Jinnah's Efforts to Plan for Future: the Economic Planning Committee

Dr. Naureen Talha*

This article analyses the efforts by the Muslim League, Quaid-i-Azam Mohammad Ali Jinnah and a handful of Muslim business men as well as economists, to plan for economic development regarding the 'Pakistan areas'.

Historical Background

The passage of the Pakistan Resolution¹ on 23 March 1940, so to say turned the tide for the Muslims. Now they had a new destination to look forward to and to work for. They wanted an independent state of their own where they could improve their conditions and live according to their own social and cultural values. This, among other things, led to a considerable interest in the economic planning for the Muslim majority areas.

A strong planning platform emerged in the All India Muslim League. The League has often been criticized for having no schemes to strengthen the Muslims economically.² It is true that Pakistan emerged as a new country without a clear cut plan on which the financial, commercial and industrial foundation of a new Muslim country could be based, but it cannot be argued that the League did not take any steps in this direction. Jinnah was very clear that economic "neglect and

^{*} Associate Professor, National Institute of Pakistan Studies, Quaid-i-Azam University, Islamabad.

¹ The then "Lahore Resolution".

M. Mujeeb, The Partition of India in Retrospect" in C.H. Philips and Wainwright, eds., *The Partition of India* (London: George Allen and Unwind Ltd., 1970), p.43.

indifference has constituted the biggest single justification for our demand for Pakistan".³ This was a very important observation. Jinnah had consistently urged the Muslim League to take steps for economic and social uplift of the Muslims. On nearly every occasion after the adoption of the Lahore Resolution he emphasised the need to undertake suitable measures for alleviating the general economic backwardness of Muslims.⁴

The appointment of the Planning Committee in 1943 was not the first attempt to forge a development plan for the community. Since 1936, when Jinnah revived the Muslim League, its leaders had persistently emphasized the need of a comprehensive development programme for the Muslims of India. An initiative in this direction was taken at the Lucknow session of the All-India Muslim League in 1937. In this session, a resolution was passed directing the Working Committee "to take immediate steps to frame and put into effect an economic, social and educational programme".⁵ The outcome of this resolution was that a committee was set up on 3rd April 1938, consisting of five persons. These were Hussain Imam, Syed Ghulam Bhik Nairang, M.L.A Syed Hassan Riaz, Nawabzada Khurshid Ali Khan and Syed Mohammad Hussain.⁶ None of the five gentlemen had any experience of planning. Whatever the worth of their labour, it produced a report of four pages containing certain suggestions. However they pointed out, to prepare a detailed programme for raising the standard of Muslim national life much more time and expert efforts were required, especially when there was no material to work upon. Thus this attempt at planning was almost a fiasco. But the idea continued to haunt the Muslim League, which, at that stage, had neither much resources nor had it reached that high level of organization, which could translate an idea into a positive programme.

Hindu Efforts at Economic Planning

On the other hand, ever since the 1920s the Hindu industrial and commercial community had been demanding "self government in

^{3.} Pervez Tahir, *Economic and Social Thinking of the Quaid-i-Azam* (Lahore: Research Society of Pakistan, 1980), p.51.

^{4.} Ibid, pp.31-35.

Syed Sharifuddin Pirzada, Foundations of Pakistan: All India Muislim League documents 1906-1947 (Karachi: National Publishing House Ltd., 1976), Vol.II, pp.280-81.

^{6.} *Ibid*.

commerce and industry"⁷ and through the Industrial Congress⁸ and the All India Moderate Conference⁹ it had expressed its desire for greater economic power in India. During the Seventh Indian Economic Conference at Bombay in 1924, a statutory board suggested to develop indigenous industries in India, and, as a first step, placing of orders for 'railway materials and rolling stock within the country' was advocated.¹⁰

The extension of cotton mills, protective tariffs, and the promotion of indigenous shipping and banking facilities were stressed by the Hindu business classes. State investment in infrastructure and heavy industry in India was demanded. The British government was seen as exploiting India and not modernizing it to the advantage of the Indians.¹¹

In terms of economic awareness Hindus and Muslims were on quite different pedestals. While Muslim leaders were still trying to improve the lot of their co-religionists in India and striving to pull them out of their economic backwardness, the Hindus were way ahead. They were looking at future strengthening their economic position, promoting heavy industrialization and looking at planned development of India as an independent country.¹² A nationalist Hindu economic platform had emerged which pressed the need for industrialization and to modernize the Indian economy.¹³ The Indian National Congress managed to establish a National Planning Committee under the chairmanship of Jawaharlal Nehru in 1938, nearly a decade before the country became

^{7.} Proceedings of the Industrial Congress at Bombay, in *Indian Annual Register*, *1920* (Calcutta: The Annual Register Office, 1920), Vol.1, p.182.

^{8.} *Ibid.*, p.12.

^{9.} Indian Annual Register, 1919, Vol.II, pp.406-07.

^{10.} *The Indian Quarterly Register*, Vol.1, No.1, January-March, Calcutta: The Annual Register Office, 1924, p.13.

T. B. Desai, *Economic History of India under the British 1757-1947* (Bombay: Vora & Co., 1969). Also see G. Kaushal, *Economic History of India* (New Delhi: Kalyani Publisher, 1979).

^{12.} Proceedings of the Industrial Congress at Bombay, 1920, in *Indian Annual Register*, 1920, Vol.1, p.182.

^{13.} Anupam Sen, *The State, Industrialization and Class Formation in India: A neo-Marxist Perspective on Colonialism, Under Development and Development* (London: Routedge & Kegan, 1982), pp.47-86.

free, and six months after the Muslim League's first effort at planning had failed. $^{\rm 14}$

