

Budget Speech 1981-82

by

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Ladies and Gentlemen,

Assalam-o-Alaikum,

I have this evening the honour of presenting to you the Punjab Budget for the year 1981-82. Before explaining its broad details, I shall briefly review the budgetary position of the Province for the current financial year.

2. When the current year's Budget was announced by the Governor on June 21, 1980, we had anticipated a surplus of Rs. 30.62 crore in the Non-Development Account of the Province. However, certain events occurred almost immediately after the announcement of the Provincial Budget and some other factors operated during the year which have resulted in a substantial change in the budgetary position of the Province.

3. As you know, a number of measures were included in the Federal Budget which inevitably meant additional liabilities for the Provincial Government. Additional dearness allowance of Rs. 30 per month was granted to Government servants drawing pay upto Rs. 1500 per month. Rates of conveyance allowance of Government servants were enhanced. Pensions of retired civil servants were also increased. The Provincial Government gave similar relief to its employees and pensioners at a cost of Rs. 26.32 crore during the current financial year. Prices of petrol products and telephone charges also went up considerably. Water & Power Development Authority increased its electricity tariff with effect from the 1st of November, 1980 as well. These price escalations increased operational cost of Irrigation Department's tube-wells and contingent expenditure of Government departments by about Rs. 6.81 crore. Provincial Government's receipts from electricity duty are also expected to fall short of the target by Rs. 2.96 crore because increase in the electricity tariff was introduced by WAPDA from 1st November instead of 1st July, 1980.

4. The additional liabilities and short-fall in receipts have, however, been more than counter-balanced by improvements in receipts from various sources. New taxation measures introduced by Federal Government in the current year's Budget have increased our share of Federal divisible taxes by Rs. 80.58 crore. Income from land revenue has also shown an improvement of Rs. 3.85 crore over the Budget Estimates which included receipts for only one crop in anticipation of introduction of Ushr. Similarly, receipts from abiana have shown an improvement of Rs. 7.05 crore. A sustained effort

for collection of taxes and Government dues has also resulted in the improvement of receipts from Stamp Duty, Registration Fee and other taxes collected by Excise and Taxation Department. As against the Budget Estimates of Rs. 100.98 crore these provincial receipts are likely to go up to Rs. 116.41 crore showing an increase of Rs. 15.43 crore. Other improvements in receipts including *ad hoc* Federal grants are expected to aggregate Rs. 8.11 crore.

5. As a result of these resource improvements the Punjab Government would not require any cash loan from Federal Government for financing a part of its Annual Development Programme. This will save us an amount of Rs. 5.26 crore which had been budgeted on account of interest on Cash Development Loan to be obtained during the current financial year.

6. The net effect of increase in liabilities and resource improvements I have just explained is that while Non-Development Expenditure of the Province will increase from Rs. 586.69 crore in the Budget Estimates to Rs. 618.58 crore in the Revised Estimates 1980-81, the General Revenue Receipts would increase from Rs. 606.54 crore to Rs. 721.56 crore thus yielding a revenue surplus of Rs. 102.98 crore. Taking into account net capital receipts of Rs. 11.74 crore, the year is expected to close with a surplus of Rs. 114.72 crore in the Non-Development Account.

7. The post-budget liabilities that I have mentioned in the context of the Revised Estimates of the current financial year are of a permanent nature and will get automatically reflected in the Budget Estimates of 1981-82. Next year's budget has thus to absorb all these pressures. At the same time it has to provide for the normal expansion of essential social services like Health and Education and important economic services in fields like Agriculture and Communications. The wide gap between facilities presently available and minimum requirements for development of these services also requires to be narrowed.

8. As a step towards the attainment of this last mentioned objective we have revised yardstick for allocation of funds for maintenance of roads in the Province from Rs. 5,000 to Rs. 9,200 per standard mile of 10 feet width. This is to ensure that adequate provision is made for maintenance of communications net-work created through a very large capital investment. Similarly, a more substantial and realistic basis has been worked out for providing medicines, diet charges, equipment, etc., to hospitals in the Province. All this would cost additional Rs. 5.00 crore to the Provincial Government during the next financial year.

9. As in the past, WAPDA will, during the next financial year, transfer tube-wells installed and drains constructed under Accelerated Programme for control of water-logging and salinity to the Provincial Irrigation Department for operation and maintenance. The Authority has indicated

that total capital expenditure incurred on all tube-wells and drains already transferred to the Provincial Government and those to be transferred during 1981-82 will be debited to the loan account of the Provincial Government during the next financial year. This would mean a debt liability of Rs. 87.53 crore in addition to loan of Rs. 27.26 crore already transferred to the Province. Interest on this additional debt payable to the Federal Government during 1981-82 will be Rs. 9.96 crore. This is in addition to an allocation of about Rs. 2.00 crore which would be required for operation and maintenance of new tube-wells to be transferred to the Irrigation Department during 1981-82.

