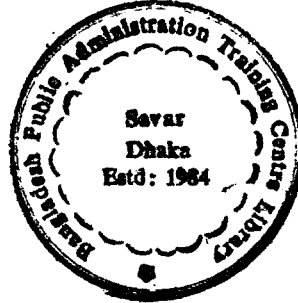


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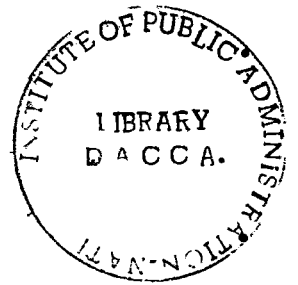


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FOOD & AGRICULTURE COMMISSION

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FIRST INTERIM REPORT



February, 1969.

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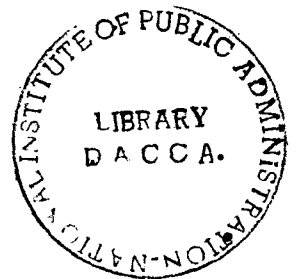
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CHAPTER I  
INTRODUCTION

1. The Food & Agriculture Commission was appointed by the Government of Pakistan by Notification No.F-1-64/59-Estt dated 11.7.1959.\* It was inaugurated on 16.7.1959. The two foreign members, Dr. G.G. Black and Mr. A. Gaitskell were not, however, expected until later and they actually joined on 27.9.59 and 2.10.59 respectively. The Commission therefore, could only do preliminary work before their arrival. The scope of work and the lines of enquiry were finalised in the meeting of the Commission held from 12th to 16th October, 1959. It is expected that the enquiry phase of the Commission's work will be over by about the middle of April, 1960 and the consideration and discussion stage will start after that.

2. The Minister and the Ministry of Food and Agriculture, through separate letters\*\*, asked the Commission to make interim reports on the following subjects:-

- A. The suitability of establishing one or more Agricultural Development Corporations to increase agricultural production;
- B. Food procurement policies;
- C. The report of the Central Reorganisation Committee on the proposed future set-up of the Ministry of Food and Agriculture; and
- D. The decision of the Economic Committee of the Cabinet that the Commission should report on steps necessary for increasing the production of cotton from the present level of 1.7 million bales to a level of 2.5 million bales by 1965 and asked the Commission to make interim suggestions for the steps to be taken now.

3. The Commission have considered these subjects and discussed them with the persons and organizations concerned. There are many problems involved in this which are so intimately linked with the general themes of the Commission's

main report that an expression of opinion now would be premature. The Interim Report which follows is confined, therefore, to those aspects upon which the Commission feels able to express an opinion now.

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\* see appendix I.(A & B)  
II (A, B, C & D)

4. Pakistan agriculture presents a very diverse picture. There are large tracts of land where the actual operator is no more than a labourer. There are others where he is a tenant at the mercy of the landlords. In some he is a tenant with well-defined legal rights and in yet others, he is a peasant proprietor with definite traditions. The landholding community in many cases has a position in the rural society which transcends the field of agriculture. A tribal or a semi-tribal set up prevails in a significant sector.

5. In spite of this variety, there is a pattern of agricultural uniformity, at least in each province. In East Pakistan, the agricultural economy is based primarily on rice and jute and most of the land that can be used by the farmer with his existing means has been brought under the plough. In addition each farmer supplements his income and meets some of his own requirements by growing a few fruit trees and keeping a few chickens and goats around his house. He may also have one or two bamboo clumps which help him to maintain his dwelling. The sowing times, the application of manures, weeding and other operations are based on the normal climatic conditions and are set by tradition based on experience. There is very little winter cropping because of lack of rains and irrigation facilities during the dry season. In the drier climate of West Pakistan, the principle of meeting the local and personal needs again governs the pattern of agriculture. Here, however, rotational cropping based on the need for conserving water and maintaining the fertility of the soil is more in evidence. The cropping pattern is also much more diverse, the main crop being wheat, cotton, rice, maize, bajra, sorghum and sugar-cane. Horticulture is more extensively practiced and vegetables farming is evident around the cities. More attention is given to the maintenance of cattle than in the East and a considerable part of the population is engaged on cattle production on a tribal range basis. Both provinces have farmers who carry out agriculture on the traditional pattern excellently.

6. The experience behind these traditional patterns within both provinces creates a psychological build-up which makes a break from the past a difficult proposition. This difficulty is increased by the ignorance of the farming population, the paucity of communications and the break-up of the traditional community life, which had created the traditions on which the present agriculture is built. In this situation, the rapid increase in population has had a devastating effect. The complicated picture of the subdivision and fragmentation of holdings, the shrinkage of the means of the small farmer and the increasing loss of initiative are the evident results of this impact. West Pakistan has the largest irrigation system in the world, but unsupported as it is by any proper drainage, the twin disasters of salinity and water logging have created very serious problems. In the recent past, the difficulties of the country have been increased by unusual weather hazards bringing in their wake a higher incidence of disease and destruction by floods and drought.

7. Modern science has placed at the disposal of men new methods of increasing production. The implementation of these methods requires a widespread diffusion of knowledge to the farmer, a larger availability of improved seeds, fertilisers, pesticides, implements, motive power and means of irrigation, and a considerable investment of capital. It is necessary, therefore, that any attempt at increasing agricultural production on a large scale must provide for a spread of knowledge, availability of supplies, availability of capital and credit and the setting up of organisations to bring this about. In addition price levels have to be established and marketing reorganised if prices are to be obtained which will bring a sufficient return to the farmer to make it worth his while to increase production of crops which fit into the needs of national economy. Modern methods also envisage a highly skilled farm management knowledge and organisation at

the farm level to enable better use to be made of these resources.

8. The Food and Agriculture Commission considers that its principle task is to find methods and organisations, which will spread the new knowledge, will arrange the provision of supplies and credit to the farmer, and will organise him to his better advantage. It feels that in agriculture, the problem is less that of directly implementing a policy than one of persuading the farmer to implement such a policy and of providing him with means to do so. It envisages the setting up of the necessary organisations for educating the farmer in the new methods and advances in science, for demonstrating to him that these methods would increase his output, for enabling him to get necessary resources and implements for doing so, and for so organising him that he can manage his farm and market his produce to better advantage. These aims are more radical than previous approaches on the subject particularly in regard to the organisation of a more satisfactory base for farming as opposed to mere provision of plans from the top. The Commission is convinced that policies must be so framed that they provide a solution to the problems of the farmer, win his confidence for a large change-over of methods from the traditional agriculture to more scientific system and secure for him an increase of his income. They feel that this approach will tie up the farmer's interests with national policies and will thus raise the national production at the same time as raising the farmer's income and standards of living.

9. The ultimate problem of agricultural production can only be solved by bringing the farmers together for farm management and marketing, and for cooperative arrangements for providing credit, even to men of small means, through a concept of lending on the basis of productive capacity rather than on the present basis of credit-worthiness. These problems.

of the farmers will have to be handled at the village level and a main objective of national planning will be the creation of an atmosphere for this purpose. In order to do so many independent, and often mutually exclusive organisations that exist, will have to be brought into one coordinated system. Thorough coverage of all means is bound to take time but to obtain early results, the combined efforts of everybody who has anything to do with the rural population will have to be mobilised for emphasis on a few definite objectives in a limited field. For this immediate purpose objectives which can be dealt with at a national level and can give results in a short span of time, while creating a climate for further advance, should be selected.

10. Pending further examination our tentative view is that a solution of the problem of agricultural production should be sought in three parallel approaches.

- i. At the immediate level, a concerted campaign in which all departments and organisations must cooperate to persuade the farmer to use certain methods and to ensure that means for pursuing these methods are available to him.
- ii. The regrouping of departments and the establishment of suitable organisations so that research, extension, credit and supplies are dealt with so as to reach the farmers quickly, smoothly and conveniently.
- iii. The organising of farmers for farm management, capital investment and marketing.

11. These approaches are intended to increase agricultural production for the farmer and for the national interests. The first approach emphasises the use of existing organisations. The second involves an overhaul of the whole governmental set up in this field without a major change in the pattern of farming. The third is for the specific purpose of making changes in that pattern. There is no reason why a start should not be made in all of them at the same time. But whereas the few objectives of the first approach can be tackled immediately and on a wide scale, the coordination of the many objectives in the other two approaches is bound to demand more time and be limited initially to selective



application. The same factors affect our own deliberations and we are studying the best methods of approach including the question of where and when a semi-independent authority may be able to give better results, a subject which can only be dealt with very generally in chapter 3 below.

12. In this interim report, we are dealing only with certain measures that can be adopted for the next summer crop in West Pakistan and aman crop in East Pakistan in accordance with the first approach.

13. We feel that measures which can immediately result in an increase of production are the greater use of chemical fertilizers, more plant protection measures and more readily available assistance through government credit. We have excluded the use of improved seed from these proposals as the cotton seed position this year is not satisfactory (and although we have some recommendations to make it is merely from the point of view of filling a gap rather than suggesting improvements) and the availability of improved seeds in other crops is very small compared to the needs. We have, therefore, excluded seed from consideration for the time being but will revert to the subject in our main report. We propose that efforts be concentrated on the cotton, rice and maize crops in West Pakistan and on rice only in East Pakistan.

14. We recommend that the use of fertilisers be stepped up between two and three fold in West Pakistan and about three-fold in East Pakistan. After consideration of the supply position and the experimental work done so far, we propose to concentrate on nitrogenous fertilisers in West Pakistan and on nitrogenous and phosphatic fertilisers in East Pakistan. We shall deal with the need for a more balanced fertiliser in our subsequent report.

15. We also propose the application of the plant protection campaigns on a much wider scale and also the concentration on limited areas for an all out effort to eradicate pests and diseases.

16. Our proposals include additional steps to be taken to increase cotton production during the next crop. Other items could be included in the proposals but we feel that concentration on a few objectives is likely to bring the best results. Proposals for similar campaigns on other crops will be made in our main report or in our subsequent interim reports.

17. The second chapter of this report deals with the problems concerning food procurement policies. The third with those organisational matters which have been referred to us together with brief note concerning certain aspects of the newly established National Development Organisation. The fourth chapter relates to a programme for a concentrated production campaign during the next summer crop.

18. We have tried to go into details wherever necessary and have indicated the financial implications of the proposals. In certain cases, it was not possible to tie up all the ends, while in others, we decided that it would unnecessarily burden this report to list all the details. If Government accepts the proposals, we have made, we will be glad to assist the organisations concerned with the subject in the preparation of detailed action programmes.

CHAPTER II.

FOOD PROCUREMENT POLICIES.

19. The Pakistan Cabinet took the following decisions on 10.10.1959:

- (i) that all restrictions on the movement of wheat within West Pakistan including Karachi, except in the five miles border belt, should be withdrawn and the trade allowed to function freely;
- (ii) that a reserve of 5 lakh tons of wheat should be maintained by Government at all times. The ICA would supply stocks under PL-480, Title I to meet the wheat deficit for a period of three years and to help maintain a standing reserve of 5 lakh tons ;
- (iii) that the floor price of wheat should be fixed at Rs. 13/8/- per maund (without bag). Government should enter the market for procurement of wheat at the floor price, if offered;
- (iv) that Government should have control over the rolling flour mills. In particular, Government should have the power to fix the percentage of wheat to be taken and milled by the flour mills from Government stocks along with the indigenous wheat purchased by them. Government should also have the power to prescribe the percentage of flour extraction, and the specifications of atta to be sold. Government should also have the statutory power to control the wholesale ex-mill rate of atta from time to time;
- (v) that the Central Government should ask the State Bank of Pakistan to issue directive to commercial banks that they should give only short term credits to roller flour mills and other big traders in food-grains;
- (vi) that any person should be free to purchase wheat from Government godowns at the fixed price of Rs.15/8/- per maund, subject to the maximum and minimum quantities to be laid down by Government;
- (vii) that Provincial Government should set up immediately an organisation to collect marketing intelligence in respect of major foodgrains,

Cabinet further decided:

- (viii) that the Government should keep a strict watch on prices and availability of wheat in the country. It should be ensured that in case of necessity the Government could reimpose controls on prices and distribution without much delay or difficulty;
- (ix) that the registration of grain dealers need not be enforced by Law. The Government of West Pakistan should, however, ensure that their laws provide for regulating the marketing of wheat;
- (x) that the ceiling price of wheat should not be announced. However, when in the opinion of the Government, the prices of wheat are tending to go beyond a fair and reasonable level, the Government should release stocks at the whole-sale rate of Rs.15/8/- per maund (inclusive of bag);

- (ix) that the supply of wheat to the Armed forces should continue to be arranged by the Ministry of Food and Agriculture;
- (x) that the question of supply of wheat to Azad Kashmir should be discussed by the Ministry of Food and Agriculture with the President of Azad Kashmir Government.
- (xi) that in respect of the Special Areas, the Government of West Pakistan may fix specific prices in view of the high cost of transport.

20. The Government had decided earlier to procure Sind Kangani and Joshi rice on the same basis as in the past through a monopoly procurement system so that this cheap rice could be made available for distribution in East Pakistan. At the same time, they decided that the surplus of Punjab basmati, parmal and begni rice should be available only for export. This was to be achieved through a control on movement. Nobody was permitted to move this type of rice out of the surplus area, in a quantity of more than 5 seers per head, except under a permit to move it to Karachi. The person who brought this rice into Karachi was to use it only for export outside Pakistan. This step was taken to increase foreign exchange earnings.

21. In East Pakistan, the food needs were being met through local production and import both from West Pakistan and from foreign countries. The distribution was controlled through a system of statutory rationing in the urban area and through modified rationing in the rural areas. Under the system of statutory rationing, the government undertook to provide rice for everybody in these urban areas at a specified rate while under modified rationing, supplies, depending on the position of reserves and procurement, were first to be made to people with very low incomes (category 'A'), then to the population with somewhat higher incomes (category 'B') and finally to the rest of the people (category 'C'), in areas where shortage and high prices appeared.

22. With the prospects of a good crop during the present season, statutory rationing has been withdrawn from all towns, except Dacca, Chittagong and Narayanganj, and modified rationing is also being discontinued for the time being. It is intended to bring in statutory and modified rationing only if the prices rise sharply or shortages develop.

23. These Cabinet decisions represent a major change in the food policies of Government. The reason behind this change is a wish to encourage a freer trade in food grains and to get a period of time during which foodgrains trade would develop and Government would take steps to increase production so that import would be reduced.

24. It is gratifying to note that the International Cooperation Administration of the United States has agreed to provide wheat in order to help Pakistan to maintain a reserve stock of 500,000 tons of wheat. It is intended to maintain this reserve over a period of three years by replacing the take off from it by purchases, additional aid from ICA and assistance under the Colombo Plan. With respect to rice, an agreement has been entered into with the Government of Burma by which the Government of Pakistan will purchase each year 200,000 tons of rice for East Pakistan during the next 3 years with an option to purchase another 100,000 annually if the need arises. The Government of Burma have also agreed to give another 100,000 tons in payment of old dues at the rate of 40,000 tons this year and 30,000 tons each in the following two years. Finally, the expected procurement of between 150,000 to 200,000 tons of Sind Joshi and Kangani rice is to be made for despatch to East Pakistan. It is hoped that confidence in food policies of government will be established through the physical presence of these stocks which should also eliminate chances of panicky rises in prices.