At that time the Indian National Congress (INC) had formed ministries in seven provinces and had expectations that it would also head the government at the centre. At the Haripura Session of the Congress held on 19-21 February 1938, its president, Subhash Chandra Bose, spoke of the planned economic development of independent India on socialistic lines,¹⁵ and in October 1938 appointed the National Planning Committee headed by Jawaharlal Nehru. It consisted of twelve members and set up twenty-five sub-committees on various subjects. It worked on various aspects of the Indian economy diligently during the initial two years. Work had to be suspended in 1940 when Nehru was arrested but was resumed in 1945 before its dissolution in 1946. However, the interim volumes of the plan laid down directives for the future industrialization of India. This Committee had representatives of provincial governments, industrialists, financiers, economists and professors. Various plans were drawn up during the war years;¹⁶ one of them by Indian businessmen and bankershead by Tata and Birla, prepared a national plan in 1944, known as the Bombay Plan.¹⁷ The India Federation of Labour headed by M. N. Roy also prepared a "people's plan" which was published in 1944.¹⁸ These efforts at economic development were largely prepared by various section of the educated and advanced Hindu population, and were manned by Hindus. Out of twelve members of the All India National Planning Committee of the Congress there was only one Muslim, Dr. Nazir Ahmed.¹⁹ Hindu economic nationalism had started asserting itself, and the British press talked about Hindu economic concerns. It termed the Congress demand for the withdrawal of the British as the desire of the "Hindu industrialists and big businessmen who think they will make more money with Britain out of the way".²⁰

- 16. Sarvapali Gupal, Jawaharlal Nehru A Biography (1975), Vol.1, p.248.
- 17. Anupam Sen, op.cit., p.92.
- 18. Indian Annual Register, 1944, Vol.1, pp.106-108.
- 19. Ibid., 1938, July-December, Vol. II, pp.303-304.
- 20. Sam White, Staff Reporter, *Daily Express*, 21 November 1945, IORL/1/1/214 (NDC).

^{14.} Robert E. B. Lucas and Gustav F. Papanek, (eds.). *The Indian Economy: Recent Development and Future Prospects* (Delhi: Oxford University Press, 1988), p.4.

^{15.} Girish Mishra, Nehru and the Congress Economic Policies, 1988, p.96.

Though comparatively much backward, the Muslims had by this time established some Muslim Chambers of Commerce in various provinces to look after their interests. But the preponderance of the Hindu community as in India, also remained in the fields of trade, commerce and industry. With economic power came political clout, and the Hindus became influential in political decision-making, primarily because of their economic status.

All-India Muslim League's Efforts for Economic Planning

Rather belatedly, Muslim economic nationalism lent its wholehearted support to Jinnah to establish various economic institutions for the Muslims. Actually Muslim economic concerns found direction after the passage of the Pakistan Resolution in 1940. Through a resolution the All India Muslim League set up another Planning Committee in its twenty-eighth annual session held at Madras in April 1941. The main purpose of the Committee was to plan for five years, the educational, economic, social and political advancement of the Muslims.²¹ The Committee consisted of Raja Sahib of Mehmoodabad (Convener), Chaudhry Khaliqussaman, Mr. Hassan Ispahani, Mr. Chundrigar, Dr. S. M. A. Jaffery, Dr. Sir Ziauddin Ahmed, Mr. Hussain Imam and Sir Abdullah Haroon.²² This committee had its first meeting on 28th October 1941 at Delhi. Jinnah was also present on the occasion. Later due to lack of finances the matter remained at a standstill.²³ Chaudhry Khaliquzzaman in a letter to Jinnah dated 25th January 1942, mentioned the difficulties, which the Planning Committee was facing owing to the shortage of funds. He also narrated the efforts he had made to collect material for the Committee. He wrote:

"I secured the three volumes of the planning committee report of the Congress. From the report I found that for the expenditure of 6 months it had collected Rs. 35,000/-. Amongst the donors were the Bhopal and Hyderabad states we shall have to apply our mind to the planning schemes not always for governments but generally for the Muslims who are very backward industrially. To establish a small office to collect

Syed Sharifuddin Pirzada (ed), Foundation of Pakistan: All India Muslim League Documents 1906-1947 (Karachi: National Publication House, 1976), Vol.II, pp.373-74.

^{22.} Ibid.

^{23.} Khalid Shamsul Hassan, *Quaid-i-Azam's Unrealized Dream: Formation and Working of the All India Muslim League Economic Planning Committee* (Karachi: Shamsul Hassan Foundation, 1991), pp.18-19.

necessary information and data and to send a few members to out-places to examine things for themselves, we shall require some donations".²⁴

The failure of the two previous attempts at planning, Jinnah realized that such a venture should be pursued only if suitable persons were available. It was also suggested to appoint different committees including the Economic Planning Committee submitted by Nawab Mohammad Ismail Khan in 1943.²⁵ Jinnah's answer to this proposal was that "there is no difficulty in such an effort except to find really capable persons who are willing to devote their whole time for this purpose".²⁶

By the end of 1943, the All India Muslim League had become more organized and also politically more powerful. It had formed Muslim League ministries in all the Pakistan zones, Assam, Sindh, Bengal, and N.W.F.P., while in Punjab the ministry was governed by a marriage of convenience between the League and the ruling party of Premier Sikandar Hayat Khan, which came to be known as the Jinnah-Sikandar Pact. These developments created an interest in planning for future development particularly in the Pakistan zones. On the other hand, Hindus were formulating plans for the whole of India through three bodies – the National Planning Committee started in 1938, the Bombay Plan published in 1944 and the People's Plan of M. N. Roy's Indian Federation of Labour published in 1944.²⁷

It would not be incorrect to say that the planning activities of the various Hindu groups made the Muslims conscious of the need for similar activity for themselves and for Pakistan. Admittedly the earlier efforts to plan for regeneration of the Muslim majority areas had failed, but, by 1940, the Muslims had become motivated and they were writing letters to Jinnah and asking "Why should we not undertake planning? Why should we not undertake the establishment of big and heavy industries in Pakistan"?²⁸ Then there were the criticism against Pakistan by various Hindus segments. One of the objections to Pakistan was that economically it could not be self-sustaining. Jinnah explained that the real position was that at present most of the income of the provinces

^{24.} Ibid., p.19.

^{25.} Nawab Mohammad Ismail Khan to Jinnah, 8th April 1945, *Shamsul Hassan Collection*, Vol. IV, p.498.

^{26.} *Ibid*.

^{27.} Indian Annual Register, Vol.I, Jan-June 1944, pp.106-108.