10. We have the most extensive irrigation system in the world with canals as a key element in it. This network also includes huge replacement works undertaken in the recent past with the help of foreign assistance in response to peculiar political and economic conditions prevailing in the sub-continent. All this physical infrastructure has been raised at a tremendous cost. It is meant entirely to serve the farmer and to provide him with water which is a basic and in this country a highly scarce agriculture input. This service function, however, cannot be performed by the Government to the satisfaction of the users unless the system is maintained properly and geared to a high pitch of efficiency. This in turn involves investment of adequate resources to keep it in a good running shape.

11. Unfortunately we have not been able to come up to this requirement. This is primarily due to the fact that income derived by the Government from the supply of water to the farmers has been far short of the expenditure being incurred on the operation and maintenance of the irrigation network. Thus total expenditure on operation and maintenance of irrigation system in the Punjab inclusive of tube-wells transferred from WAPDA would increase to Rs. 81.12 crore during the next financial year. Against this total income of the Irrigation Department is estimated to be Rs. 49.91 crore. This means a loss of Rs. 31.21 crore on the supply of irrigation water to the farmers.

12. This is a huge gap. The gap of course only brings out variation between operational cost and service charges being levied. It does not reflect capital cost of these projects which also has to be recovered. If this element is also taken into account, the differential is simply colossal. The provision of cheap and highly subsidized water has had two effects. First, it has placed a serious limitation on Government's ability to raise adequate resources for proper operation and maintenance of the irrigation system. Secondly, low rates have operated as disincentive to the efficient and economical use of water. The instances of wastage and improper use are too common to be high-lighted here. It is, therefore, imperative that this distortion between costs and revenues be gradually eliminated. It was indeed for this reason that a 25% increase in Abiana rate yielding Rs. 4.68 crore was levied during

the current financial year. This amount obviously has not taken away very much from the total bill of the operation. The policy of progressively increasing water rate has, therefore, perforce to be continued till such time as the system becomes viable, self generating and self sufficient. On our part we are examining its organizational and operational standards. We do earnestly hope that with the co-operation of the farming community we shall be able to attain a close to optimum operational efficiency in respect of this all important service.

13. The expenditure on education is likely to increase from Rs. 141·86 crore in the Revised Estimates of 1980-81 to Rs. 156·94 crore in the Budget Estimates of 1981-82. The allocation for primary education will increase from Rs. 77·19 crore or 54 per cent of the Revised Estimates of the current financial year to Rs. 86·64 crore or 55 per cent of the total allocation for 1981-82. Next year's allocation for education includes provision for opening of 1500 new primary schools including 150 mosque schools, consolidation of 1000 existing primary schools, upgradation of 80 existing middle schools to high standard and creation of 169 posts of teachers for introduction of the subject of Biology in high schools. These and other new services to be provided for under the education sector would account for an additional allocation of Rs. 1·14 crore during the year 1981-82.

14. Other important new items of expenditure included in the next year's budget are staff for 20 Rural Health Centres, 80 Sub-Health Centres, 57 Basic Health Units, 150 posts of House Surgeons and Physicians in different hospitals of the Province, 21 posts of Additional District & Sessions Judges and 24 posts of Civil Judges with ancillary staff and introduction of new system of motor vehicles registration and number plates. Lumpsum allocations of Rs. 1·70 crore and Rs. 0·30 crore have also been included for augmentation of Police force and streamlining the administration of prisons. The total expenditure included in the next year's Budget for entirely new services, other than those under education, amounts to Rs. 10·29 crore. In addition to this an allocation of Rs. 2·24 crore will be required for completed development schemes of different departments to be transferred to the non-development Budget from the next financial year.

15. Procurement and distribution of wheat and sugar by the Government is undertaken entirely with borrowings from the Banks. However, incidental charges on distribution of wheat atta through the ration depots in urban areas are borne by the Provincial Government. A total quantity of 12 lac metric tons of wheat atta is proposed to be distributed through ration depots during the year 1981-82 against revised target of 11·20 lac metric tons of the current financial year. As the rate of incidental charges is Rs. 344·00 per metric ton, the bill for subsidy on wheat atta in urban areas would increase by Rs. 2·75 crore from Rs. 38·53 crore in the Revised Estimates of 1980-81 to Rs. 41·28 crore in the Budget Estimates of 1981-82.

16. As a result of these additional expenses and the requirements of normal expansion of services, the non-development revenue expenditure would increase by 9.46 per cent from Rs. 618.58 crore in the Revised Estimates of 1980-81 to Rs. 677.13 crore in the Budget Estimates of 1981-82 which has been reduced to Rs. 653.47 crore as a result of economy cut to which I shall refer later. We will thus be able to restrict the growth of expenditure almost to the level of increase in the current year's original Budget Estimates over the Revised Estimates of the previous financial year inspite of throwforward effect of the post-budget liabilities of the current financial year and heavy new commitments for the next year.

