

AYUB'S ML IN OPERATION

With Ayub now the undisputed leader, the revolution got off to a sweeping and business-like start. There were a number of things to be done with respect to the nation building, Major reforms had to be put through in order to remove the confusion and imbalance in social and economic life of the country. A proper constitution was the urgent need of the moment which could properly address to the problems of the people and which would be in accordance with the principles of Islam. Land reforms, particularly in Punjab, were required to eliminate the giant landlords, who by their monopoly in the agricultural sector, had got the firm hold of the political affairs of the country. The refugees, who migrated to Pakistan after leaving their hearth and home, were living in squalor in Karachi, had to be rehabilitated in a befitting and humanly manner. The educational and legal system required substantial overhauling. Country's capital had to be reconstructed and Muslim Family Laws were to be remodeled.

Ayub adopted methods to redesign Pakistan's foreign policy and put an end to Pakistan's subservient posture to the US. "Ayub wanted essentially what his soldier brother (de Gaulle) sought for France, an opportunity for national self-assertion and independence, meaning independence from the US".³ Pakistan under Ayub was cited as a model for developing countries. Similarly Ayub's foreign policy and diplomatic moves earned him the title of the 'Asian or Muslim De Gaulle'.

After taking over complete control of the administration, Ayub set up a number of commissions to examine the situation and recommend for the introduction of reforms in the constitutional, political, social economic

and administrative spheres of the country. Machinery was set up to purge the bureaucracy and police of the officers who were known to be corrupt. Smugglers and black-marketeers were rounded up. Businessmen who had despatched their illegal earning abroad and who had evaded their taxes were given a period of grace to pay the taxes and repatriate the money held in the Swiss banks. Huge sums of money were recovered in this way.

EBDO

Corrupt politicians were dealt with firmly. Ayub had watched the political situation of his country with deep insight and believed that the politicians were mainly responsible for political, moral and social degradation of the country. He was of the view that if the politicians were left unchecked, the ML regime would find it difficult to accomplish its target of national development. Ayub promulgated two ordinances to ban the politicians which were (1) Public Office Disqualification Order, and (2) Elective Bodies Disqualification Order. By these ordinances the corrupt politicians were given a choice of either face the trial under EBDO for the misdeeds or voluntarily abdicate from all political activities for the next six years. A large number of politicians like H.S. Suharwardy, Makhdoomzada Hassan Mahmood and C.E. Gibbon chose to step down instead of facing the trials. Similarly corrupt bureaucrats and police officials were dismissed from service. After settling with the corrupt politicians and officers, Ayub now set himself to the task of introducing reforms in the various spheres of the country. Ayub's reforms are discussed below.

Economic Development

Ayub, in the very beginning of his regime, put great emphasis on the economic uplift of the country. His era is remembered for the professional competence which his regime demonstrated in its approach towards the economic management of the country. His main thrust was on the industrialization as he believed that Pakistan adversely lagged behind in the industrialization. Therefore, his political, social and economic policies were

directly or indirectly aimed at achieving the target of industrialization.

There were some formidable obstructions in the way of economic uplift like the lack of national integration and excessive emphasis on the religion being the common bond. These problems seriously thwarted the economic progress despite concerted endeavours by the ML regime. To some extent Ayub's economic policies created hindrance in the way of national integration.

However, Ayub was able to overcome these problems mostly by his own dynamism. He did not care for the unpopularity his regime earned due to his economic policies as his regime was neither put into power by popular support nor did it sought in the first few years an electoral vote. Ayub was, therefore, successful to push through an industrialization programme which a democratic regime, particularly the one led by big landlords, could not have achieved.

The Ayub era was a period of smooth economic development distinct from the stagnant economic profile of the fifties. There was a significant increase in the per capita income as compared to the position in the 1950's. The agricultural and industrial sectors demonstrated impressive performance and accelerated GNP growth. Five years plans were prepared with utmost care and professional expertise and contained the overall framework of the development. The five years plans provided the required and necessary discipline and firm control over economic management. The five years plans carried the clarity of objectives and the strategy to accomplish the developmental target within the prescribed time period. Targets and instruments were clearly mentioned in the developmental projects. The monetary discipline and a tight control over budget deficit provided strength and stability to the economic situation in the country.

Land/Agrarian Reforms

Ayub's ML regime took up revolutionary steps to improve the agricultural sector of Pakistan. From the very beginning a few notable families had established their sway in the political set up of the country. They

growth. These facilities must be available in the area where industry is to be established. Moreover the administrative efficiency in the government departments must exist and a network of traders and wholesalers must be ready to sell the goods. Above all a stable political order must prevail throughout the country to induce the private investor to have a plunge into the industry.