^{28.} Pirzada, op.cit., Vol. II, p.451.

went to the centre, out of which the centre gave back only a fraction to the provinces. He said, "For example, the Frontier Province, out of its revenues, sent about Rs. 9 million to Delhi, and Delhi sent back hardly one eighth of it. Similarly, the Central Government earned no less than Rs. 70 million in custom duties from the port of Karachi. Under Pakistan, all this income would go to the Pakistan Treasury; so there was no reason to suppose that Pakistan was an economic impossibility".²⁹

Earlier, on the eve of the inaugural thirty-first session of the All India Muslim League, December 1943, G. M. Syed, President of the Sindh Provincial Muslim League, and one of the 23 members of the Central Working Committee, in his welcome address drew the attention of the party to the condition of Muslim commerce. Like Muslim majority provinces, Sindhi Muslims, mostly belonged to the agricultural profession and were very backward in trade and industry. He pointed out, "We have already started the campaign of "Buy from Muslims", so that Muslims may be encouraged to take to trade".³⁰ This movement of "Buy from Muslims" yielded good results. He felt that what the Muslims needed was experience and capital. In order to achieve these objectives the Muslim League appointed the Planning Committee.

In the Karachi session held on December 24-26, 1943, a resolution was passed for the setting up of a Planning Committee. It was moved by Z. H. Lari, MLA an advocate of Allahabad High Court, moved it. In the second sitting on December 25, A.H. Lari's resolution, with some modifications, was approved by the Subjects Committee presided over by Nawab Mohammad Ismail Khan. Incidentally the resolution was seconded by Hamid Nizami, whose *Nawa-i-Waqt*, still a weekly, was very vocal about the Muslim League, and by Maulvi Tamizuddin Khan, who at the time held the portfolio of education in the Bengal Cabinet. The resolution authorised the President to appoint a committee with powers to prepare a comprehensive scheme for a five-year programme for economic and social uplift, state industrialization in the Pakistan zones, the introduction of free primary basic education; reform of the land system; stabilization of rents; security of tenure; improvement in the condition of labour and agriculture and control of money lending.³¹ It was decided that "the committee shall submit its report as early as

^{29.} Presidential address by Jinnah at the thirty-first session of AIML, Karachi, December, 1943, Pirzada, *op.cit.*, Vol. II, p.465.

^{30.} Ibid., p.447.

^{31.} Ibid., p.468.

possible and an interim report not later than June 1944, to the Working Committee for necessary action thereon".³²

The main emphasis for which a committee was to be formed by Jinnah was on the development of the Pakistan zones. According to the resolution, the Planning Committee had to perform certain tasks:

- 1. This committee was to prepare a comprehensive five-year programme for (a) economic and (b) social uplift of the Muslims, and State industrialization of the Pakistan zones.
- 2. Free primary basic education was to be introduced.
- 3. Emphasis was on the development of the agriculture section and labour, such as (a) reform of the land tenure system, (b) stabilization of land rents, (c) security of tenure, (d) improvement in the condition of agricultural labour and (e) control of money lending.

Z.H. Lari emphasised the role of the Planning Committee. He said that though Muslim League ministries had been formed in all the Muslim majority areas, Muslims in Pakistan areas were still backward, educationally and economically. He laid stress on improving agriculture in the Muslim majority areas which were to form Pakistan, and also suggested abolition of big zamindaris in Muslim majority provinces. Lari suggested:

- 1. A practical programme should be chalked out for the economic and industrial advancement of the Muslims in India.
- 2. An extensive plan should be drawn up (for Pakistan areas) for the educational and general uplift of the Muslims and that elementary education should be made free and compulsory so that every inhabitant of Pakistan should benefit from the blessing of education.
- 3. A five-year plan for the industrial development of the Pakistan provinces should be adopted.

Z.H. Lari showed great concern for the general economic advancement of Muslims in the whole of British India. (Point 1) He said that state industries should be established in Pakistan so that labour could

^{32.} Text of Resolution No. 2 passed at the Annual Session of the All India Muslim League held on the 24th, 25th and 26th of December 1943 at Karachi, *Archives of Freedom Movement*, p.415.

get a fair deal. (Point 2 and 3) He also suggested that farmers should get a fair share of their produce and that the Muslim League should not back large zamindars.³³

Maulvi Tamizuddin while seconding the resolution said that reducing illiteracy was of prime importance in any scheme of improvement. He supported the development of a comprehensive economic and social plan. He thought that it was quite opportune that a committee should undertake the task of planning ahead and draw up a scheme for the future. He favoured setting up essential industries in Pakistan by the state and hoped for rapid industrialization of the country (Pakistan). This in his view could only be achieved after Pakistan was created and independence achieved.³⁴ Hamid Nizami supported the resolution and hoped for an all round progress of Muslims in the entire Pakistan areas.³⁵

In a circular letter dated April 12, 1944, Jinnah laid down the main objectives of the Planning Committee. These according to him were to carry out and "survey and examine the conditions of India and more particularly of the Pakistan areas with a view to preparing the Muslims to participate in the natural development in the direction of commercial and agricultural expansion and industrialization and be ready for a gigantic and coordinated drive in the field of economic reconstruction, especially in post-war reconstructions".³⁶

Jinnah's major concern was that an economic survey of the Pakistan zones was undertaken which according to him was imperative for the economic progress of (future) Pakistan. He did not rule out the prospect of surveying the conditions of India Muslims in other areas at the same time. Jinnah believed that purpose of this committee was that it should make every one ready before the occasion arises.³⁷

37. Jinnah's address at Aligarh Union in Eastern Times, March 12, 1944.

^{33.} Ibid., p.468.

^{34.} Ibid., p.469.

^{35.} Ibid.

Circular letter by Jinnah dated 12th April 1944, available in Jinnah Rafi Foundation File No. MRB/03.

