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ECONOMIC DATA AND DEVELOPMENT PLANS OF THE CENTO REGION COUNTRIES



ECONOMIC DIVISION CENTRAL TREATY ORGANIZATION MARCH 1965

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DEVELOPMENT PLANS
OF THE CENTO REGION
COUNTRIES

IRAN, PAKISTAN AND TURKEY

*ECONOMIC DIVISION
CENTRAL TREATY ORGANIZATION*

MARCH 1965

Sarik Matbaasi - Ankara

FOREWORD

The CENTO Region Countries — Iran, Pakistan and Turkey — covering an area of 1,288,000 square miles and with a population of 155 million — are all trying to develop their economies not only through national development plans but also through close cooperation within CENTO. Their cooperation, through CENTO, during the last ten years has resulted in the creation of joint projects of great regional importance. It has also brought closer understanding which, in turn, has furthered the united efforts of the three countries in the economic field directed towards raising the living standard of their people.

The development efforts of these countries, which have cultural and historical ties, will, I am sure be accelerated through further cooperation and will open new horizons which ultimately will bring plenty to all.

The purpose of the present booklet is to give some basic data on the economies of the Regional Countries, their present state of growth, and the highlights of their development plans.

I am happy that the Economic Division of the Central Treaty Organization has produced a booklet which combines, in concise form, some important economic aspects of the three Regional Countries.

A. A. Khalatbary
Secretary General

**ECONOMIC DATA AND DEVELOPMENT PLANS OF
THE CENTO REGION COUNTRIES
IRAN, PAKISTAN AND TURKEY**

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1. Economic Indicators Of The Region Countries In 1963

	Iran	Pakistan	Turkey
1. Population	22,182,000	90,612,000	30,256,000
2. Area	628,000 sq. miles	365,529 sq. miles	294,509 sq. miles
3. Imports*	\$ 517 million	\$ 882 million	\$ 691 million
Import per capita	\$ 23.31	\$ 8.94	\$ 22.84
4. Exports*	\$ 505 million	\$ 403 million	\$ 368 million
Export per capita	\$ 22.77	\$ 4.09	\$ 12.16
5. Net National Product	\$3,928 million	\$7,490 million	\$5,950 million
6. Income per capita	\$ 177	\$ 76	\$ 196

* From March 1963 to March 1964 for Iran, from July 1962 to June 1963 for Pakistan.

2. Population Of The Region Countries In 1962

	Iran	%	Pakistan	%	Turkey	%
Total Population	21,227,000	109	96,538,000	100	29,413,000	103
Rural Population	14,859,000	70	84,005,000	87	22,946,000	78
Urban Population	6,368,000	30	12,553,000	13	6,472,000	22
Rate of Population Growth	2.5 %		2.2 %		2.9 %	

Source for annual estimates of total population: Monthly Bulletin of Statistics, October 1964, United Nations.

3. Land Areas Of The Region Countries
(in square miles)

	Iran	%	Pakistan	%	Turkey	%
Total Area	628,000	100	365,529	100	294,502	100
Arable Lands and Orchards	64,684	10.3	95,037	26	57,722	19.6
Permanent Meadows and Pastures	37,680	6			146,368	49.7
Forest and woodland	73,476	11.7	14,621	4	39,169	13.3
City Areas, Waste and Other Land	425,160	72	255,871*	70	51,243	17.4

* Includes area not reported and permanent meadows and pastures.
Source: Oxford Regional Economic Atlas, 1960, Clarendon Press, Oxford.

4. Foreign Trade Of The Region Countries
(in 000,000 U. S. Dollars)

	I R A N			P A K I S T A N			T U R K E Y		
	1961	1962	1963	1961	1962	1963	1961	1962	1963
Total Exports	427	447	505	400	401	403	347	381	368
Total Imports	621	551	517	642	739	882	509	622	691
Export per capita	\$20.65	\$21.06	\$22.77	\$4.23	\$4.15	\$4.09	\$12.13	\$12.95	\$12.16
Import per capita	\$30.03	\$25.96	\$23.31	\$6.79	\$7.85	\$8.94	\$17.79	\$11.14	\$22.74

Sources: IRAN — Iran's Customs Year Books for 1340, 1341 and 1342 (1961, 1962 and 1963), Ministry of Commerce.

PAKISTAN — Economic Survey 1962-63, Government of Pakistan, Ministry of Finance, Office, Government of Pakistan.

TURKEY — Monthly Bulletin of Statistics, State Institute of Statistics, Government of Turkey.

Statistical Bulletin, Central Statistics

I R A N

5. Principal Imports by Value
(in 000,000 U.S. Dollars)

	1961 ^a	1962 ^b	1963 ^c
Machinery	126**	99	90
Iron, Steel and Manufactures thereof	54	69	55
Chemicals and Pharmaceuticals	41	50	47
Electrical Goods		40	31
Textiles	42	33	19
Motor vehicles, spare parts and tires	37	29	35
Sugar	42	15	17
Paper and cardboard	12	14	15
Tea	10	10	10
Other	257	204	208
Total Imports	621	551	517
Import per capita	\$30.03	\$25.96	\$23.31

^a Corresponding Iranian year begins from March 21st of the Christian year and ends in March 20th of the following year.

** Includes electrical goods.

Source: Iran's Customs Yearbooks for 1340, 1341 and 1342 (1961, 1962 and 1963), Ministry of Commerce.

I R A N

6. Principal Exports By Value
(in 000,000 U.S. Dollars)

	1961 ^a	1962 ^b	1963 ^c
Cotton raw	32	26	37
Handwoven carpets	29	22	26
Fresh and dried fruits	23	24	19
Hides, skins and skin products	6	6	10
Wool and Hair	6	4	6
Mineral ores	4	4	5
Gum and gum tragacanth	3	3	5
Caviar and fish	3	3	3
Cummin Seed, Industrial and Pharmaceutical Seeds and Plants	3	2	1
Guts and Animal Casings	2	2	1
Others	15	17	18
Total Exports	126	113	127
Oil Export earnings	301**	334	378
Total Export Earnings	427	447	505
Export per Capita	\$20.65	\$21.06	\$22.77

^a Corresponding Iranian year begins from March 21st of the Christian year and ends in March 20th of the following year.

** Including £ 3,571,427 paid under an arrangement made in respect of refinery output.

Source for non-oil exports: Iran's Customs Yearbook for 1340, 1341 and 1342 (1961, 1962 and 1963), Ministry of Commerce.

Source for oil export earnings: 1963 Annual Review, Iranian Oil Operating Companies.

