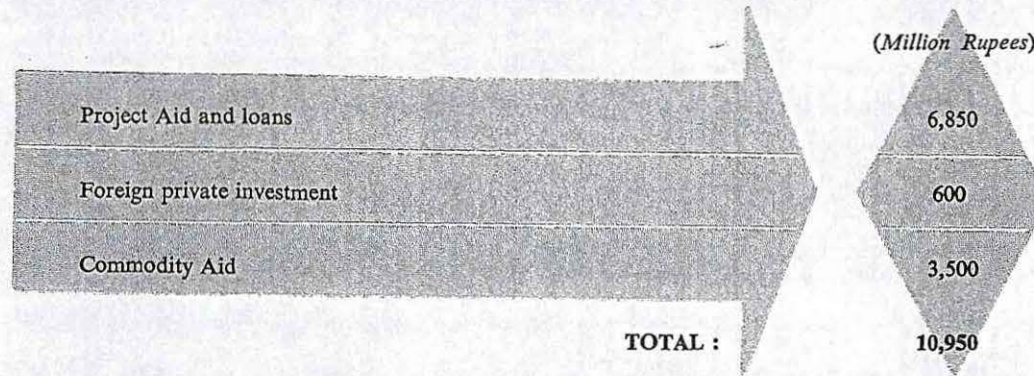
of Rs. 10,950 million to be met by foreign assistance. The projections of foreign exchange gap during the Plan period and the external assistance required to fill it are given in the following tables:

FOREIGN EXCHANGE GAP DURING THE PLAN

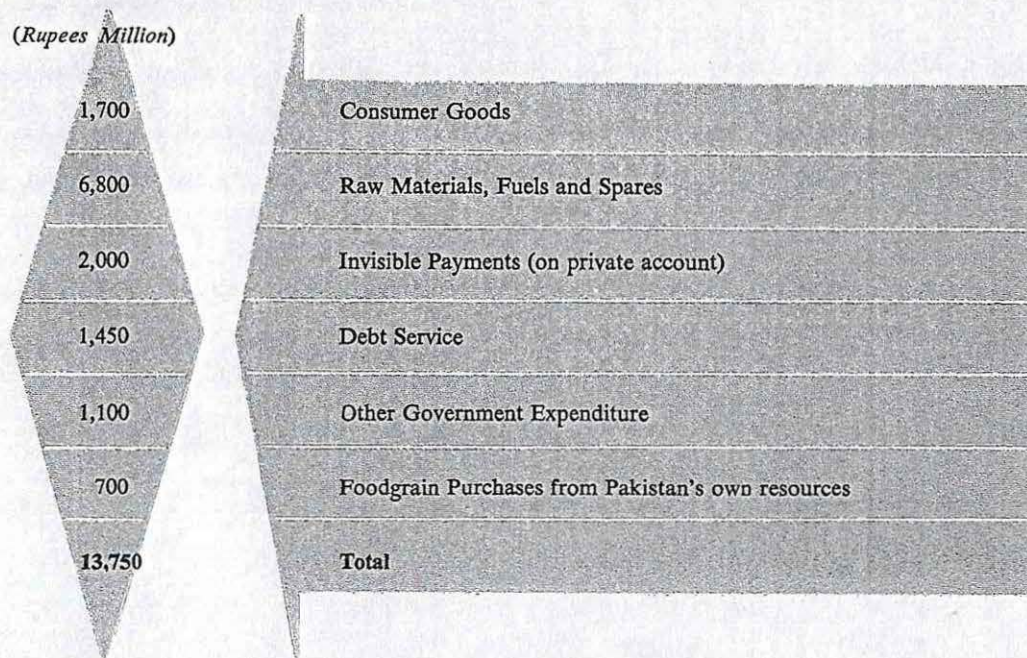
	<i>(Million Rupees)</i>
(a) Foreign exchange earnings	11,250
(b) Non-development foreign exchange expenditure	13,750 *
(c) Maintenance support (b—a)	2,500
(d) Foreign Exchange component of the Plan	8,450
(e) Foreign Exchange Gap (c+d)	10,950

*For break-down please see the opposite page.

COMPOSITION OF EXTERNAL ASSISTANCE REQUIRED FOR THE PLAN



**NON-DEVELOPMENT FOREIGN EXCHANGE EXPENDITURE
HAS BEEN ESTIMATED AS FOLLOWS**



FOREIGN ASSISTANCE ALREADY COMMITTED

The foreign exchange component of the Second Five-Year Plan has been estimated at Rs. 10,950 million (\$2,300 million) which is expected to be made available from project aid and loans amounting to Rs. 6,850 million (\$1,438 million); foreign private investment, Rs. 600 million (\$126 million) and commodity aid Rs. 3,500 million (\$735 million).

A consortium of aid giving agencies was held in June, 1961 to consider Pakistan's requirements of foreign exchange for the First and Second year of the Second Five-Year Plan. Pakistan had requested

for a sum of \$945 million (Rs. 4,498 million) for the financial year 1961-62 and 1962-63. The consortium, however, agreed to provide \$320 million (Rs. 1,523 million) in addition to a sum of \$229.3 million (Rs. 1091.5 million) already committed. A total amount of \$549.3 million has, therefore, been committed for the first 2 years of the Plan, leaving a foreign exchange gap of \$1,750.7 to be filled as soon as possible. The above commitments are expected to come from the sources given on the opposite page.

