

## Economic Vision of the Quaid-i-Azam

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I am grateful to the organisers for holding this seminar on an important, if somewhat less known, facet of the life-work of the Quaid-i-Azam Mohammad Ali Jinnah, who transformed the All India Muslim League from a run-of-the-mill political party into a mass movement. His role as the founder of an independent sovereign Muslim state in South Asia has been widely acclaimed by historians and scholars. However, his political *tour de force* has rather overshadowed what he did for the economic emancipation of Muslims before and after Independence. The demand for Pakistan visualised not just freedom from colonial rule but, no less importantly, liberation from the socio-economic domination of the majority community in business, commerce, education and public services.

Jinnah knew full well that the areas to be included in Pakistan were economically and industrially backward. They constituted the agricultural hinterland of the industrialised areas of British India. A survey of industrial locations during the year 1939–40, appended below, highlights the vast disparity in industrial development between the two areas:

### *Industrial Locations 1939–40*

	Hindustan Areas	Pakistan Areas
Cotton Mills	380	9
Jute Mills	108	Nil
Sugar Mills	156	10
Iron and Steel Mills	18	Nil
Cement Factories	16	3
Paper Mills	16	Nil
Glass Factories	77	2

Jinnah encouraged Muslim entrepreneurs to enter into business, commerce and industry. In 1941, addressing the Punjab Muslim Students Federation at Lahore, he identified three main elements which go to make a nation—education, economy and defence. He emphasised the crucial importance of a strong economy thus: “no nation and no people can ever do anything... without making themselves

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economically powerful in commerce, trade and industry”.<sup>1</sup> Addressing the Balochistan Muslim League Conference in July 1943, he reiterated: “So long as a nation is weak economically, it cannot hope to win the battle of life”.<sup>2</sup>

As the Pakistan Movement gained momentum, the All India Muslim League passed a resolution authorising Jinnah to appoint a Committee to “prepare a comprehensive scheme for a five-year programme for economic and social uplift, state industrialisation in Pakistan zones....”.<sup>3</sup> Pursuant to that resolution, Jinnah appointed a 23-member Planning Committee in August 1944 with Nawab Ali Nawaz Jung as Chairman and Professor A. B. A. Haleem as Secretary.<sup>4</sup> By 1945, the Planning Committee had drawn up a Memorandum on Economic Development.<sup>5</sup> The Memorandum which incorporated a five-year development programme highlighted “the great importance of education”. Jinnah fully subscribed to that view. While addressing the Gujarat Muslim Educational Conference on 14 January 1945, he advised: We must “galvanise our forces... for the educational, social and economic uplift of our people”.<sup>6</sup> He declared that education was a “matter of life and death for our nation”.<sup>7</sup>

In November 1947, he reiterated that greater attention had to be paid to promoting technical, vocational, and scientific education, which was a prerequisite to industrial and economic progress and development. He observed that the educational policies and programmes had to be tailored to suit the genius of the people and “having regard to the modern conditions and scientific and technological developments in the world”.<sup>8</sup>

From mid-1943 on, we find Jinnah working untiringly to establish a Federation of Muslim Chambers of Commerce, which did eventually come into being towards the end of 1944. It seems that the pace of work in this direction did not meet with Jinnah’s approval. Finding that the Federation scheme had made no headway, he admonished M. A. H. Ispahani: “Have you been sleeping over the Federation of Muslim Chambers of Commerce or is it merely to remain a paper scheme” I am very much disappointed indeed that so much delay has been caused in

<sup>1</sup>Presidential address by M. A. Jinnah to the Punjab Muslim Students Federation, Lahore, 02 March 1941. See Waheed Ahmad, ed., *The Nation’s Voice*. Vol. II Karachi, 1996, 166.

<sup>2</sup>Speech by M. A. Jinnah to the Balochistan Muslim League Conference, Quetta, 4 July 1943. See Waheed Ahmad, *The Nation’s Voice*. Vol. III, 244.

<sup>3</sup>Resolution No. 2 by the All India Muslim League 31st Annual Session, Karachi, 24–26 December 1943, *ibid*, 680-1.

<sup>4</sup>Interview by M.A. Jinnah to the Associated Press, Lahore, 4 August 1944, *ibid*, 557-8.