25. The Government of Pakistan has in the past attempted to provide food at a minimum level and at reasonable prices to the people. When shortages developed, hurried attempts

were made to procure wheat and rice; this usually had to be done at a fairly high cost and a high percentage of limited foreign exchange was used to meet this obligation. On the other hand, the government undertook to procure rice and wheat at declared floor prices. Such floor prices have been rising from year to year.

26. It is unnecessary to go into the history of our procurement policies but there is no doubt that frequent changes in policies, the steep rise in prices in some areas and certain trade practices have contributed to the building up of an atmosphere of uncertainty both in the producing and the consuming population. As a result, a slight panic in one area is apt to be reflected in the whole country and prices tend to rise everywhere. These uncertainties have undermined the people's confidence in the ability of the government to control the situation and maintain stable prices. A curious feature of the situation has been that in some years, even when the production was good the prices rose even at the time when the crop was coming into the market.

27. The Commission has had the advantage of studying the experience in India recently as outlined in the Mehta Report and, although the case is of course not entirely parallel, certain aspects of it would appear to be relevant to Pakistan. Among the causes contributing to rise in prices, the following items were listed by the Mehta Committee as particularly important:-

- (i) A large availability of money in circulation, through increased economic development, deficit financing, extensive credit and rise in incomes, led to inflationary tendencies.
- (ii) The increase in population and the shift of population from rural to urban areas resulted in higher pressure on wheat and rice as against other foodgrains which are consumed in larger quantities in rural areas.
- (iii) The result of panic, whenever a shortage appeared in any foodgrain in any part of the country, was to induce the farmers to retain for a slightly longer period their reserves of foodgrains (thus reducing the marketable surpluses), either with a view to

to obtaining higher prices later in the season.

(iv) the production of food supplies in India was of a marginal nature. The Indian agricultural economy had no chance of reaching self-sufficiency in the foreseeable future in spite of some increase in the production, while the supplies from outside had to be kept at the minimum level against the possibilities of burdening surpluses.

28. These causes apply substantially to Pakistan and there is no doubt that they are the main factors which have made food administration so difficult. The margin between self-sufficiency and deficit here is such that a reasonable rise in production could wipe it out. But until a stage of a reliable food surplus is reached, the physical existence of sufficient reserves widely publicised and suitably located, is absolutely necessary to allay panic. This is all the more important since the factors outlined above would tend to go on putting increasing pressure on wheat and rice. Another factor which influences the situation is that if a farmer or a consumer is in a position to get a higher quantity of food grain, there is a tendency to eat more. The same thing happens in the case of an increase in income.

29. One conclusion to be drawn from all these considerations is that, when the new policy of encouraging private trade in wheat is introduced, a permanent, not a temporary, organisation must be envisaged to keep watch on the whole food situation and to ensure that adequate supplies are available both in reserve and throughout the distribution pipe line. This will be absolutely necessary to stabilise prices and to take action to anticipate any increasing demands so that any tendency to panic may be averted.

30. The two tables in Appendix III give the position of production and consumption, balance and imports of wheat in the province of West Pakistan as well as for the country as a whole. On the estimates made available to us, the Central Government's present commitment amounts to the supply of 250,000 tons for Karachi, 100,000 tons for Defence Services and Azad Kashmir and 150,000 tons for East Pakistan, giving a total of 500,000 tons per annum. The import requirements of

West Pakistan Government have differed from year to year and while they are to a certain extent correlated to the procurement made by them, they do not present a regular pattern. The West Pakistan Government, however, estimate that in the year 1960-61, if the policy of the previous year had been continued they would have had to distribute 300,000 tons of imported wheat in addition to whatever they procured locally, which on the present crop prospects would probably have been expected to be higher than last year. While it is now intended that trade should handle the internal purchases, this means that the import requirements of the country for consumption even under the new policy will amount to 800,000 tons. In addition to this, it is intended to maintain a reserve of 500,000 tons. The total requirements, therefore, will be 1.3 million tons. (The West Pakistan Government's estimates include provision for the additional requirements of 100,000 tons to meet the needs of the annual increase in population).

31. We understand that there has been an increase of 350,000 acres under the present wheat crop. The January rains have been satisfactory, and although the hazards of rust and the failure of rains in February and March are present, the prospects generally are satisfactory. The availability of wheat, therefore, at the time of next harvest, is likely to be slightly better than last year.

32. Under various agreements for the import of wheat, the supplies arriving since December last are as follows:

(a) Canada is supplying about 64,000 tons under the Colombo Plan, out of which 46,578 tons arrived in December, 9,200 tons in January and the rest is expected in February;

(b) Cash purchases were made from Australia to the extent of 37,500 tons, out of which 11,100 arrived in January, 11,000 tons have arrived early in February, and the balance is also expected to arrive during this month;

(c) Two agreements have been signed with the U.S. Government for the supply of 400,000 and 350,000 tons of wheat respectively to be shipped



by the end of June 1960. Out of this 100,000 tons is to be supplied to East Pakistan. The shipping to East Pakistan has not started but is expected to take place soon. Out of the balance of U.S. shipments 33,697 tons arrived in December, 1959, 50,589 tons in January 1960, 30,000 tons in February, 1960. Another 69,000 tons has been despatched and is expected to be received during February. The arrival of 100,000 tons each is programmed for March and April. The balance of 266,000 tons under these agreements is to arrive in the month from May onwards; (d) In addition another 11,000 tons is to come from Australia under the Colombo Plan. The shipping dates for this supply have yet not been finalised, but it is expected by the end of June.\*

33. The new policy is scheduled to start on the 1st of May, 1960, although restrictions on the movement and price control are to be removed from 1st of April. The stock position and estimated imports and estimated consumption during the period December, 1959 to 30th April, 1960 is given below:-

	<u>Imports</u>	<u>Off-take</u>	
Balance on 1.12.1959	205,126	-	
December 1959	80,275	88,200	
January 1960	70,889	94,200	
February 1960	133,622	104,200	
March 1960	100,000	104,200	
April 1960	100,714	94,200	
	<u>690,626</u>	<u>485,000</u>	tons

34. This table indicates that the stocks in hand on the 1st of May will be about 200,000 tons, more or less depending upon off-take during the winter months. The new policy will, therefore, start with a reserve of 200,000 tons in the Western Province as against a contemplated reserve of 500,000 tons. One of the most important considerations on which the introduction of the new policy was based will not, therefore, be present. Out of the reserve of 500,000 tons, 75,000 tons was to be maintained in East Pakistan. This means, therefore, that the reserve in West Pakistan is short by about 225,000 tons.

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\* See appendix IV.

East Pakistan's total requirement of wheat has been calculated at 150,000 tons per annum. Of this supplies have been arranged for 100,000 tons and it is expected that the balance will come from further arrangements. In any case, as the rice crop in East Pakistan is good, there will be no immediate pressure from this source on the stocks of wheat.

35. The question now arises as to whether it is advisable to start the new policy on 1st of May. During May, June and July, the major part of the marketable surplus of the wheat crop comes to the market and it is believed that in those 3 months the off-take outside the commitment of the Central Government will be negligible. During these months government should be building up reserves of imported wheat. The critical period is from now until the end of April. If during this period there should arise any lack of confidence in the ability of government to maintain supplies and control any unreasonable rise in prices, the situation would be very hazardous.

36. In these circumstances, we recommend that the date of 1st of May 1960 should, for the time-being, be adhered to for the introduction of the policy. But, if the situation deteriorates in the coming months, because the crop turns out to be below expectation, or because prices rise and cause a greater draw-down of stocks than estimated, or because the arrival of imports falls below the estimates, then postponement may be essential. We recommend that the situation be thoroughly reviewed at the end of March and that the policy should not be introduced on 1st May, unless the physical reserves and current production will cover all needs. If, however, these apprehensions prove to be unfounded, it is important that the announced policy should not be changed, so that there is no further jolt to the establishment of confidence in the food administration.

37. As a matter of precaution, it may be advisable to be discreet in the use of reserves and in the fixation of the upper price limit during the months of May, June and July when the market supplies should be ample. Reserves should be used only in case of real need. This is important, as it will allow government's reserves to be built up and would stimulate trade in establishing itself.

38. As a matter of further precaution, we feel that the pressure of the Karachi flour mills on the wheat market up-country should be reduced in the first year or at least for the earlier few months by freely issuing stocks out of reserves to these flour mills whenever requested. This may assist in keeping down prices in Karachi as well as upcountry. The Karachi mills have a capacity of about 20,000 tons of wheat per month, thus in the early 3 months, the total off-take will be about 60,000 tons. This supplying of mills in Karachi will have the added advantage of reducing the pressure on the supply line between Karachi and West Pakistan. To counter-balance this pressure on the reserves, we recommend that in the first 3 months the upcountry mills be allowed freely to buy in the market instead of receiving a part or the whole of their requirements from the reserves.

39. We are informed that the programme of imports has been kept at a maximum level of 100,000 tons per month, to match the capacity of the port and railway facilities to handle the wheat. We understand, however, that at one stage upto 150,000 tons have been dealt with in a month and we would urge an immediate review of the matter with the object of stepping up imports to the highest possible level until the reserves are built up. We attach the greatest importance to the subsequent maintenance of the reserves at full supply level at all times. We consider these matters of urgent importance and have indicated our views to the Secretary of the Ministry of Food and Agriculture.

40. We suggest that the present facilities for handling grain at the port of Karachi are capable of considerable improvement. We understand that a scheme for faster unloading by the setting up of port silos or elevators, with adequate facilities for unloading and bagging wheat from the elevators for shipment upcountry, has been under consideration for a number of years. Urgent attention should now be given to the implementation of this proposal which would avoid detention of ships, wastage of grain at the port, excess usage of freight wagons, extra expense for double handling and all the consequent delays which are now prevalent. It will also increase the facilities of the port for handling other materials. It may be possible to get some equipment immediately which may later fit in with the main scheme.

41. It is a matter of urgent importance that adequate storage is arranged and that the movement of wheat is ensured on a regular basis to the stores in the main consuming areas. Stocks must be available in all areas to meet any tendency for prices to rise. This is a fundamental part of the policy and if in any area, the stocks are not available and there is a consequent rise in prices above the safe level, a spiral could be created which might affect the whole country. We understand that adequate storage exists or the creation of it is in hand at the moment. We would suggest a review of the situation not later than the end of March to ensure that this condition is fulfilled. Should there be a delay in the provision of adequate storage, hired storage should be obtained pending the building of permanent stores.

42. We would also urge encouragement of the building and maintenance of good grain storage on private account. Action should be taken to ensure that railway and other transport facilities are organised so that the pipe-line runs smoothly and is kept full. We would not hesitate to recommend special measures even to the extent of requesting the army to use its transport, should this be necessary.

43. We would suggest that the movement of wheat on private account should have the highest priority as in the case of Government stocks and that wagons should be made available to private trade on demand to enable it to move wheat quickly from surplus to deficit areas. Free movement is essential from the day the controls are removed, as otherwise shortages may develop. The movement of stocks on government account will be taking place on a large scale during this period and unless special action is taken, trade movements will be hampered.

44. Adequate provision and control of financing of the wheat trade are further important factors. Many troubles begin when monopolistic tendencies take charge of the food-grain trade. Traders are known to have deliberately created shortages to secure high prices. One way to defeat these tendencies is to introduce competition which would be forthcoming if finance is provided. We discussed this matter with the representatives of the Ministry of Food and Agriculture, the Ministry of Finance and the State Bank of Pakistan. As a result of these deliberations we recommend that the State Bank in consultation with other banks should immediately introduce the following policy:-

- (i) More liberal credit should be made available to enable the trade to operate in foodgrains, especially wheat and rice.
- (ii) Loans issued against hypothecation of rice and wheat stocks should be kept separate and steps should be taken to see that general credit limits are not allowed to cover loans for trading in wheat and rice. These loans should be demand loans recallable at any time and not time limit loans.
- (iii) Whenever there is a tightening of the market in the country as a whole or in any part of it, the State Bank, at the request of the Ministry of Food and Agriculture, should ask the banks to recall such loans or a portion of them to force stocks on to the market.
- (iv) Arrangements should be made so that information on stocks held on such loans is made available to the State Bank and the Ministry of Food and Agriculture.
- (v) The State Bank should take steps to set up necessary organisation to implement this policy.

- (vi) As in the former Punjab and some parts of former Sind, the primary loaning comes substantially from the Cooperative banks, it is important that the Registrar of Cooperative Societies, West Pakistan, should take similar action in the matter of Central Cooperative Banks or other institutions under his control.

45. We are in agreement with the Resolution of the Cabinet under which it is proposed to assume control over the operation of flour mills, especially the fixing of percentages of wheat to be taken from Government stocks and milled, prescribing the percentage of flour extraction and specifications of atta and also the fixing of ex-mill wholesale rates from time to time.

46. The subject of floor and ceiling prices of wheat is under examination as is the question of price support. We will be able to discuss these matters in our final report and are not, therefore, suggesting at this stage any changes in the already announced Government policy. We should, however, like to draw attention to one aspect of this problem. If the year proves to be a good wheat year, it is possible that the Government may have to come into the market to maintain the price of Rs. 13/8/-. This is very important as a heavy fall in prices would adversely affect further attempts at increasing wheat production. In deficit areas, the prices will normally tend to be higher than those in the surplus areas and as the Government will be purchasing wheat in the surplus areas at Rs. 13/8/- per maund, the likelihood is that the prices in the deficit areas will be higher. However, there is a chance that there may be some pockets in deficit areas where through lack of proper trading arrangements, prices may temporarily, sag. This would be undesirable and we feel that the staff looking after the reserve stocks should be authorised to make purchases wherever offered at Rs. 13/8/- per maund.

47. Doubts have been expressed as to whether an issue price from government stocks of Rs. 15/8/- and a likely ceiling round about Rs. 17/- or Rs. 17/8/- would not give too much margin to the trade and develop a tendency to depend more and more on Government stores. We, however, understand from the Ministry of Food and Agriculture that the issue price of Rs. 15/8/- was based on certain assumption of the cost of importing this wheat and that on recalculation this price is likely to be Rs. 16/8/- and the upper limit is round about Rs. 17/- or Rs. 17/8/-, there need be no apprehension.

48. One of the most important requirements of the new programme is the availability of reliable information on prices and the promptness of the organisation concerned in releasing stocks wherever price spirals are likely to form. A part of the present large staff of the Food Department could be used to provide this information. There will be an advantage, however, in creating a special market information section, which could include the present staff engaged on collecting market information for other departments of Government. We are later suggesting the establishment of a Food Price Stabilisation Board. If that proposal is accepted, the creation of such an information service would be one of the fundamental duties of that Board, but, if that proposal is not accepted, an integrated market information service should be established immediately.