The AIML Committee of Action

Through another resolution a Committee of Action was formed in the same Karachi session of the AIML on 25 December 1943. The Committee was to consist of not less than five and not more than seven persons to be nominated by Jinnah. Two days later Jinnah appointed six members, Nawab Ismail Khan, G. M. Syed, Haji Sattar Sait, Nawab Iftikhar Hussain Khan of Mamdot, Qazi Mohammad Isa and Nawabzada Liaquat Ali Khan. This Committee was set up for "organizing, coordinating and unifying the Provincial League and the entire Muslim League organization in consonance with the constitution, rules and programme of the All India Muslim League".³⁸ These measures were taken by Jinnah to galvanize the Muslim League, to undertake organization in all the districts. Its role was to harmonize and coordinate the work of all the branches of the AIML.³⁹

To gather relevant facts and figures, an exhaustive questionnaire was prepared by Haji Sattar Essack Sait. Basically a trade and industry questionnaire, it sought information from traders, industrialists, and labour and occupation unions with particular reference to cottage industries. The cottage industries included handloom, electric, carpet making, bidi, button making, agarbati, soap, boot polish, rice, flour milling, hosiery, mat making, rope making, bone industry, fruit preservation and canning, manure, hair tools, scents, attar, rose water, pottery, leather works, metal works, glass ware and bangles, silver ware, ivory work and zardozi lace. All these were more or less a monopoly of Muslim workers. The occupational trades included dairy farming, tanning, shoe making, cattle farms, poultry farms, rearing of sheep, production of wool washing equipment, dyeing, carpentry, iron smithy, tailoring, gold and silver smith and stud farming. The questionnaires were issued to the Provincial Muslim Leagues, Muslim Chambers of Commerce, persons connected with trade and industry and other relevant individuals. It was issued on 10 April 1944. The Urdu version of the questionnaire was also issued on 26 April 1944.40 Quite a number of replies were received which were summarised by Haji Sattar.⁴¹

^{38.} Pirzada, Vol.II, p.497.

³⁹ Jinnah's address at Aligarh Union in Eastern Times, March 12, 1944.

^{40.} *Committee of Action*, The Questionnaire, Daryagang, and Delhi: AIML, 10-4-1944, 2-3, in Archives of Freedom Movement p.415.

^{41.} Proceedings of the 7th Meeting of the Committee of Action held at Delhi on August 1, 1944, *Shamsul Hassan Collection*, p.28.

- 1. Shortage of capital among the Muslims.
- 2. Keen, even unfair competition from other communities.
- 3. Want of an organized effort.
- 4. All replied emphasised the need for the Muslim League to take up the work seriously and to provide necessary guidance to Muslim business classes.

Soon after the Karachi session, Jinnah made contacts with leading Muslim businessmen, technologists and economists. He also contacted professors of the Aligarh Muslim University and the Osmania University of Hyderabad Deccan. He wrote to them to participate in this task of national importance. Jinnah was conscious that there was a dearth of Muslim financiers, experts, practical men and scientists.⁴² In fact while addressing the Aligarh University Union, he was frank enough to point out that it was very "difficult to find suitable and qualified men for the Committee".⁴³

The reason why the idea of Pakistan received such wholehearted support from Muslim bureaucrats, businessmen, traders, industrialists, and academicians, was their realization that they were far behind the Hindus in these fields, and could not hope to have their merit recognised in face of stiff competition from the Hindus. Their only salvation lay in a separate Muslim state where they would have the opportunities to develop their talent and faculties.

In the beginning of April, 1944, Jinnah chose Nawab Ali Nawaz Jung, an engineer from Hyderabad, as Chairman of the Planning Committee, Professor A.B.A. Haleem, from the Aligarh Muslim University, as Secretary, and M.L. Qureshi, of the Anglo-Arabic College, Delhi, as Joint Secretary. By the end of June 1944, nearly six months after the Planning Committee resolution was passed, he had almost completed the list of the people to be put on the Planning Committee. The task to select the best and the finest economists, technicians, commercial scientists and practical businessmen proved quite difficult. Hatim Alavi, a businessmen of Karachi, in two letters, dated 28 December 1943 and 5 January 1944, offered his services for membership of the committee and that of Mohsin Ali, a retired Superintending

^{42.} Speech delivered at the Annual Conference of the Punjab Muslim Students Federation, Lahore, on 18 March 1944.

^{43.} Address at Aligarh Union, 12 March 1944, op.cit.

Engineer of the PWD, for secretaryship. Evidence suggested that it was difficult to choose competent personnel for the Committee. In one letter, Mian Bashir Ahmed, a member of the All India Muslim League Working Committee, writing from Lahore on January 18, 1944, suggested the name of Khwaja Bashir Bukhsh, Chairman Australasia Bank, Lahore. The names of Sir Maratab Ali, Sheikh Sadiq Hasan, MLA of Amritsar. Rafi Butt's name was mentioned with negative comments.⁴⁴ The names of Mian Afzal Hussain, Vice Chancellor of the Punjab University, and Mushtaq Ahmed Gurmani, who at the time was serving the Government of India as Director Technical Recruitment and Publicity, were also proposed by him.⁴⁵

Meanwhile, Rafi Butt; Chairman of the Central Exchange Bank and an enterprising businessman and industrialist, wrote to Jinnah on 22 January 1944, "Your programme for the economic and social uplift and state industrialization of our community in the Pakistan zones, in particular, deserves special approbation".⁴⁶ He added that "With my little experience in the industrial and business lines, I shall consider myself privileged if I could be of any assistance to the Musalmans (of Punjab in particular) in this connection, under your guidance".⁴⁷

Ever since the passage of the Resolution on the Muslim League Planning Committee, a lot of interest had been generated. Newspapers such as the *Eastern Times, Nawa-i-Waqt, Dawn* and other press published reports about the Planning Committee in prominent headlines.

The Associated Press of India interviewed Jinnah on the subject. His interview, along with the press release and announcement of the names for the Planning Committee were published in all leading newspaper.⁴⁸ In Nawa-i-Waqt dated 3 August 1944, the main aim of the Planning Committee was declared to be the exploration of the potentialities of the Pakistan areas. Similarly, in the same paper a detailed write up on the committee appeared on 30 August 1944.

^{44.} Syed Razi Wasti, (ed) *My Dear Quaid-i-Azam, (Jinnah-Rafi Correspondence)* (Lahore: Jinnah Rafi Foundation, 1994), Appendix I, p.46.

^{45.} *Ibid*.

^{46.} Rafi to Jinnah, 22 January 1944, F-240, QAP.

^{47.} Ibid.

^{48.} *Nawa-i -Waqt*, 3 August 1944, 5 August 1944, 30 August 1944, *Eastern Times*, 14 January 1944, 30 January 1944, 1 February 1944, 15 April 1944 and 25 June 1945.