<sup>5</sup>Memorandum on Economic Development by the All India Muslim League Planning Committee, *Archives of Freedom Movement*, Vol. 272, National Archives of Pakistan, Islamabad.

<sup>6</sup>Inaugural speech by M. A. Jinnah at the Gujarat Muslim Educational Conference, Ahmedabad, 14 January 1945. See Waheed Ahmad, *The Nation’s Voice*, Vol. IV, Karachi, 2000, 40–1.

<sup>7</sup>*Ibid*.

<sup>8</sup>Message by M. A. Jinnah to all Pakistan Educational Conference, Karachi, 27 November 1943. See *Jinnah Papers*, Vol. VI, Islamabad, 2001, 346.

holding even your first meeting. We are all losing very valuable time and a golden opportunity.... but in the rapid developments that are taking place, Muslim India will unfortunately find itself as usual with the motto "Too Late".<sup>9</sup>

Jinnah initiated various economic enterprises. He encouraged Ispahani to buy the Moghul Lines Shipping Company. He was of the view that as it was "a good channel for investment"<sup>10</sup> the Musalmans should come forward to own it. Realising the vital importance of banking, he encouraged the establishment of the Muslim Commercial Bank,<sup>11</sup> a Muslim Bank in Singapore,<sup>12</sup> and branches of the Habib Bank in Bhopal and Assam.<sup>13</sup> Similarly, the Muhammadi Steamship Company was launched with a capital of Rs 5 crore.<sup>14</sup> Even in the hectic and turbulent months of 1947—just before partition—he backed the project for an airline, Orient Airways, with a personal equity participation by buying shares worth Rs 25,000.<sup>15</sup>

He took note of the insidious propaganda, especially by G. D. Birla,<sup>16</sup> that Pakistan would not be economically viable. Jinnah tried to interest Muslim economists and entrepreneurs in the undertaking of in-depth studies and in participating in the economic development of the new State. According to one of his admirers, Jinnah bore "the entire brunt of planning, mobilising, commanding and fighting against odds"<sup>17</sup> and did all that was possible to respond to the great challenges posed by the formidable economic problems facing Pakistan. "If Pakistan," he envisaged, "is to play its proper role in the world to which its size, manpower and resources entitle it, it must develop industrial potential side by side with its agriculture and give its economy an industrial bias".<sup>18</sup> Jinnah believed that by doing so, Pakistan would decrease its dependence on the outside world and thereby increase the resources of the State. His appeals did elicit a measure of response. Economists industrialists and experts in various developmental fields submitted their findings and recommendations to Jinnah. They had earlier noted that the economic policies of the Government of British India had been characterised by concentration of too much power and influence at the Centre. M. L. Qureshi had

<sup>9</sup>M. A. Jinnah to M. A. Hasan Ispahani, 15 April 1945, Z. H. Zaidi, ed., *M. A. Jinnah-Ispahani Correspondence 1936–1948*, Karachi, 1976, 444.

<sup>10</sup>M. A. Jinnah to M. A. Hasan Ispahani, 7 June 1942, *ibid*, 271.

<sup>11</sup>M. A. Ispahani to M. A. Jinnah, 24 February 1947, *Jinnah Papers*, Vol. I, Part I, Islamabad, 1993, 73–5.

<sup>12</sup>M. A. Jinnah to M. A. Ispahani, 4 March 1947, *ibid*, 184.

<sup>13</sup>M. A. Jinnah to Mohammedali Habib, 18 June 1947, *Jinnah Papers*, Vol. II, Islamabad, 1994, 320–1.

<sup>14</sup>Abdul Latif Dada to M. A. Jinnah, 27 May 1947, *Jinnah Paper*, Vol. I, Part I, Islamabad, 1993, 894–900.

<sup>15</sup>See note 11 above.

<sup>16</sup>G. D. Birla, *Basic Facts Relating to Pakistan and Hindustan*, quoted in *Jinnah Papers*, Vol. I, Part I, Islamabad, 1993, 106–8.

<sup>17</sup>Abdul Quasem to M. A. Jinnah, 30 June 1947, *Jinnah Papers*, Vol. II, Islamabad, 1994, 606.

