

1. Long range economic development planning of any substance will have to be done on the national level for several reasons.

- a. Resources will be limited and will be controlled and allocated from the central government level.
- b. Priorities will be set at that level.
- c. Provinces do not have planning staffs or persons with suitable background and training.

2. Provincial Economic Services are little more than supply bookkeeping offices. Most of them fulfill no economic function except to gather some limited data. The regional Economic Control office functions the same way on the regional level so that in effect there is no real economic service beyond the national level.

3. Some provinces have a Reconstruction Service that makes drawings and plans for individual projects but they are not a development planning office.

4. Provinces do some planning each year since they must submit proposed budgets for such projects as provincial roads, dams, dikes, irrigation, fishing, agriculture expansion, education, health facilities and others. Most of these are relatively small projects. Supposedly these provincial pacification development plans are done on some logical basis so that the next years plans are based on current year accomplishments resulting in an annual addition that builds toward a long range goal of more complete public facilities. In many cases what is done depends on who is in office at the time and what groups have applied enough pressure for adoption of their pet projects. There has not been any continuity so far.

5. Three years ago the provinces were instructed that when they made their pacification plans for 1967 they were to think ahead on a three year basis so that for example a segment of road built in a village one year would be added to in each successive year and eventually become a part of a provincial road system. Long range planning has been the victim of a combination of local ineptness and the annual american cycle of seeking a new magic approach and solution to problem. Each year from the national level the accent has changed so that in effect the provinces could not follow through even if they had been inclined to because central direction changed. The provincial planning that is now being done takes no cognisance of what neighbor provinces are doing or what is happening in the whole geographic area that represents an economic boundary rather than a provincial boundary.

6. At present, the Province Pacification and Development Council

combines the best talent available in each province and represents the nearest thing to a planning body that makes any attempt at coordinated thought and action but most councils are handicapped by limited technical background of its members and the domination of a province chief with his own ideas. Each member still owes his primary loyalty to the particular ministry he represents and there is always the tendency to carefully guard the independence and prerogatives of that ministry even though the province chief is supposed to exercise operational control over all provincial services. It would be a mistake to assume that the provinces are capable of sound long range development planning.

7. It would also be a mistake to exclude provinces from participation. They can fill an important roll and contribute valuable necessary information, however the direction of the national planning process should remain at the central level. Planning at province level as advocated by CORES PP and P should be discouraged. The provinces should be limited to small local projects that can be accomplished generally within their own capability to plan and carry out.

8. A course to follow for the future is to develop within each Province Economic Service the capacity for a broader range of economic functions to include development planning.

11

*L. Mr. Flanagan
Econ MR 11*