PAKISTAN

7. Principal Imports By Value
(in 000,000 U.S. Dollars)

	1961	1962	1963
1. Machinery	102	194	151
2. Iron Steel and manufactures thereof	87	88	104
3. Vehicles	50	79	99
4. Oils and Minerals	56	51	77
5. Chemicals and Pharmaceuticals	44	41	74
6. Vegetable Oils	16	33	36
7. Non-ferrous metals and manufactures thereof	20	17	38
8. Electrical Goods	18	17	57
9. Textiles	8	9	12
10. Others.	241	210	234
Total Imports	612	739	882
Import per capita	\$6.79	\$7.65	\$8.91

Source: *Economic Survey, 1962-1963*, Government of Pakistan, Ministry of Finance. *Statistical Bulletin*, Central Statistics Office, Government of Pakistan.

PAKISTAN

8. Principal Exports By Value
(in 000,000 U.S. Dollars)

	1961	1962	1963
Jute raw	188	162	155
Jute manufactured	73	66	*
Cotton raw	26	45	80
Cereals and Cereal Preparations	20	25	20
Fish	12	21	21
Wool raw	17	17	13
Cotton goods	14	11	18
Hides and Skins	13	12	11
Leather and Leather goods	3	4	4
Others	34	38	81
Total Exports	400	401	403
Export per capita	\$4.23	\$4.15	\$4.09

* Not Specified.

Source: *Economic Survey, 1962-1963*, Government of Pakistan, Ministry of Finance. *Statistical Bulletin*, Central Statistics Office, Government of Pakistan.

TURKEY

8. Principal Imports By Value
(in 000,000 U.S. Dollars)

	1961	1962	1963
Machinery	77	109	147
Vehicles	53	70	81
Mineral Fuels	52	77	67
Cereals	64	51	60
Iron and Steel	40	48	65
Chemicals, Pharmaceuticals and Fertilizers	39	48	65
Electrical Machinery	29	31	43
Rubber, Tires and Tubes	22	27	28
Wool	16	20	22
Others	117	141	113
Total Imports	508	622	691
Import per capita	\$17.79	\$21.14	\$22.81

Source: Monthly Bulletin of Statistics, 1962-1964, State Institute of Statistics, Government of Turkey.

TURKEY

10. Principal Exports By Value
(in 000,000 U.S. Dollars)

	1961	1962	1963
Tobacco	87	96	67
Cotton	58	63	81
Nuts	42	56	86*
Fruits	31	35	
Mohair	12	12	17
Animal Feed	10	13	14
Chrome	11	9	4.5
Copper	5	8	6
Cereals	6	1	4.5
Others	85	85	88
Total Exports	347	381	368
Export per capita	\$12.13	\$12.95	\$12.16

* Includes both Fruit and Nuts.

Source: Monthly Bulletin of Statistics, 1962-1964, State Institute of Statistics, Government of Turkey.

I R A N

11. Estimates Of National Income
At Current Prices
(000,000 Rials)

Sector	1960	1961
Agriculture and Forestry	78,921	81,200
Fisheries	249	250
Mining and Quarrying	1,359	1,100
Industry (excl. oil)	50,013	51,938
Oil	31,854	33,500
Electricity	2,667	3,570
Transport and Communications	15,626	15,346
Trade	42,634	42,635
Construction	12,000	10,000
Rental	19,155	19,657
Government	23,250	26,074
Banks and Insurance	6,653	6,910
Services	10,524	10,410
Gross National Product	294,907	302,599
	(\$3,880,000,000)	(\$3,982,000,000)
7 % Capital Consumption	— 20,643	— 21,417
Net National Product	274,264	281,417
	(\$3,609,000,000)	(\$3,703,000,000)
^a Per Capita Income	13,589 RI.	13,609 RI.
	\$179	\$179

* Calculated with respect to the population of each year on the basis of the Net National Product.

Source: *Estimate of the National Income of Iran*, Department of Planning and Projects, Plan Organization, 1961.

P A K I S T A N

12. Estimates Of National Income
At Current Prices
(000,000 Rupees)

Sector	1960-61	1961-62
Agriculture	1,752.0	1,793.3
Mining and Quarrying	8.1	8.7
Manufacturing	297.2	323.8
Construction	78.4	98.4
Electricity, gas, water and sanitary services	11.8	12.6
Transportation, storage and communications	170.1	179.7
Wholesale and retail trade	404.8	426.2
Banking and insurance	25.0	27.7
Ownership of dwellings	134.7	142.8
Public administration and defence	135.8	141.9
Services	212.4	226.2
Net Domestic Product	3,230.3	3,381.3
Net factor income from rest of the world	— 3.2	— 3.7
Net National Product	3,227.1	3,377.6
(at factor cost)	(\$6,777,000,000)	(\$7,093,000,000)
^a Per Capita Income	R. 341	R. 350
	\$72	\$74

* Calculated with respect to the population of each year on the basis of the Net National Product.

Source: *Statistical Bulletin*, December, 1964, Central Statistics Office, Government of Pakistan.

TURKEY

13. Estimates Of National Income
At Current Prices
(000,000 TL)

Sectors	1960	1961**
Agriculture	19,237	19,053
Mining and Quarrying	712	690
Manufacturing	6,175	6,836
Construction	2,967	2,856
Wholesale and Retail Trade	3,453	3,502
Transportation and Communications	3,020	3,350
Financial Institutions	1,400	1,302
Professions and Services	2,145	2,179
Ownership of Dwellings	2,029	2,327
Government Services	3,580	4,645
Domestic Income	44,870	46,750
Net Income from abroad	— 313	— 315
Net National Product (at factor cost)	44,357 (\$4,929,000,000)	46,435 (\$5,159,000,000)
Indirect Taxes	4,411	5,064
Depreciation Allowances	2,200	2,524
Gross National Product (at market prices)	50,968 (\$5,663,000,000)	54,023 (\$6,003,000,000)
*Per Capita Income	1,600 TL	1,620 TL
	\$178	\$180

* Calculated with respect to the population of each year on the basis of the Net National Product.

** Provisional Estimates.

Source : Turkish Economic Statistics, 1963, USAID, Turkey, National Income of Turkey, State Institute of Statistics, Publication No. 439 (1963).

IRAN'S THIRD FIVE - YEAR PLAN
(SEPTEMBER 1962 - MARCH 1967)

I. INTRODUCTION

1. Iran is now implementing its Third Plan which began in September 1962. During the period 1955-1962, the Government of Iran was engaged in the execution of the Second Plan which involved a public investment of Rls. 75.4 billion (\$ 992 million) on development activities.