49. The Cabinet Resolution has emphasised the need for remaining poised to re-establish controls if any emergency arises. If the wheat crop is good and the visible stocks are adequate, there may be no such need but if either of these requirements is absent, a crisis may arise. We understand that it is the intention of the Provincial Government to maintain the staff at its present strength for the next year. A review of the staff position by a small independent committee of the Provincial Government would, however, be

desirable to see that unnecessary staff is not retained. The need for the existence of adequate staff, however, should not be minimised. We envisage a permanent set up for food administration as it is a matter of utmost importance that the food position continues to be watched by Government. This set up may take the form of Food Price Stabilisation Board as suggested, but if it is decided to work through the Food Department, then it will be essential that organisation be not completely disbanded.

50. In view of the importance of keeping track of stocks, wherever possible, we suggest the amendment of government decisions on the following points:-

- (i) We have already suggested the maintenance of information of stocks held by merchants against credits advanced by Banks.
- (ii) We suggest that licensing should not be done away within the first year, but that every person trading in wheat and rice be required to take out a licence with the sole obligation of making proper monthly returns of stocks. We feel, however, that the grant of such a licence should be automatic, and that the licence may be purchased from the post offices as in the case of radio licence without the need of sanctions. A copy of such licence would go to the Food Officer concerned, who would watch the receipt of information. We appreciate that there is a general desire to get away from such controls, which gives openings to abuse and may expose small traders to petty tyranny, but on balance we consider those precautions necessary in the first year so that adequate knowledge of where food is being held in the trade is available to Government. Such knowledge might, however, be obtainable, and abuses minimised, by limiting such licensing to wholesale dealers.
- (iii) We further recommend that all land owners who are assessable for agricultural income tax, be required to furnish similar information.

51. One of the difficulties of food administration in the past has been due to the fact that Government intentions in food administration had not been adequately made known. There is need for a regular procedure for disseminating true information on the situation more widely.

52. We feel that with these measures there is a reasonable chance of the success of the new policy.



### WEST PAKISTAN

53. The 1959 rice crop has been coming into the market since October and it is understood that 100,000 tons of Sind rice and 7,000 tons of Punjab rice has already been purchased or moved to Karachi in accordance with the present policy. About half of the Sind rice has been sent to East Pakistan. It is obviously now too late to consider any modifications in the policy for the 1959 crop; any alterations which the Commission might suggest could only come into operation for the next crop and we propose, therefore, to deal with the matter in our final report. Attention, however, should be drawn to two aspects which might be kept under review:

- i) Any procurement and export of rice above the normal quantities will put extra pressure on the available wheat supplies. This has added importance in view of the slow building up of wheat reserves.
- ii) The adherence to the policy of not allowing rice to move into the consumer markets of West Pakistan imposes a hardship on rice-eaters, particularly Kashmiris.

### EAST PAKISTAN

54. As discussed earlier in the Chapter, procurement and food policies are already moving in the same direction as the proposed wheat policy. A major difference is that there is no new ICA agreement to maintain stocks of rice. It is understood that the East Pakistan Government have under consideration a proposal to fix a ceiling price for rice at which level government will release stocks. It has announced that it will purchase paddy at Rs. 12/- per maund and milled rice at Rs. 19/- and Rs. 19/11/- per maund (according to the quality of milling). Private trade is already operating in the market and as all procurement is to be voluntary this year the position will be the same as that proposed for West Pakistan.

55. At the beginning of January, 1960 the East Pakistan

Government had stocks of 200,000 tons of rice and additional supplies expected were:

150,000 tons of Sind rice; (Over 40,000 tons of which have already been supplied)

255,000 tons of rice from Burma; and

50,000 tons from the ICA.

56. This indicates a total probable import of 455,000 tons during the year. Should this not meet all needs, an additional 100,000 tons will be available from Burma.

57. The estimate of the Aman crop has not been finalised but all information indicates that the crop will be one of the best in recent years and that if the 1960 Aus and Borq crops are normal, then total production will be over 8,000,000 tons. Estimates of consumption, which do not claim to be very accurate, are around 8,000,000 tons. East Pakistan is, therefore, in a very good position to start on a policy similar to that proposed for West Pakistan as there is a probable reserve of nearly 500,000 tons of rice in sight. Good storage is available for 350,000 tons and fairly good storage for a further 250,000 tons.

58. It is understood that the East Pakistan Government is considering such a new food policy. The floor price under consideration is stated to be that already operating, but the ceiling price has yet to be determined. We consider that the issue price should be fixed so as to allow a reasonable margin for private trade to operate between surplus and deficit areas. Major obstacles to such trade are the difficulties of transport and the lack of organised markets in East Pakistan.

#### GENERAL

59. In view of the possibility of a strong rice reserve position in East Pakistan we recommend that consideration be given to retaining some of the Sind rice in West Pakistan at least until final estimates of the Aman crop are available. This should be done only if the available storage accommodation for wheat in West Pakistan is not adversely affected.

60. No recommendations are being made in the meantime regarding the level of floor and ceiling prices. This matter will be studied in detail and recommendations made in our final report.

61. These new policies will affect the level of wheat and rice prices and in the case of wheat must substantially raise prices to the consumer. This may result in some hardship to low income groups. It is understood that the matter of increased cost of living allowances is under consideration for low paid Government servants. We suggest that the Ministry of Social Welfare look after the interests of other workers. In industrial and commercial establishments we feel that the present selling prices of goods produced could bear higher wages. Real hardship may be caused to casual labour in whose case there may be a time lag before wages rise. In view, however, of the large number of development schemes being started by WAPDA and other agencies, it is considered that job opportunities will increase. It is suggested, however, that a continuance of some form of modified rationing such as already exists in East Pakistan may be necessary to avoid hardship. Such a scheme might also be introduced in West Pakistan. Care would have to be taken that the compilation of the lists of low income groups to ensure that this was done as accurately as possible.

#### FOOD PRICE STABILISATION BOARD

62. The desirability of establishing a Food Price Stabilisation Board has already been mentioned. The advantages of setting up such a Board arise from the fact that in dealing with commercial matters, Government departments are usually too much bound down by rules and regulations and are too inflexible to move freely and promptly in matters which require quick decisions and actions. The Board which is envisaged should have in its membership considerable knowledge of commercial and business methods and should not be trammelled by financial or by staff rules and regulations.

It should be free to act on its own initiative, within Government declared policy, and should be capable of expanding or contracting at short notice. It must keep in very close touch with trade and give encouragement and guidance to trade developments. The principal functions of the Board would be to manage the grain reserves, handle imports, establish and operate stores and through these operations maintain prices inside the agreed limits. It could also, where necessary, encourage and assist in developing exports.

63. It is recognised that Government has direct responsibility to maintain food supplies at reasonable prices and cannot divest itself of its responsibility. We suggest, therefore, that the Board be a semi-independent authority which will be appointed by Government and will be required to work within the laid down Government policy. The Board would replace the Food Departments in all except policy functions.

64. Two members of the Commission Mr. G.S. Kehar and Syed Inait Hussain Shah do not agree with the proposal to set up a Board. They consider that the Food Department has been working reasonably satisfactorily and that instead of setting up a new organisation, the weaknesses of the Food Department should be remedied and that it be allowed more initiative and flexibility to carry out the required work. The majority of the Commission, however, though not disagreeing entirely with these objectives felt that a semi-independent organisation can operate more efficiently as an instrument of Government in matters requiring vital and quick decisions and continuous attention\*.

65. We suggest that the Board should consist of nine members made up as under:-

One member to represent each of the following interests;  
(i) producers (ii) consumers (iii) the grain trade (iv) the flour mills (v) the State Bank (vi & vii) one from each of the Provincial Governments to ensure liaison between these

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\* Mr. ~~Kehar's~~ note may be seen in Appendix V.

Kehar's

Governments and the Board, (viii & ix) one each from the Ministry of Food and Agriculture and Ministry of Finance of the Central Government.

66. The Chairman should be full time officer and should also be the Chief Executive of the Board. He could either be a senior official familiar with marketing and food grain problems or a business man with wide experience in such matters. In any case he must be a man of initiative and drive.

67. The Board should have a constitution which allows it to recruit and dismiss its own staff without recourse to Government procedures. It should maintain commercial accounts and be subject to commercial audit, but this should not affect the Auditor General's responsibilities in the matter. The primary object of the Board would be to maintain supplies and to keep prices steady and it should not be expected necessarily to make a profit, though in good years it might do so. Its finances would come primarily from Government sources but it should be able to get loans from the banks with government guarantees,

68. We consider that the Board should set up and maintain an efficient market information service in all parts of the country. Such an information service should be organized so as to ensure that changes in prices or in stocks can be anticipated and early action taken to keep the market steady. It will be essential that the Board and its officials maintain close contact with Government officers and committees in the districts.

69. This Board might also operate on behalf of Government in the distribution of sugar at the wholesale level and take charge of the godowns. Some of its expenses could be met from the profits on sugar. Although in the early stage it might operate in wheat, rice and sugar only, consideration could be given later to extending its responsibilities to other food stuffs.

70. A draft bill is attached setting out our ideas about the operations of the Board. This will need vetting by the competent authorities\*.

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\* see appendix VI.

CHAPTER III

SECTION I - DEVELOPMENT CORPORATION.

71. One of the important questions referred to us is whether organisations on the lines of PIDC or WAPDA, or on the lines proposed in the West Pakistan Agricultural Development Corporation Act should not be immediately set up in the country to give an impetus to agricultural development. In the first chapter we indicated that our approach to the problem of agricultural development is to look at the whole problem from the point of view of the farmer. We have also suggested there the lines of approach which are necessary for an overall attempt to resolve the problem.

72. The search for an organisation or organisations capable of handling the vast problem of changing the concepts and practices of men steeped in traditions dating back to a remote past, of men with very small means who cannot, on their own, find sufficient capital to put into operation newer methods of development, and of men who have still very limited knowledge has been occupying Governments and development authorities for a long time. In some places, government departments have undertaken this work. In others, banks have played the major role. In yet others, special semi-independent organisations have been created which have been assigned definite and limited roles mainly in the supply and credit field or to carry out specified commercial developments. In other places, organisations like super-departments or coordinating Committees have come into being to play a coordinating and dynamic role. In some countries, on the other hand, the whole government machinery has been brought into motion to achieve the objective.

73. These methods have had varied degrees of success and failure. The experience in all the countries of the world does not point to any single system, which would clearly

give the answer. We have made a preliminary examination of the situation so far as the present departments dealing with agriculture are concerned.

74. In Pakistan for historical reasons, the subjects which affect the farm and the farmer are handled by a large number of Departments. The Agriculture Department looks after soils and fertilisation, plant production and plant protection. The Animal Husbandry Department looks after animal health and animal breeding. The vast fields of livestock nutrition and management and the planning of crop rotations to provide cattle feeding have been almost forgotten perhaps through lack of definition of spheres. Similarly, attempts to introduce balanced farming, have been neglected. Credit is looked after by the Cooperative Department, the Revenue Department, the Agricultural Development Finance Corporation and the Agriculture Bank. Marketing is handled by the cooperatives and special departments or sections of departments. The vast field of extension is dealt with by the Department of Agriculture, the Village-AID and may also be a responsibility of the new National Development Organisation which will include Village-AID and Basic Democracies. Other departments also have their extension staff. Soil conservation and range management have different affiliations, at present the first is housed in the Department of Agriculture while the second is being handled independently by both the Forest Department and the Animal Husbandry Department. Tree growth is the responsibility of the Forest Department. Fisheries are handled by separate Departments at the Provincial and Central level. Irrigation, salinity, water logging and drainage is mainly the responsibility of the Department of Irrigation, though the situation has been somewhat complicated by the coming in of WAPDA organisations in each wing. The field of colonisation,

consolidation, land use, taxation, state credit assistance, and general liaison with the rural population, is the domain of the Revenue Department. Many of these functions overlap, in some cases gaps are left, and there is seldom effective coordination.

75. This statement of the present position shows that the responsibility for agricultural production is not limited to any one Department and that this vast field is divided, without any utilitarian basis, into many separate compartments. Work is hampered by lack of coordination, mutual exclusiveness and departmental jealousies.

76. Departments have to work under rigid government rules which have come into being to maintain the solidarity and to give security and uniformity to government organisations. The rigidity of these rules was perhaps necessary, and even desirable when the main function of government was to maintain law and order. Modern governments with a development and welfare concept, have been compelled to enter the economic field and have had to undertake economic planning, price support programmes, subsidization, and even state trading. In this new conception rigidity is a handicap. We are, facing a situation where a balance has to be found between the needs of uniformity and security of the services and the necessity to decentralise responsibility and financial control.

77. The concept of a semi-independent corporation is an attempt at solving this difficulty. For some of our members it is a matter of fundamental principle that wherever government assumes any responsibility, they should discharge it directly through their own organisations (where staff is under their control - where financial allocations are subject to government provision and where constant supervision of government exists). Advocates of this point of view emphasise that the real cause of the failure of Departments is that

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they have not been provided with the facilities and powers which have been accorded to semi-independent organisations,

like PIDC and WAPDA, that, if financial control and the power to make decisions and to handle staff freely, was given, the Departments would have produced satisfactory results. To the holders of the opposite view, the government has such a vast field of work that a certain uniformity of rules, both in the matter of conditions of the service of their employees and financial control, will always be necessary, as otherwise abuses might occur. They feel that for the implementation of specific programmes, special semi-independent organisations may give more satisfactory results. The sphere of action of such organisations is usually limited and thus adequate safeguards in their operation are possible even with fewer controls.

78. The Food & Agriculture Commission is examining this problem with the object of finding the necessary organisations to achieve the objective of increasing agricultural production and raising rural income. As the problem has many facets, perhaps only an integrated solution will give results. The final solution may be in using all the various types of organisation each with well defined spheres of work within a general frame-work. Our studies in this field are still not complete and for many reasons our solution to the problem can only be given in our final report. At this stage, we would only outline a few points which have a bearing on the subject.

79. It is obvious that while agricultural production has undoubtedly increased in the recent past, it has not kept pace with the national needs and the objective of making Pakistan self-sufficient in the agricultural field has not been achieved. It is also true that the departmental set up is heavily circumscribed by factors which seriously handicap its efficiency. Some departments have better facilities at

their disposal than others. For example, the staff of the Irrigation Department has facilities for housing and transport, which are not available to the Department of Agriculture. The Revenue Department has a prestige because of its executive power which is not shared by the Departments of Agriculture, Animal Husbandry, etc. The Departments which have been called Development Departments, such as Agriculture, Animal Husbandry, etc., have inadequate staff and have not been able, except in very recent years, to get financial sanctions for increases in their organisations. Nor have their officers been given the salaries or the status which are accorded to the Revenue Department and some other Departments. The Departments of Cooperation has been given a limited field and its salaries and staff are not adequate. Organisations for giving efficient farm management advice or farm management do not exist.