<sup>18</sup>Speech by M. A. Jinnah on Laying the Foundation-stone of the Valika Textile Mills, Karachi, 26 September 1947, *Jinnah Papers*, Vol. V, Islamabad, 2000, 532.

studied the economic implications of the recommendations made by the Advisory Planning Board set up by the Government of India in October 1946. As economic planning in the provinces was to be subject to the control and direction of the Central Planning Commission, Qureshi concluded that the Commission “would be a sort of Super State exercising more or less complete control over the Central and Provincial Governments”.<sup>19</sup> According to him, these recommendations were “an obvious attempt to sabotage Pakistan through economic planning”.<sup>20</sup>

Similar fears were expressed by Dr Nazir Ahmad, Member of the Indian Tariff Board, while studying Government policies for setting up “‘national’ laboratories, research stations and technological institutions”.<sup>21</sup> He pointed out the detrimental effects of such policies stating: “So far as the location of these institutions is concerned,... most of them are to be located in non-Pakistan areas. With the exception of Calcutta in Bengal, neither the Punjab, Sindh, nor the NWFP is anywhere on the map... which in effect means that their benefits, direct as well as indirect, will go mostly to the areas in which they are located, even though their cost and running expenses are borne partly by the other provinces”.<sup>22</sup>

The fears expressed by Qureshi and Nazir Ahmad were shared by others. For instance, Abdul Khaliq Mehta, a Consultant Geologist then working in USA, laid great stress on the development of petroleum and other mineral resources: “The strength of a nation,” he wrote, “largely depends upon the suitable mineral resources it commands and its ability to utilise its natural and mineral wealth”.<sup>23</sup>

Qureshi was later to recommend that cooperate farming be encouraged for improving the agricultural economy and gainfully employing the refugees.<sup>24</sup>

Jinnah had specially asked A. R. Khan, a civil servant of the U.P., to prepare detailed reports on these issues. The latter spawned a number of reports. With a view to examining the state of availability of agricultural, industrial and other economic resources in the Pakistan areas, he submitted his first report in respect of the NWFP. The data showed that the province was a “deficit area practically in every respect”.<sup>25</sup> Jinnah however was not oblivious of the mineral wealth in regions like NWFP, Balochistan and Chitral, which needed exhaustive exploitation by Geological Survey.<sup>26</sup>

<sup>19</sup>Note by M. L. Qureshi on Recommendations of the Advisory Planning Board, 27 February 1947, *Jinnah Papers*. Vol. I, Part I, Islamabad, 1993, 120.

<sup>20</sup>Ibid, 123.

<sup>21</sup>Note by Nazir Ahmad, n.d., *ibid.*, 146–7.

<sup>22</sup>Ibid.

<sup>23</sup>Abdul M. Mehta to M. A. Jinnah, 7 June 1947, *Jinnah Papers*. Vol. II, Islamabad, 1994, 93.

<sup>24</sup>See note by M. L. Qureshi on a Scheme for Resettlement of Refugees on Land, n.d., *Jinnah Papers*. Vol. VI, Islamabad, 2001, 519–24.

<sup>25</sup>Report by A. R. Khan, 15 June 1947, *Jinnah Papers*. Vol. II, Islamabad, 1994, 255.

<sup>26</sup>S. A. Mirza to M. A. Jinnah, 4 July 1947, *Jinnah Papers*. Vol. III, Islamabad, 1996, 93.

These and other forecasts were quite disconcerting. The Muslim League had neither the time nor the expertise to undertake any economic programme for the Pakistan areas. Jinnah none the less was able to address himself to economic matters, pay visits to industrial concerns personally,<sup>27</sup> and receive schemes for<sup>28</sup> “Industrialising the Pakistan Zones”.<sup>29</sup>

The supreme task before Jinnah was not only the creation of Pakistan but of a progressive modern State which could offer social and economic benefits to its people and ensure equal opportunities to its citizens. “Commerce and trade are the very life-blood of the nation”.<sup>30</sup> Commerce, according to Jinnah, was more important than culture. He advocated that in order to achieve the desired results, it was essential to maintain high standards of “business, integrity and practice”.<sup>31</sup> He hoped that Pakistan would become “a synonym and hallmark for standard and quality in the market places of the world”.<sup>32</sup> It is no wonder that while laying the foundation-stone of Valika Textile Mills in Karachi, he did not lose sight of the welfare needs of the labour employed. He said: “I also hope that in planning your factory, you have provided for proper residential accommodation and other amenities for workers, for no industry can thrive without contented labour”.<sup>33</sup>