2. The Second Plan period was marked by a high rate of public and private investments. This was due to rising oil revenues as well as a high level of credit expansion. Total private and public investment which was Rls. 17.8 billion (\$ 234 million) in 1955 rose to a peak of Rls. 51 billion (\$ 671 million) in 1959 but then fell to Rls. 31 million (\$ 408 million) in 1962, the last year of the Second Plan.

3. During the Second Plan, the national income of Iran in money terms rose from Rls. 220 billion (\$ 2,895 million) to Rls. 307 billion (\$ 4,039 million) or an annual average rise of about 5 %. With an annual rate of population growth of about 2.5 %, per capita income rose by about 2.5 % each year.

4. Agricultural production increased during the Plan period by an annual average of 3-4% while industrial production rose by 8% annually.

5. In 1961, industrial production formed 17% of G.N.P. while the oil industry contributed another 11%.

5. During the Second Plan, 2,700 Kms. of roads and 895 Kms. of railroads were built and 3 major hydro-

electric dams were constructed. School facilities expanded resulting in an expansion of school students from 893,000 to 1,720,000 during the Plan. In the field of health, important achievements were the control of malaria and smallpox, the construction of 18 hospitals and a large number of clinics.

7. In the field of municipal development, 27 cities got water system and 134 had electricity.

II. OBJECTIVES OF THE THIRD PLAN

(September 1962 - March 1967)

8. The primary objective of the Third Plan which covers a period of five and a half years, is to raise the national income by an average of at least 6 % per year. There are important secondary objectives which include a more even distribution of income, creation of an optimum number of employment opportunities and, through reforms in agriculture, opportunities for the individual to realise the best in him.

9. In order to obtain an annual rate of growth of 6 % Iran will have to invest approximately 18 % of its gross national product. Since the rise in population is about 2.5 %, per capita income is expected to rise during the Plan by about 3.5 % annually.

III. INVESTMENT TARGET

10. The Plan aims at a total investment of Rls. 358 billion (\$ 4,710 million) of which Rls. 200 billion (\$ 2,632 million) will be public investment. In addition to the above public investment a sum of about Rls. 13 billion (\$ 171 million) is required for the repayment of loans during the Plan. Thus the total public funds required by the Plan Organization come to a total of Rls. 213 billion (\$ 2,803 million).

11. In order to meet these expenditures, the Government has allocated about 70 % of the oil revenue to the Plan. (The oil revenue allocated to the Plan was 55 % of this revenue in 1962, but each year there is an increase of 5 %, so that by 1967 the share of Plan Organization from this revenue will reach 80 %). Since these oil revenue allocations would not be adequate to meet the anticipated costs, the Plan Organization intends to receive advances from the Central Bank, mobilize the surplus of public enterprises and make foreign borrowing of about Rls. 33 billion (\$ 434 million).

12. Looking at the total public revenues and expenditures during the Plan, the situation would be as shown in Table 1:

TABLE 1

Revenues and Expenditures of the Government
During The Third Plan
(In Billion Rials)

Public Revenues (Oil, Taxes, etc.)	387
Non-development Expenditures (Including debt service)	255
Public Saving	132
Central Bank advance to Plan Organization	16
Credit expansion to offset repayment of foreign debt	90
Mobilization of surplus of Public Enterprise	13
Foreign loans	33
Outlays for development and repayment of foreign loans	213

13. Total public revenues, including oil, taxes, etc. are estimated to be Rls. 387 billion (\$ 5,092 million) of which Rls. 255 billion (\$ 3,355 million) would have to be used

for the regular budget of Government agencies. Thus public savings remaining for development activities would be Rs. 132 billion (\$ 1,737 million). In order to fill the gap the Plan Organization will have to obtain local credits and foreign loans as shown above.

IV. SECTORAL ALLOCATIONS

14. The sum of Rs. 200 billion (\$ 2,632 million) public development outlays are distributed among various sectors as shown in Table 2.

TABLE 2
ALLOCATION TO THE MAJOR SECTORS IN THE
THIRD PLAN
(Billion Riials)

	Amount in Bil. Riials	Amount in Million \$	Per cent
1. Agriculture	45.0	592.1	22.5
2. Industry and Mines	21.9	288.2	10.9
3. Power and Fuel	27.0	355.3	13.5
4. Transport and Communications	50.0	657.9	25.0
5. Education	17.9	235.5	9.0
6. Health	13.9	182.9	7.0
7. Manpower	8.0	105.3	4.0
8. Municipal Development	8.0	105.3	4.0
9. Statistics	0.8	10.5	0.4
10. Housing, Construction and Planning Bureaux	7.5	98.7	3.7
	200.0	\$ 2,631.6	100.0

Agriculture and Irrigation

15. The main objective in the field of agriculture is to increase the production of food and industrial raw materials needed to support a 6 % growth in national income while maintaining reasonable price stability, improving rural living standards and the distribution of agricultural income. The secondary objectives such as increasing employment, raising productivity, increasing exports and reducing food and fibre imports will be pursued to the extent of compatibility with the primary objective.

16. The target for agricultural production is a rate of growth of 4 % per year. Although this target assumes an annual 1.3 % rise in per capita food consumption, the projected increase in production will not be enough to satisfy all demands for food at constant prices. The increase in rural demand in agricultural products is likely to be more as a result of a more even distribution of the rural income. Thus the general level of food prices during the Plan may be expected to rise, while prices of livestock products are expected to rise rather sharply.

17. The anticipated rise in the production of some of the agricultural items are in Table 3.

TABLE 3
TARGETS FOR MAIN AGRICULTURAL PRODUCTS

	In 1000 tons 1961	Target for 1967
Wheat	3,000	3,800
Rice	700	980
Cotton	85	120
Sugarbeet	1,020	1,300
Dates	150	200
Oranges	30	45
Almonds	14.1	15.6
Walnuts and other nuts	5.1	5.4

In order to avoid an increase in agricultural under-employment, Government assistance to mechanization will be limited. The programme will encourage the use of hand tools and small farm implements.

18. The Government will continue the distribution of public domain and the remaining large ownerships. A major objective would be to encourage tenants and small holders to direct their energies to proper cultivation, crop rotation, fertilizer use and irrigation improvement.

19. Major reliance will be placed on agricultural credit as a means of helping farmers to increase their productivity. The credit resources of the Agricultural Bank will be increased by Rs. 8.8 billion (\$ 116 million) and the number of credit cooperatives will be expanded rapidly. Moreover, the agricultural extension service will be village - oriented and expanded.