80. Departments, as constituted at present, cannot ensure increased agricultural production until the whole set up of government service and financial control is reorganised, and the status and salaries of the technicians are brought to a level which will attract the best brains in the country. Coordination on an objective basis must also be provided.

81. Government by Committees is now a feature of many administrative organisations in this country and elsewhere. While this has some advantages, it suffers from the basic defect that decisions tend to be made without proper examination, and that unity of command is lacking and that in case of failure responsibility cannot be fixed. It does provide coordination but not at the implementation level.

82. Quite different is the conception of a semi-independent organisation. The outstanding example of this has been the PIDC which has stimulated the growth of industry in this country with a rapidity which has been envied in

other fields, and which has been responsible for the creation of a number of other organisations such as WAPDA's in East Pakistan and West Pakistan, the Inland Water and Transport Authority in East Pakistan, and the Forest Industries Development Corporation of East Pakistan. Conversely, Corporations, such as the Refugee Rehabilitation Finance Corporation, the Pakistan Industrial Finance Corporation, the Agricultural Development Finance Corporation, the Thal Development Authority, etc., have been held up as examples of the failure in various degrees of independent authorities. The panel, which was requested to give us its views on this subject and which included the heads of most of the departments concerned with agricultural production, was almost unanimous in the view that this approach will not prove to be satisfactory except in limited fields.

83. We would like to emphasise that there is a vast difference between the setting up an industry (where a specific task can be easily planned and financed as a separate entity with little need for coordination with other industries) and the problem of persuading people to change their whole outlook and mode of life. In the first case, a factory can be erected and machinery installed with technological advice available within or outside the country, while in agriculture persistent and continuous efforts are needed to infuse new knowledge in the people to bring supplies and credit to them in their villages and to organize them to take better advantage of these services. Above all, the confidence of the people has to be won. In the industrial field, the labour is employed for a limited objective and can be sent away if it is not competent. In the agricultural field, the land is privately owned and if the owners are un-willing to cooperate in our programmes, they cannot be dispossessed. This review of the situation.

led us to the conclusion already mentioned that our attack has to be at different levels through all types of organisations.

• 84. We propose to recommend the reorganisation of research to provide a firmer basis for our programmes. We would like research to be closely linked to the needs at the farm level, with the definite objective of increasing production and farm incomes. We are considering the strengthening of the field staff so that on the one hand the knowledge gathered by research inside and outside the country is carried to the farmer by men who can win his confidence, and on the other take the farmer's problems to the researchers who are equipped to find an answer. The question as to whether this can be done by one organisation or by several is being considered. We need organisations, which may be of semi-independent or commercial in character, which will be able to take the supplies needed for increasing production to the farmer's door step. It will be necessary to see that these supplies are linked with education on how to use them. We have to find a basic organisation at the farm level which will provide farm management guidance to all farms and be able to organise the uneconomic farms into a cooperative or combined system to enable better planning, and better use of credit, irrigation systems and machinery to be practiced. We have to look for organisations which will enable the farmers to store, move and market their produce to the best advantage. Finally, we would like to see arrangements for a regular review of taxation, tariffs, incentives and other policy questions with a view to encouraging agricultural production.

85. These objectives will require the strengthening of the agricultural departments, the re-orientation of the cooperative set up, and the creation of coordinating committees or semi-independent authorities. It may also be

of development for high lighting attention on certain aspects of the matter. In the present report, we have suggested one such campaign and we have recommended the creation of one corporation in the form of a Food Price Stabilisation Board. We will be making other recommendations in the course of our work and will be able to consider whether such organisations should be separate entities or should be parts of a central organisation with several branches covering different aspects of work.

86. At this stage we wish only to say that the establishment of semi-independent authorities would appear to be likely to give good results in specified fields. These fields may take the form of area organisations, which would undertake the overall developments of a particular area, keeping in the forefront of its plans some specific overriding objectives. There would appear to be a good opportunity of establishing such organisations in new areas which are being developed and in which past traditions will not be a handicap. Corporations might also work in the field of land reclamation and on fighting salinity and water logging. They might operate wherever heavy machinery is required and could be organised on a semi commercial basis. Corporation concepts might also suit certain commercial functions.

SECTION 2 - REORGANISATION OF MINISTRY OF  
FOOD AND AGRICULTURE.

87. The Commission has considered the report of the Reorganisation Committee in so far it relates to the Ministry of Food and Agriculture. Any reorganisation of the Ministry of Food and Agriculture can only follow the decision of the question on what is going to be the final picture of the relations of the Centre and the Provinces. This question is unlikely to be clear until the proposed Constitution Commission completes its work. One of the basic problems to which the Food & Agriculture Commission has to find an answer is that of an integrated agricultural organisation which would bring the knowledge of new scientific methods to the farmers, would help them to find capital and supplies for the application of new methods and assist them in organising themselves for better management and marketing. Such an organisation if set up would necessarily affect the set up at all levels of the Government including the Centre. Our recommendations on this subject can thus only come in the final report when our studies are complete. Our present comments, are subject to these considerations and we may in our final report make suggestions which may differ substantially from the comments made now. Present comments are primarily concerned with the Reorganisation Committee report.

88. We can see no objection to the proposal to transfer of the Directorate of Defence Purchase from the Ministry of Food to the Ministry of Defence provided that the Directorate gets all its supplies of wheat, rice and sugar from the Ministry of Food and does not operate directly in the market in these commodities. We also agree to the abolition of the Directorate of Sugar on the assumption that sufficient staff will be added to the Ministry, to handle the problems of sugar price fixation, sugar allocation and general control on

manufacture of edible oils. Should sugar imports again become necessary additions would have to be made to the reduced staff.

89. We are not in agreement with the proposed reduction of the staff in the Directorate of Foodgrains and Storage. Much larger imports are to be made during the next two years under the new Food Policy and a careful watch will have to be kept on the market. We suggest that a strengthening rather than a reduction in staff may be necessary. The duties of watching over the foodgrain trade are; in our opinion, essentially permanent duties for, whatever organisation undertakes them, the nation must be protected against the risk of a food crisis by intelligent anticipation and efficient management of reserves and distribution.

90. We have made proposals for the setting up of a Food Price Stabilisation Board. If this proposal is approved, the Food Directorate will become superfluous and some of its staff could be absorbed into the new organisation. If this happens the only food staff needed will be in the Central Ministry.

91. In the Agriculture Division we consider that the Centre should, in consultation with the Provinces, deal with the national aspects of policy, planning, financing and evaluation of the agricultural programmes and that the implementation should be left primarily to the provinces. The Centre will have to handle international contracts and foreign aid. On the basis of this division of functions, the Agriculture Division will have to handle a considerable amount of specialized work and the head of the Ministry will require considerable assistance from expert knowledge. We do not, therefore, agree with the proposal to reduce the level of such assistance. As we will be examining the whole of the question in detail later we suggest that this Division

be maintained as it is until our final report is submitted. We feel, however, that unless our proposal to set up a Food Price Stabilisation Board is accepted, two Joint Secretaries, one each in the Food Division and the Agriculture Division, will be really necessary.

92. If, however, it is felt that for reasons of economy and urgency action on each recommendation is necessary, our views are as follows:-

- (i) We do not agree that an attached department of Expert Advisers as is proposed will improve matters. A department of advisers with no executive functions will merely act as a bottleneck.
- (ii) We feel that the minimum number of experts necessary to advise the Minister and the Secretary is:
  - (a) One Director of Agricultural Economics who should act as Economic Adviser and also handle Statistics, market and crop studies, and market information.
  - (b) An Agricultural Adviser who should be the top agricultural expert to advise on crop production and who may be assisted by experts dealing with soils, fertilisers, agronomy, horticulture, machinery, etc.
  - (c) Animal Husbandry Adviser who may be assisted by a Dairy Expert.
  - (d) A Cooperation and Credit Adviser.
  - (e) A Forestry Adviser.
  - (f) A Range Management Adviser.
- (iii) Until the responsibility for marine fisheries is decided we would suggest the retention of the Directorate of Fisheries on its present level. The Director could act as Fisheries Adviser.
- (iv) The field work of Directorate of Plant Protection should go to the provinces as early as possible. Sufficient staff of the Directorate, however, will have to remain at the Centre to handle Locust Control, international coordination programmes and international quarantine. The Director should act as Adviser on Plant Protection. Import of machinery and pesticides for plant protection work should be handled by the Central Ministry of Agriculture.
- (v) We do not propose at present to make any suggestion regarding the Research Organisation as we have not been able to study the matter fully. We suggest that the Food and Agriculture Council of Pakistan may be retained in its present form pending our final report.



- (vi) The Zoological Survey is a minor part of the Ministry's work. We see no objection to its transfer to the Province but consider that for the purpose of national coordination the responsibility for this may be placed on the Animal Husbandry Adviser.
- (vii) We agree with the proposal of the Reorganisation Committee regarding the Agricultural Census and the Survey of Pakistan.
- (viii) We recommend that the Wool Grading Organisation should become an Independent Directorate and be called Directorate of Standards and Grading and be charged with the responsibility of developing schemes for standardisation and grading of other commodities. Separate sections may be set up where necessary.
- (ix) Because of an increasing import of fertilisers the section of the Ministry handling this matter will have to be strengthened immediately.
- (x) We consider the recent transfer of the work of Irrigation to the Ministry of Agriculture to be very useful and important. We envisage that this will require an additional adviser on irrigation and drainage. We suggest that expert assistance in the matter of farm irrigation would certainly be of advantage.
- (xi) If the Water Dispute and WAPDA work is to be handled by this Ministry, the Secretary will need the help of an additional Joint Secretary with one or two Deputy Secretaries. Some of this assistance will probably be received on transfer from the Ministry of Works.
- (xii) We agree that the Pakistan Animal Husbandry Research Institutes at Peshawar, Comilla and Karachi should be transferred to the Provinces.
- (xiii) We understand that the Central Soil Conservation Organisation has already been passed on to West Pakistan.
- (xiv) We see no objection to the transfer of the Forest College and the Forest Research Institute to West Pakistan, and the East Pakistan Forest Research Laboratory to East Pakistan, provided that arrangements can be made to cater for the students from East Pakistan at Peshawar and that research in Forestry and Forest Products Utilisation is planned for both the wings at the West Pakistan Research Institute and Chittagong Laboratories respectively.
- (xv) We will reserve comments on the need for an adviser on Extension and community development for our final report.

SECTION 3:- NATIONAL DEVELOPMENT ORGANISATION

93. Recently the Government set up a National Development Organisation based on the present Village-AID set up. Under the new arrangements, the chain of responsibility will be the Provincial Village-AID Administrator, a Director at the divisional level, a Deputy Director at the District level, and an Assistant Director for each tehsil or sub-division. Under them will be Development officers of the Village-Aid as functioning already. We understand that it is proposed to cover the whole country with Village-Aid during the next one or two years and this National Development Organisation will undertake all developmental work in the rural field. This is allied to the concept of the Basic Democracies. The Tehsil Advisory Committee, composed of the Chairman of Basic Democracies, will be assisted by the Assistant Director, the District one by the Deputy Director, the divisional by the Director and the Provincial one by the Provincial Administrator. We understand that at the Tehsil level in West Pakistan the officer will normally be a Development officer, but where the Tehsils are too large or there is no development officer, an Assistant Director will be posted.

94. As discussed earlier one of the lines of development could be a district team approach, which might be similar to the present National Development Organisation set up. We are, however, not yet satisfied that officers of this Organisation will be qualified to play a coordinating role between the technical department and the farmers. The picture has still to be filled in. We are examining the situation and will be making recommendations later. When considering this subject, we feared that this new development organisation might only be yet another agency in a situation where coordination of functions and the utilization of expert knowledge is still a serious problem. We discussed this matter with the Chief Administrator incharge of this work and suggested to him that for the time being at least the officers of the new organisation should be officers lent from other departments and should not be placed on permanent

or semi-permanent basis. Our reason for this is that we want to prevent the birth of a departmental mentality in the new organisation which might aggravate the un-healthy rivalry between the Departments for the services of the limited number of skilled men in the country. We make this interim recommendation pending a fuller examination.

CHAPTER IV

CRASH PROGRAMME FOR 1960

SECTION 1--PROGRAMMES

GENERAL BACK GROUND

95. We believe that a crash programme may have great value in two directions. It would impress on every one in the country the great importance which Government attaches to agriculture. This is important because in the past agriculture has been neglected and has not been given the same attention as other sectors. Secondly the crash programme could achieve considerable increases in production even if confined to a few limited objectives. Initial indication of the potential value of a crash programme is already available in the 26,000 demonstration rice plots which were established in a very short span of time in East Pakistan on the direction of Provincial headquarters. In West Pakistan also the unprecedented quantity of 60,000 tons of sulphate of ammonia has been applied to the present Rabi crop and more land has been brought under the plough. These and other factors have convinced us of the potentialities of a large coordinated effort in increasing the Kharif crop in West Pakistan and the Aman crop in East Pakistan.

96. In our proposals we have not included the immediate Aus rice crop in East Pakistan as there is no time to take effective action on this. We hope to make recommendations later on the Aus crop of 1961, on the next Rabi crop in West Pakistan, and, on the potato crop in both Wings.

97. A crash, or high pressure programme, such as we contemplate, has a number of limitations. It cannot undertake educational work or break down long established prejudices nor can it deal with matters which do not give quick returns. It must be a coordinated effort where all the resources of the nation are mobilised and concentrated in a limited field to attempt to secure a few well defined simple objectives. It will demand, however, much greater effort

than hitherto, to secure results at the farmers level. We recommend, therefore, that efforts be confined in the present programme, to the rice crop in both provinces and to the cotton and maize crops in West Pakistan. Rice, as a staple food crop, suggests itself and maize has tremendous potentialities.

Increased cotton production is one of the matters which has been specifically referred to us. We understand that arrangements are already in hand to increase sugar production.

98. Action which can have an immediate and considerable effect on production is the increased use of fertilisers and plant protection measures, the use of improved seed, the improvement of irrigation and the introduction of better cultural practices. The need for the last two factors varies from place to place and from crop to crop and they require more sustained pressure and more elaborate preparation and education. They are extremely important to increased production but are difficult to include in a crash programme. We have previously given reasons why the use of improved seed is not included in this programme. We recommend, therefore, that efforts be concentrated in the crash programme on the greater use of fertilisers and of plant protection measures. When the question of increasing the production of cotton was referred to us, the need for using all possible means was emphasised and we have included certain other methods, in addition to fertilisers and plant protection, in our plans for this crop.