17. The general revenue receipts are expected to increase by 10.02 per cent from Rs. 721.56 crore in the Revised Estimates of 1980-81 to Rs. 793.85 crore in the Budget Estimates of 1981-82 thus yielding a revenue surplus of Rs. 140.38 crore. This is due mainly to improvement of Rs. 64.20 crore in our share of Federal divisible taxes. Taking into account the net capital receipts of Rs. 7.69 crore, there will be a total surplus of Rs. 148.07 crore in the Non-Development Account of our Budget for 1981-82 for investment in the Annual Development Programme.

18. I shall now give you a brief account of the Annual Development Programme. In order to ensure maximum utilization of resources available for financing the Annual Development Programme, the Punjab Government has been following the practice of budgeting short-falls. Under this strategy, a gross Programme equal to the available resources plus the expected short-fall in implementation is included in the Budget. The pace of implementation is kept under constant review to obviate possibility of heavy over-runs on resource availability. By this method the Government has been successful in achieving a satisfactory implementation of the Annual Development Programmes and avoiding any significant lapse of budgeted allocations.

19. The gross size of the current year's Annual Development Programme was fixed at Rs. 280 crore against a resource availability of Rs. 265.20 crore, comprising Federal assistance of Rs. 229.58 crore, surplus of Rs. 30.62 crore in the Non-Development Account of the Provincial Budget and transfer of Rs. 5.00 crore from the Deposit Account for Town Development Schemes. An operational short-fall of Rs. 14.80 crore, or 5.29 per cent of the total size of the Programme, was thus budgeted. The surplus in the Revised Estimates of the Non-Development Account of the current year's budget has now gone up to Rs. 114.72 crore. The amount available out of the Deposit Account for Town Development Schemes has decreased to Rs. 4.75 crore. With the expected Federal assistance of Rs. 146.43 crore the total availability of resources now stands at Rs. 265.90 crore which is also the revised size of the current year's Annual Development Programme.

20. For our Annual Development Programme of 1981-82, the Federal Government have promised an assistance of Rs. 164.57 crore including

cash grants of Rs. 55.82 crore, cash loan of Rs. 78.50 crore and foreign aid of Rs. 180.26 crore. With surplus of Rs. 148.07 crore in the Non-Development Account and an amount of Rs. 71.17 crore available for transfer from the Deposit Account for Town Development Schemes a total amount of Rs. 1319.84 crore will be available for financing our Annual Development Programme of 1981-82. Against this, the gross size of the Programme has been fixed at Rs. 935.00 crore anticipating an operational short-fall of Rs. 151.19 crore or 16.27 per cent of the total size of the Programme. The effect of the post-budget liabilities of the current financial year and heavy

21. Economic planning is always a challenging exercise. In case of developing countries the difficulties increase manifold. Planners have to match inadequate resources with ever increasing expectation and demands in all sectors of the economy. There is thus always a temptation of spreading their resources too thin by covering a large number of schemes with all the consequences of implementation delays and cost escalations. We in the Punjab have resisted this course of action. Our effort has been to concentrate on hard core programmes to the exclusion of the non-essential projects. In this process the number of schemes included in the Annual Development Programmes have been reduced from 1785 in 1978-79 to a manageable level of 1224 in 1981-82. Emphasis is also being laid on completion of a maximum number of on-going schemes. It is expected that 69 per cent of the schemes included in the current year's Annual Development Programme will be completed by the end of the year.

22. As most of the available resources stand pre-empted by the on-going projects there remains very little scope for breaking new ground in the Annual Development Programme. Notwithstanding this constraint we have taken bold initiative in many areas by allocating the uncommitted resources on a highly selective basis to important programmes. Two major elements in this "incremental strategy" are the development of farm-to-market roads and rural electrification programme. This two pronged thrust aims at providing the necessary physical infrastructure of road network and power for the rural economy to enable it to achieve a certain degree of buoyancy and self-sustained growth.

23. The programme of farm-to-market roads has been launched for the first time in the history of the Punjab. During the current financial year it was allocated an amount of Rs. 22.10 crore. This amount has been raised to Rs. 30.00 crore during 1981-82. Over a period of 3 to 4 years 2500 miles of such roads will be constructed. The length of roads thus completed would virtually be double the size of Grand Trunk Road and is indicative of the determination of the Government to stretch itself to the maximum for the betterment of vast rural population. It is expected that this added facility would reduce pressure of urban migration and bring areas which had hitherto been in a non-monotized sector of the economy within the range of market operations.