20. The production of meat and livestock products during the Plan is expected to rise by about 2.5 % per year, while a 14 % expansion of milk production is expected through upgrading cows by artificial insemination, better feeding, etc. In this connection programmes for forage production and range management have been anticipated.

21. The target in the water development programme is to increase the irrigated area by 140,000 hectares and to improve the supply of water to 260,000 hectares already under irrigation. The emphasis in the Third Plan will be placed on small irrigation projects such as shallow and deep wells, ghanat improvements and small dams.

Industry

22. With regard to industries and mines, the main objective is to develop and expand those industries which will contribute to a maximum increase in national income. The secondary objective is to increase employment opportunities, create foreign exchange savings and

earnings and bring about a more even distribution of income among regions and social classes. These objectives are translated into certain programmes and projects, while targets are set for production in a number of industries as shown in Table 4.

TABLE 4
TARGETS FOR SOME INDUSTRIAL PRODUCTS

	In 1000 tons 1961	Targets for 1967 capacity
Cotton textiles	400,000	430,000
Woollen textiles	6,000	7,000
Cement	1,000	1,200
Sugar	300	380
Dried Fruits and Nuts	55	65
Dates	40	60
Glass	20	35
Rubber	6,000	15,000

23. With regard to new industries, the Plan envisages the construction of a steel mill with a capacity of 300,000 tons a year and the establishment of petro-chemical industries. The Plan provides for the encouragement and expansion of medium and small scale industries in the private sector.

24. The development of coal, iron ore, lead, zinc, sulphur, potash and chrome ores is also anticipated.

25. The emphasis in the industry and mining plan is on the encouragement of the private sector through credit extensions, tax holidays, tariff exemptions for capital goods and providing technical assistance and guidance.

26. The Plan industry and mining is expected to create directly about 120,000 new jobs. The increase in production as a result of the industry plan is anticipated to be between Rs. 3 - 4 billion (\$ 39 - 53 million) per year after the execution of the Plan.

Fuel and Power

27. In the field of electricity the primary objective during the Plan is to assist the general industrial growth of the country. To this end capacity will be installed in anticipation of demand in major centres where significant industrial potential exists. In smaller towns and villages where the industrial potential is low, the objective will be to improve the welfare of inhabitants.

28. The Plan allocates Rls. 18.3 billion (\$ 241 million) to power for the establishment of some ten major load centres and a large number of medium and small size centres. An agency called the Iran Electricity Authority has been established to formulate electricity policies and to set national standards.

29. In the field of fuel, allocations are made for Rls. 8.7 billion (\$ 114 million) for investment in the oil sector. This figure does not include outlays for exploration, non-basic investments by National Iranian Oil Company and the contingent liability of the Government to finance 50 % of the cost of investment. The major projects in this sector during the Plan will be as follows:

- (1) A second trans-Iranian oil pipe-line of 16 inch diameter from Ahwaz to Tehran.
- (2) An oil refinery in Tehran with an initial capacity of 4.7 million cubic meters per year.
- (3) Construction of an Oil Port at Khorumsa.

Transport and Communications

30. The major objective in the field of transport and communications is to meet the needs of the economy so that the development of industry, agriculture and commerce may not be hampered by lack of these facilities.

31. The Plan has allocated Rls. 50 billion (\$ 658 million) to this sector of which 50 % will be used for the construction of major roads; 14 % for feeder roads; 13 % for post, telegraph and telephone; 7 % for railroads and the rest for ports, airports, meteorology and tourism.

32. The Plan envisages the construction of about 4,000 Kms. of highways and 7,000 Kms. of feeder roads. The railroad from Tabriz to Qutur, being a part of the CENTO project joining Turkey and Iran, will be completed by the end of the Plan and 11 airports will be expanded. A port will be built at Bandar Abbas with an annual capacity of 300,000 tons for goods and 100,000 tons for mineral ores. Another port will be built at Busher with an annual capacity of 200,000 tons.

33. A domestic microwave system will supplement and extend the CENTO Ankara - Tehran - Karachi microwave line and will utilize it for domestic purposes. There are also programmes for expansion of postal and telephonic equipment. Funds have been provided for the promotion of tourism, so that the economy can benefit from the significant contribution which an increase in tourist travel can make to the country's foreign exchange earnings.

Education and Manpower Development

34. The major objective in this field is to develop, through knowledge and training, the full potentialities of the individual, to meet the requirements for critical skills and to make Iran self-sufficient in skill formation.

35. In the field of primary education, the aim is to bring into the compulsory education system 60 % of the 7-13 age group by the end of the Plan. There is also a literacy programme which aims to reduce illiteracy to 45 % by 1967. This means that during the Plan about 4 million adults will have to be taught. The Literacy Corps conscripted by the Army will help the expansion of education to the rural areas.

36. There are also programmes for secondary education, teachers training and university education as well as programmes for vocational training in agriculture, engineering, urban and industrial trades. A major strategy will be to decentralize education to encourage local participation and to raise local funds for this purpose.

Health

37. In the field of health the primary objective is to provide an integrated health service which will lay the foundations of good health for all Iranians. The Ministry of Health will gradually transfer its operating functions in medical care and will concentrate on planning and coordination instead.

38. The health programme envisages the continuation and intensification of the campaign against the endemic diseases and will give special emphasis to environmental sanitation and training activities. There are also programmes for construction of hospitals, clinics, etc.

Municipal Development and Housing

39. The programme in this field envisages the construction of water systems, municipal health schemes, schemes for protection of cities against floods and master plans for towns. The Plan also provides for the construction of office buildings and houses for Government employees and low income groups. The allocation to the Government construction activities is Rls. 6.5 billion (\$ 86 million).

Statistics

40. The Plan aims, in the field of statistics, at increasing the quantity and improving the quality of available data in order to provide a basis for measuring development and securing population census and surveys relating to the Iranian economy. The major programmes in this area consist of an industrial census, a manpower survey, the survey of health conditions, a sample survey of villages and compilation of data concerning monetary, financial and commerce statistics.

41. By 1967 Iran completes its Third Five - Year Plan which is part of a Twenty five - Year Plan aimed at raising the standard of living of the Iranians to that of today's Western Europe.

PAKISTAN'S SECOND FIVE - YEAR PLAN (1960 - 1965)

I. INTRODUCTION

Pakistan is now engaged in the implementation of its Second Plan which started in 1960. The First Five - Year Plan, (1955 - 59) was designed as a coordinated effort for channelling existing human and physical resources for enhancing economic progress and achieving higher standards of living. During this period the infrastructure of the country's economy was established, and in spite of delayed implementation, plan targets were reached in a number of sectors, notably in industry and power development.

