

EXPLORING FINANCIAL IMPLICATIONS OF ONE-UNIT RULE (1955-70)

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ABSTRACT

In support of the One-unit scheme, it was argued that the administrative expenditure could be reduced by making West Pakistan as a single province. Thus, the aim of this paper is to investigate the financial implications on smaller provinces in general and Sindh in particular. This paper will also look at the distribution of loans among the units including the Punjab, Sindh, NWFP and Baluchistan and proves that the smaller provinces did not benefit from the development loan policy under the One-Unit rule.

Key words: Development, Financial Aspect, Administrative expenditure, Provincialism

INTRODUCTION

The history of the idea of the One-unit culminated in the establishment of the united province of West Pakistan. It constitutes an important chapter in the political and economic history of Pakistan. (Malik Rizwan, 1988) This idea was as old as state itself. Initially this idea was articulated in 1948, and it was justified on grounds that it would bring administrative efficiency, greater economy and as a check on the growth of provincialism. The Sindh provincial ministry under Abdus Sattar Pirzada strongly opposed the dissolution of Constituent Assembly.¹² When the Assembly was dissolved the

¹² The first Constituent Assembly had almost completed its task of framing the Constitution; however Governor General Ghulam Mohammad dissolved it on the ground that it lost the confidence of the people. The dissolution blocked the Constitution-making function leading to series of legal disputes. The action of Governor General was challenged in the Court. The Federal Court in its advisory jurisdiction stated that Governor General had the legal authority to dissolve the Constituent Assembly according to the Indian Independence Act 1947. However, he had no authority to frame a Constitution by the ordinances and that the task of framing a Constitution was to be performed by a Constituent Assembly. In accordance with the advice of the Federal Court, the Governor General by an order set up Constituent Assembly in 1955 which had all the powers of the 1st Constituent Assembly. For further details See G.W. Choudhry, *Constitutional Development in Pakistan*, Second Edition, (London: Long man 1999).

Centre had less need to worry about political opposition. The foremost objective before the new ministry, again under Bogra, was the integration of West Pakistan into a single unit. This was what the political leaders from Punjab notably Choudhry Mohammad Ali, Mushtaque Gurmani, and Mumtaz Daultana had been pressing as a condition precedent to a Constitutional settlement with East Bengal. General Ayub Khan had come to a similar conclusion. 'This', he said in the cabinet meeting, 'is my program.' This we have got to do. The first thing is to unify West Pakistan. For him strategically and economically, West Pakistan was destined to stand or fall as a whole and he was prepared to weld four provinces into One-unit regardless of any prejudices to the country, which were being created by politicians. Iskander Mirza and another spokesman of the Army, was not averse to showing such blunt admonishment as the following:

One unit is a steam roller. Have you seen a steam roller being stopped by small pebbles on the road? None can stop the formation of West Pakistan's One-unit. No doubts should be entertained in this connection. On Nov 8, 1954, Pirzada Sindh Ministry was dismissed because Pirzada Abdul Sattar openly opposed One-unit scheme. In a written statement 74 out of 110 members of the provincial assembly of Sindh pledged their support to his campaign against the One-Unit (Rafique Afzal M, 2001). On November 22, 1954, a group of provincial politicians was summoned to Karachi and told that the Centre wanted no further debate on One-unit. Thus, it was made clear that the formation of One-Unit became inevitable. An elaborate document purportedly written by Daultana, outlined the advantages of the scheme, and promised certain safeguards to the smaller units. In the late November, Prime Minister Bogra formally announced his Government's intention to merge West Pakistan. This was promptly followed by the provincial and state assembly rubber stamping One-unit resolution drafted in Karachi.

The Khairpur State Assembly was the first to vote for unification followed by the Bahawalpur State, NWFP, Punjab, and Sindh legislatures. The debate on the bill for the unification was passed by the Constituent Assembly on September 30, 1955 and when it was put to the vote 43 voted for and 13 against it. (Constituent Assembly Debates, 1955). After the assent of Governor-General to the One-Unit Bill on October 5, 1955 the new province of West Pakistan came into existence on October 14, 1955. Mian Mushtaque Ahmed

Gurmani and Dr Khan Sahib became Governor and Chief Minister respectively (Malik, Rizwan, 1988).