We also hope that the wheels of progress and civilization would follow these tracks and transform life in these far flung areas.

24. It may also be mentioned here that allocation of Rs. 30.00 crore for farm-to-market roads during 1981-82 would be in addition to an allocation of Rs. 8.04 crore ear-marked for link roads under the Rural Development Programme and another allocation of Rs. 27.17 crore for the main programme of the Highways Department. Thus the aggregate provision for expansion and improvement of the communication network in the Province during 1981-82 will be about Rs. 65 crore which is by far the biggest ever made for this purpose.

25. Our power programme which will receive a substantially larger allocation of Rs. 15 crore in the Annual Development Programme 1981-82 as compared to the previous years has similar objectives. Two new dimensions are being added to this activity. First, the allocation will be used for extension of 11 KV network in areas which have the capability at the grid station but where the network is inadequate and inhibits maximisation of electrification coverage. Secondly, wherever local population of a village is willing to bear 1/3rd of the cost, the remaining 2/3rd will be contributed by the Government to electrify that village irrespective of the distance from 11 KV line. The purpose of the programme is not simply to provide a spectacle of bright lights to our somewhat sedate rural scene. We expect to go much further. We hope that the provision of electricity would give a filip to cottage industry in our country side and eventually facilitate the setting up of agro-based industries in our rural areas. I sincerely hope and pray that this will not remain just a pious wish and that ultimately we shall succeed in diversifying the village economy and transforming the rural scene to the positive benefit of our people.

26. In the Annual Development Programme 1981-82 we have also introduced the concept of focal points for the development of rural areas. Effort will be made to provide a package of facilities, such as electricity, water-supply, road communication, health units and schools, in selected villages and semi-urban settlements. One village in each union council, normally the union council headquarters village, will be selected under this scheme for providing elementary facilities like middle schools, basic health units, water-supply, communications etc. Similarly, one village or town in each Markaz, normally the Markaz headquarters town, will be selected for provision of intermediate facilities like rural health, communications and electricity. An allocation of Rs. 7.00 crore is being made in the next year's Annual Development Programme for the growth of such focal points.

27. It is hoped that the availability of this package of amenities will work in the same direction as the twin programmes of power

and farm-to-market roads. These enclaves will facilitate development of local skills and cottage industry and thereby slow down urban shift of rural population. They will also encourage public functionaries to go willingly to rural areas and serve the people there to the best of their ability.

28. There is a very wide gap between needs of our people and resources available in the public sector to meet those needs. It is imperative, therefore, that continuous efforts are made to mobilise local resources to augment public funds for implementation of the development programme. I have already mentioned the expansion of rural electrification on cost-sharing basis. It is hoped that many villages will be electrified under this scheme. Another important programme being implemented on cost-sharing basis is the improvement of water courses under a crash programme at an estimated cost of Rs. 42.00 crore out of which the Government will contribute Rs. 5.00 crore only in the shape of subsidy and the remaining expenditure of Rs. 37.00 crore will be borne by the beneficiaries of the programme. A bulk allocation of Rs. 4.00 crore has also been included in the next year's Annual Development Programme to give matching grants to union councils and district councils corresponding to the resources that they raise locally.

29. In sectoral allocations greatest emphasis will continue to be laid on Agriculture which is the backbone of our economy. An allocation of Rs. 124.68 crore, or 37.22 per cent of the total Annual Development Programme of 1981-82, has been made in the next year's budget for Agriculture and Water sectors.

30. I have already mentioned the two key areas of farm-to-market roads and electrification of tube-wells and villages which fall in the Agriculture sector. Another important programme included under this sector in Annual Development Programme 1981-82 is the improvement and development of water courses and provision of pacca nakkas. For this purpose an allocation of Rs. 10.65 crore has been made in the Annual Development Programme. The project was launched in 1979-80 but tested extensively for the first time during the current financial year. The response generated amongst the public was nothing less than spectacular. In many a place houses obstructing the courses were voluntarily removed. Even a widow agreed to the demolition of her house in order that a water course may be aligned properly. With the active participation, dedication and enthusiasm of the farmers so far 22000 water courses have been made and more than 50000 nakkas have been installed.

31. Other important allocations of this sector include Rs. 5.50 crore for subsidies on installation of diesel tube-wells, seeds, sprayers, lift irrigation and supervised credit, Rs. 5.06 crore for extension and agriculture development project, Rs. 2.00 crore for procurement of spares for agriculture machinery and Rs. 1.55 crore for crop intensification project.