#### FERTILISER

99. Fertiliser use, particularly the use of nitrogen, has been rising steadily in the country but the build up is still too slow to make any national impact on production. Greater efforts to extend its use are needed, and from an angle other than that of production, are urgent. The fertiliser factory at Daudkhel is now producing 50,000 tons per annum of sulphate of ammonia. Two new factories, one in each province will come into production in 1961-62 and turn out the equivalent of a further 500,000 tons per annum of sulphate of ammonia in the form of Urea or Ammonium nitrate

A ridiculous position would arise if we were not able to use this fertiliser which is so badly needed to raise production. A national effort to popularise fertiliser use is obviously necessary.

100. Our discussions in the Villages convinced us that there is a much larger fertiliser consciousness and potential demand than is generally believed. If a number of bottlenecks can be removed the use of nitrogenous fertilisers can be greatly and quickly increased in West Pakistan. In most areas of East Pakistan, a combination of nitrogenous and phosphatic fertilisers give the best results and many farmers are already aware of this. We propose the use of a combination of the two in our programme there.

101. The actual additional production, which will result from the application of fertilisers, has not been fully established and, in any case will vary to some extent from season to season. The data available, however, suggest that the application one bag of the recommended fertiliser in East Pakistan will give an additional six maunds per acre of paddy, and in West Pakistan an additional two maunds of paddy, one maund of seed cotton or three maunds of maize. The total cost of fertiliser (from both internal and external sources) proposed in this crash programme in addition to that already ordered, will be Rs.5.5 crores, out of which arrangements for purchases to the value of Rs.2.2 crores have already been made. The value of the total estimated increased production in rice and cotton alone is Rs.13.5 crores. Apart from covering amply the cost of the fertiliser, the campaign will increase an exportable commodity which earns foreign exchange while reducing the need to import a commodity now costing foreign exchange.

PLANT PROTECTION

102. Plant protection measures form the second item on our programme. At present this is a free service paid for mainly by the Central Government. There is already this year a programme for stepping up the cover provided by the Plant Protection services from 5% to 11.6% in West Pakistan and from 2.8% to 9% in East Pakistan. Percentages are of the total cropped area. Much of this protection covers sugarcane. The success of even this programme depends on a more coordinated effort and on local help, but we feel that a national effort should go even further and recommend that (1) for cotton, complete spraying should be carried out in the districts of Tharparkar and Lyallpur. These two have been chosen from the major cotton producing districts. Tharparkar because the concentration of planting lends itself to aerial spraying, and Lyallpur, because of the high incidence of disease. (2) For rice, all rice in West Pakistan and 500,000 acres additional to the previous programme in East Pakistan should be protected. These targets have been fixed after consultation with the departments concerned and in accordance with advice regarding availability of technicians, pesticides, implements and transport.

103. The total cost of the additional insecticides has been calculated at Rs.1.87 crores. Rs. 96 lakhs of this will be in foreign exchange and a large proportion of the balance is required to cover import duty. The imposition of this duty is inexplicable to us and we strongly recommend that it be removed from all plant protection chemicals and implements. This will reduce the cost considerably.

104. Again an exact basis of assessment of probable increased yields from plant protection does not exist. Experimentation is continuing, but on the information available the Planning Commission has accepted the following increase per acre, cotton 2 maunds, paddy 5 maunds in West and 10 in East Pakistan. On this basis increased yields should be of the order of 65,000 bales of cotton

to the value of Rs.2.5 crores, 250,000 tons of rice in West and 125,000 tons in East Pakistan to a total value of over

Rs. 13 crores. Even if half of these increases were achieved the costs would be hand-somely repaid.

105. The plant protection measures to be adopted would be:-

- i) Treatment of seed to guard against seed-borne diseases.
- ii) RICE

A. WEST PAKISTAN

- a) Spraying of all rice nurseries.
- b) Spraying of 250,000 acres from the air and 60,000 acres from the ground in the case of Broadcast paddy.

B. EAST PAKISTAN

Spraying of 500,000 acres, of which 100,000 would be from air.

iii) COTTON

Spraying of 500,000 acres in West Pakistan of which 100,000 would be from the air.

MEASURES TO INCREASE COTTON PRODUCTION ADDITIONAL TO FERTILISERS AND PLANT PROTECTION.

106. One of the reasons for the poor yields of cotton is the very low plant population per acre in most farms, probably around 8,000 per acre compared to 20,000 in other countries. A much more dense stand is obviously required if we are to raise yields per acre and get full value from fertiliser and plant protection measures. We hope to get this by line sowing and heavier seed rates. The introduction of line sowing will take longer than one year's crash programme to achieve full results but it is hoped to make a good beginning. This year in some areas, particularly in old Sind, the availability of cotton seed is below normal and it will be more than ever necessary to increase the seed rates. The Department of Agriculture will have to indicate for each area the recommended seed rate. From the adoption of these better seeding methods we anticipate an increase of about 50,000 bales.

107. The panels we set up have made certain further recommendations concerning cotton.



- I. That cotton sticks be removed from all fields by the middle of the February. This recommendation was accepted by us and passed on to the West Pakistan Government with a request that early action be taken. We understand that an ordinance covering this need has been prepared but there has been some delay in issuing it. The February date should be enforced in future years but even this year an enforcement date at the end of March should be applied.
- II. The practice, particularly in the Sind Area, of inter-cropping the cotton fields with forage crops leads to a considerable reduction in cotton yields. Experiments have shown that if the crops are sown separately the yield of each and the total yields are higher. The panel recommended that this practice of inter-cropping should be prohibited by legislation. Investigation into the matter should, however, that the tenant farmer often has in sufficient land on which to grow enough fodder to feed his bullocks and thus has to resort to this practice. Until complete information is available we recommend that advice only be given against the practice of inter-cropping.

108. For the purpose of a summary view, we estimate that the combined effect of fertiliser, Plant protection and better seed rates on the cotton crop should give an increase of about 200,000 bales in the coming year. The results of this campaign will give an indication of the possibility of reaching the target of 2,500,000 bales by 1965.

#### MAIZE

109. Maize is a crop which responds well to fertiliser application. At present little is used on maize in Pakistan and we plan in our campaign to encourage its use in the main producing areas of the Peshawar and Rawalpindi Divisions and also in the Districts of Lyallpur and Shahpur.

110. We have studied the possibilities of the use of hybrid maize as a means of rapidly increasing production but we find that the production of hybrid seed is not sufficiently far advanced to mount a campaign of any appreciable size this year. It has, however, great potentialities for the future.

#### EXTENT OF THE PROGRAMME

111. In East Pakistan the campaign will cover all Districts except the Chittagong Hill Tracts. In West Pakistan the Districts covered for cotton and rice will be all the Districts of Hyderabad, Khairpur, Bahawalpur, Multan and Lahore Divisions and the Shahpur and

Gujrat Districts of Rawalpindi Division. The maize programme will cover the Districts of Peshawar, Mardan and Hazara of Peshawar Division, Shahpur of Rawalpindi Division and Lyallpur of Multan Division.

SECTION 2 - ORGANISATION

11

112. It is obvious that it will not be possible to carry out a campaign of this magnitude without an efficient organisation at all levels. We suggest that the campaign, which may take the form of production operation on military lines, be inaugurated by the President and be under the supervision of the Minister of Food and Agriculture.

113. We recommend that, at each provincial headquarters, a committee be established under the chairmanship of the Governor of the Province which should include as members, the Martial Law Administrator, the Chief Secretary and the Secretary of Agriculture or Director General of Agriculture with the Director of Agriculture as the Secretary. It may be possible to associate one non-official member from each provincial advisory committee, if these are established in time. The Committee should appoint a Senior Officer who should be able to devote his whole time to this work, as the Chief Executive for this programme. These Committees will be responsible for seeing that the fertiliser and plant protection material are received and properly distributed to the various districts. The district will be the unit of action. They will also see that proper instructions are available to the working units and will supervise the carrying out of the programme generally. The funds for the operations would be placed at their disposal and they should be authorised to use these without having to go through the usual red tape. We contemplate that they would delegate their powers to the Commissioners and District Magistrates or Deputy Commissioners in the matter of funds, and authorise them to use the services of all departments for this drive.

114. We do not contemplate the setting up of any committee at the Central Government level, except that we suggest that the Minister for Food and Agriculture may appoint officers or committees to look after the implementation of the purchase and distribution programme and for the quick allocation of funds. Similarly, we do not contemplate the establishment of any committees at the divisional level, but suggest that the Commissioner and the staff

attached to him in the development departments should carry out the duties of supervision of the campaign and see that the supplies are properly forwarded, as well as distributed.

115. The unit of action will be the district and we recommend that the responsibility for the successful carrying out of this campaign shall be placed on the District Magistrate concerned. He will be authorised to call upon the services of any officer in the district. We suggest that he be the chairman of a committee which should have the local agricultural officer as the Secretary, and include the district representatives of National Development Organisation, Revenue, Martial Law, Irrigation and Cooperative Departments. The Committee might include one or two non-official representatives from the District Advisory Committee. This committee also should appoint an officer who should be able to devote his whole time to this work, as the programme executive in the district. We suggest the division of the district into sectors and sub-sectors and the appointment of teams of officers who would be responsible for the success of the campaign in their sectors and would make sure that each village is visited regularly during this campaign. The District Magistrate will also be responsible for ensuring that storage and transport for fertiliser and plant protection materials are provided. Frequent tours by Divisional and Martial Law officers must be an important aspect of supervisory control.

116. So that the farmers should get a maximum opportunity of cooperating in the campaign, information should be widely circulated on the following points :-

- i) Dosage of fertiliser to be used for each crop and the time when it should be applied.
- ii) The local depot at which fertiliser is available.
- iii) The method of obtaining credit.
- iv) Arrangements made for seed treatment and for plant protection spray programmes.
- v) Arrangements made for the supply of cotton seed, drills and pores for line sowing.
- vi) The recommended seed rate for this year in the case of cotton.

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117. The earliest operation will be seed treatment. One team with a vehicle and a specified number of Seed Treaters should be assigned to a Union area and visit each village after pre-propaganda and carry out seed treatment. This operation is primarily to be carried out in the rice and cotton areas of West Pakistan. The campaign must start not later than the 15th of April and cover the area by the 1st of June. Each District Officer will have to see that all the villages in his district growing these two crops are covered. We understand that adequate pesticides and seed treaters are available with the Director of Plant Protection and Directors of Agriculture. Immediate arrangements should be made to make the necessary supplies available in the districts.

118. The second step will be to encourage proper preparation of land and line sowing in cotton areas. A sum of upto Rupees 6 lakhs has already been placed by the Central Cotton Committee at the disposal of the Director of Agriculture, West Pakistan for the manufacture of seed drills including the local type called a pore. These drills should be distributed so as to reach each Union headquarters well ahead of the time of sowing and be freely loaned to anybody who is prepared to use them.

119. The spraying of rice nurseries in West Pakistan would be the next item. This would be mainly carried out under the supervision of the technical staff of the Agriculture Department and under the control of the district committee. It may be necessary to supplement this staff and we recommend that any staff required by the Director of Agriculture from the Village AID and Cooperation Departments should be made available to him. He should have them in time for a short training and then place them at the disposal of District officers, who would assign them to various sectors. The availability of staff and transport will have to be planned well ahead. The Director of Plant Protection will be able to spare 40 vehicles from the pool of transport for locust work. Further needs must be met by District officers.

120. Aerial spraying of rice and cotton fields will be controlled by the Director of Plant Protection who will have to draw up his

programme in cooperation with the authorities which we have recommended for controlling this campaign. For ground spraying in both provinces some assistance will have to be provided as in the case of nursery spraying.

121. We are indicating in the following sections the supply programme for plant protection materials and fertilisers. It is important that the material should be in position in East Pakistan and the old Sind area not later than the middle of June and in the rest of the country not later than the end of June. The first step necessary will be the monetary sanction. This we hope can be given by the Cabinet as soon as this report is accepted. The next step will be for the Director General of Supply and Development to make arrangements for supply. It is essential to the success of the programme that the normal routine of tender notices should be eliminated and orders be placed immediately either on the basis of the tenders now being finalised or on the basis of very short notice enquiries. The materials must be shipped so as to reach Karachi and Chittagong by the end of May and arrangements must be made with the Railway for immediate transport. Where there are difficulties road transport should be used.

122. The rates and time of application of fertilisers will differ with areas and crops. A note by Dr. Ghani, a member of the Commission, covering East Pakistan rice crop is appended to this report\*. It is important that appropriate instructions be drafted by competent technicians well in advance and printed and made available to the district staff before the middle of April.

123. One very important factor in the fertiliser programme will be the establishment of stores as near the farmer as possible. At present 1229 fertiliser depots exist in West Pakistan and about 1,400 stores at Thana level in East Pakistan. In the West most of the depots are in the form of agencies held by traders, while in the East stores are owned by the Agriculture Department. The stores in East Pakistan are not all satisfactory as many have kacha floors and thatched roofs. We recommend that the Provincial Governments

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\* See appendix VII

be given financial assistance for establishing and improving the storage, wherever necessary, but in the meantime, the District Magistrates should be made responsible for finding storage accommodation at Union Level and hiring where necessary.

124. One further point for considerable importance is the need for moisture proof bags for fertiliser in East Pakistan, particularly for Urea.

125. The Panel on cotton recommended that, to enable such a large use of fertilizer, the subsidy on fertilizer be increased substantially and that fertiliser (ammonium sulphate) should sell at Rs. 5/- per bag against the present prices of Rs. 8/11/- per bag in West Pakistan, and Rs. 9/11/- in East Pakistan. We have considered the question of subsidy and while we see the merit of the argument that in such a large scale programme there should be a reduction of price to serve as an incentive, we think that the suggested price of Rs. 5/- per bag is unnecessarily low. We have to take note of the fact that already quite a number of farmers are using fertilisers at the present price and we are informed that the main hurdles in the way of increasing the use are the lack of credit facilities and the local non-availability of fertiliser. In the future it will be necessary to wipe off or substantially reduce the subsidy. We feel also that frequent changes in the price of fertiliser from year to year may affect its use adversely. Taking all these facts into consideration, we recommend that fertiliser prices should be fixed over at least a three years period. After that the subsidy might be reduced and a suitable time for this would be when the new factories come into full production and costs are expected to be lower.

126. We recommend that for the next three years, fertiliser prices should be as follows :-

A. East Pakistan :

- i) Rs. 12/- per bag of 50 kilos of urea.
- ii) Rs. 12/- per bag of 50 kilos of tripple superphosphate.

B. West Pakistan :

- i) Rs. 7/- per bag of 50 Kilos of ammonium sulphate.
- ii) Rs. 6/- per bag of 50 Kilos of single superphosphate (from the Lyallpur factory).

These prices will be nearer 50% of the cost.