The Muslim League dominated legislature had approved the plan, many Pashtuns, Sindhis, Baluchis and other non-Punjabi groups took a dim view of this development. Bengalis particularly became unhappy. The formation of One-unit was considered as consummation of the Quaid-i-Azam's dream, that nationals of Pakistan should be Pakistanis first and Pakistanis last. The aim of the formation was to form two-unit federal government. It was further said that main hurdle in the framing Constitution for country was the then administrative set-up, provincial prejudices and regional rivalries. Thus, it was believed that the making of One-unit was to end provincial wrangling.

FINANCIAL ASPECTS AND IMPLICATIONS

One unit rule was enforced without taking people of the smaller provinces into confidence. It was also the result of the compromise between the West Pakistan and East Pakistan for artificially bringing the parity between the two, wings of the country.

One argument advanced in support of the One-unit proposal was that there could be a saving in the administrative expenditure in the West Pakistan as a single province (Sindhi, Abdul Majeed, 1955). The historical evidence suggests that this argument was as misleading as it is untrue. The facts to be borne in mind in this connection are:

- It seemed that the Rulers of States were promised their personal emoluments and security of their private property. So there was no reduction of expenditure under that Head. On the contrary the expenditure on administration was bound to be increased.
- The cost of administration of the tribal areas including stipends paid to Sardars or others was also increased. The expenditure was being incurred from central revenues but after the formation of One-unit the entire burden was to put on the One-unit government.
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- Baluchistan was a deficit province and its deficit was being made good from the Central revenues but after the creation of One-Unit, it became responsibility of the West Pakistan.
- There was huge increase in salaries and thus the cost of administration machinery became higher.
- Huge funds were spent on construction of new secretariat which increased the cost of administration.
- The budget of the provinces of West Pakistan generally faced a deficit or in some cases it showed a nominal surplus. Thus, respective revenues were not adequate enough to increase illiteracy, introduce province-wide compulsory primary education, make medical and educational facilities accessible to their own backward rural areas. There were not enough funds to establish more secondary, higher or technical institutions, improve drainages, sanitation and the water supply systems of the Municipal towns, connect rural areas by roads, promote cottage industries and introduce several other reforms necessary for an all-round progress of the provinces.
- Sindh terribly suffered financially from the unification of the provinces. Sindh was compelled to forego its claims for compensation in lieu of Karachi's separation from Sindh. It had to forego water charges which it got from Baluchistan and Karachi joint water Board. Its own water supplies were also to be curtailed. It had to divert its cash balances in the various funds to the common pool.
- Justice demanded that the assets and the liabilities and the property of the existing province could be ascertained before merging them into One-unit. Nevertheless, nothing was done at any level.
- One-Unit was created in haste without a sifting enquiry into the financial position of the new province that was being created.
- When Sindh was being separated from Bombay an Expert Committee was appointed to report on the financial aspects and effects of the separation before the proposal could be accepted by His Majesty's Government. Before the Government of India Act 1935 was passed, a Federal Finance Committee was appointed in 1932 to examine the position of Federal Finance and to estimate the probable financial position of the Federal and of the

Provincial Governments under the proposed scheme of Constitutional reforms. The enquiry embraced not only the anticipated Revenues of the Central Federal Government or the Governments of the Units but of all the local authorities subordinate to the units. But the Government felt no such need to examine any question in a scientific or Constitutional manner.

- Now let us have a cursory glance at the Loan and Debt position:

TABLE: 1
THE DISTRIBUTION OF DEVELOPMENT LOANS IN THE WEST PAKISTAN UP TO 1954-5

S. No.	Province	Loan (in millions)
1	Punjab	347.8
2	Sindh	52.6
3	NWFP	66.5

Source: Sindhi Sheikh Abdul Majeed, *One-Unit Exposed*, Karachi, 1955.

TABLE: 2
THE PUBLIC DEBT POSITION UP TO 1954-55

S.No.	Unit	In millions
1	Punjab	226
2	Sind	10
3	Frontier	7.5

Source: Sindhi Sheikh Abdul Majeed, *One-Unit Exposed*, Karachi, 1955.

CONCLUSION

It was argued that the creation of One-Unit would reduce administrative expenditure. However, after the creation of One-unit the expenditure on administration was increased. The main beneficiaries from the above loans were naturally the local population but the liability for payment was to be jointly shared by the entire population of the unified province. The injustice of the distribution of burden of the above loans on the entire population was so obvious.

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