32. To achieve self-sufficiency in food and produce as much surplus of agricultural commodities as possible the Government will continue the policy of ensuring reasonable economic return to the farmers by fixing support prices of major agricultural commodities. The support prices of cotton have been increased from Rs. 156.00 to Rs. 166.00 per 40 kg for desi variety, Rs. 160.00 to Rs. 170.00 per 40 kg for AC 134, from Rs. 171.00 to Rs. 178.00 per 40 kg for B 557 and from Rs. 182.00 to Rs. 192.00 per 40 kg for MS 39 and MS 40 varieties. The price of wheat has also been increased from Rs. 46.65 per maund to Rs. 54.12 per maund and that of paddy from Rs. 38.58 to Rs. 49.00 per 40 kg in the case of Irri and from Rs. 75.02 to Rs. 85.00 per 40 kg in the case of Basmati.

33. Allah has blessed these measures and the untiring efforts of our farming community with success and we have been able to harvest a record wheat crop of 83 lac tons against 79.13 lac tons produced last year. Sugarcane production also went upto 237.33 lac tons against 194.14 lac tons of the previous year. Cotton production this year should be close to the last year's level inspite of the climatic hazards experienced at different stages of the crop. The Province also produced 9.65 lac tons of Basmati rice which was the highest quantity ever produced in the country. The production of Irri rice, however, fell significantly from 5.26 lac maunds in 1979 to 3.32 lac maunds in 1980 as a result of fall in area under Irri from 7.81 lac acres to 4.91 lac acres. The price of Irri rice has since been raised and it is hoped that cultivation of Irri will now improve.

34. Government has provided maximum encouragement to the farmers through its policies of price support and subsidized inputs. Farmer has, however, not yet caught up with more scientific and technological approach towards better and higher yields. While fixing the support prices for crops like rice, wheat and cotton Government takes into consideration costs of all the inputs which go into the farming effort like water, seed, fertilizer, ploughing, levelling, etc. Notwithstanding receiving reasonable return from his investment the farmer is not fully making use of subsidized inputs. For example, there are indications that use of fertilizer is far below the desired level. There is also evidence to show that agricultural fields at least in parts are over-watered. There is indifference to the quality of seed as well.

35. This attitude is partly due to the fact that our farmer is not conscious of benefits of intensive farming. He still thinks in terms of bringing marginal lands under cultivation and follow the time honoured pattern of relying more on acreage than on yield effect. Message has to be brought home to him that seed-water-fertilizer technology is highly divisible and neutral to scale. Through this technology, therefore, it is possible to achieve a spectacular yield effect.

36. The spread of knowledge and education will have to come through two sources. First is the extension network. The extension worker

will have to reach out to the farmer and impart to him the techniques developed through years of research. This in turn would of course imply a highly trained and knowledgeable extension agent. We are at the moment handicapped by the limited availability of this type of well-trained and motivated workers. However, efforts are being made to rejuvenate the extension service, build up its pride and develop it as a nucleus for technological diffusion. The other source for dissemination of knowledge will be the progressive farmers who are in a position to act as catalysts in the process of agricultural production. Through demonstration effect they can allow modern technology to filter down to the lowest tier of the farming community. The two together, i.e. the Government and the innovative farmer, can secure green revolution on an enduring and permanent basis.

37. While we may continue to concentrate on major crops like wheat, sugarcane and cotton, the cultivation of minor crops like grams and pulses must not be neglected. The importance of these crops in a generally protein deficient diet cannot be over emphasized. It is hoped that with the backing of research better varieties of gram etc. will be evolved and we shall be able to achieve a break through in this relatively neglected area as well. Similarly, it may not be in our interest to allow cultivation of sugarcane to expand at the cost of such foreign exchange earning crops as cotton and rice. Cotton particularly is a highly specialized crop and should not be permitted to become a victim of neglect. Nor must we allow convulsions to take place in rice cultivation.

38. The Government is also paying special attention to development of agriculture in barani areas. An Agency for Barani Area Development has been created to coordinate activities of all nation-building departments for barani areas of the Province. A Barani Agriculture College and a Training Institute have been set up at Rawalpindi and a Barani Research Institute has been established near Chakwal for intensifying research on different varieties of crops and farming practices suitable for rain-fed areas. Soil conservation operations have been expanded, several mini dams have been constructed with the participation of growers and subsidy on use of bulldozers and tractors has been enhanced for the barani areas. These special efforts have started showing results and the per acre yield of wheat in barani areas has increased by about 7 per cent this year. Our expectations from barani agriculture are considerable. It is our belief that with a proper technological package a revolutionary break-through can be achieved in the barani areas.

39. An allocation of Rs. 20.33 crore has been included in the next year's Annual Development Programme for projects of the Irrigation Department. Within this Sector priority will continue to be given to drainage and reclamation schemes for which an allocation of Rs. 12.75 crore has

been earmarked. This will be utilized for constructing 270 miles of new drains and improving another 240 miles of existing drains. Work will continue for Khairwala Drainage Project with an allocation of Rs. 3.06 crore. Other important projects under this sector would be survey and investigation of 10 small dam sites, remodelling 70 miles of existing distributaries and minors, reconditioning of 110 miles of branch canals, distributaries and minors, rebor-ing 50 tube-wells, construction of 14 miles of new irrigation channels and re-placement of 106 turbine pumps in SCARP Projects. An allocation of Rs. 25.74 crore has been included for procurement and repairing machinery, tools and plants and spare parts.