He was keen to eradicate the evil of illiteracy in Pakistan as quickly as possible and stressed the imperative of providing the best possible training for technicians, scientists, businessmen, doctors and civil servants with a view to human resource development for accelerating economic growth.<sup>34</sup> Realising that Pakistan had virtually no industrial base, he was keen on giving impetus to industrial development and stressed the supreme need of trained manpower to help attain that end. He welcomed Aga Khan’s offer of four million rupees for setting up two institutions<sup>35</sup> in Pakistan, on the lines of the famous Zurich Polytechnic, for providing higher scientific and technical education and hoped to raise two crore rupees internally for the same purpose. Aga Khan, in his communication dated 22 April 1948, laid emphasis on economic development of Pakistan. He wrote: “Pakistan’s life and death depends on its economic strength or weakness. And that these depend on scientific development. North America in the 19th century was

<sup>27</sup>Ahmad Hajee Ayub Khadbai to M. A. Jinnah, 27 February 1947, *Jinnah Papers*. Vol. I, Part-I, Islamabad, 1993, 111.

<sup>28</sup>Ibid.

<sup>29</sup>See Letter of the Editor on Industries in Pakistan in the *Dawn*, 16 March 1947, quoted in *ibid.*, 403.

<sup>30</sup>Speech by M. A. Jinnah in reply to the address presented by the Karachi Chamber of Commerce, 27 April 1948, *Jinnah Papers*. Vol. VII, Islamabad, 2001, 487.

<sup>31</sup>Ibid.

<sup>32</sup>Ibid.

<sup>33</sup>See note 18 above.

<sup>34</sup>See M. A. Jinnah’s Interview by Weldon James of the *Collier’s Weekly*, 25 August 1947, *Jinnah Papers*. Vol. V, Islamabad, 2000, 119.

<sup>35</sup>Aga Khan to Ghulam Hussain Hidayatullah, 4 September 1947, *ibid.*, 230.

developed with foreign capital and in the twentieth century, Argentina, Brazil, South Africa and Australia owe their prosperity to foreign capital but they all had the men capable of making productive and profitable use of borrowed money. We must have as our immediate objective the same proportion of Muslim scientists, engineers and technicians as India, but, as future target, the same proportions as, say, Belgium or Switzerland.<sup>36</sup>

In an address at the Dhaka University in March 1948, Jinnah observed: "Our experience has shown that an M. A. earns less than a taxi driver and most of the so-called Government servants are living in a more miserable manner than many menial servants... Government cannot absorb thousands... There is no shame in doing manual work and labour. There is an immense scope in technical education for we want technically qualified people very badly. You can learn banking, commerce, trade, law etc; which provide so many opportunities".<sup>37</sup>

At Jinnah's behest, Mohammedali Habib, a leading banker, analysed the economic potential and prospects for rapid industrialisation of the Pakistan.<sup>38</sup> He further recommended that the Government borrow only for financing public enterprises which were productive, such as canals, dams, railways, steel and cement plants, etc., and in no case for meeting current account deficits.<sup>39</sup> Ziauddin Sheikh, a leading Advocate of Lahore, urged the establishment of ordnance factories and aviation industry, both important from the standpoint of defence and security.

In September 1947, Jinnah secured the services of Archibald Rowlands, a British expert on economic management and public finance, who had earlier been finance member of the Viceroy's Council. Rowlands carried out an in-depth survey of the fiscal position, international balance of payments and future economic prospects. His recommendations included some radical measures, especially those relating to taxation on net agricultural income and estate duties and abolition of *Zamindari* which could not be put into effect because of the powerful feudal lobby in western Pakistan.

Rowlands was opposed to exemption of net agricultural income from taxation. He regretted that whereas in Bengal such taxation had been introduced, other provinces including Punjab and Sindh had failed to do so. Rowlands also recommended that it would be better if agricultural income tax was transferred from the provincial to the Central list.<sup>40</sup> His fore-warning about the difficult economic

<sup>36</sup>Aga Khan to M. A. Jinnah, 22 April 1948, *Jinnah Papers*. Vol. VII, Islamabad, 2002, 464.

<sup>37</sup>Speech by M. A. Jinnah at Dhaka University Convocation, 24 March 1948, Khurshid Ahmad Khan Yusufi, ed., *Speeches, Statements and Messages of the Quaid-i-Azam*. Vol. IV, Lahore, 1996, 2727–8.