PROGRAMME OF AID TO PAKISTAN'S SECOND FIVE YEAR PLAN

(Pakistan Fiscal 1961 and 1962)

(Million U.S. Dollars)

	Recommended Additional Commitments	Already Committed	Total
Canada	18.0	19.8	37.8
France	10.0	—	10.0
Germany	25.0	37.5	62.5
Japan	20.0	20.0	40.0
United Kingdom	19.6	22.4	42.0
United States	150.0	129.6	279.6
World Bank and IDA	77.4	—	77.4
Total	320.0	229.3	549.3

Since the above commitments falls far short of Pakistan's demand the consortium has agreed to meet again on January 24, 1962 at Washington to consider Pakistan's requirements of aid.

SECTORAL PROGRAMMES

AGRICULTURE

In the First Plan, the paramount importance of agriculture was clearly recognized. The Second Plan calls for an even more ambitious programme on the assumption that until agricultural productivity is substantially increased, general economic growth will stagnate. To overcome the physical, administrative and technical difficulties that have hampered progress in the past, the Plan proposes a shift of resources, including executive talent, into agriculture. The agriculture programme aims at:

- (i) self-sufficiency in basic food production, maintaining as a minimum, the present levels of foodgrain consumption for

- the rapidly growing population;
- (ii) raising of dietary standards through increased supplies of fish, fruits, vegetables, sugar and livestock products;
- (iii) expanding the output of jute, cotton, tea, and forest products to the maximum possible extent;
- (iv) working towards an export position across the full production front, not excepting foodgrains;
- (v) increasing employment opportunities and reducing under-employment in agriculture.

At the core of the agricultural programme is the determination

AGRICULTURAL PRODUCTION TARGETS—1964-65

MAJOR CROPS	Estimated Output in 1958-59	Planned Output in 1964-65	Percentage Increase	
				(Thousand Tons)
Foodgrains :	13,189	15,921	21	
Rice (Cleaned)	8,341	10,164	22	
Wheat	3,703	4,329	17	
Maize	470	682	45	
Others	675	746	11	
Fibre Crops :				(Thousand Bales)
Jute	6,000	7,300	22	
Cotton	1,666	2,292	38	
Miscellaneous :				(Thousand Tons)
Gram and other Pulses	920	1,025	11	
Fruits and Vegetables	4,358	4,898	12	
Oilseeds (including Cotton Seeds)	935	1,230	32	
Sugarcane	15,430	20,800	35	
				(Million Pounds)
Tea	54.3	63.8	18	
Tobacco	223.0	254.7	14	
				(Thousand Tons)
Fish	290	360	24	
Timber	316	395	25	

to feed the nation with food grown on its own soil. This would be achieved by a 21 per cent increase in foodgrains. While this policy is justifiable on such non-economic grounds as national self-respect, it also has solid economic motivations. Per acre yields of foodgrains in the country are among the lowest in the world, and yet, comparatively simple practices as well as higher technology for raising productivity are well established and only waiting for application in the field. Few investments offer a return as does the increase in foodgrain production. Concurrently, it is essential that production targets for such exportable agricultural commodities as jute, cotton, and tea be maintained at optimum levels. All available means will need to be employed to increase output and improve quality; but the principal need is to achieve higher yields through effective combinations of management, labour and material inputs.

Some of the main objectives of the agricultural programme are to increase the food production from 13.2 million tons to 15.9 million tons *viz* by 21 per cent which will make the country mostly self-sufficient in foodgrains.

Production of cotton will increase from 1.7 million bales, to 2.3 million bales, showing an increase of 38 per cent.

Jute production will increase from 6 to 7.3 million bales, showing an increase of 22 per cent.

The production of tea will go up from 54 million lbs. to 64 million lbs., showing an increase of 18 per cent.

Sugarcane production will increase from 15.4 million tons to 20.8 million tons, recording an increase of 35 per cent.

The table on the previous page shows the Plan targets for the main agricultural products.

INVESTMENT PROGRAMME

Total investment in the agricultural sector is estimated at Rs. 3,420 million or about 15 per cent of the total cost of the Second Five-Year Plan. Of this, Rs. 2,515 would be invested by the Government and Rs. 905 million by the private enterprise. The chart on the opposite page gives the proposed investment in some of the major fields in this sector.

AGRICULTURAL PROGRAMME

Projected Investment during 1960-61 to 1964-65

(Major Fields Only)

(Million Rupees)

PUBLIC SECTOR		2516
Fertilizer	420	
Plant Protection	331	
Agricultural Extension, including Research and Education	219	
Foodgrain Storage	185	
Forestry	159	
Village-Aid	280	
Agricultural Development Corporation	200	
Miscellaneous items (a)	729	
 PRIVATE SECTOR		 905
Total :		 3,420
	0 500 1,000 1,500 2,000 2,500 3,000 3,500	

(a) The main items being Seed Stores (Rs. 64 million); Mechanization (Rs. 70 million); Fisheries (Rs. 60 million); Cooperatives (Rs. 30 million); Model Scheme Crash Programme (Rs. 58 million) etc.

WATER AND POWER

The water and power development programme in the Second Plan covers a number of large and expensive projects, as well as numerous smaller schemes. Some of them have not been subjected to full technical and economic appraisal; and it may, therefore, be necessary to change the composition of the programme in the light of further more precise information. The objectives of the development programme, which should be regarded as a unity, remain broadly the same as in the First Plan, *i.e.*,

- (i) to raise the productivity of existing agricultural lands through increased and rational applications of water, and the control of salinity and waterlogging;
- (ii) to increase farm acreage through irrigation, drainage and flood regulation; and
- (iii) to provide electric power cheaply and abundantly in order to accelerate and strengthen agricultural and industrial development.