Jinnah's correspondence with Hatim Alavi, Mir Laik Ali, M. Rafi Butt and A.B.A. Haleem from December 1943 to June 1944 was exclusively on the selection of personnel for the committee.⁴⁹ It had been stipulated in the resolution that the committee would submit its report "as soon as possible"⁵⁰ and it would be placed before the Working Committee of the AIML.⁵¹

Admittedly the task of selecting personnel for the Planning Committee took nearly eight months, but Jinnah had the satisfaction that those nominated by him were as good as experts in any country in the world. He pointed out that each of the members held a distinguished position in his own field and he added "I am glad to have been able to get such a committee together.⁵²

Objectives of the Planning Committee

The first meeting of the Planning Committee was held on Sunday, the 3 September 1944 in the Library Hall of Anglo-Arabic College, Delhi under the chairmanship of Nawab Ali Nawaz Jung,⁵³ who had played a prominent part in the development of industrial and engineering enterprises in Hyderabad State.

The objectives of the Planning Committee as explained by the Chairman, were to take an overview of the potential of India and Pakistan.⁵⁴ He said, "We have practically all the resources in materials and manpower for building up a planned system, nevertheless we are not utilizing them properly and the country is suffering from maladjustment of her resources to her needs".⁵⁵

- 53. Nawa-i-Waqt, 28 August 1944.
- 54. Proceedings of the First Meeting of the Planning Committee, SHC(Shamsul Hassan Collection), AIML, Vol.83 & 85. Also see *Morning News*, September 5, 1944 and *Eastern Times*, September 7, 1944.
- 55. Ibid.

^{49.} See QAP, File No. 208, 9-11, QAP, File No. 219, QAP, File No. 272, 1, QAP, File No.240, pp.9-11.

^{50.} File 03/MRC in Jinnah Rafi Foundation, pp.4 & 5.

^{51.} Ibid, pp.4 & 5.

^{52.} Journal of the Pakistan Historical Society, April 1991, Vol. XXXIX, Pt. II, pp.201-22.

According to Ali Nawaz Jung, the main tasks before the committee were as follows:

- 1. To prepare the outlines and groundwork of a proper plan, leaving details to be filled in later by the Planning Committee or the authority that may be brought into existence for the complementary work of giving effect to it.⁵⁶
- 2. Among the problems to be tackled was to suggest measures to meet the scarcity of food.
- 3. The committee had to keep in mind to provide practical training to an enormous population waiting to be drilled and put to work to increase production.
- 4. It recognised that technical education was a vital part of planning and must be dealt with adequately.
- 5. Research should precede work on reconstruction. They must have well-planned instruments of research.
- 6. Some form of state interference must be laid down in certain spheres of activity such as defence, and key industries, mineral resources, etc.
- 7. The aim should not be for a standard of living higher than the environment and the available resources.
- 8. The planning was to take 12 or 15 years, but it was to be for 20 years divided into 5 year plans.

Ali Nawaz Jung observed that the need for heavy industry was urgent for reconstruction of the country. The outline for the work of the Planning Committee as suggested by him was all general and not specific to Pakistan areas (emphasis added). Later, the report of the Planning Committee submitted, aimed at improving the conditions of the Muslims in United India, and not addressing the economic potentials of Pakistan.⁵⁷

Fifteen sub-committees were formed which pertained to every aspect of economic life.⁵⁸ There were sub-committees on agricultural production and soil conservation and a forestation, animal husbandry and

^{56.} Pirzada, Foundations of Pakistan, Vol. II, op.cit.

^{57.} See the report of the Planning Committee submitted on June 30, 1945. Available in National Archives of Pakikstan, Islamabad.

^{58.} The Eastern Times, September 7, 1944, Nawa-i-Waqt, 7th September 1944.

dairy, fisheries, water usage and river regulation, communication and transport services including shipping, rural and cottage industries, fuel and power, mining and metallurgy, chemical industry, manufacturing and engineering, transport industries, finance, public health, housing and trade and commerce. These 15 sub-committees were put under five heads, namely, agriculture, industry, transport, commerce and finance.⁵⁹ All of them were required to draft and submit their reports dealing with the present state of affairs in the country. The targets before the sub-committees were:

- 1. to lay down the objectives to be realised within a period of fifteen years, to be divided into three stages of five years each; and
- 2. to indicate the lines and methods by which the objectives were to be achieved as well as the approximate expenditure involved.⁶⁰
- a. The setting up of the Planning Committee is indicative of the deep interest taken by Jinnah in the economy of the future Pakistan and the importance he gave to the well being of Muslims in India.
- b. He wanted the committees to prepare an authentic report of the economic resources of Pakistan, and evaluate and counter the persisted propaganda against the economic viability of Pakistan.
- c. Since the authority of the central government in India was planned to be increased,⁶¹ it was a matter of concern to Jinnah and the Muslim intelligentsia. Therefore the priority before the committee was to make the Muslims aware of the urgent need to better themselves economically and to generate a desire to improve themselves.⁶²

^{59.} Khalid Shamsul Hassan, op.cit. pp.26-27.

^{60.} Pirzada, Vol. II, *op.cit*. See the speech made by Nawab Ali Nawaz Jung at the first meeting of the Planning Committee.

^{61.} M.L. Qureshi to Jinnah, 27 February, 1947 and Dr. Nazir Ahmed to Jinnah, 1 March 1947 in Z. H. Zaidi (ed), *Jinnah Papers*, Vol. I, Part 1, 1993, pp.118-23, and 145-53.

^{62.} See Jinnah's address to the second meeting of the Planning Committee in Pirzada, *op.cit.*

The second meeting of the Planning Committee was held two months later, on 5 November, 1944, again in the Anglo-Arabic College, Delhi. Jinnah himself addressed this meeting and reiterated the objectives behind its setting up.⁶³ These objectives outlined below, are from his address to the Committee.

As an introduction Jinnah said that he could safely claim that the Muslim League had organized the India Muslims fairly well politically, but so far as regeneration of their economic life was concerned, they were at zero point. It was a matter which had been occupying his attention for some time especially after the passing of the Pakistan Resolution in March 1940. He proudly narrated that Muslim chambers of Commerce in various provinces had been put together in a Federation of Muslim Chambers of Commerce and Industry which had its office in Delhi.⁶⁴ The Chambers were affiliated to the Federation which was to serve as a platform where Muslim businessmen could meet and exchange views and decide as to what they should do to improve their trade prospects.

