

permanent experiment station is completed and the transfer of experimental work to it begun. Commercial production of improved seeds begins.

Fourth Year

Completion of the tubewell field, all phases of the program in full operation. Beginning in this year, some of the staff is ready for transfer to a new project area and a flow of personnel through the project begins.

Financing and Staffing

There are two aspects to financing the agricultural development areas. The capital expenditures should be made an integral part of the present and subsequent Five Year Plans, and should be financed as necessary through developmental loans like those that support other components of the Five Year Plans. The operating expenses of the development organization and the provision of agricultural credit and insurance stand on a somewhat different footing. Expenses will be heavy throughout the plan - niggardliness of budget was one of the main impediments to previous efforts - but increases in farm income will lag during the first few years. It is proposed that the costs of operation during these early years be regarded as capital expenses, as indeed they are, although they yield only an intangible asset, a going organization. These costs, too, can appropriately be financed out of developmental loans and grants. As results begin to accrue, however, the project region should become self-supporting (apart from subsidies on fertilizer, etc., financed by the central government) and should begin to repay funds advanced to it. Its major sources of funds will be (1) sales of tubewell water, and (2) a share of the land revenues, which should be increased to recapture a portion of the productivity increases achieved by the development program, and (3) a share of the interest on agricultural loans and the premiums on crop insurance financed or guaranteed by the development administration. Estimated average capital and operating cost per net cultivated acre in the Former Punjab and Former Bahawalpur are shown in Table 3.4.

Staffing the development administrations will be a difficult problem. Domestic personnel will clearly not be available in adequate numbers during the early years of the program, but every effort should be made to build up the domestically recruited staffs as quickly as possible. During the early years, technical assistance from the advanced countries will be essential. Such agencies as the Agency for International Development, the Peace Corps, and a consortium of universities⁽¹³⁾ can make

(13) See for example, "Pakistan - Education, Research, and Agricultural Extension for the Development of the Indus Basin"; Associated Rocky Mountain Universities; May 1962.