127. The sale of such a large amount of fertilisers will not be possible on a cash payment basis. Sale on credit will be necessary. Orders exist under which it can be sold on Taccavi but we are, informed that this system is not satisfactory, as the formalities and delay in getting the necessary sanction keep quite a large number of farmers from making use of this facility. We feel that it is necessary for the sanctioning authority to be at a lower level and to be easily accessible to the farmer. We, therefore, recommend that the chairman of the Basic Democracies Council in each Union should be authorised to sanction loans for this purpose only. In East Pak. power to issue loans can be easily delegated under the Public Demand Recoveries Act but in West Pakistan it would probably be necessary to Gazette chairman as Assistant Collectors Grade III for this purpose. We suggest that special forms may be made available (and it will be necessary to print and distribute them so as to reach the Union level not later than the middle of May) in which the sanction by the chairman will be indicated. The form should have a provision for an entry indicating that fertiliser has been actually received from the depot by the farmer. When this has been completed the papers should be passed on to Revenue staff for inclusion in the demand for recovery.

128. Arrangements should be made early for the movement of fertiliser to the distributing centres. This could be a dangerous bottleneck and it will be necessary to prevent its development by making prior arrangements with the railway authorities especially as foodgrain movement at this time will be heavy.

129. We wish to emphasise again the vital importance of immediate adequate planning for the distribution of the fertiliser down to a level within reach of farmers and provision of storage therefor. Inefficiencies on these two counts would vitally impair the programme.



SECTION 3 - REQUIREMENTS.

FERTILISERS.

130. Our total requirements of fertilisers, as indicated in the previous Section are as follows :- In West Pakistan, our requirements of sulphate of ammonia are 50,000 tons for cotton, 25,000 tons for rice and 10,000 tons for maize. During the summer season, there is a considerable use of fertiliser on sugarcane and vegetables and unless 25,000 tons for sugarcane and 10,000 tons for miscellaneous crops is arranged for, there will be a diversion to these highly priced crops. We feel, therefore, that a total of 120,000 tons of sulphate of ammonia should be available in West Pakistan during the Kharif season. There is at present no carry over of stock as a very good drive during the rabi season has used up all reserves. Arrangements have been completed for the purchase of 20,000 tons of sulphate of ammonia and another 24,000 tons will be available from the Daudkhel factory before the end of June. This 44,000 tons will be available for the kharif crop. The balance of 76,000 tons will have to be purchased. This will cost Rs. 1.9 crores in foreign exchange and Rs. 48 lakhs in internal cost.

131. In East Pakistan, present stocks of sulphate of ammonia amount to 10,000 tons which may all be used for other crops such as sugarcane, boro and aus rice and vegetables. Similarly all present stocks of superphosphate will be consumed by these crops. 9,000 tons of urea, however, carried over from the present stocks will be available for our campaign. Arrangements have also been made for the purchase of an additional 20,000 tons of urea. The total requirements during the summer will amount to 45,000 tons of urea and, therefore, arrangements are needed for an additional purchase of 16,000 tons. With regard to triple superphosphates arrangements have been made for the purchase of 10,000 tons. To satisfy our programme an additional 15,000 tons will be required. These additional requirements of urea and superphosphate will cost Rs. 1.4 crores in foreign exchange and Rs. 21,70,000 in internal cost.

132. Therefore a total of Rs. 4 crores will have to be sanctioned for both East and West Pakistan, out of which Rs. 3.3 crores will be in foreign exchange.

133. We have emphasised that it is absolutely necessary that the supplies already arranged for and the new supplies should reach Chittagong and Karachi by the end of May. If the programme is to be undertaken financial sanction must be given immediately and orders for the additional quantities must be placed at once.

PLANT PROTECTION.

134. A plant protection programme considerably in excess of last year has already been planned but as mentioned before, we consider that this should be further increased. Supplies of implements and insecticides for the current programme have already been arranged for and finalisation of tenders is expected by the end of February. These supplies will cover the seed treatment sector of the crash programme but for the remainder <sup>of</sup> the crash programme the following are the additional requirements :-

A. West Pakistan

i) Pesticides (Endrin, Diptrex, Gusathion). Rs. 64,13,780

a) Foreign exchange ..... Rs. 42,20,250

b) Internal cost ..... Rs. 21,93,530

( If our recommendation on the abolition of duty on insecticides is accepted, the internal cost will be reduced very heavily).

ii) Equipment (5,850 Knapsack sprayers). Rs. 6,72,750  
iii) P.O.L. for vehicles. 90,500  
iv) P.O.L. for aeroplanes. 1,31,500  
v) Miscellaneous including additional T.A. 75,000  
vi) Making of landing strips. 3,00,000  
vii) Labour costs. 12,48,000  
viii) Two foreign pilots. 1,50,000

Grant Total: Rs. 90,81,530

B. EAST PAKISTAN

i) Pesticides Rs. 62,43,680

a) Foreign exchange Rs.40,09,000

b) Internal cost. Rs.22,34,680

ii) 16,000 Knapsack sprayers. 20,24,000  
iii) P.O.L. for vehicles. 50,000  
iv) P.O.L. for aeroplanes. 75,000  
v) Miscellaneous including additional T.A. 1,00,000  
vi) Landing strips. 2,00,000  
vii) Provision for additional staff. 6,55,857

Total: Rs. 93,48,537

C. PAKISTAN

i. West Pakistan. Rs. 90,81,530

ii. East Pakistan. Rs. 93,48,537

Grand Total: Rs.184,30,067

Out of this 98 lakhs will roughly be in foreign exchange.

135. We have provided for the labour cost in West Pakistan and the cost of preparing air-strips in both provinces in the above plans. The labour is needed for actually carrying out spraying and for temporary landing strips which have to be prepared from place to place. Although we have made these provisions in the estimates, we feel that the local people might carry out this work themselves, and so effect a considerable saving. We do not want to jeopardise the success of their campaign through non-availability of money but we suggest that directions should be given to use free labour wherever it can be found.

136. There are firms manufacturing knapsack sprayers locally. It is suggested that they should be allowed to get raw material to make more machines and thus save foreign exchange. The time factor is, however, important and we would suggest that this should be permitted only if the Director, Plant Protection, is satisfied that these firms can import raw material and deliver the sprayers in time.

137. In West Pakistan, sufficient plant protection staff are available but this is not so in East Pakistan. The Provincial government have only a small staff consisting of one Inspector in each district. The Central Directorate of Plant Protection is incharge of the work in the province and additional staff will have to be found to cover the programme. The provision for Rs.6,55,857 in the estimates is to cover this purpose.

138. We feel that unnecessary haggling over the staffing pattern and the amount of equipment and pesticides should be avoided and the men who are to deliver the goods should be trusted to make the most economic use of the equipment, pesticides and staff. If there is any saving of pesticides and equipment, it will be useful for larger programmes for the next year. We would, therefore, urge the acceptance of the cost and structure, as supplied, subject to other audit checks.

- |                          |          |
|--------------------------|----------|
| 1. AMIR MUHAMMAD KHAN    | CHAIRMAN |
| 2. G.S. KEHAR            | MEMBER   |
| 3. S. INAIT HUSSAIN SHAH | "        |

4.	S.G. KABIR	MEMBER
5.	S.I. HAQ	"
6.	M. O. GHANI	"
7.	A.G. BLACK	"
8.	A. GAITSKELL	"
9.	M. A. CHEEMA	MEMBER/SECRETARY GENERAL

G. 2994

**LIBRARY**  
**Bangladesh Public Administration**  
**Training Centre, Savar, Dhaka**

Government of Pakistan  
MINISTRY OF FOOD & AGRICULTURE  
( AGRICULTURE DIVISION )

\*\*\*\*

KARACHI, the 11th July, 1959.

NOTIFICATION.

No.F.1-64/59-Estt: The Government of Pakistan are Pleased to constitute a Food & Agriculture Commission as follows:-

1. Malik Amir Muhammad Khan,  
Chairman, P.I.D.C. Chairman.
2. Mr. G.S. Kehar, Member  
Planning Commission. Member.
3. Mr. S. Inait Hussain Shah  
Economist. Member.
4. Mr. S.G. Kabir, Retired  
Joint Secretary to the Government  
of East Pakistan. Member.
5. Mr. S.I. Haq, C.S.P.  
Development Commissioner,  
West Pakistan. Member.
6. Dr. M.O. Ghani,  
Agricultural Development  
Commissioner, East Pakistan. Member.  
( Whole time )
- 7&8 Two Foreign Experts,  
( Names will be notified later ) Member.
2. Mr. M.A. Cheema, C.S.P., Director-General, Central Statistical Office, will be the Secretary-General of the Commission.
3. The terms of reference of the Commission shall be as under:-
  - I. The Commission will make a thorough study and evaluation of past and current developmental activities and methods in the field of agriculture and of the incentives which cultivators have to increase production, for the purpose of determining the principal reasons, which have accounted for the rather slow progress in production, particularly of food crops.
  - II. The Commission will fix the production goals for foodgrains and major non-food crops, which should be achieved in the light of their comparative net value per acre in terms of both rupees and of foreign exchange earned or saved, their comparative claims on limited water supply and the development of the market for them at home and abroad.
  - III. In the light of its evaluation of past experience and its determination of desirable production targets, the Commission will recommend:-
    - i) Any changes in the orientation and focus of the agricultural development effort it may consider advisable.

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- ii) Any measures it considers necessary to strengthen the organisation and personnel charged with responsibility for agricultural development at the Centre and the Provinces, including any redefinition of the respective responsibilities of the Centre and the Provinces.
- iii) Any measures it considers necessary to provide cultivators with greater incentives and means to raise their output and income, including those pertaining to taxation, pricing and procurement policies and methods, subsidies, credit and marketing.
- iv) Any improvement in agricultural education and research and, above all, in the methods and organisation for transmitting the knowledge of better agricultural practices to the cultivators through the agricultural extension services, Village Aid Organisation.
- (v) Any revisions in policies and methods of colonizing new lands and maximising production thereon.

IV. The Commission shall pay particular attention to ways and means of obtaining more effective government administration and management of the land by organising the cultivators into cooperatives or other forms of profit-sharing schemes for the carrying out of certain common activities.

V. The Commission shall make a study of the cost, methods and policies relating to the procurement, distribution and storage of food with a view to devising recommendations in this field which will reconcile, as far as possible, the requirements of a continuous supply of food to the consumer at reasonable and stable prices and the need to provide adequate incentives to the cultivator to grow more food.

VI. While the Commission will concentrate primarily on ways and means to increase more rapidly the production of agricultural crops, and particularly food crops, it is authorised to extend its inquiry into related fields of forestry, animal husbandry and fisheries for the purpose of viewing the activities in this entire field in proper perspective and relationship to each other.

VII. In carrying out its work the Commission will take into account the limitations on resources in terms of finance, personnel and administration, which may particularly govern what can be undertaken in the sphere of agricultural development and will work out recommendations, which will make the most economical use of these limited resources.

VIII. In discharging its responsibilities, the Commission will work in close cooperation with the Planning Commission. It will recommend specific measures for increasing agricultural production and for effective implementation of agricultural development programmes, and will also, where necessary, suggest changes in policies or emphasis in carrying out the existing development plans.

IX. The Study as outlined above will take approximately one year. The Commission may, however, make interim recommendations on specific problems.

Sd/-  
(M. Yamin Qureshi)  
Deputy Secretary to the  
Government of Pakistan.

To  
The Publisher,  
Gazette of Pakistan,  
Karachi.

APPENDIX I (B)

GOVERNMENT OF PAKISTAN  
MINISTRY OF FOOD & AGRICULTURE  
(AGRICULTURE DIVISION)

Karachi, the 27th July, 1959.

NOTIFICATION

No. F.1-64/59-Lstt.,. In partial modification of para 2 of the Ministry of Food and Agriculture ( Agriculture Division) Notification No. F.1-64/59-Estt., dated the 11th July, 59, the Government of Pakistan are pleased to appoint Mr. M.A. Cheema, C.S.P., Director General, Central Statistical Office, as member/ Secretary General of the Food & Agriculture Commission.

Sd/-

(M. Yamin Qureshi)  
Deputy Secretary to the  
Government of Pakistan.

To

The Publisher,  
Gazette of Pakistan,  
Karachi.

Copy forwarded for information to:-

1. Malik Amir Muhammad Khan, Chairman, PIDC., Karachi.
2. Mr. G.S. Kehar, Member, Planning Commission, Karachi.
3. Mr. S. Inait Hussain Shah, Zamindar, Khanpur.
4. Mr. S.G. Kabir Rtd., Joint Secretary to the Government of East Pakistan, Dacca.
5. Mr. S.I. Haq., CSP., Development Commissioner, West Pakistan, Lahore.
6. Dr. M.O. Ghani, Member (Whole time)
7. Mr. M.A. Cheema, CSP., Director General, Central Statistical Office, Karachi.
8. Food Division (Mr. S.A. Kirmani)
9. President's Secretariat.
10. Ministry of Finance.
11. Ministry of Works.
12. Ministry of Finance (Economic Affairs Division)
13. Ministry of Industries.

Sd/-

(M. Yamin Qureshi)  
Deputy Secretary.

SECRET

D.O. NO.2055-F&AM/59  
Karachi - 1, July 23, 1959.

My dear Chairman,

The question of having Agricultural Development Corporation in the Provinces on the pattern of P.I.D.C. or W.A.P.D.A. for which a draft was prepared by the Government of West Pakistan, has already been forwarded to the Commission for expression of their views. I enclose an extract from President's letter, addressed to the Governors of both the Provinces on the subject. The Government will feel grateful to have the views of the Commission on this subject as early as possible.

Sd/- M.H. Rahman.

Malik Amir Mohammad Khan,  
Nawab of Kalabagh,  
Chairman,  
Food & Agriculture Commission,  
Government of Pakistan,  
C/o  
P.I.D.C. House,  
Kutchery Road,  
Karachi.



APPENDIX II(B).

D.O.No. 184(I)/59-Secy.  
Government of Pakistan  
Ministry of Food and Agriculture.

Karachi, the 23rd July, 1959.

My dear Cheema Sahib,

I am desired by the Minister of Food and Agriculture to request you to advise the Ministry of Food and Agriculture on the general question of procurement prices for foodgrains and specifically for immediate purposes the procurement prices for rice for the forthcoming rice season. The procurement price of wheat will have to be reviewed also, and we would like to make an announcement of the Government decision on this point well before the wheat procurement season. I do hope it will be possible for the Food and Agriculture Commission to examine this matter and to let us have their considered opinion.

Yours sincerely,

Sd/- Ahsan-ud-Din.

M.A. Cheema, Esqr., C.S.P.,  
Secretary-General,  
Food and Agriculture Commission,  
Ministry of Food and Agriculture,  
Karachi.

SECRET

APPENDIX II(C).

D.O. No. 3168-F&AM/59.  
Karachi-1. October 24, 59.

My dear Chairman,

You might recall the discussion I had with you and other members of the Commission on the question of reorganisation of the Ministry of Food and Agriculture.

2. The Reorganisation Committee set up by the Government has made recommendations regarding the future set up of the Ministry of Food and Agriculture. As the Food and Agriculture Commission is already seized of the task and a specialist (Mr. Hardine) has been invited to examine this question, I have requested the President to defer the consideration of the recommendations of the Re-organisation Committee till the end of January, 1960, so far as they relate to this Ministry, by which date it may be possible for the Commission to complete their examination. I shall be grateful if the Commission can submit their recommendation by the end of January, 1960.