During the Plan period, a number of major schemes of irrigation and protection of extensive areas will be completed. Large tracts of land will benefit from a multiplicity of small drainage, flood regulation, tube-well, and pumping schemes. It is estimated that in the final year of the Plan period, an additional area of 2.4 million acres will be improved through depression of water table, salinity control and an assured water supply. The gross installed capacity of electric power will be increased from 905,500 k.w. to 1,272,000 k.w.

and the energy generated will increase from 3.26 billion units to 5.63 billion units, raising the per capita consumption of electricity from 30 to 50 units. The targets are shown on the opposite page.

INVESTMENT PROGRAMME

The proposed investment for the development of water and power resources is estimated at Rs. 4,390 million. This is the second largest allocation (first being the investment in industry) to be provided to any one sector and accounts for more than 19 per cent of the total cost of the Plan. Of Rs. 4,390 million, Rs. 114 million would be invested by the Central Government, Rs. 1,761 million by the East Pakistan Government, Rs. 2,266 million by the West Pakistan Government and Rs. 250 million in the semi-public and private sectors.

The programme of the Central Government includes, in addition to the funds for the development of under-developed regions, a moderate sum for the development of atomic energy for peaceful purposes. A special feature of the East Pakistan development programme is the inclusion of Rs. 170 million for coastal embankments scheme which is vital for the protection of mankind and agricultural resources against natural calamities like floods, cyclones etc. The provision of Rs. 430 million for the control of waterlogging and salinity in West Pakistan is an important aspect of the programme of that Province.

The details of the programme are shown on the opposite page,

WATER AND POWER

Production in 1959-60 and 1964-65

		1959-60	1964-65	Percentage Increase
(1) Installed power	000 k.w.	906	1,272	40
(2) Transmission and Distribution Lines.	Circuit miles	5,000	15,000	200

PROGRAMME OF PUBLIC AND PRIVATE EXPENDITURE 1960-61 to 1964-65

(Million Rupees)

W A T E R	Centre	East Pakistan	West Pakistan	Semi-public & Private Sectors	Total
(a) Investigation and Surveys	—	70.0	122.0	—	192
(b) Multipurpose Development	—	698.0	6.0	—	704
(c) Flood Regulation	—	438.0	52.0	—	490
(d) Irrigation	—	135.0	445.0	—	580
(e) Drainage and Reclamation	—	—	427.0	—	427
(f) Open Canals	—	—	110.0	—	110
(g) Miscellaneous	—	49.0	34.0	—	83
P O W E R	—	371.0	1,070.0	—	1,441
U N C L A S S I F I E D	114.0	—	—	250.0	364
Total	114.0	1,761.0	2,266.0	250.0	4,391 (a)

(a) Due to rounding, there is an increase of Rs. 1 million (the total allocation being Rs. 4,390 million).

FUELS AND MINERALS

The Plan objectives in respect of the development of mineral resources are to reduce the country's dependence on imported fuels, to exploit the known deposits of other minerals and to accelerate investigations to determine the nature and extent of minerals not presently proved to exist in adequate quantities. The Plan provides for an outlay of Rs. 1,000 million—Rs. 179 million in the Public Sector, Rs. 271 million in the Semi-Public Sector and Rs. 550 million in the Private Sector—on the development of fuel and mineral resources. Considerable public investment is proposed in the coal industry with the objective of increasing coal production from the present rate of 723,000 tons to 1,500,000 tons a year. It is expected that the annual use of natural gas will increase during the Plan period from 22,500 million cubic feet to 100,000 million cubic feet. The search for oil will continue in East and West Pakistan, with Government participation. In East Pakistan, the possibilities of utilisation of peat will be explored. Full exploration of mineral resources will be undertaken, and the possibilities of their exploration will be pursued.

Considerable investment has been made in oil and gas prospecting. Important gas reserves have lately been discovered near Sylhet and Chaptak in East Pakistan and at Mari near Sukkur in West Pakistan. A recent find of oil at Karsal near Balkassar is expected to increase indigenous production of crude oil by 15 to 18 per cent. Utilisation of natural gas increased from 10,441 m. cu. ft. in 1956 to 29,842 m. cu. ft. in 1960. In order to step up the exploration and production of mineral oil and natural gas, an Oil and Gas Corporation has lately been set up with a total initial capital of Rs. 50 million. The exploration of peat deposits in East Pakistan has shown some promise.

The main production targets are given below while the investment programme for mineral development appears in a table on the opposite page.

The plan provides for an expenditure of Rs. 1,000 million. Out of this as mentioned above, Rs. 179 million would be in the public sector, Rs. 271 million in the semi-public sector and Rs. 550 million in the private sector.

PHYSICAL TARGETS

		1959-60	1964-65	Percentage Increase
Natural Gas	Million Cubic feet.	22,500	100,000	344
Coal	000 tons	723	1,500	107

FUELS AND MINERALS

DEVELOPMENT PROGRAMME FOR FUELS AND MINERALS 1960-61 TO 1964-65

(Million Rupees)

	Public Sector.	Semi-Public Sector.	Private Sector.	Total.
1. Expansion of Geological Survey Work	30	—	—	30
2. Training and Technical services	8	—	4	12
3. U. N. assisted Mineral exploration project	9	—	—	9
4. Special investigation of selected minerals	4	—	—	5
5. Oil and Gas prospecting and development	126	94	240	460
6. Expansion of Coal production	—	70	30	100
7. Peat development	—	18	—	18
8. Expansion of Chromite production	1	—	5	6
9. Development of deposits and expansion of production of selected minerals	2	—	7	9
10. Natural Gas transmission	—	75	225	300
11. Natural Gas distribution	—	13	38	51
Total	180	270	550	1,000