2. The expenditure under the First Five - Year Plan was originally estimated at Rs. 10,800 million (\$ 2,268 million) of which Rs. 7,500 million (\$ 1,575 million) were to be invested in the public sector and Rs. 3,300 million (\$ 693 million) in the private sector. But actually it amounted to Rs. 13,300 million (\$ 2,793 million) showing an increase of Rs. 2,500 million (\$ 525 million).

3. In the industrial sector actual investment amounted to Rs. 750 million (\$ 158 million) in the public sector, and Rs. 1,100 million (\$ 231 million) in the private sector.

4. Production in large and medium scale industries, despite the shortage of foreign exchange, rose by 80 % during the Plan period. This was above the Plan target of 65 %. In the public sector the Pakistan Industrial Development Corporation (PIDC) played a decisive role by establishing basic large - scale industries which

included jute mills, fertilizer factories and plants for the production of DDT, penicillin and dyes. Power generation increased from about 69,000 to nearly a million kw.

5. However, in the agricultural sector the Plan failed to meet its targets and large quantities of food grains had to be imported.

6. A network of roads and irrigation systems was set up. Investment in roads, railways, civil aviation, ports and communications generally came up to plan targets. A substantial increase in traffic accompanied the expansion in this field.

7. An estimated increase of 20 % in passenger miles, about 30 % in freight ton miles, and an average of 45 % in cargo tonnage handling capacity of the main ports occurred during this period.

8. The improvements in the fields of housing, health, social services did not fulfill the aims of the Plan although a perceptible progress was made in education: primary school enrolment increased by about 10 %, secondary school by 25 % and training of agricultural, engineering and medical personnel by 30 % to 150 %.

9. During the First Plan period national income increased by 11 % as against 15 % originally envisaged.

II. THE SECOND PLAN (1960 - 1965)

10. The long term economic objectives of Pakistan are such goals as the highest standard of living that can be achieved with the available resources; an equitable distribution of wealth; education for all; control of diseases, adequate transport and communication facilities to unify the nation economically and socially and the evolution of the national culture.

11. The principal targets of the Second Plan are:

- (i) 24 per cent increase in the national income and 12 per cent in real income per head;
- (ii) 21 per cent rise in food production to approach self-sufficiency;

(iii) 60 per cent increase in the output of large-scale industries;

(iv) 3 million more employment opportunities;

(v) a rise of 10 per cent in the average rate and 25 per cent in the marginal rate of domestic savings;

(vi) acceleration in the economic growth of relatively less developed areas of the country;

(vii) an increase of 15 per cent in total foreign exchange earnings; and

(viii) bringing about a better distribution of incomes among the various income groups of the country.

12. In view of the high rate of population growth (2.2), it is estimated that an increase of about 12 per cent will be achieved in per capita income.

III. INVESTMENT TARGETS

13. The revised Second Plan aims at an investment of Rs. 23,000 million (\$ 4,830 million) of which Rs. 1,619 million (\$ 340 million) is public and Rs. 681 million (\$ 143 million) is private sector investment. The foreign exchange component of this outlay is estimated at Rs. 8,450 million (\$ 1,755 million), the maintenance requirements at Rs. 2,500 million (\$ 525 million), and the cost of the Indus Basin replacement works, which has a separate allocation not included in the financing of the Plan, at Rs. 3,000 million (\$ 693 million).

14. The sum of Rs. 23,000 million (\$ 4,830 million) investment will be financed to the extent of Rs. 12,050 million (\$ 2,530 million) or 52 % through domestic savings, and Rs. 10,950 million (\$ 2,300 million) or 48 % through foreign aid and loans.

15. The sources and uses of national resources are given in Table I.

TABLE 1

SOURCES AND USES OF NATIONAL RESOURCES
(in 1960 - 61 prices)

	crore Rupees million U.S. Dollars		
	1959-60 (Actual)	1964-65 (Projection)	Total Second Plan Period
Sources			
Gross National Product	3,000	3,727	17,000
Foreign Aid and Loan (including commodity aid)	123	250	1,055
Foreign Exchange Loans for Indus Basin	—	64	224
PL 48 Aid	37	100	344
Total Resources	3,160 (\$ 6,636)	4,141 (\$ 8,696)	18,663 (\$ 39,192)
Uses			
Plan Investment	290	591	2,300
Indus Basin Replacement Works	—	100	336
Works Programme Consumption	—	50	160
	2,870	3,400	15,873
Total Uses	3,160 (\$ 6,636)	4,141 (\$ 8,696)	18,663 (\$ 39,192)

IV. SECTORAL ALLOCATIONS

15. The sum of Rs. 23,000 million (\$ 4,830 million) public and private investment is broken down as shown in table 2.

TABLE 2

SECTORAL DISTRIBUTION OF THE SECOND PLAN
(PUBLIC AND PRIVATE SECTORS)

Field of Development	Million Rupees	Thousand U.S. Dollars
Agriculture	3,420	718,200
Water and Power	4,390	921,900
Industry	5,120	1,075,200
Fuels and Minerals	1,000	210,000
Transport and Communications	4,050	850,500
Housing and Settlements	3,410	716,100
Education and Training	1,050	220,500
Health	420	88,200
Manpower and Social Welfare	140	29,400
	23,000	4,830,000

Agriculture

17. The major goal in the agricultural sector is to bring food grains production up to the level of self-sufficiency while maintaining, as a minimum, the present levels of consumption for the rapidly rising population; raising of dietary standards through enhanced supplies of fish, fruit, vegetables, sugar and livestock products; expanding the output of cotton, jute, tea and forest products to the maximum possible extent; attaining an export position in all prominent national products not excepting foodgrains; increasing employment opportunities and reducing underemployment in agriculture. The allocation for agriculture is mainly to be used by the recently established Agricultural Development Corporations which supply fertilizers, improved seeds and other farm requisites to farmers and supervise agricultural development efforts.

18. The agricultural credit mechanism is proposed to be developed in order to improve the existing sources of credit.

19. To exploit forest resources in areas not easily accessible at present, 1,200 miles of roads will be constructed and old roads improved. Forest surveys will be carried out with a view to raising the output of forest products. New facilities for training forestry staff will be provided.

20. A comprehensive land - reform programme, imposing ceiling and floor limits of ownership, unification of the tenancy laws, abolition of «jagirs» and utilization of uncultivated arable land is to be vigorously and speedily implemented.

21. Percentage increase targets for the main agricultural products over the average production in 3 - 5 years preceding 1960 - 61 are given in Table 3.