3. The Ministry is being asked to forward to the Commission a copy of the recommendations of the Reorganisation Committee together with the comments of the Ministry thereon.

Yours sincerely,

Sd/-

M.H. Rahman.

Malik Amir Mohammad Khan,  
Nawab of Kalabagh,  
Chairman, Food and Agriculture Commission,  
Government of Pakistan,  
C/O. P.I.D.C. House,  
Kutchery Road,  
Karachi.



TABLE I

APPENDIX III

WHEAT POSITION IN WEST PAKISTAN.

Year	Carry over	Production	Import	Procurement	Consumption (2+3+4-7 Columns)	Tons
						Closing balance
1	2	3	4	5	6	7
1955-56	187,200	31,36,000	32,260	375,000	33,39,000	16,000
1956-57	16,000	33,17,000	230,320	175,000	35,43,000	19,500
1957-58	19,500	35,82,000	316,200	252,200	38,57,700	60,000
1958-59	60,000	35,21,000	275,200	358,150	38,13,650	42,550
1959-60	42,550	38,40,000	100,000 (Upto 1-2-60)	453,000	38,87,000 (Upto 1-2-60)	95,130 (On 1.2.60)

TABLE NO. 2

APPENDIX III

WHEAT POSITION IN PAKISTAN.

1	2	3	4	5	6	7
1955-56	187,200	31,62,000	109,000	375,000	34,33,200	25,000
1956-57	25,000	33,39,000	642,300	175,000	39,18,300	88,000
1957-58	88,500	36,06,000	769,500	252,200	42,43,000	221,000
1958-59	221,000	35,44,000	555,500	358,150	41,90,500	130,000
1959-60	130,550	38,65,000	534,400	553,000	-	-

Statement showing monthly arrivals of  
wheat under various agreements.

.....

(Tons)

Month	Under ICA Agreement	Under ICA Agree- ment	Under Colombo Plan		Under cash purchases Australia	Monthly totals.
			Canada	Australia		
Dec. '59	33,697	-	46,578	-	-	80,275
Jan. '60	50,589	-	9,200	-	11,100	70,889
Feb. '60	30,000 69,000*	-	8,222*	-	11,100 ) 15,300*)	133,622
March	100,000	-	-	-	-	100,000
April	66,714	34,000	-	11,000**	-	100,714
May	-	133,000	-	-	-	133,000
June	-	133,000	-	-	-	133,000
<b>Total:</b>	<b>350,000</b>	<b>300,000</b>	<b>64,000</b>		<b>37,500</b>	<b>751,500</b>
W. Pakistan.						
E. Pakistan.	50,000	50,000	-		-	
	<u>400,000</u>	<u>350,000</u>	<u>64,000</u>		<u>37,500</u>	

\* Expected during February 1960

\*\* As the date of delivery has not been fixed, this figure has not been included in calculations.

Note:

In addition, details of an agreement covering supplies from USA is in the process of finalization which would ensure the import of 550,000 tons and 450,000 tons during the financial years 1960-61 and 1961-62 respectively. These supplies may not begin to arrive before Sept '60. Further Pakistan will be purchasing from markets abroad from its own resources about 75,000 tons annually. There is also the possibility of further advantages under the Colombo Plan but that position is still indeterminate.

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NOTE OF DISSENT OF MR. G.S. KEHAR, MEMBER,  
ON THE INTERIM REPORT OF THE FOOD AND  
AGRICULTURE COMMISSION.

I regret I cannot agree to the creation of a separate board for price stabilisation because it will be an additional link in which instead of removing bottlenecks we will create more bottlenecks and it will work adversely against the interests of free trade which is the main objective of the present change of policy. In the present policy the Government have to procure from abroad foodgrains and keep reserve stocks of 5,00,000 tons. The internal distribution, the movement control, the price control and rationing is to be removed as a result of the above policy. The Government will only have to operate the reserves in case the prices are going beyond a certain level and will have to come to the market for the procurement of the foodgrains if the prices are going beyond the floor limits fixed. For that purpose a countrywide marketing intelligence will be required. If the new Price Stabilization Board is set up, it will mean that the major portion of the Food Ministry will continue to operate because Government will have to negotiate with foreign countries for the purchase and transport of foodgrains. This cannot be done by the proposed Board. The existing food organizations both at the Central and Provincial level have not been given sufficient financial and administrative facilities to fulfill the ideal conditions which are to be achieved by the creation of the new Board. <sup>Instead of creating the new Board,</sup> ~~the creation of the new Board,~~ which will mean extra cost and unfettered authority with regard to pay scales, number of staff to be employed and freedom of decisions; if the same facilities are given to the Food Division of the Central Government as well as the Provincial <sup>Food</sup> Departments, in my opinion the existing organizations will be able to carry out their responsibilities more efficiently than the proposed Board.

2. The distribution of food is more connected with law and order and if this part is transferred to an autonomous Board, the Government will come under public criticism and not the Board. It is, therefore, necessary that Government's existing organization should be responsible directly rather than any other organization.

3. The autonomous Board will be offering different and higher pay scales and other conditions of services to their people whereas the Governmental organizations will not come up to the level if they are left to operate in the present conditions. The result will be that those working under Government control will have no incentive which may affect the efficiency of the Governmental side of the organization.

4. The new Board will come in clash with the free trade because there will be two bodies to operate and in the event of fluctuation of prices, it will not be easy to determine the real cause of fluctuation whether due to the defects in Governmental organization or in the private traders.

5. Finally, I would suggest that if the existing Food Division at the Centre and the Food Organizations in the Provinces are properly organized and they are charged with the duties of maintaining marketing intelligence, proper procurement and distribution of foodgrain reserves, it will be more efficient than the proposed autonomous Board.

Sd/- G.S. Kehar  
Member,  
Food & Agriculture Commission.

APPENDIX VI

DRAFT LEGISLATION

FOOD PRICE STABILISATION BOARD ACT 1960.

Whereas it is necessary to set up an organisation for the provision of food for the people of Pakistan and for the stabilisation of prices of food-stuffs; and whereas in pursuance of this objective it is necessary to set up a Food Price Stabilisation Board to discharge Government functions for procuring importing, and exporting food stuffs, to arrange for the storage and distribution and to watch on behalf and under the direction of the Government that prices remain within reasonable limits, it is hereby enacted :-

SECTION I

- i) This act may be called "The Pakistan Food Price Stabilisation Board Act, 1960".
- ii) It shall extend to the whole of Pakistan.
- iii) It shall come into force on such a date as the Central Government may by notification in the official gazette fi:

SECTION 2.

In this Act unless the context otherwise requires :

- (a) "Board" means the Food Price Stabilisation Board of Pakistan.
- (b) "Government" means the Government of Pakistan.
- (c) "Foodgrains" means food-stuffs including foodgrains, and any other agricultural produce notified by Govt. as such in the gazette.
- (d) "Prescribed" means prescribed by Central Government in accordance with the provision of this Act.

SECTION 3.

- (a) With effect from such date as the Central Government may, by notification in the gazette, fix in this behalf there shall be established, a Board by the name of "Food Price Stabilisation Board of Pakistan" which shall be a body corporate having perpetual succession and a common seal with power to acquire, hold and dispose of property and to contract, and may, in the said name, sue and be sued.
- (b) The Board shall consist of the following Directors who will be nominated by the Government.
- (c) 1. Chairman who shall be in a semi. or Govt. service or non-official.

There will be 9 Directors representing each of the following interests :-



1. Growers.
2. Consumers.
3. Trade.
4. Foodgrains Milling Industry.
5. State Bank.
- 6-7. Two Directors each representing Department's handling food in East and West Pakistan Governments.
- 8-9. One representative each of the Central Ministry of Food & Agriculture and Ministry of Finance.

One of these Directors shall be appointed as the Chairman.

The Chairman and at least two other Directors will be paid Directors.

#### SECTION 4.

- i) The Chairman and the Directors shall hold office for a period of 3 years but they may be re-appointed.
- ii) A Director of the Board may resign his office by giving notice to Government and on such resignation being accepted he shall be deemed to have vacated his office.
- iii) Government may, at any time, remove from office any of the Directors.

#### SECTION 5.

- a) The Board shall meet at such times and place and shall subject to the provisions of sub-section (ii) and (iii), observe such procedure in regard to transaction of business at his meeting as may be provided by the regulations made by the Board under this Act, provided that the interval between two meetings will not exceed 3 months.
- b) The quorum of the meeting shall be four.
- c) The Chairman or in his absence any member chosen by the members present from amongst themselves shall preside at a meeting of the Board.
- d) All questions at a meeting of the Board shall be decided by majority of the votes of the members present and voting and in case of equality of votes the person presiding shall have a second or casting vote.

#### SECTION 6.

1. Subject to such rules as may be made by the Government in this behalf, the Board may appoint such officers and employees as

it considers necessary for the efficient performance of its functions.

2. The method of appointment, the conditions of service and the scales of pay of the officers and other employees of the Board shall be such as may be determined by regulations made by the Board.

SECTION 7.

Subject to the provisions of the Act, the function of the Board will be :-

- a) To watch and stabilise foodgrain prices within limits fixed by Government through procurement, sales, distribution, handling and storage and, if necessary, import and export of foodgrains and other foodstuff for or on behalf of the Govt. and with the permission of Government for any other agency. The Board will keep the food reserves on behalf of Govt.
- b) To acquire, maintain, construct and operate storage, godowns and warehouses at such suitable places as it thinks fit.
- c) To develop a system of warehousing and assist in the operation of warehouses by other Government and non-Government agencies.
- d) Study and advise government and other agencies in respect of improved food storage and handling methods.
- e) Maintain suitable market information service to keep itself and Government informed of the trend in foodgrain prices to operate in the market to stabilise prices in the country as a whole or any part thereof.
- f) Assist Government in maintaining the grades and standards of foodgrains, their processing and milling.
- g) To keep liaison with similar Boards in other countries of the world.
- h) Assist cooperative organisations in handling and marketing foodgrains and foodgrain products.
- i) Any other function entrusted by the Government.

SECTION 8

1. The Chairman and the two whole-time Directors shall form the Executive Committee of the Board with such other Directors whom the Board may nominate from time to time.

2. Theirman of the Board shall be the Chairman of Executive Committee.
3. Subject to such general or special directions as the Board may, from time to time, give, the executive Committee shall be competent to deal with any matter within the competence of the Board.
4. The Executive Committee shall meet at such time and at such places and shall observe such procedure in regard to transactions of its business as may be provided by regulations approved under this Act.
5. The quorum for a meeting shall be two.
6. The decisions of the Committee will be in accordance with the provisions of section v(d) of the Act.
7. Minutes of every meeting of the Executive Committee shall be laid before the Board at its next following meeting.

The decision of the Board shall be final.

#### SECTION 9.

The Government may:

- a) pay to the Board an initial non-recurring grant of Rs. 50 lakhs for meeting its current expenses.
- b) place such sums of money at the disposal of the Board as may be required for the construction of permanent grain storage accommodation.
- c) pay such sums of money that may be needed for discharging any additional responsibility entrusted to the Board by Govt. from time to time.
- d) arrange for payment through grants or loans at reasonable rates of interest for carrying out the operations on purchase distribution and storage of foodgrains.

#### SECTION 10.

The Board may with the approval of the Government levy a surcharge on all or any of the foodgrains handled by it from time to time to meet its recurring expenses and for the maintenance of the storage accommodation.

SECTION 11.

The Board shall maintain a reserve fund and an equilisation fund for carrying out its operations and to cover itself against unforeseen losses. The fund may be used with the permission of Government, as a part of a price equilisation fund.

SECTION 12

- L. The Board shall furnish to government at such times and in such form and manner as may be prescribed or as the Government may direct such returns and estimates and such particulars in regard to the discharge of its functions under this Act as the Govt. may, from time to time, require.
2. Without prejudice to the provisions of sub-section I, the Board shall as far as possible at the end of each year submit to the Government a report in such form and manner and on such date as may be prescribed giving a true and full account of its activity, policy and performance during the previous years.

SECTION 13.

1. In the discharge of its functions, the Board shall be guided by such instructions on questions of policy as may be given to it by the Government.
2. If any dispute arises between Government and the Board as to whether a question is or is not a question of policy, the decision of the Government shall be final.

SECTION 14.

The Board may, with the approval of Government borrow money for the purpose of carrying out its functions through the State Bank of Pakistan, against Government Securities or any other securities and stocks held by it and issue and sell bonds and debentures carrying interest for the purpose of raising funds in the manner prescribed by government.

SECTION 15.

0. 9 All money belonging to the Board shall be deposited

in the State Bank of Pakistan, a Government Treasury or in a scheduled bank.

SECTION 16.

1. The Board shall maintain proper accounts, including commercial accounts and other relevant records and prepare an annual statement of accounts in such form as may be adopted by the Board with the approval of Government.
2. The account of the Board shall be audited annually by the Accountant General of Pakistan or any persons authorised by him in this behalf and also by Commercial auditors.
3. The Accountant General of Pakistan or any person authorised by him in connection with audit of accounts of the Board shall have the same rights, privileges and authority as in connection with the audit of Government accounts and in particular shall have the right to demand the production of books, accounts, vouchers, and other documents and papers and inspect any office of the Board.
4. The accounts of the Boards as certified by the Accountant General of Pakistan or any other person authorised by him in this behalf together with an audit report shall be forwarded annually to Govt.
5. The Board may arrange to have the accounts and books of any warehousing organisation or any other agency recognised by the Board audited with regard to sufficiency of the procedure of maintaining accounts.

SECTION 17.

No Act or proceeding of the Board shall be invalid by reasons only of the existence of any vacancy among its members or any defect in the constitution thereof.

SECTION 18.

The Directors of the Board shall be indemnified by the Board against all claims filed and expenses incurred in the discharge of his duties except such as caused by his own wilful act or default.

SECTION 19.

The Board may be liquidated by the order of and in the manner decided by Government. In the event of the Board being wound up assets and liabilities, interests and holdings will vest in the Central Government.

SECTION 20.

The Government may, by notification in the gazette make rules to carry out the purpose of this Act without prejudice to the generality of the foregoing power such rules may provide for:-

- a) The manner of filling vacancies among the Directors.
- b) The appointment of officers and other employees of the Board
- c) The returns, statements and other particulars in regard to the discharge of its functions to be furnished by the Board to Govt.
- d) the form and manner in which and the times at which the Board shall submit a report of its activities to the Government.
- e) the form and manner in which the annual statement of accounts shall be prepared by the board.

SECTION 21.

1. The Board, with the previous sanction of the Government by notifying in the Gazette, make regulations not inconsistent with this Act and the rules made therein to provide for all matters for which provision is necessary or expedient for the purpose of giving effect to the provisions of this Act.
2. In particular and without prejudice to the generality of the foregoing power, such regulations may provide for;
  - a) the procedure to be followed by the Board and its Executive Committee in regard to the transaction of their respective business;
  - b) the methods of appointment, the conditions of service and the scales of pay of the officers and other employees of the Board; and
  - c) procedure to be followed in regard to the transaction of business of warehousing.