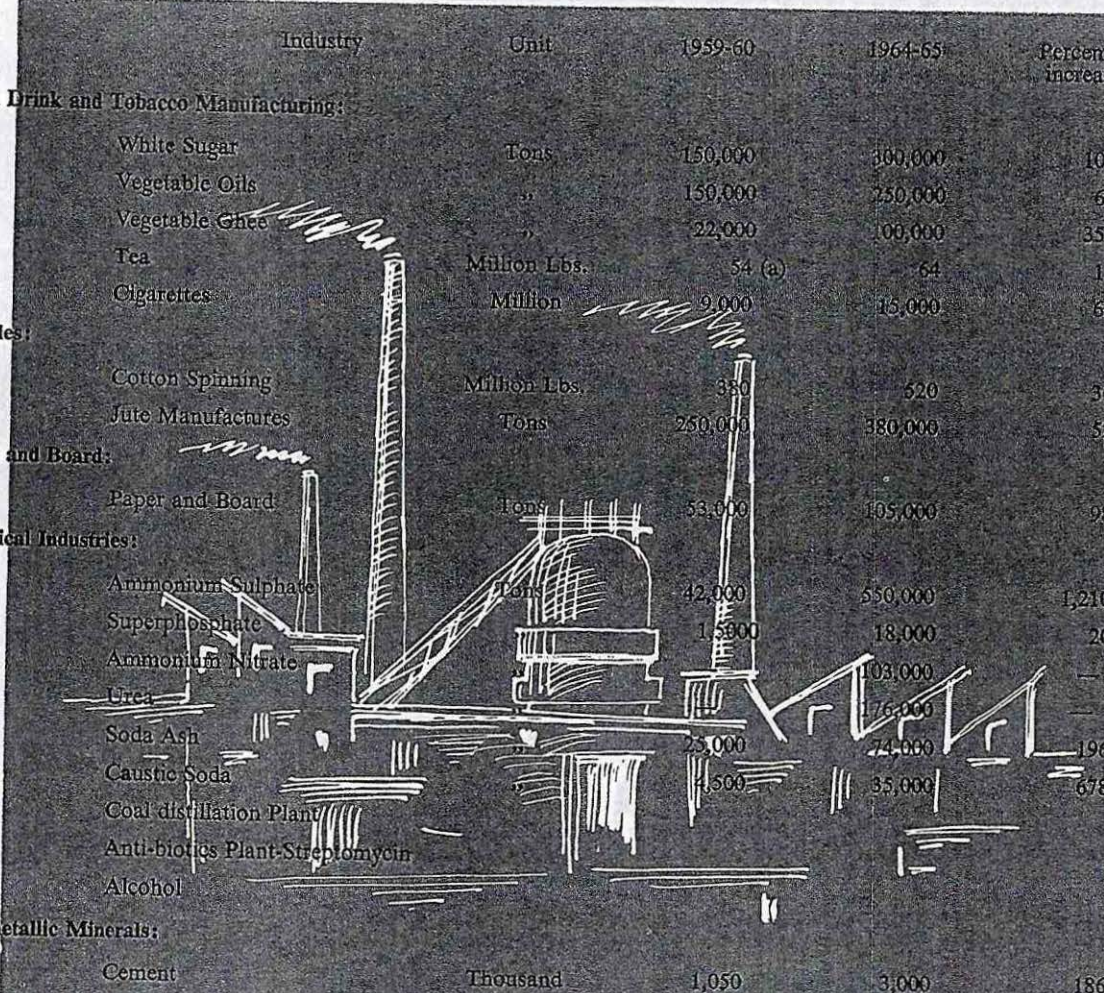
INDUSTRY

The general objectives of future industrialization are to increase national income and employment opportunities, to help solve the country's balance of payments problem by increasing the production of exportable goods and import substitutes and to promote the industrialization of the relatively less developed areas of the country. These objectives will be achieved through fuller utilization of installed capacity, modernization and expansion of existing industries and establishment of new ones. Consultants of international repute have been appointed to conduct an industrial survey of East Pakistan

to determine the industrial potential of the Province and to assist in the preparation of sound projects.

To increase industrial production, reliance is placed essentially on private enterprise. Climate now exist for increased private investment, both national and foreign. Price and distribution controls have been relaxed. Incentives have been provided to stimulate production and exports. Investment treaties and avoidance of double taxation agreements calculated to promote foreign private investment have been concluded with a number of countries. Local private

PHYSICAL PRODUCTION TARGETS IN LARGE AND MEDIUM SCALE INDUSTRIES



Industry	Unit	1959-60	1964-65	Percentage increase
Food Drink and Tobacco Manufacturing:				
White Sugar	Tons	150,000	300,000	100
Vegetable Oils	"	150,000	250,000	67
Vegetable Ghee	"	22,000	100,000	355
Tea	Million Lbs.	54 (a)	64	18
Cigarettes	Million	9,000	15,000	67
Textiles:				
Cotton Spinning	Million Lbs.	380	520	36
Jute Manufactures	Tons	250,000	380,000	52
Paper and Board:				
Paper and Board	Tons	53,000	105,000	98
Chemical Industries:				
Ammonium Sulphate	Tons	42,000	550,000	1,210
Superphosphate	"	1,500	18,000	20
Ammonium Nitrate	"	—	103,000	—
Urea	"	—	76,000	—
Soda Ash	"	25,000	74,000	196
Caustic Soda	"	4,500	35,000	678
Coal distillation Plant	"	—	—	—
Anti-biotics Plant-Streptomycin	"	—	—	—
Alcohol	"	—	—	—
Non-metallic Minerals:				
Cement	Thousand tons	1,050	3,000	186

(a) Average production during 1955-56 to 1959-60; production in 1959-60 is 57 million lbs.

enterprise has now acquired a measure of experience and know-how which qualifies it to expand its operation either independently or in collaboration with foreign investors.