TABLE 3

Crop	1961 - 62	1964 - 65
Foodgrains	20.3	21
Jute	18.2	22
Cotton	10.4	38
Sugarcane	20.2	35
Tobacco	(—) 12.6	14

Water and Power

22. The aims of the Water and Power Programme are broadly the following:

- (i) To raise the productivity of existing agricultural lands through increased irrigation and improved control of salinity and water logging.
- (ii) To increase farm acreage through irrigation drainage and flood regulation.
- (iii) To provide electric power cheaply and abundantly with a view to strengthening agricultural and industrial development.

23. It is expected that an additional area of 2.4 million acres will be irrigated by the end of the Plan period, an

area of about 7 million acres will be improved through depression of water table, salinity control and an assured water supply. The gross installed capacity of electric power will be increased by 40 per cent.

Industry, Fuels and Minerals

24. The objectives of the Second Plan in this field are:

- (i) Contributing to the improvement of the country's balance of payments through increased exports or import savings through increased production.
- (ii) Increasing employment opportunities.
- (iii) Increasing the national income as an ultimate result of developments in this field.

25. To attain these goals, such measures as the better utilization of installed capacity, modernization and expansion of existing units and the establishment of new industries in selected fields are envisaged. The Plan provides for a substantial increase in imported raw materials and spare parts for the fuller utilization of the existing capacity which was formerly unused due to the shortage in the supply of raw materials.

26. It is estimated that an increased contribution of 50 per cent by large scale industries and of 15 per cent by small industries will be secured, resulting in an overall increase of 35 per cent in the contribution of the industrial sector to the national income.

27. The Plan particularly relies on private enterprise for achieving this rate of growth. As incentives for stimulating production and exports, price and distribution controls have been relaxed and industrial legislation has been revised. A total private investment of about Rs. 2,800 million (\$ 588 million) is expected in industry during the Second Plan period.

28. The Government will invest in a number of major industries such as steel, machinery, tools, cement, fer-

tilizers, paper, jute, sugar, vegetable ghee, etc, as well as in minerals such as oil and coal.

29. The industry programme has so far had considerable achievements. During the first two years of the Plan production of large - scale industry increased by 22 % (to be compared with the 60 % increase expected by the end of the Plan period). Between 1960 - 1962 petroleum production rose by 17 %, that of coal by 22 % and that of natural gas by 34 %.

Transport and Communications

30. Pakistan is a country of great distances both within and between its two geographically separated provinces. The transport network, therefore, has to be extensive in its coverage. The Plan aims at meeting the transport and communications requirements within the scope of the resources allocated to it. The Plan envisages programmes for the construction of railroads, highways, airports, development of inland water transport, ports and shipping, telecommunications and broadcasting both in East and West Pakistan.

31. The Plan provides for an expenditure of Rs. 1,239 million (\$ 260 million) for the development of roads and road transport. It is expected that the mileage of motorable roads will be increased by 35 %, from 10,775 miles in 1959 - 60 to 14,520 miles in 1964 - 65. The number of transport buses will rise by 30 %, from 9,000 to 12,000 and trucks in operation by 50 %, from 16,000 to 24,000.

32. The hundred year central control of the railways is coming to an end, and, the railways administration is being transferred to the provinces. The two government owned railway networks are being expanded and improved to meet the anticipated demands during the current Five - Year Plan. The projected increase in railway freight ton mileage is 42 %.

33. The inland water - ways network will be expanded. According to estimates, these water - ways, at present

account for over 70 % of the total transportation in East Pakistan, and in certain large areas in the south it is the only means. An increase of 60 % in inland water transport route mileage is envisaged in the Second Plan.

34. The country's merchant marine is run entirely by the private enterprise. The Plan envisages the modernization of the fleet and the extension of its operations. Ten of the thirteen vessels for which financial provisions are made in the Plan have already been acquired. The Karachi Port is being expanded to improve its efficiency and handling capacity by 30 %.

35. The expansion of Pakistan's International Airlines fleet which has grown considerably since its establishment in 1955, has necessitated the enlargement of the repair and overhaul facilities at the main Karachi base. In addition to this, the Plan envisages providing the Airline with its own jet planes.

36. In the field of telecommunications, the installation of 45,700 telephones is anticipated, of which some 17,000 were installed during the first two years of the Plan. Moreover, radio - telephone services are being extended to a number of countries. Rs. 40 million have been allocated to the development of broadcasting centres of which Rs. 30 million have already been spent for this purpose.

Housing and Settlements

37. With a population of over 90 million, Pakistan faces serious housing, water - supply and sanitation problems. These problems are complicated by the fact that over 80 % of the population falls in the low income bracket and cannot afford to own or rent suitable private housing. The Plan allocates \$ 716 million to housing of which a large portion will be spent on the construction of low-cost houses.

Education

38. The primary objective of the Plan in the field of education is to increase appreciably the coverage of primary education by establishing new schools. The programme seeks to improve the quality of primary education by providing better teaching materials and curriculum. These improvements are expected to increase the primary school enrolment by about 2.6 million which will raise the percentage of school-going children from about 42.3 in 1960 to nearly 59.8 in 1965. Over a period of fifteen years all children of school-going age will be able to receive primary education with eight years of schooling.

39. With regard to secondary school education the programme emphasizes the general improvement of existing schools and provides for the introduction, in a large number, of secondary schools of series of diversified courses in the industrial arts and handicrafts and in technical, commercial and agricultural subjects. It is estimated that 430 thousand additional students will be accommodated in the secondary schools during this period.

40. In addition to providing for the streamlining of the teacher training programme at all levels, the Second Plan also envisages in-service training and vocational specialization of teachers by means of education extension centres, a technical teachers' training college, and a college of home economics.

41. Funds are also being provided for advancing university education including training in the social sciences, engineering and public and business administration. Moreover, two new universities will be established in each province.

Health

42. Pakistan is confronted by many problems in the field of public health. The most formidable among these is the big gap in the availability of qualified medical manpower. The emphasis in the First Plan was on anti-malaria and B.C.G. vaccination, establishment of new

urban and rural dispensaries, increasing the bed capacity of existing hospitals, provision of water and drainage facilities, improved and extended health education. However, only 30 % of the total allocation for the health programme was utilized during 1955 - 60.

43. The Second Plan gives high priority to the preventive services. A Medical Reforms Commission has been established to investigate the problems of the administration of health services, medical education, training of nursing and para-medical personnel, and medical research with a view to determining their deficiencies and finding ways and means of accelerating these functions.