<sup>38</sup>Mohammedali Habib to M. A. Jinnah, 8 October 1947, *Jinnah Papers*. Vol. VI, Islamabad, 2001, 60–2.

<sup>39</sup>Ziauddin Sheikh to M. A. Jinnah, n.d. October 1947, *ibid*, 226.

<sup>40</sup>*Report by Archibald Rowlands on the Finance and Economics of Pakistan*. 12 November 1947, para II, *ibid*, 752–3.

situation helped Finance Minister Ghulam Muhammad to produce a marginally surplus budget<sup>41</sup> for the year 1948–49 by pursuing a policy of living within means and by making certain structural adjustments in the scheme of federal finance inherited from British India. The first surplus budget of Pakistan put paid to all bleak prognoses about Pakistan's economic viability and helped create a climate conducive to investment and growth.

In his broadcasts to the people of the United States<sup>42</sup> and Australia,<sup>43</sup> Jinnah observed that Pakistan was short of both capital and industrial know-how. He also told the Australians: “We know our present weaknesses in these directions and we should certainly welcome any investment which would be likely to strengthen our economy”.

Early in 1948, a Development Board<sup>44</sup> was formed to coordinate plans and recommend priorities. A Planning Advisory Board<sup>45</sup> was also set up to advise the government on planning and promoting public participation in the development effort. However, Jinnah believed that the adoption of Western economic theory and practice would not help in achieving the goal of creating a happy and contented people. “We must work out our destiny,” he emphasised, “in our own way and present to the world an economic system based on the true Islamic concept of equality of manhood and social justice”.<sup>46</sup>

In answer to the question whether there was any hope of India and Pakistan coming to a peaceful settlement with regard to their disputes, he said: “Yes provided the Indian Government will shed the superiority complex and will deal with Pakistan on an equal footing and fully appreciate the realities”.<sup>47</sup>

To the question whether in international affairs Pakistan and India would work jointly and also join hands for the defence of their borders—against any outside aggression—Jinnah replied: “It is of vital importance to Pakistan and India as independent sovereign states to collaborate in a friendly way and jointly defend their frontiers against foreign aggression. But it depends on whether India and Pakistan can resolve their own differences”.<sup>48</sup>

Before the implementation of some of the plans for socio-economic and educational development could make a real beginning, Jinnah's health had worsened and become so precarious that it appeared he was to die soon. He had burnt himself

<sup>41</sup>Also see M. A. Jinnah's remarks on the budget in his statement on being presented with new coins and currency notes, 1 April 1948, *Jinnah Papers*. Vol. VII, Islamabad, 2002, 351.

<sup>42</sup>Broadcast by M. A. Jinnah to the People of USA, 17 February 1948, *ibid*, 114–6.

<sup>43</sup>Broadcast by M. A. Jinnah to the People of Australia, 118.

<sup>44</sup>See the *Pakistan Times*, 8 January 1948.

<sup>45</sup>*Ibid*.

<sup>46</sup>Speech by M. A. Jinnah on the Inauguration of State Bank of Pakistan, 1 July 1948, *Jinnah Papers*, Vol. VII, Islamabad, 2002, 779.

<sup>47</sup>See interview given by M. A. Jinnah to Dr Eric Sreiff, 10 March 1948, *ibid.*, 181–2.

<sup>48</sup>*Ibid*.

out in his relentless pursuit of the national goal—an independent sovereign state of Muslims in South Asia and its development from scratch. His great legacy remains for us to preserve and strengthen. Economists, bankers and planners have to realise his vision of a self-reliant, progressive and prosperous Pakistan worthy of a place of honour and dignity within the community of nations.

Four weeks before his death, on the first anniversary of independence, Jinnah gave this clarion call to the nation: “Nature has given you everything, you have got unlimited resources. The foundations of your state have been laid, and it is now for you to build, and build quickly and as well as you can. So go ahead and I wish you Godspeed”.<sup>49</sup>

It is, indeed, high time we heeded the call of our Founding Father and proceeded in real earnest to build and consolidate Pakistan as he wished us to. We have to make up for lost time and, therefore, we have no time to lose.

<sup>49</sup>Message to the Nation by M. A. Jinnah, 14 August 1948, *ibid*, 707–8.