As a result of the investment, the country has become self-sufficient in a large variety of consumer as well as capital goods. With better facilities which have been offered, the pace of development is bound to gain momentum. The allocation proposed in the Plan for the development of chemical and petro-chemical industries is the highest in the industrial sector. The large reserves of natural gas available in the country will be exploited to produce a variety of products ranging from carbon black to acrylonitrile fibres. Arrangements are already in hand to establish an oil refinery based on imported crude oil in Karachi to meet the domestic demand at a reduced foreign exchange cost.

Physical Targets

Some of the important physical targets are:

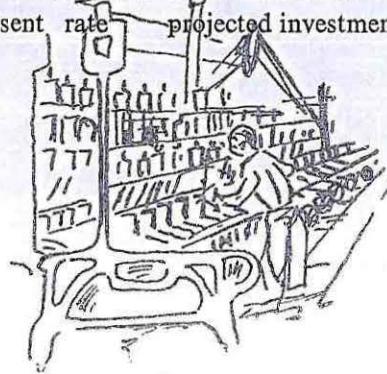
With the installation of additional 550,000 cotton spindles, the production of cotton yarn is expected to increase by 36 per cent from 380 million lbs. in 1959-60 to 520 million lbs. in 1964-65, raising the domestic consumption of cotton cloth to 14.5 yards per capita annually. As against 8,750 Jute looms in 1959-60, these are projected to go up to 12,000 looms which would step up the production by 52 per cent from 250,000 tons to 380,000 tons. The production of white sugar is planned to increase from 150,000 tons to 300,000 tons a year. This will make the country self-sufficient in sugar at the present rate

of consumption. In addition, the production of Khandsari sugar by modern methods in small scale industry will be increased considerably. The production of vegetable oil will increase from 150,000 tons to 250,000 tons, of vegetable ghee from 22,000 tons to 50,000 tons a year, while that of cigarettes from 9,000 million to 15,000 million a year over the plan period. The production target for cement has been set at 3 million tons by 1965. The planned increase in the production of fertilizers is from 42,000 tons in 1960 to 550,000 tons in 1965.

The table on the preceding page shows the physical targets in this sector.

Investment Programme

In view of the importance of this sector for the speedy development of the country, the plan has allocated the largest amount to it (Rs. 5,120 million) which is more than 22 per cent of the total plan outlay. Of the total, 2 per cent would be invested in the public sector, 27 per cent in the semi-public sector and 71 per cent in the private sector. The investment in the public sector would be used for the establishment of industrial estates to provide basic facilities to the private sector. The public and private contributions to the semi-public sector would be invested for the establishment of selected industries like newsprint, petro-chemicals, shipyard and cement. The private sector would also develop a large number of large scale and small scale industries. The table on the opposite page shows the projected investment in the public, semi-public and private sectors.



**PROGRAMME OF PUBLIC, SEMI-PUBLIC AND PRIVATE
INVESTMENTS IN THE INDUSTRIAL SECTOR**

(Million Rupees)

Public Sector	100
Semi-Public Sector (Government contribution)	1,360
Private Sector (including contributions to semi-public sector)	
(i) Large-scale industries	2,732
(ii) Working Capital for large-scale industries	700
(iii) Revolving funds for small-scale industries	228
TOTAL	5,120

TRANSPORT AND COMMUNICATIONS

The development of a country's transport system is both an index of and a pre-requisite to its economic growth. There is a close relationship between the volume of transport and the level of economic activity, between rail and road mileage and the degree of economic development achieved by a country. Equally important as the movement of goods and people, is the communication of knowledge and ideas for the growth of a well articulated and dynamic economy.

In Pakistan, because of the persistent backlog of rehabilitation and replacement requirements, transport development must of necessity accord first attention to improving the efficiency and capacity of the existing facilities in preference to expansion. The inadequacy of handling capacity of the railways, the congestion of traffic at the ports, the poor condition of several important roads and the withdrawal from roads of a large number of motor vehicles for lack of spares, have augmented transport difficulties and have partly contributed to the failure to achieve a closer realization of development goals during the First Plan.

As regards future development, it is proposed to undertake a comprehensive study with a view to determining the comparative merits of developing railway, road, and water transport services.

Meanwhile, the limited availability of resources makes it especially necessary that ways of increasing transport capacity at minimum cost be explored and employed. One such way would be to affect further improvement in the working efficiency of the various transport services through, for instance, more efficient stevedoring in ports, reduction in cross-hauling of goods, and modernization of railway operational and maintenance practices. Other means, which lie within the control of agencies other than the transport authorities, but which will permit fuller utilisation of capacity, are the reduction of customs delays, provisions of adequate storage to prevent railway wagons, ships and inland water craft from being used for storage, better spacing of foodgrains arrivals so as to avoid sudden demands for railway wagons which disrupt regular traffic, and location of producing units near the source of raw materials or adjacent to markets so that the load on transport facilities is minimized. The targets proposed to be achieved appear on the opposite page.