40. Remodelling and maintenance of canals by the department is an expensive mechanized operation. The department has limited resources in terms of personnel, finances and equipment. It, therefore, lacks the capability of extending a full and proper maintenance cover to its vast network. The need of the hour, therefore, is for people to come forward and join hands with govern-ment agencies for clearing and maintaining small distributaries. If we can succeed in case of water courses there is no reason why this bigger challenge should daunt us. Similarly, small drains require to be restored and kept in good shape on self-help basis.

The areas of livestock and forestry which are closely related to Agriculture are also being attended to. In case of Livestock sector total allo-cation has been increased from Rs. 7.85 crore during 1980-81 to Rs. 10.60 crore during 1981-82. Priority in this sector has been accorded to artificial insemination programme, control of parasitic diseases and livestock research.

Government is also considering ways and means to induct private sector in livestock business.

42. For Forestry sector an allocation of Rs. 6.14 crore has been made during 1981-82. A new orientation is also being given to this sector. It is now proposed to develop our forestry on viable commercial and economic lines by making use of contemporary technology. The new strategy aims at improvement and intensive management of forests and introduction of fast growing commercial forest trees wherever possible. We must all be conscious of the fact that we have denuded our forests over a period of time. At present, the Punjab has only 2.3 per cent of its area under productive forests against a desired level of around 20 per cent. We must take note of this deficiency and ensure that this imbalance is corrected.

43. In the industrial sector our policy has been to revive private initia-tive and to restrict public sector effort to the creation of a favourable fiscal en-vironment and provision of infrastructure facilities as also technical know-how. For this reason the Government is committed to transferring of sugar and -textile manufacturing projects completed by the Punjab Industrial Development Board to private sector in a phased programme. The Punjab Industrial

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Development Board will instead focus on more sophisticated projects like newsprint, electronics, etc. which require greater capital outlay and where private sector is shy of coming forward. The potential in the small scale industries sector is also being fully exploited. The Small Industries Corporation has already established six small industries estates at Gujranwala, Sialkot, Lahore, Gujrat, Bahawalpur and Jhelum. Similar estates are being planned at Faisalabad, Sargodha, Gujar Khan, Sahiwal and Chakwal.

44. The Punjab has substantial reserve of minerals particularly gypsum, rock salt, limestone, salica sand, coal and fire clay. This is a sound potential base for commercial development. On its part the Provincial Government has so far undertaken seven exploratory projects through the Punjab Mineral Development Corporation at a total cost of Rs. 290 lac. Six commercial projects have also been established for exploiting and marketing gypsum, salica sand, limestone, coal and fire clay.

45. We have attached the highest priority to primary education within the education sector. An allocation of Rs. 11.45 crore, or 34 per cent of the total allocation for the sector, has been earmarked for primary education. During 1981-82, 1500 new primary schools, including 150 mosque schools, will be opened and 152 primary schools will be upgraded to middle level. Special emphasis has been placed on consolidation of primary schools. The number of schools to be consolidated is being increased from 347 in 1979-80 to 1000 in 1981-82. Provision has also been made for providing equipment to 5300 primary schools.

46. In view of dilapidated condition of most of the buildings of the educational institutions, an allocation of Rs. 3.50 crore has been included for special repairs to the nationalized institutions and a further amount of Rs. 1.00 crore has been earmarked for special repairs of college buildings. New rooms will be constructed for 138 mosque schools. In order to improve facilities for science teaching, the subject of Biology will be introduced in 170 high schools besides constructing laboratories in about 50 high schools. An allocation of Rs. 3.48 crore has also been made for consolidation of technical training institutes.

47. There is an acute crisis in the education sector, which deserves our attention. The emphasis from elementary and primary education has been shifting to higher education at the apex. This has created an imbalance. The priorities will, therefore, have to be put right. There is no doubt that our primary schools are in an utter state of neglect. Be that as it may, one important factor is that the teacher has lost the missionary spirit which used to inspire him to work with dedication and devotion. The absence of sacred bond between the pupil and the teacher is also one of the root causes of educational melodies. Primary education is a social challenge, which requires large

scale mobilization in which private enterprise and non-formal agencies can also play a vital role. Universities and Colleges could also adopt certain backward areas, villages etc. with a view to make them educationally aware. They and their teachers, professors etc. could pick up 'drop outs' and also help in spreading adult education. They will find this activity rewarding, and in return, they would have contributed towards educating and enlightening their less fortunate brethren. What we have to realise is that ours is one of the most illiterate nations in the world.