He pointed out that generally out of ten companies set up by Hindu businessmen "You find the same directors and more or less the same body of persons".⁶⁵ Whenever the Hindus decide on an industrial venture or any other enterprise, it is no problem for them to find the required capital because the Hindu business community as a whole supports carefully worked out projects. Jinnah said Muslims could never compete individually with the Hindus, hence the need for the Federation of Chambers of Commerce. Committee of experts had been appointed to draw up a plan of economic development on a wide and comprehensive basis. He pointed out that experts among Muslims were not many. "There was hardly any large Muslim concern controlling really solid and big industry and in most walks of life the Mussalman is nowhere near the forefront".⁶⁶

According to Jinnah the objectives of the Planning Committee were as follows:-

^{63.} Address in original available in SHC, AIML Vol. 95. Office Copy AIML-94 given to M. L. Qureshi, available in *Jinnah Rafi Foundation File*, 03/MRB.

^{64.} M.A.H. Ispahani, Quaid-i-Azam, as I Knew Him, 1976, p.114.

^{65.} Jinnah's address at the second meeting of the Planning Committee, AIML-95, p.3.

^{66.} *Ibid*.

- 1. To better the Muslim economic position since they were at the lowest end of the economic ladder. Muslims have to be organized in the economic sphere so as to awaken their commercial and industrial consciousness.⁶⁷
- 2. The committee would focus the attention of the Muslims on matters vitally affecting their economic life.
- 3. Jinnah said there were varying reports about the possibilities and potentialities of Pakistan areas which could be roughly divided into two parts: He said.
- a. One view was that Pakistan areas were devoid of mineral resources and that economically the new country would not be able to exist as an independent entity. The Hindu press highlighting that the Muslims would be the biggest sufferers by the establishment of Pakistan. They got to the extent for trying that Pakistan state would be bankrupt.⁶⁸
- b. As against this negative attitude, there were people who believed that this was all nonsense and that Pakistan areas have very large deposits of petroleum, coal, iron ore and other minerals⁶⁹ and that "It will be a powerful state though it may not be as rich as Hindustan".⁷⁰

Therefore, he advised that this (the question about Pakistan's economic future) was a matter which should be studied carefully by the Planning Committee. He asked the Committee to examine various aspects of the question and arrive at their own conclusions which would be authoritative.⁷¹

1. The committee should survey the possible lines of development and indicate the potentialities of Pakistan areas and also examine the possibilities of development of Muslims in Hindu areas.

70. *Ibid*.

^{67.} See Dr. Nasib Akhtar, "Quaid-i-Azam's address to the All India Muslim League, Planning Committee. *The All India Muslim League 1906-1947*, 1997, p.430.

^{68.} Ibid, p.431.

^{69.} *Ibid*, p.431.

^{71.} Office Copy of Jinnah's speech at the second meeting of the Planning Committee, AIML-(All India Muslim League Files) 85, p.4.

2. He directed that while finalising the report it should be noted, by the Committees that our aim was not to make the rich richer, and to accelerate the process of accumulation of wealth in the hands of a few individuals. The aim of the Committee should be level up the general standard of living amongst the masses. The ideal "should not be capitalistic but Islamic and the interests and welfare of the people as a whole should be kept constantly in mid".⁷²

He concluded by assuring the committee members of his fullest cooperation in implementing its recommendations in the provinces where a Muslim League ministry was in power and that these ministries would recommend them to the British Government as well.

Jinnah emphasised that the Muslim League was a political organization and did not control the financial resources of the government. "If we were in charge of government funds, the Muslim League would be the Muslim government and would be in a position to implement your report wholly or in parts".⁷³

If we analyze his speech, we find that the Planning Committee's report was to have two parts; a) the first part was to concentrate on economic potentialities of Pakistan areas and b) second to place emphasis on the development of Muslims in Hindu India.

Now that the planning committee had been formally constituted comprising Muslim scientists, economic planners, industrialists and bankers, "they could look forward with confidence to the emergence of a useful programme for the economic regeneration of Muslims from the deliberations of this committee"⁷⁴ and look forward to the development of Pakistan.⁷⁵ It was hoped that "the programme would embrace agriculture, industry, commerce, banking and general business organizations, and that special emphasis would be laid on the training of personnel necessary for the economic development of the Pakistan areas".⁷⁶

76. Ibid.

^{72.} Ibid, p.5.

^{73.} *Morning News*, Calcutta, 8 November 1944, *Eastern Times*, Lahore, 11 November 1944.

^{74.} Eastern Times, 15 August 1944, p.2.

^{75.} Ibid.

The fourth meeting of the Planning Committee was held from 30 June to 2 July, 1945, during which Chairman Nawab Ali Nawaz Jung placed a draft report before the committee for its consideration. This report focussed on the development programme for the Muslims in India as a whole, with no particular reference to Pakistan areas".⁷⁷

As mentioned earlier Z.H. Lari, who had initially moved the resolution for the information of the committee, pointed out that in spite of the fact that all the Pakistan Provinces has Muslim League ministries, the Muslims in those areas were still backward, both educationally and economically.⁷⁸ He was more concerned for the Muslims of India. He was worried about the state of their education and the way industries are set up in Hindu majority areas. Maulvi Tamizuddin was more specific on the subject of how development could be accelerated in the Pakistan zones but conditioned it with the remark "If we are able to get our independence".⁷⁹ Hamid Nizami hoped for all round progress of Muslims in the Pakistan zones.⁸⁰ Jinnah in his circular letter dated 12 April 1944 laid down the main objective of the planning committee as "To survey and examine the condition of India and more particularly of the Pakistan areas......"⁸¹ His main emphasis had been on the programme of development for the Pakistan areas.

All those who had whole-heartedly supported the resolution for formation of the Planning Committee never once said that development of Pakistan areas should be sidelined. However, while presiding over the first meeting of the committee, Chairman Nawaz Ali Nawaz Jung had outlined its objectives which on issues like scarcity of food, increasing production of all kinds, training programme for the enormous population, technical education, steps for well meaning research, state intervention in key industries, and a standard of living according to the resources. He opted for planning for about 15 years, divided into three 5 year plans. Ali Nawaz Jung gave a broad outline and a ground work on which a proper plan could be constructed. This is exactly what the Planning Committee's report did in the fourth meeting. But it must be remembered that, according to the guidelines given by Jinnah in the second meeting

- 80. Pirzada, Vol. II, p.468.
- 81. *Ibid*, p.469.

^{77.} See Nawa-i-Waqt, 14 August, 1944.

^{78.} Eastern Times, 15 August 1944.