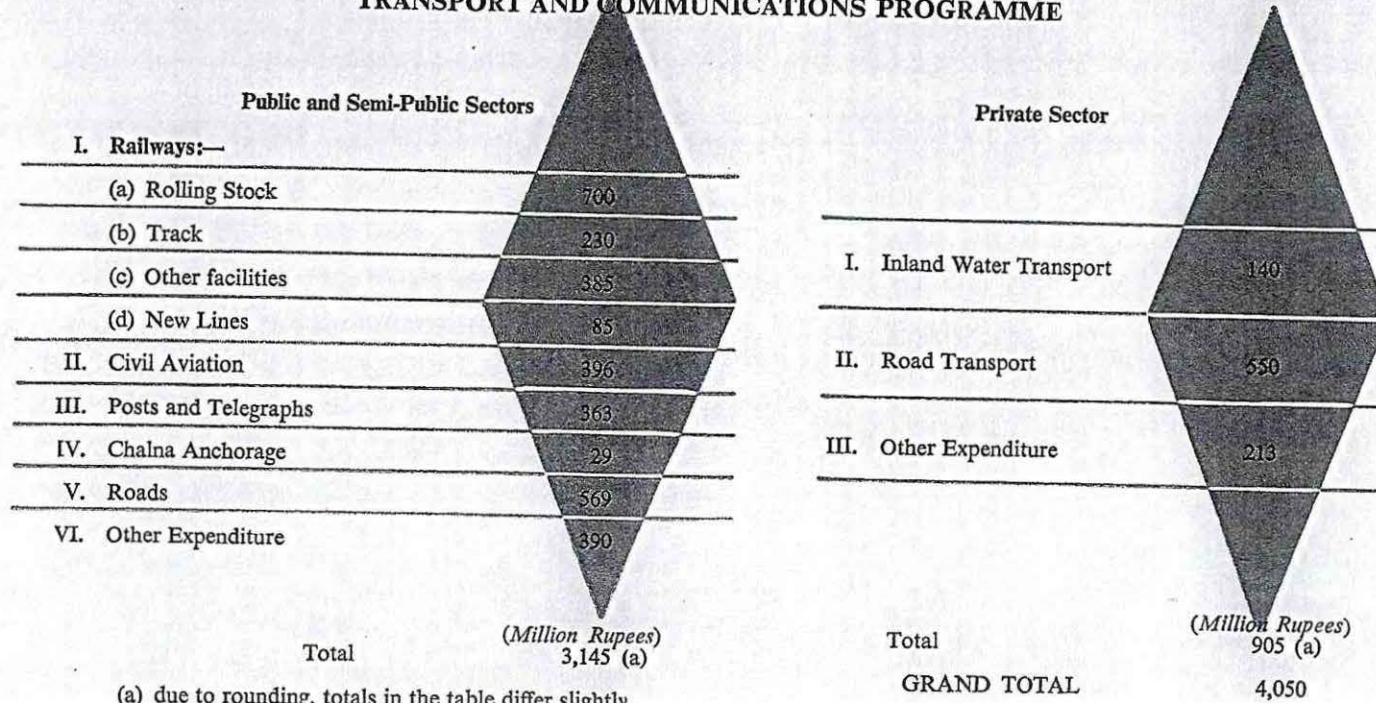
A total expenditure of Rs. 4,050 million is provided for this sector during the Plan period. Out of this, Rs. 2,612 million are in the public sector, Rs. 533 million in the semi-public sector and Rs. 905 million in the private sector. Details are given in the table on the opposite page.

TRANSPORT AND COMMUNICATIONS—PHYSICAL TARGETS

	1959-60	1964-65	Percentage Increase
High type roads (Miles)	10,775	14,520	35
Buses in operation (No.)	9,000	12,000	33
Trucks in operation (No.)	16,000	24,000	50
Route mileage (Inland Water Trpt.)	2,800	4,000	43
Handling capacity of ports (Million tons)	7.5	9.3	24
Airports, airfields, etc. No.	9	22	144
Post Offices (No.)	9,850	11,150	13

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TRANSPORT AND COMMUNICATIONS PROGRAMME



(a) due to rounding, totals in the table differ slightly.

EDUCATION AND TRAINING

An allocation of Rs. 955 million has been provided for education and training in the public sector, compared with an actual expenditure of Rs. 410 million during the First Plan. In addition, Rs. 100 million have been estimated for the private sector. This very substantial increase in the Plan allocation for education and training reflects the conviction that rapid acquisition of knowledge and skills is of fundamental importance to the future of the country. The allocation would have been still higher had the available resources