## APPENDIX - VI

### ACTION PROGRAMME FOR FERTILISER USE ON THE RICE CROP OF 1960 - 61 IN EAST PAKISTAN.

#### I. BASIS OF THE PROGRAMME.

Simple fertiliser trials in cultivators' plots on three paddy varieties of East Pakistan (aman, aus and boro) conducted over the years 1957 to 1959 covering the different soil-climate tracts of the region have shown without doubt the high responsiveness of the paddy crop to fertiliser application. These trials have also demonstrated the superiority of combined use of nitrogenous and phosphatic fertilisers over single-nutrient carriers both from the point of view of increased yield and economics over a large area of the province, though in some tracts such as Teesta, Barind and Madhupur, combination of N.P. & K carriers has given better results. Considering, however, the facts that the latter area is not large in size and also not intensively cropped with paddy and also that trials with potassic fertilisers have been conducted in limited areas and in one year only, the immediate next stage in the expansion of a fertiliser programme on rice in East Pakistan will lie in making an all out drive for the use of N - P combinations as extensively as possible. A more balanced fertiliser programme including potassium has obviously to be brought in at a later stage when confirmatory evidence would be available in its favour, with a more precise definition of the zones or areas where it is most suitable and economical and when the cultivators also would get used to the techniques of multiple application and home-mixing of fertilisers or when mixed fertilisers will be available.

The basis of the extended programme is obviously the findings of the rapid soil fertility survey carried out in East Pakistan but since in an intensive fertiliser programme as envisaged here it is very important that actual recommendations to the cultivators for a large scale fertiliser use in point of its kind, dose, method and time should be such as will reduce the chances of failure to the very minimum, I would like to point out here certain lacuna that, to my mind, exist in the East Pakistan trials. Though we may over-look them or adapt them to some extent for our immediate programme it will be necessary to clarify them before the programme enters its second phase.

#### (a) Nitrogen dose and Organic manure combination.

The question of use of organic manures particularly cowdung along with artificials is an important one. There can be no two opinion that organic manures are not substitutes for artificial fertilisers. From various considerations it is, however, desirable that it should be used as a supplement to artificials. The degree to which it can effectively serve this purpose is, however, limited by its availability.

However, there is a campaign going on at present for making the cultivator conserve more of the farmyard manure and return it to his land and also use it liberally as a supplement to artificial fertilisers. Here comes in the question of dose of nitrogenous fertiliser, which if not adjusted for the organics used may easily lead to an over-dose of nitrogen resulting in lodging and other undesirable effects specially in rice. In my opinion, the dose of 40 lbs of N per acre as used in these trials is somewhat above the optimum and that 30 lbs. would perhaps have given equally good, if not better results at least in single applications. Granting that combination of P & K may push the nitrogen-optimum above 30 lbs, possibly to 40 lbs, further addition of N in the form of, say cowdung, may produce adverse results. It may also be mentioned here that the results obtained by combining cowdung to get half of the total nitrogen dose of 40 lbs. from it are not so reliable and the conclusions derived from them are also rather vague. The statements made in the report as to its superiority over the all-artificial N - P treatment are contradictory and not borne out by data. Besides, cowdung being of variable composition, which is made further variable due to varying conservation practices, storage conditions and moisture content at the time of use, and no analysis having been made of the samples prior to their use in the different centres, the results obtained are not comparable and trustworthy. Its content of P & K have not also been accounted for. Even if the cowdung treatment is taken to be as good as (and not superior to as stated) the all-artificial combination and is recommended for adoption, it will not be possible for the cultivators to apply 50 mds. of cowdung per acre (assuming .5% N content). From these considerations I would suggest a recommendation for 30 lbs. N from artificial + 10 lbs. of N from cowdung (25 mds. per acre) + 40 lbs. P<sub>2</sub>O<sub>5</sub> from artificial. While this will keep the cowdung in the picture, the total nitrogen dose will also be limited to 40 lbs. Even if the above quantity of cowdung is not used in some cases or less amount used, 30 lbs N in itself is likely to give satisfactory results. (I would suggest future trials to be laid out on this basis.)

(b) Time and frequency of application.

Time of fertiliser application is important. While phosphatic and potassic fertiliser are used at the time of sowing or transplanting, nitrogenous fertilisers are known to be more beneficial to the rice crop when applied about 3 weeks after sowing or transplantation and to give still better results when half of it is applied at transplantation or sowing and another half about 3 weeks later. On the basis of past trials and experience in East Pakistan, the usual recommendations were for split applications and when this was not done for applying the whole quantity about 3 weeks after transplantation. In West Pakistan trials also the



latter method seems to have been followed. As far as is known either of these two methods is in vogue in other rice growing countries of South East Asia. Unfortunately, however, in Dr. Islam's latest report presented to the International Rice Commission (Ceylon) it is stated that "for aus crop fertilisers were applied broadcast at the time of sowing" and "for aman and boro crop the fertiliser was applied at the time of puddling the field for seedling transplantation". In one of his earlier reports giving the results of aman paddy of 1957 - 58 he states that "ammonium sulphate was applied broadcast 3 weeks after transplantation" whereas in his another report on aman paddy of 1958-59 he states that "fertilisers were applied at the time of puddling before transplantation of seedlings". The position is thus quite confusing. (I have referred this to Dr. Vermat for clarification). If the fertiliser was applied at the time of sowing or transplantation, it was not the quite correct thing to do from various physiological and environmental considerations. It may be held that if the application was properly timed still better results could have been obtained. Since the present fertiliser programme is going to provide the foundation for a future build-up we should introduce at this point such practices as are scientifically sound and practicable so that there may not be too frequent change-overs to new recommendations. I am, therefore, of the opinion that we should recommend in this programme a divided application of the nitrogen. The actual recommendation would be :-

- (i) 40 Ibs  $P_{205}$  + 15 Ibs N + 25 mds. cowdung, all at the time of sowing or transplanting.
- (ii) 15 Ibs N, about 3 weeks after sowing or transplanting.

Artificially available in East Pakistan for the next year's rice crop are urea and triple superphosphate only. Since both triple super and urea contain about 46% of  $P_{205}$  and N respectively, if one lb of  $P_{205}$  is replaced by one seer of super and one lb of N is replaced by one seer of urea, the total dose of  $P_{205}$  and N is reduced in each case by only 2 Ibs per acre. This is immaterial particularly because 40 Ibs dose is rather on the high side but it will have the advantage of prescribing a quantity in the cultivator's own term of weightment. The recommendation can thus be simplified as follows :-

- (i) At the time of sowing or transplantation, apply 1 md of triple super and 15 seers of urea and 25 mds. of cowdung.
- (ii) After about 3 weeks of sowing or transplantation, apply 15 seers of urea.

## II. SIZE OF THE PROGRAMME.

In determining the size of the programme, besides the immediate objective of boosting up food production through fertiliser use and

popularisation of fertiliser, the fact that the fertiliser factory at Sylhet will start producing 117,000 tons of urea annually from 1961 - 1962 at the latest should be taken into account. Unless the 1960 - 61 programme is of substantial magnitude and its impact is heavy enough it will hardly be possible to consume this fertiliser locally by that date. The urea equivalent of nitrogenous fertilisers used in East Pakistan during the last 9 months from April to December, 1959 (obtained from Fertiliser Controller, East Pakistan on telephone) comes to about 11,500 tons. Super-phosphate consumed during this period is 1100 tons. Taking an average monthly consumption of about 1,000 tons of urea during the next 3 lean months the total for the year would not exceed 15,000 tons of nitrogenous fertiliser in terms of urea, which is much below the performance required to match the production in 1961-62. It is, therefore, necessary that the next year's programme should be raised to 4 to 5 times of this level and subsequently the process is accelerated not only to consume all of the local fertilisers but to build up a programme leading to the use of fertilisers in all fertilisable land, if not by the end of the 2nd Five Year Plan, by the middle of the 3rd 5 Year Plan. From this point of view the next year's target may be so fixed as to apply fertiliser in 15% of the fertilisable paddy land. Subsequently in each year a further 15% of land may be brought under fertiliser use so that in the last year of the 2nd 5 Year Plan fertiliser is regularly used at least on 75% of the responsive area. The size of the programme is calculated below. Since urea and triple super are the materials that are going to be used in East Pakistan in the coming years the figures are expressed in terms of these materials instead of Ammonium Sulphate equivalent, etc.

#### AMAN RICE - 1960.

Total acreage under aman paddy (average of last 10 years) is roughly 14 million acres. One fourth of this area may be taken to be under broadcast aman grown in low lying areas which do not either require fertiliser or it is otherwise uneconomical. Roughly 10 million acres will, therefore require fertiliser application. For a coverage of 15%, 1.5 million acres have to be brought under fertiliser use which at the rate of 30 seers per acre will need 42,000 tons of urea.

The use of superphosphate is not as popular as sulphate of ammonia or urea with the cultivators. Besides combinations have not been tried by them so far in any appreciable extent. It may, therefore, be assumed that with the utmost effort 50% of the target area i.e. 750,000 acres would receive the combination. At the rate of 1 md per acre the requirement of triple super would thus come to 28,000 tons. Since some of this requirement will be met from locally produced bone-meal it may be planned to use 25,000 tons of triple super for the aman crop.

FOLLOW-UP IN AUS, 1961.

The campaign with the aman crop will lose much of its value and impact if a similar drive is not maintained in the following aus crop which has given equally satisfactory response to fertilisers. The average area under aus is 5.5 million acres. The ratio of high land to low land acreage is roughly 2 to 1 and it is considered that only high land aus is likely to give satisfactory results from fertiliser use. For a coverage of 15% of 3.6 million acres of high land aus we have to programme for roughly 540,000 acres which will need 15,000 tons of urea and 10,000 tons of Triple super assuming half the area to be put under combination as before.

OTHER CROPS

For other crops like sugarcane, jute, vegetables, etc. the fertiliser requirement may not exceed 6,000 tons of urea and 3,000 tons of triple super.

TOTAL FERTILISER PROGRAMME FOR 1960 - 61

The total fertiliser programme for 1960-61 will thus stand as follows:-

		<u>UREA</u>	<u>TRIPLE SUPER</u>
Aman	...	42,000 tons	25,000 tons.
Aus	...	15,000 "	10,000 "
Other crops.		6,000 "	3,000 "
	Total:-	63,000 tons	38,000 tons

Planning Commission's programme for 1960-61 is 110,000 tons of Amonium Sulphate equivalent (49,000 tons of urea equivalent) and 10,000 tons of Super. The East Pakistan Government have indicated their 1960-61 requirements for crops other than tea as 55,000 tons of urea and 17,500 tons of Triple Super. Both these estimates fall short of the programme outlined here.

III. AVAILABILITY AND IMPORT

Special Officer, Fertiliser, Ministry of Agriculture estimates that on 1st July, 1960, East Pakistan will have a carry over of 29,000 tons of urea and 10,000 tons of Triple Super. This accounts for import and estimated distribution during the period January - June, 1960. As per aman programme 21,000 tons of urea will be required in August - september, 1960 when transplantation is done. The carried over stocks will meet this demand. For the 2nd application in September - October, 1960, the additional 13,000 tons of urea must move into the thana stores in August. Similarly additional 15,000 tons of Super (25,000 - 10,000 tons) should be in the stores in July, 1960. In order that the fertiliser is available to the cultivators in time and to avoid handling in the rainy months it will be necessary to make provision for import of these

32,000 tons (16,000 tons urea and 16,500 tons super) within the current fiscal year i.e. by June, 1960 and the Ministry of Agriculture is to be requested to take immediate steps in this respect. 25,000 tons of fertilisers for the aus crop may be imported in January, 1961 as it will be required to be applied in April - May, 1961. 9,000 tons required for other crops may be imported in two lots half in June, 1960 and half in January, 1961.

Summing up, the fertiliser import has to be timed as follows, if the programme is to succeed :-

	<u>Urea (tons)</u>	<u>Super (tons)</u>
Carry-over, 1st July, 1960.	29,000 (aman)	10,000 (aman)
Import by June, 1960. (a)	13,000 (aman)	15,000 (aman)
(b)	3,000 (other crops)	1,500 (other crops)
Import by January, 1961. (a)	15,000 (aus)	10,000 (aus)
(b)	3,000 (other crops)	1,500 (other crops)
	<hr/>	<hr/>
	63,000 (all crops)	38,000 (all crops)

#### IV. STORAGE

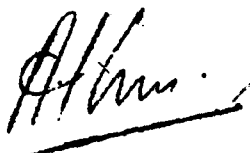
To handle the amount of fertilisers envisaged the storage capacity particularly at the lower level will have to be enlarged considerably. The greatest pressure on storage will be in the months of June - July when the carry-over and the import totalling about 62,000 tons will have to be stocked and handled. The present storage capacity with the Agriculture Department is about 65,000 tons - 9,000 tons in Chittagong port, 40,000 tons at districts and regional godowns and 16,000 tons in the thana seed stores. This capacity includes storage for seed and pesticides as well. The port and district stores feed the thana stores from where actual distribution takes place and this is the point where the storage position appears extremely weak. For the success of the programme the storage at thana and lower levels have to be strengthened. It will be necessary to have fertiliser depots in each union so as to make it available to the cultivators. I suggest that thana storage capacity should be doubled and arrangements made to have at least a 10 tons capacity depot in each union which may be provided by union Councils on rental basis. This will give an additional capacity of 16,000 tons at thana level and 40,000 tons at Union Levels. If movement from the port to district godowns and from there to the thana stores is smoothened and accelerated the expanded storage facilities should ordinarily meet the demand of the programme.

V. CREDIT.

The programme is based on the assumption that fertiliser on 50% subsidy will be made available to the cultivators on credit and no difficulty will be put in the way of their getting it easily and quickly as and when required.

VI. ORGANISATION.

The programme will require a concerted and vigorous drive not only on the part of the Agriculture and Village AID Departments but also other nation building Departments having their staff stationed at sufficiently low levels. National Development Organisation and the Basic Democracy Councils will have to lend their full weight to the programme. The 4,000 Union Agricultural Assistants will be in a position to devote their full time now since jute licencing is being abolished. To create and disseminate publicity materials for this "use more fertiliser campaign", Agriculture Department may have to have a separate publicity cell at the Headquarters for this specific purpose. The staff for storage and handling will have to be sufficiently increased and it may be necessary to post extra staff at the thana level for taking charge of the programme atleast during the rush season. Along with the fertiliser use other recommended practices such as Japanese method should be extensively publicised and adequate arrangements made to control pests and diseases. It is hoped that the Provincial Government will plan the details of the operations with vision and foresight and see that this programme is carried out successfully.



( M. O. GHANI )  
25-1-1960.