Education is the basis of our development. Education provides the indispensable foundation for scientific, technological and cultural progress. It is important for us all to pay the attention and respect it deserves. It is a multi-dimensional problem requiring multi-pronged effort to achieve the goal.

48. Health Sector has been given an allocation of Rs. 32.18 crore in the next year's Annual Development Programme. Main objects of the Health Programme are to provide maximum health coverage to rural areas, to improve teaching facilities in medical colleges and to upgrade District and Tehsil Headquarters Hospitals. The largest share of allocation under health sector, viz. 42 per cent, has been earmarked for rural health programme while 38 per cent has been given to medical education and teaching hospitals. Work on 44 rural health centres will be completed during the next financial year adding 352 hospital beds in rural areas. Construction of 23 new rural health centres will also start during the year. Similarly, 200 basic health units will be completed while construction of 225 new basic health units will be taken in hand.

49. The Basic Health Units scheme has run into difficulties because of limited availability of doctors for rural areas. This short-coming is, however, likely to be removed from next year with the addition of 1400—1500 doctors every year. A scheme for rotation of doctors between urban and rural postings is also being introduced to take care of this problem. Shortage of para-medics is also being looked into and the situation is expected to ease out considerably.

50. Other important activities under Health sector during 1981-82 would be provision of hostel accommodation to 350 students in Nishtar Medical College, Multan and 600 students in Allama Iqbal Medical College, Lahore, addition of 250 beds at district level by completion of District Headquarters Hospitals at Kasur and Vehari, addition of 240 beds in other small towns by completion of hospital buildings at Nankana Sahib, Kamoki, Gujjar Khan and Pind Dadan Khan and addition of 390 beds to different teaching hospitals in Lahore by completion of the new Eye Ward and Phase-I of Children Ward in Mayo Hospital and of Neuro Surgery Ward in Lahore General Hospital.

51. Supply of clean and hygienic water to rural population is one of the high priority programmes of the Government like rural health and primary education programmes. An allocation of Rs. 10.09 crore has been earmarked for this programme to be executed by the Public Health Engineering Department during 1981-82. It envisages completion of 64 water-supply and 15 drainage schemes which would bring added benefit to people.

52. The Public Health Engineering Department will also execute work on 37 urban water supply and sewerage schemes for which an allocation of Rs. 5.56 crore has been included in the Annual Development Programme of 1981-82. Out of these seven water supply and eleven sewerage schemes will be completed to serve additional population of 3,50,000 and 3,09,000 respectively.

53. This is in addition to urban water supply and sewerage schemes to be executed by the three Development Authorities at Lahore, Faisalabad and Multan. An allocation of Rs. 34.91 crore has been made for the urban development programme to be executed by these Authorities. About 72 per cent of this allocation would be spent on schemes of water supply, sewerage and drainage. The programme to be executed by Lahore Development Authority will provide safe water supply to an additional population of one lac while 4,50,000 more people will get sewerage facility. The Authority will also start work on two bridges at Garhi Shahu and Data Nagar besides executing a programme for improvement of walled city of Lahore with an allocation of Rs. 2.00 crore. Work on Greater Water Supply, Sewerage and Drainage Scheme, Faisalabad will continue during 1981-82. Faisalabad Development Authority will complete feasibility study for overhead bridge at Dijkot Road and would continue the programme of installation of tube-wells as an anti-waterlogging measure in Faisalabad City with an allocation of Rs. 50 lac. Important schemes to be executed by Multan Development Authority during 1981-82 are the Comprehensive Sewerage Project Phase-I, Storm Water Drainage Scheme, new roads, preparation of Masterplan and construction of MDA Hospital. Efforts are also being made to develop an effective but low cost technology to bring down staggering expenditure on some of these schemes.

54. No allocation is made in the Annual Development Programme of the Province for the housing schemes of the three Development Authorities for Lahore, Faisalabad and Multan. Such projects are and must continue to be financed by the Authorities from their own resources or by borrowings from the financial institutions. An allocation of Rs. 7.17 crore has, however, been included in the Annual Development Programme of 1981-82 for various area development schemes for housing purposes in the cities to be executed by the Housing and Physical Planning Department. The Department is expected to complete five such schemes at Lahore Township, Gujrat, Gujjar Khan, Sahiwal and Rahimyar Khan which will make available 7500 developed plots for allotment to the public.