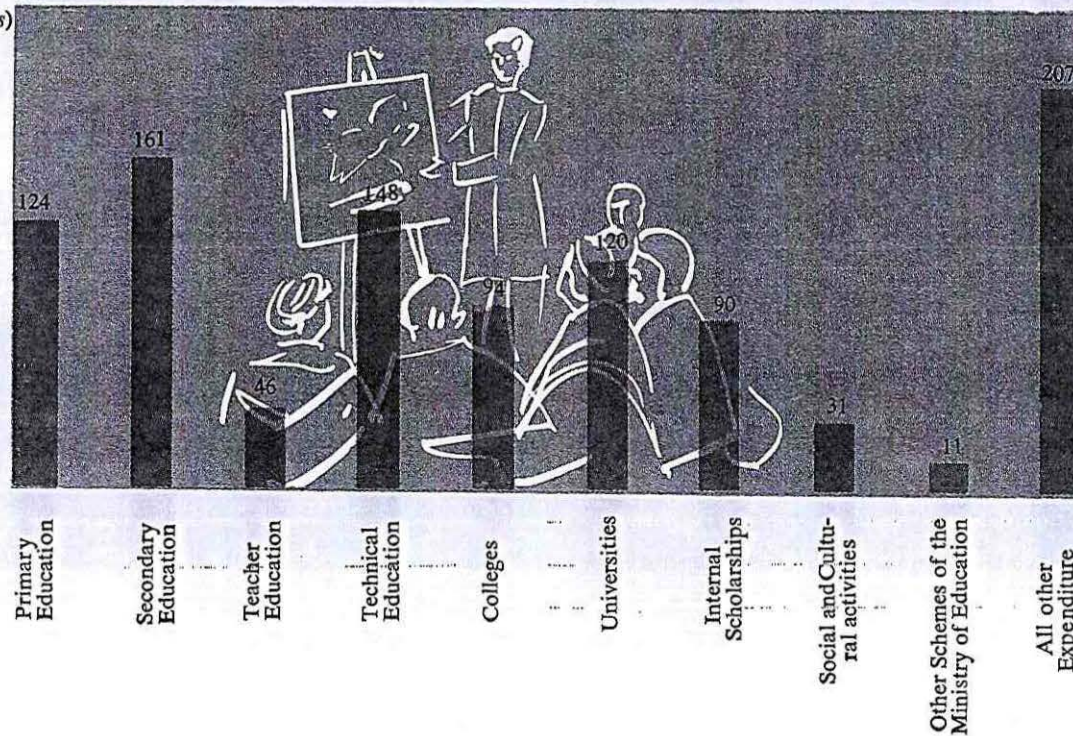
so permitted, and if the supply of competent teachers were not so limited and the time required to train them not so long.

It may be mentioned that in addition to the development expenditure, there will be recurring expenditure of Rs. 607 million in both the public and private sectors. Details of development expenditure are given in the graph below.

The table on the opposite page shows the targets which are to be achieved in this sector by the end of the Plan period.

EDUCATION AND TRAINING PROGRAMME

(Million Rupees)



PHYSICAL TARGETS

Items	1959-60	1964-65	Percentage increase
1. Number of Primary Schools—000s	44	59	33
2. Primary Teaching Training Institutions	75	110	47
3. Teachers' Training Colleges	23	28	22
4. Universities	6	12	100
5. Engineering Colleges	4	6	50
6. Students passing out from Engineering Colleges	400	700	75
7. Students passing out from Technical Schools	500	1,250	150

H E A L T H

The Plan provides for a total expenditure of Rs. 420 million of which Rs. 370 million will be in the public sector and Rs. 50 million in the private sector, mainly by philanthropic organisations. Higher priority has been given to preventive as compared to curative services. Roughly 60 per cent. of the proposed allocation for health is for preventive services and the balance for curative services. Emphasis has been placed on combating malaria and tuberculosis, which are responsible for a quarter of a million deaths annually. Campaigns will be carried out also against small-pox, leprosy and trachoma. The greatest single barrier to an effective health programme is the shortage of qualified doctors and nurses; for this reason additional training facilities have received priority attention. Family planning is indispensable to curb the high rate of increase in population and to offset the effect of reduced mortality rate brought about by enforcement of more efficient health measures in recent years.

During the Plan period, a more satisfactory rural health coverage is to be provided by setting up 300 rural health centres—150 in

each Province.

For curative services, provision has been made for the establishment of a post-graduate institute of tropical medicines at Dacca, and for strengthening the existing Institute of Public Health there. The Institute of Hygiene and Preventive Medicine and the Institute of Radiology at Lahore will be strengthened. The Plan provides for two training schools for health technicians in West Pakistan and three in East Pakistan. Similarly, three additional schools for nursing training will be provided in East Pakistan. A Public Health Research Institute to undertake medical research will be established. The number of medical personnel will be increased from 9,200 to 13,000 in the case of doctors and from 2,000 to 3,500 in the case of nurses. The number of hospital beds will be increased by about 8,000 during the Plan period.

The table and the chart on the opposite page show the targets to be achieved in the public sector of the health programme as also the expenditure proposed to be incurred during the Plan period.

HEALTH—PHYSICAL TARGETS

(Public Sector Only)

	1959-60	1964-65	Percentage Increase
1. Doctors	9,200	13,000	41
2. Nurses	2,000	3,500	75
3. Health Visitors	500	2,000	300
4. Hospital-beds	28,000	36,000	29
5. Tuberculosis Clinics	32	82	156
6. School Health Clinics	19	56	195
7. Rural Health Centres	—	300	—
8. Nursing Training Institutions	18	22	22

HEALTH PROGRAMME

(Million Rupees)

PUBLIC SECTOR	370
PRIVATE SECTOR	50
TOTAL	420

HOUSING AND SETTLEMENT

The Plan provides for an expenditure of Rs. 3,410 million for housing and settlement, of which Rs. 1,410 million will be in the public sector, Rs. 865 million in the semi-public sectors and Rs. 1,130 million in the private sector.

The allocation for the public and semi-public sectors is intended to cover the cost of completion of most important on-going schemes, initial construction of the new Federal and subsidiary capitals and a few selected new projects. The provision of adequate houses, water-supply and sanitary facilities for the nation's population is a gigantic task, well beyond the foreseeable resources of the country. The programme, therefore, concentrates on the most urgent needs. Great reliance is placed on private enterprise. In the past, an excessive amount of private investment has gone into luxury housing. This will be discouraged in future.

The programme provides for the complete settlement of all the displaced persons.