44. Three hundred rural health centres are proposed to be established or developed from existing health institutions. Sanitary and health services for approximately 50,000 people will be covered by each of these centres. The Plan provides for about 9,000 additional hospital beds. The anti-malaria programme will be intensified in order that this disease may be eliminated.

Manpower and Social Welfare

45. The general objectives of the Manpower and Employment programme are to produce the trained personnel required for development (i.e., business leaders, administrators, managers, scientists, engineers and other technicians); to provide workers with the required skills; to prevent the waste of skill, experience and education; and to develop means for channelling surplus manpower into useful work. The Plan includes the initiation of a broad national programme for manpower improvement of labour legislation and provisions for fact-finding and research.

46. In the field of social welfare programmes for research and training, urban community development, and rehabilitation services, probation work for juvenile delinquents and recreational services are envisaged. In a special programme relating to the coordination of social work, the Basic Democracies will have an exemplary part to play.

**TURKEY'S FIRST FIVE YEAR PLAN
(JANUARY 1963 - DECEMBER 1967)**

I. INTRODUCTION

1. As of 1962, Turkey's population, rapidly growing by 3 % annually, was approaching 30 millions. The per capita national product was roughly \$ 200. 77% of the entire population was engaged in agriculture, where there was larger underemployment. Industry employed about 10 % of the workforce, principally in concerns employing less than 10 workers.

2. Turkey's Gross National product rose by an annual average of 5.6 % during the 1950s, but this was achieved in large part by the extension of agriculture into marginal lands. Such lands have now been brought under cultivation to the full extent possible and no further rise in G.N.P. from this source is possible. Of course, the rapid population increase during this period limited the per capita rise of G.N.P.

3. The First Five - Year Plan (January 1, 1963 to December 31, 1967) is a systematic and coordinated attempt to raise Turkey's standard of living.

II. LONG TERM OBJECTIVES OF THE PLAN

4. In accordance with a Resolution adopted by the High Planning Council, «development plans will be prepared to cover five - year periods in a perspective of fifteen years». This is to assure that the efforts made to solve social problems are consistently and steadily pursued and that the priorities assigned in the allocation of resources are conducive to their best utilization. The

basic long - term objectives are : to establish social justice, to attain the highest possible level of employment at satisfactory income levels, and to achieve balance in external payments.

5. Over the fifteen - year period 1962 - 1977, Turkey's Gross National Product, measured in 1961 prices is expected to rise by 175 % from 52.7 billion TL. (\$ 5,856 million) to 145.3 billion TL. (\$ 16,144 million). This represents an annual growth rate of 7 %. Turkey's population is increasing by 3 % annually, so per capita income will rise by 78 % over the period, growing from 1,790 TL. (\$ 198.89) in 1962 to 3,200 TL. (\$ 355.56) in 1977.

6. The Plan envisages measures to improve the living standards of the poorest people. These steps include: fiscal measures to help the redistribution of income, extension of the present social security system, low cost housing, improvement of educational facilities and opportunities, and public health measures.

7. Other long - term objectives include maintenance of a balanced development between the agricultural and industrial sectors, achieving a balance in external payments, raising domestic resources sufficiently so that they will meet development expenses and diversifying exports.

III. FIRST FIVE - YEAR PLAN INVESTMENT TARGETS

8. By December 31, 1967, the first Five - Year Development Plan is expected to achieve the following specific results. Turkey's Gross National Product is to rise by 7 % annually or 40 % cumulative by 1967. This is equal to an annual rise of about 4 % per capita. Private and public investment in Turkey is expected to increase from 8.6 billion TL. (\$ 956 million) in 1962 to 14.3 billion TL.

(\$ 1,589 million) in 1967. Roughly three fifths of these totals will be public investment and the remainder private.

9. The Plan's investment and development programme is to be financed principally from increased domestic savings and foreign assistance.

10. Foreign assistance is required to meet the external deficit estimated at between 2.1 and 2.5 billion TL. (\$ 233 million and \$ 278 million) annually (4.1 to 2.8 % of G.N.P.). Foreign assistance will thus supplement internal savings to the extent necessary (about 4 % of G.N.P.). Foreign assistance will thus supplement (1963 - 67 annual average about 18 % of G.N.P.). Such foreign assistance is expected to amount to an average of about a quarter of a billion dollars annually or approximately \$ 1,250,000,000 during the period of the Plan. Such assistance will also be required to cover the balance of payments deficit (including the trade deficit and repayment and interest charges on foreign loans). The Plan explicitly assumes continuing substantial capital receipts from abroad, although it is planned that by about 1973, exceptional sources of financing, such as Government aid, will no longer be required.

11. Domestic savings will result from a lower annual rate of growth of private consumption than G.N.P. To achieve this, fiscal revenues will be raised both by the imposition of new taxes and also higher tax rates; it is hoped that public revenues will increase faster than G.N.P. and an increasing proportion of private disposable income will be channelled into savings.

12. The following table shows the total planned available sources of financing during the Five - Year Plan:

Turkey's First Five - Year Plan: Public Revenues and Expenditures: 1963 - 1967 totals in billions of Turkish Lira at 1961 prices and millions of U.S. Dollars,

	TL. (billion)	\$ U.S. (million)
(I) Total Public Revenue	87.03	9,970
a) Tax Revenue	54.62	6,099
b) Saving Bonds	3.06	340
c) Surplus from State Economic Enterprises	4.95	550
d) Counterpart funds and foreign credit counterparts	7.25	806
e) All others	17.15	1,906
(II) Total Public Expenditure	87.03	9,670
a) Current Public Expenditure	51.33	5,703
Of which Public Development Expenditure	15.69	1,743
b) Plan Public Investment	35.7	3,967

IV. SECTORAL ALLOCATIONS

13. Total gross investments in Turkey during the First Five - Year Plan will be nearly TL. 60 billion (\$ 6,667) of which 35.7 billion TL. is public investment. The general objectives in preparing the sector programmes are as follows:

- a) to assure the economic utilization of natural resources, man-power, and capital;
- b) to realize sustained growth; and
- c) to prevent the occurrence of bottlenecks and inter-sector imbalances.