The Government has also been acutely conscious of the housing needs of the poor. Katchi Abadis have, therefore, received considerable attention at the hands of the Development Authorities. There are 97 katchi abadis in Lahore which are situated on state or private land. 16 katchi abadis comprising approximately 7000 dwelling units with a population of 45000 have been fully developed. 17 katchi abadis are in the process of development. Of the 14 katchi abadis earmarked for shifting to other places, four have actually been shifted and the remaining 10 are in the process of being shifted. The development work on these abadis was taken up by the Lahore Development Authority in 1976-77 and an expenditure of Rs. 12.95 crore has been incurred on this so far. In Faisalabad, 16 katchi abadis consisting of about 6300 dwelling units have been fully developed at an expenditure of Rs. 10.53 crore. In Multan 38 katchi abadis have been developed at an expenditure of about Rs. 2.25 crore. These consist of about 10000 dwelling units.

56. For quite sometime we have been under considerable pressure from the upward surge of prices of different commodities of daily use. This has particularly hit the poor, the working classes and the salaried groups. Many factors which have contributed to this inflationary spiral are beyond the control of the Government. Nevertheless, we have tried to keep the prices at a reasonably stable level by adopting a number of measures. Price Control Committees at divisional and district level have been set up to keep the price structure under constant review. Prices of essential articles have also been fixed in consultation with producers, distributors and retailers. Their supplies are also being constantly monitored. Juma Bazars have been established in different towns to improve articles of daily use at cheaper prices to the consumer. Administration has also come down with a heavy hand on hoarders and others indulging in mal-practices.

57. While these administrative and regulatory measures have met with considerable success, in the final analysis answer to the problem lies with the people of this Province. They alone, by their honest and dedicated work, can boost productivity in different sectors and ensure a stable and acceptable equilibrium of forces of supply and demand. They can also, by controlling and regulating their expenditure, act as pressure groups and keep the prices down.

58. I have dwelled at considerable length on the role and achievement of Government in developing the economy of this Province. With all humility I may say that while our failings may be many, our achievements are also considerable. What we have done in the field of village electrification, rural health, water management and agriculture programmes, will gladden the hearts of many. Our contribution to the uplift of urban population is also a matter of pride.

59. I may now touch upon taxes during 1981-82.

60. With the exception of Abiana rates which for reasons explained at length earlier are being increased by 25% from Kharif 1981, no other new taxes are being imposed in the Budget. Instead following tax relief is being offered:—

- (1) Exemption limit in case of rented houses has been raised from annual value of Rs. 480 to 720.
- (2) Assessment of property tax in respect of owner occupied houses is being placed on a more rational and logical basis to reduce the element of official discretion. Under the new assessment the owner occupant will be required to pay only 12½% of the tax that he would have to pay in case the property had been let out. As before, the exemption limit for houses upto annual value of Rs. 1200 will continue.
- (3) Widows and orphans are exempt from urban immovable property tax on houses with annual value upto Rs. 3600. They have now been totally exempted to the extent of one house from this tax.
- (4) To ease the acute pressure on urban accommodation, to bring down rentals in urban areas to a reasonable level and encourage housing industry in the face of rising costs of building materials, all new houses which are constructed and used for residential purposes, shall henceforth be exempt from urban immovable property tax for the first three years after completion.
- (5) Entertainment Tax on dramatic performances has been reduced by 50%. We expect that this concession will encourage those who are associated with the field of entertainment to produce quality plays which will project not alien culture but our own ideology.
- (6) To encourage sports it has been decided to exempt all games and sports from Entertainment Duty.
- (7) To promote transport industry in the private sector it has been decided that in case of buses plying on urban routes which ply partly within and partly outside the limits of a municipal corporation, committee or cantonment board and where 60% of the total length of the route lies within the limits of a corporation, municipal committee or cantonment board, motor vehicles tax will be charged at Rs. 88 per seat per annum.

meant for vehicles plying for hire exclusively within the municipal or cantonment limits instead of Rs. 168 per seat per annum applicable to the vehicles plying on inter-city routes.

61. This is a year of invalids. Therefore, they are being given the same concession in property tax as widows and orphans. They are already exempt from motor vehicles tax.

62. Despite the above-mentioned concessions. I hope that there will be no appreciable drop in our receipts and that the Excise and Taxation Department will be able to sustain the high standard of performance witnessed in connection with the collection of provincial taxes during the current financial year.

63. The success or otherwise of the budget and the Annual Development Programme 1981-82 will be dependent upon our will, determination, devotion and dedication to achieve the goals set before us. There has to be a sense of duty and sacrifice in all our undertakings, and an element of equity and justice, effort and efficiency. To this end I seek your willing participation and co-operation. The users themselves must be interested in their projects and the optimum utilization of funds placed at their disposal. They must keep a vigilant eye on the unscrupulous and dishonest elements. With forward planning; mobilization of resources and proper administrative structure, we should be able to, Insha-Allah, achieve our goal. We must cut out the red-tape and cumbersome procedures. I wish you God speed.

PAKISTAN PAINDABAD