The Plan proposes the establishment of two colleges of architec-

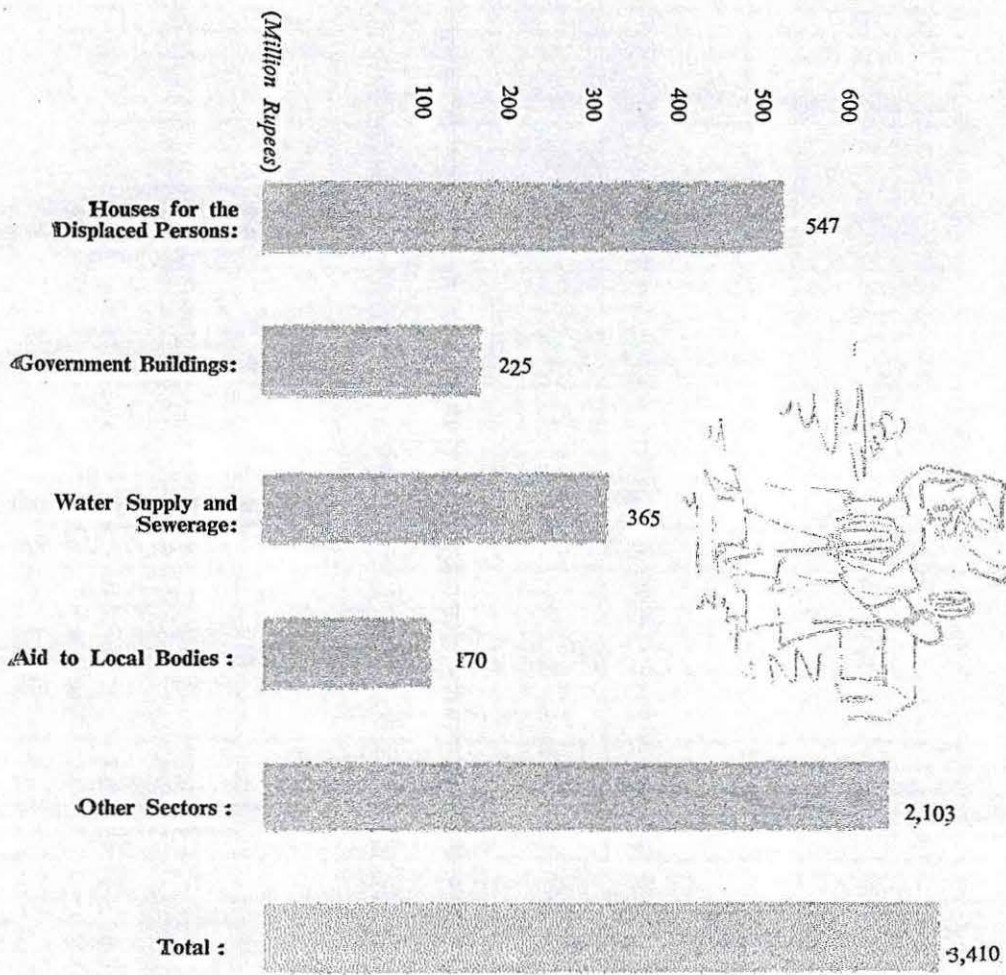
ture and town planning at Lahore and Dacca. In addition, three building trade schools are proposed in East Pakistan and four in West Pakistan.

In the case of rural areas, the Plan recommends initiation of pilot projects for village planning and housing. The urban programme provides for the development of 300,000 residential plots with a limited number of nucleus houses. All shelterless displaced persons will be settled during the Plan period.

Substantial resources have been allocated to improve the supply of drinking water in rural areas of East Pakistan, and to cover the cost of water-supply and sewerage schemes in selected towns, including Dacca and Karachi.

It is also proposed to initiate a programme for housing industrial workers through special corporations, financed by loans from the Government and the Industry. The breakdown of this programme in various sectors appear, on the opposite page.

HOUSING AND SETTLEMENTS SECTOR



SOCIAL SERVICE, MANPOWER AND EMPLOYMENT

An allocation of Rs. 135 million, has been provided in the Plan for this programme.

For manpower development programme, the Plan provides for the establishment of a National Manpower Council, the reorganization of the existing employment exchanges and the opening of 12 new ones. A National Training Board will co-ordinate the various training programmes.

For fact-finding and research, a labour statistics programme will be developed in close relationship with a comprehensive plan for a government-wide statistical system. There are also proposals for several special surveys, including special surveys of staffing patterns and manpower requirements in selected fields, a national survey of

agricultural labour, a survey of labour in the tea plantations and an enquiry into contract and casual labour.

To increase the productivity of labour, provision is made for proper enforcement of standards of safety, sanitation and health; elimination of child labour; settlement of industrial disputes; and the beginning of a social insurance programme.

The objectives of social service programme are, to encourage communities to take initiative in mobilizing resources to meet social needs, and providing help and guidance to individuals and families in making adjustments to their environment.

Details of this programme are given in a table and chart on the opposite page.

MANPOWER AND SOCIAL SERVICE

	1959-60	1964-65	Percentage Increase
Social Workers Project	350	1,450	314
Urban Community Development Projects	25	123	392
Medical Social Work Projects	5	52	940
Voluntary Agencies to receive Grants in Aid	200	300	50

MANPOWER AND SOCIAL SERVICE PROGRAMME

(1960-61 to 1964-65)

PUBLIC SECTOR	120
PRIVATE SECTOR	15
TOTAL	135

(Million Rupees)

Ferozsons, Karachi.