In order to eliminate impediments and to pave way for smooth industrial growth, the Ayub regime adopted the policy of **gradual liberalisation of economy**. The extreme bureaucratic restraints were ceased off by more market oriented approach. Prices of the industrial goods were stabilized through price mechanism which relaxed the control over industrial investment and trade. The government removed the constraints on profit margin and prices, imposed during the fifties. It provided tremendous incentive to the traders, wholesalers and private investors. Resultantly during 1958-63, Pakistan's industrial growth performance was highly impressive.

Investment procedure was simplified which involved relaxation of restrictions on both imports and exports. The ML regime placed a number of items on the free list for which no import licence was required for import purposes. The acquisition of import licence was made easier. The government took measures to increase foreign exchange earnings by encouraging exports. **A bonus voucher scheme** was introduced on 10th January, 1959 to accelerate foreign exchange earnings by pushing exports. Under this scheme exporters of certain raw materials and manufactured goods received import permits equivalent to 10-40% of the value of the exported goods. These bonus vouchers were transferable, or sold in the open market and could be used to import goods from abroad. There was strong demand for these vouchers which enabled the holder to command high premium. Importer of luxury items paid asked for price of these vouchers. The bonus voucher scheme provided great boost to the earning of foreign exchange through enhanced export.

During this time a number of steps were taken to boost up investment in the industrial sector. New industries were given tax holidays and dividend income upto Rs. 3000/- was declared as tax free. In 1951 PIDC was established which assisted in the development of industries. Ayub's regime further strengthened this institution. NIT was set up to attract small savings into industrial investment. The surplus from East Pakistan to West Pakistan was transferred in various forms. The foreign exchange earnings from jute export, profits made through interwing trade, taxes appropriated by the Central government from the Eastern wing and control over surplus of industrial enterprises owned by West Pakistanis in East Pakistan were transferred to West Pakistan for import purposes in West Pakistan.

Domestic markets were unified so that the finished goods could travel from one area to the other with ease. The princely States were dismantled and brought under government control. The domestic market was further strengthened by the imposition of tariff on imported goods. It enabled the new industries to compete with foreign goods. Ayub regime concluded agreements with the friendly Muslim countries for economic development. The RCD union was formed by Pakistan, Iran and Turkey for the regional economic development between the three countries.

Constitutional/Political Reforms

When Ayub took over as the CMLA and later on as President of Pakistan, he was fully convinced that the political structure of the country required a major overhaul. Ayub and his military colleagues were of the opinion that parliamentary system did not suit Pakistan and would saddle the corrupt and discredited politicians back into power. 'The economic and political chaos which undertook Pakistan after independence convinced the military leaders that the Westminster Model did not suit the conditions and circumstances of Pakistan'.⁶ In a broadcast to the nation on 1st March, 1959 Ayub said, 'to work a Westminster style

democracy you need really cool and phlegmatic temperament, which only people in cold climate seem to have.' He went on, this system has only worked successfully in Britain and the Scandinavian countries. Elsewhere it has not taken real roots. So don't let us kid ourselves and cling to cliches and assume that we are ready to work such a refined system, knowing the failure of earlier attempts. It will be fool hardy to try it again until our circumstances change radically.'

Ayub's military regime, in fact, wanted to institute a political system which suited to the people and which people understood easily. Ayub and the military leaders were convinced that in order to bring economic stability, political set up must undergo a substantial restructuring. 'It has been proved that without a stable democratic set up; economic progress cannot be accomplished. A society divided between a large impoverished mass and small favoured elite results either in oligarchy or in tyranny'.⁷ Ayub Khan believed that developing nations need economic development more than any other thing. Unless a nation has attained sufficient level of economic development, liberal democratic institutions should not be introduced because these tend to divide people and encourage disintegrative forces. These tendencies undermine the output of the government and slow down the pace of economic development'.⁸

Ayub Khan in order to implement his perception of Pakistan's political order introduced a system of controlled democracy and claimed that his system was of the type that people can understand and work proficiently. Ayub believed that democracy in Pakistan should be of a type that suits to the genius of the people. In the first phase Ayub introduced a system of local self-government in 1959 and issued the Basic Democracy, order on the eve of the first anniversary of the ML regime. The system of basic Democracy, popularly known as BD system with four tiers was said to have been designed keeping in

view the peculiar conditions of the country, to make the administrative process meaningful and to introduce democracy at grass-roots'.⁹