^{79.} Proceedings of the fourth meeting of the Planning Committee, QAP File No. 1104, pp.337-340.

of the committee on 5 November 1944, the committee was to analyse and evaluate the potentialities of the Pakistan zones as the prime task, and the second part was to examine the possibilities of development of Muslims in Hindu India.

Thus the draft report submitted by Nawab Ali Nawaz Jung became controversial. It was taken up paragraph by paragraph on 30th June and 1 July 1945. The Chairman stated that "he wanted the committee to consider the draft, amend it if necessary and then determine whether it is to be treated as a memorandum or as a report".⁸² It was unanimously decided on 2 July, that the chairman's memorandum, with modifications made by the committee be forwarded to the Quaid-i-Azam.

As author of the preliminary draft of the committee report, the chairman clarified that the data and statistics for British India were incomplete though available. However, for framing of a plan for the Pakistan zones detailed information was needed in order to study the problems concerning the economic life of each area or province. This was necessary to pinpoint the deficiencies and to suggest necessary remedial measures. Nawab Ali Nawaz Jung said that "plans will have to be prepared for each Pakistan province in consideration of its requirement and resources in raw materials, human energy etc"⁸³ He continued "owing to the deficiencies of information we are dividing our report into two parts".⁸⁴ For the first part he had submitted his memorandum while for the second part he said "We hope to submit it as soon as we collect the data more fully and directly".⁸⁵

There was some opposition to the Chairman's draft report on the ground that it was for united India.⁸⁶ This was resolved by appointing a fresh sub-committee to prepare another draft. The new sub-committee was to take into consideration the reports of the various sub-committees, fifteen in all, and the statistical data collected for the Economic Planning Committee.⁸⁷ The new sub-committee was to collect data for proposed

^{82.} *Ibid*.

^{83.} Jinnah's circular letter, 12 April 1944, op.cit.

^{84.} Proceedings of the fourth meeting of the AIML Planning Committee, held at Bombay, QAP (Quadi-i-Azam Papers) File No.1104, p.338.

^{85.} See Memorandum on Economic Development (typed copy), AFM (Archives of Freedom Movement).

^{86.} *Ibid*.

^{87.} Ibid.

Pakistan areas, it consisted of a Chairman, Hatim Alavi and Secretary, Dr. Zakir Hussain. The objectives of the newly formed committee were:

- 1. An examination of the economic position of the Pakistan areas.
- 2. Distribution of assets and liabilities of the present Central Government between Pakistan and Hindustan.
- 3. A structural plan of economic development of Pakistan as a sovereign state.
- 4. Measures necessary for safeguarding the economic interests of Muslims residing in the Hindustan area and for the promotion of their economic well being (general).
- Interim measures for the promotion of the economic interests of Muslims all over India under the existing constitution (till the establishment of Pakistan) and for the creation of conditions which are pre-requisite for the successful execution of the economic plan.⁸⁸

At this meeting, Hatim Alavi pointed out that the Planning Committee could not avoid the important work of collection of necessary material about the Pakistan areas and the examination of their economic condition, as was laid down as items 1 to 3 by the new sub-committee formed under him. Thus, it became binding upon the Planning Committee to look into the potentialities of the Pakistan areas. After the fourth meeting of the committee, Secretary A.B.A. Haleem undertook to complete the work of the committee, i.e. preparation of the second part of the report, single-handedly.⁸⁹ He called this as the main report. The letters written by Professor A.B.A Haleem to Jinnah between 9 August 1945, to June 1946, show that this work continued without interruption.⁹⁰ A.B.A. Heleem wanted to consult Jinnah about the preliminary draft of the Planning Committee's final report. He requested Jinnah to spare some time so that he could discuss certain aspects of the planning work with him.⁹¹ Jinnah being totally engrossed with political negotiations at that time replied in a letter dated 22 June 1946, "..... I cannot apply my mind to the work of Planning Committee at present. It is only after I am

- 90. Khalid Shamsul Hassan, op.cit., 1991, p.340.
- 91. Nasib Akhtar, op.cit., p.415.

^{88.} Nasib Akhtar, op.cit., p.412.

^{89.} Proceedings of the fourth meeting of the Planning Committee in Bombay June 30-July 2, 1945, QAP File No. 1104, pp.317-340.

free from the present negotiations that are going on in connection with the British Cabinet Mission's proposals that I may be able to have a talk with you".⁹²

It appears that the preliminary draft of the main report being prepared by Prof. Haleem was nearly complete, as is evident from Haleem's letter dated 8 June 1946, in which he wrote, "There are certain questions connected with the preliminary draft which I should like to discuss with you⁹³ From an undated letter in June 1947 written by Rashid A. Munshi to Jinnah. It transpires that the main part of the report dealing with the Pakistan areas was to be printed in June 1947. In this letter, he informed Jinnah that he had been steadily working with Professor Haleem and with the educational experts committee in Aligarh. He wrote, "They inform me that my suggestions are being considered by the Drafting (Legislation) Committee and also that they are busy printing the report incorporating our N. China industries and insurance projects".

In his letter of 8 June, 1946, Professor Haleem submitted a suggestion about the distribution of portfolio in the interim central government between the League and the Congress. He wanted the League to get the portfolio of finance failing that of planning and development together with agriculture (plus irrigation). He wrote "If we hold these portfolios we shall be in a position to develop the Pakistan areas economically during the interim period".⁹⁵

Some important results were achieved after the establishment of the Muslim League's Planning Committee. These can be briefly described in the following words:

1. After the resolution of the Planning Committee was passed, there was immediate consciousness about its significance and

^{92.} *Ibid*.

^{93.} SHC, AIML, Volume, pp.103-113.

^{94.} Nasib Akhtar, *op.cit*, p.415. B. A. Haleem, to Jinnah, confidential; letter, 8 June 1946, SHC, AIML, Volume, p.110.

^{95.} Rashid A. Munshi to M.A. Jinnah, QAP, F-892, pp.114-17. B.A. Haleem to Jinnah, 18 June 1946, *op.cit*.

awakening of interest among the Muslims in the commercial and industrial development of the Pakistan zones.⁹⁶

2. The report (memorandum on economic development) of the Planning Committee submitted in 1945 and prepared under the chairmanship of Nawab Ali Nawaz Jung was another major accomplishment. The Congress National Planning Committee had already aroused interest in the economic development of India as an independent country but it could not even produce an interim report in spite of better resources and manpower and being appointed six years earlier than the Muslim League Planning Committee. On the other hand, Ali Nawaz Jung devoted his energies to the practical side of planning and within a year submitted his plan/report/memorandum. This was no small achievement.