The sectoral allocations of gross investments during the First Five-Year Plan are shown in the following table: (1961 Prices)

Sectors	Total	% of total
	TL (million)	\$ (million)
Agriculture, Forestry & Fisheries	10 548.4	1,772.04 17.7
Extraction & Mining	3 233.0	359.22 5.4
Manufacturing	10 089.2	1,121.02 16.9
Energy	5 134.0	570.44 8.6
Transportation and Communication	8 159.4	906.60 13.7
Services	3 965.0	440.65 6.6
Housing	12 116.0	1,346.22 20.3
Education & Training	4 227.0	469.66 7.1
Public Health	1 346.9	149.65 2.3
Tourism	827.0	91.88 1.4
Total	59 946.8	6,660.75 100

14. The major goals within each sector are briefly mentioned below:

Agriculture and Irrigation

15. The target increase for agricultural production during the first five - year plan is 125.6 % over 1962. This represents an annual rate of increase of 4.7 %. This will involve greatly increased intensive farming. The production of fish is planned to rise nearly three-fold, while production of rice, sugar, eggs, vegetable oils and pulses will also rise significantly. 54.3 % of the total invested in agriculture will be spent for irrigation. This is expected to make it possible to put 515,000 additional hectares (nearly 2,000 square miles) under irrigation. 16. 15.0 % will be spent on tractors and equipment. The number of tractors in working condition will increase by 14 % to 48,000. Purchases of high labour-saving farm equipment are to be kept fairly low.

17. Technical improvements in agriculture will include the promotion of intensive farming by soil conservation, chemical fertilizers, improved seeds, pest control and mechanization. Problems of animal husbandry, such as overgrazing and the need to combine vegetable production with animal production, will also receive attention.

Mining and Quarrying

18. The value of mineral production is expected to rise from 933.8 million TL. in 1962 to 1,333.1 million TL. in 1967 (\$ 103.75 million to \$ 148. 12 million) or by 43 %. A total of 1,512.4 million TL. (\$ 168. 04 million) is expected to be invested during 1963 -1967.

19. Production of marble, manganese, zinc, iron, lignite and pyrites will increase notably.

20. The production of crude oil for refining is expected to rise from 3,314.8 million tons in 1962 to 4,780.0 in 1967. The goal is to ensure that requirements are met from internal sources. Imports of crude oil will continue until sufficient petroleum is discovered in Turkey.

Manufacturing Industry

21. To achieve the annual growth rate of 7 %, the yearly rate of growth in industry must equal an estimated 12.9 %. The value of industrial production is expected to rise by 72 % over the five-year plan period. The manufacturing industry contributed 12.8 % of Turkey's total G.N.P. in 1962. This contribution is to rise to 16.7 % in 1967.

22. The largest planned production increases will concern: non-electrical machinery, transport equipment, rubber, plastics, wood and cork products and electrical machinery.

23. A total of 10,089.2 million TL. (\$ 1,121.02 million) will be invested in manufacturing industry during the Plan.

Power

24. At present 54 % of the power consumed in Turkey is supplied from non-commercial sources. Power policy aims to reduce the consumption of wood and other non-commercial power resources efficiently.
25. Power consumption increased by an annual average of 4.3 % from 1950 to 1960 and per capita power utilization is expected to increase by about 10 % from 1962 to 1967. The demand for electricity is expected to rise 13 % annually during the period covered by the Plan.
26. All power requirements, except petroleum, are to be met wholly from internal resources.
27. 4,955.7 million TL. (\$ 550.81 million) will be invested in electricity production and distribution. Major works to be undertaken include the construction of 1900 MW capacity hydro-electric and thermal power plants; addition of 9000 Km of high tension wires; connection of 530 cities and towns to interconnected and regional systems; and electrification of many towns and villages.

Transport and Communications

28. During the Five-Year Plan a total of 8,159.4 million TL. (\$ 906.60 million) will be invested in transportation and communications of which 2,808.1 million TL. (\$ 312.07 million) will be on highways, 1,389.9 million TL. (\$ 154.43 million) on railroads and 2,463.5 million TL. (\$ 273.72 million) on transport vehicles. 1,086.9 million TL. (\$ 120.76 million) will be spent on radio and communications, post, telegraph and telephone. Specific projects to be undertaken during the plan period include the CENTO Iran - Turkey railroad and road projects, the microwave link and the improvement of the port of Iskenderun.

Public and Social Services

29. Programmes for education, health, social welfare, housing and employment are also included in the plan.
30. The total number of students in the various educational institutions is expected to rise dramatically during the Five-Year Plan, while the number of teachers, school buildings and classrooms is also expected to increase. The number of students in primary school will rise from 73 % of the school age population in 1963 to 87 % in 1967 and eventually to 100 % by 1972. To meet the increased demand for teachers, the number of students in vocational lycees (which includes Teachers' Colleges) will rise by 225 % from 1962 to 1967. A total of 4,227 million TL. (\$ 469.67 million) will be invested in education during the plan period.
31. To improve the health of the Turkish people, the Plan gives priority to the expansion of public health (preventive) services. These include improvement of environmental sanitation, health education, control of contagious diseases, improvement of nutrition and family planning. A total of 1,346.9 million TL. (\$ 149.65 million) will be invested during the period of the Plan to implement this programme. In addition current development expenditures will equal 4,268.0 million TL. (\$ 474.22 million). The number of medical faculties will increase from 3 to 8.
32. To eliminate the social problems arising in various sectors of the community, the social activities undertaken by various voluntary associations and public agencies will be better coordinated and the number of trained personnel increased. 29.8 million TL. (\$ 3.11 million) will be invested to further such activities as providing guidance and assistance in family planning, seeking solutions to problems arising in slums, etc.
33. To help improve Turkey's balance of payments position, 827.0 million TL. (\$ 91.89 million) will be invested in facilities for tourists and 150.0 million TL.

(\$ 16.67 million) will be spent to promote tourist travel to Turkey during the five - year period of the Plan. It is hoped that the number of tourists visiting Turkey will increase from 166,000 in 1962 to 415,000 in 1967, and that the minimum revenue from tourism will rise from \$ 10.0 million (1962) to \$ 41.5 million (1967.)

34. To ensure the construction of more housing units without spending more than 20 % of the total plan investment, the Plan envisages the use of investments and credits to build low-cost housing, encourage housing cooperatives, and limit luxury construction, while tax and other incentives will be used to encourage building on city plots and the gradual elimination of squatter houses. Public investment in village housing, utility housing in cities and private investment in urban housing is expected to total TL. 21,116.0 million (\$ 1,346.22 million).

35. To evolve an effective solution to the problem of unemployment, the plan envisages a programme involving principally education and vocational training, but also including a large scale increase of non-agricultural activities in both urban and rural areas, giving priority to more labour intensive techniques where appropriate. An estimated 1.5 million people were unemployed in 1962 out of a workforce in the 15-64 age group of 15.7 million. The plan envisages that there will be only 900,000 unemployed out of a workforce of 18 million in 1967.