However, the recommendations of the National Planning Committee of the Congress were adopted in a modified form in the Industrial Resolution Policy (I.R.P.) which the Government of India published on 6 April 1948⁹⁷ where as Pakistan could not do so.

Hatim Alavi described the Muslim League Planning Committee report as a good one.⁹⁸ Ever since the resolution about the Planning Committee was passed in December 1943. Mir Laik Ali and Hatim Alavi called it the "Pakistan Economic Planning Committee" or "Pakistan Planning Committee" and the report by the chairman of AIML Planning Committee was called by Prof. Vaswani as "Jinnah's plan for Pakistan".⁹⁹

Besides the report prepared by the Planning Committee, a Muslim League manifesto was drawn up by Daniyal Latifi and approved by the Working Committee of the Punjab Muslim League in 1944. This manifesto showed the League to be in favour of nationalization of industries and banks, strict state control and regulation of private industry, ceiling on land holdings and heavier taxation on large

Eastern Times, 14 January 1944, 30 January 1944, 1 February 1944, p.5 April 1944,
7 September 1944 and *Nawa-i-Waqt*, 5 August 1944, 14 August, 1944, 28 August,
1944, 6 September, 1944, 7 September, 1944, 8 September, 1944.

^{97.} Anupam Sen, op.cit., pp.95-96.

^{98.} Telegram by Hatim Alavi to Jinnah, 23 July 1945, QAP F.208, p.16.

^{99.} Nasib Akhtar, op.cit., p.419.

landowners.¹⁰⁰ This manifesto was not published by the Punjab Provincial League. The author published it on his own. Plans and proposals to develop Pakistan economically were also given to Jinnah by M.L. Qureshi and M.A.H. Ispahani. These were not published but were sent to Jinnah for consideration. They are now available in the Quaid-iAzam papers, National Archives of Pakistan.

The report submitted to Jinnah in July 1945, as prepared under the chairmanship of Ali Nawaz Jung was more comprehensive than the Bombay Plan. Even Hatim Alavi, a critic of the report remarked that it was a good report.¹⁰¹ Prof. Vaswani, who wrote about the planning efforts for the new India, alluded to it in a one-line reference as "Unless we like to include in it Mr. Jinnah's plan for Pakistan".¹⁰² The plan that he described as Mr. Jinnah's plan for Pakistan was in fact the memorandum prepared as an economic plan for the whole of Muslim India by Ali Nawaz Jung. It is therefore appropriate to look into the main parts of the report.

Planning Committee Report-1945

The report is a valuable document. Today's economic plans look similar with, of course, new data and figures for each consequent year. It discusses the philosophy of planning as well as detailed recommendations for each sector of the economy, and within each sector further divisions among public and private sectors have been discussed. Relevant figures have been given. Detailed tables have been made. It is indeed creditable that the committee within a short span of just one year carried out such an elaborate exercise. A report of this nature is nowadays described as "perspective planning". It covers a period of twenty years divided into four five-year plans (1945-1965). Adequate attention was given to the problems of employment and reconstruction; agriculture and animal husbandry industry, communications and transport, trade and commerce and social sectors like health, education, and housing, apart from defence. Research endeavours were mentioned, In respect of education, the Report said that expenditure on education should rise from Rs.11 per capita to Rs.35 per capita in forty years time.

102. K.N. Vasmani, *Planning for a New India*, 1946, p.19.

^{100.} See Daniyal Latifim, *Manifesto of Punjab Provincial Muslim League, Delhi, 1944* (available at National Archives of Pakistan).

^{101.} Hatim Alavi's telegram to Jinnah, 23 July 1945, op.cit.

Although figures have been given for four five-year plans, the report is actually a longer perspective plan for 50 years.

The figures in the report have to be evaluated on not what they were but what they represented. It was assumed that at the end of 1945, British India's income would be Rs. 3200 crores. An average per capita income of Rs. 96 was calculated for the Indian population.¹⁰³ The direction of planning and general approach towards the problems was identified in the memorandum on economic development. This was a pioneer contribution of the Planning Committee.

The main weakness of the industrial sector, according to the report, was the absence of cheap electric power supply. The need was for capital investment on hydroelectric undertakings so that more and more inexpensive electricity could be produced, transmitted and sold without much profit.¹⁰⁴ Similarly to develop a market for industrial products, railway electrification was proposed. These railway transmission lines were to serve the urban and rural centres. The report suggested that to absorb labour and manpower, subsidiary industries and small-scale industries should be developed. Large scale industrialisation was to be limited to defence and public utilities, heavy engineering, machinery, machine tools, locomotives, boilers, railway carriage and wagons, engines, manufacture of machinery of all kinds and heavy forges. Such industries were to be the foundation of all planning. The capital goods industry was the key to development.

The report hoped for systematic planning, as additional amounts of revenue were collected by a continuous and general increase of tax rate in the four five year plans (1945-65).¹⁰⁵ No shortage in the resources was foreseen. It recommended a reduction in the rate of taxation on completion of the twenty year programme. The role of foreign resources in initial stage was not ignored. The tax size was to be reduced, with estimated growth rate in each phase.

^{103.} Report approved by the Economic Planning Committee in its meeting held from 30 June to 2 July 1945 at Bombay, AFM-272, 9. Complete Report is also available in Zeenat Majid, "The All India Muslim League Economic Planning Committee's Report of 1945: An Analytical Review' South Asian Studies, Vol.II, No.1, January, 1994. Zeenat Majid, *op.cit.*, p.462.

^{104.} AFM 272, 12, 20, 50 & 51.

^{105.} Zeenat Majid, op.cit., p.462.

It may be noted that the first five year plan of Pakistan (1955-60) was put together under the leadership of Zahid Hussain, who was first Chairman of the Pakistan Planning Committee, after he had founded the State Bank of Pakistan as its first Governor. This five-year plan drew inspiration from the report prepared by the Muslim League Economic Planning Committee, appointed by Jinnah. This first plan had vision and insight and gave broad guidelines borrowed from the Muslim League Planning Committee Report.