



***BUDGET SPEECH 1985-86***

**OF**

**MAKHDOOM ALTAF AHMAD,  
FINANCE MINISTER, PUNJAB.**

Provincial Assembly Chambers,  
Lahore.

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بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Mr. Speaker Sir,

It is a privilege and honour for me that in the holy month of Ramzan, and after the lapse of a considerable period of time, I, as an elected representative of the Assembly, am presenting the budget for 1985-86 before this august body. At the very start, I would like to convey my sense of gratitude to the people of the Punjab who, despite the delicate situation inside and outside the country, have participated in overwhelming numbers in the elections and have, thereby, helped to restore democracy. They have shown their sagacity and good sense and helped to negate the aims of those who wanted to block the process of democracy. Martial law has to go. We leave the timing to good sense and judgment of the prime minister and the national assembly.

2. I would like to pay a special tribute to the President, Muhammad Zia ul Haq, who put his faith in Allah and the people of Pakistan and who, despite the existence of internal and external dangers, took bold steps for the establishment of a civilian government. Many felt that such a transition was not possible but they were proved wrong. We as the elected representatives of the people should now work hard to help achieve the President's objectives of unity, strength and economic development. Now that democracy has been firmly established it will be the aim of this government to set up an Islamic system based on justice and fair play. The declared aim of our government is that we shall do everything possible for

the amelioration of the rural poor. They shall be our love and this shall be our obsession. We will seek to establish a system that helps the poor, whether he be a peasant or an industrial worker, and which creates a climate of equality and peace for the speedy development of the provincial economy.

3. The Punjab played an important part in the country's struggle for independence. At the time of the creation of our beloved home land in 1947, the Punjab suffered from the looting, the killings and the ravages of Partition. At the same time, it was this province which received its brothers and sisters who came as destitutes and refugees from various parts of India with open arms. Those who left their homes and hearths and came to settle in the Punjab were received with open arms and the characteristic generosity of the people of this province. The Punjab was also in the fore-front of the political struggle that led to the creation of Pakistan and it was the overwhelming mandate for Pakistan of the Muslims of this province that tilted the balance against those who had argued against the creation of the country. The future of our country is linked to the strengthening of the bond between the four provinces. Let us cement this relationship and inculcate the values of faith, unity and discipline that the Quaid-e-Azam asked us to adopt.

4. Before I go into the details of the budget, I would like to explain to you an important budgetary distinction between the development budget and the current budget. It is a common view that the government spends about 1/4th of its total expenditure on development activity while the rest is spent on activity that may

be called unproductive or non-developmental. Expenditure estimates included in the current budget are considered wasteful. I would like to point out that this impression is incorrect. While the development budget consists of expenditure for instance on hospitals or school buildings and their equipment, the current budget consists of salaries of teachers and doctors as well as recurring expenditure on schools and hospitals. Similarly, while new projects of agriculture and livestock departments are included in the development budget the completed projects of these very departments are included in the current budget.

5. Expenditure on new roads, buildings and irrigation channels is included in the development budget while expenditure on the engineers and maintenance of these capital assets is included in the current budget. The latter would also include funds for the maintenance of the existing public infrastructure of the province. I may point out here that it is the poor maintenance of government roads and buildings that has attracted government's special attention in preparing this budget. I will refer to this point specifically later. The current budget also includes substantial provisions for debt servicing to the federal government and foreign donors. The provision on this account in the budget for 1985-86 is for Rs. 322.26 crore i.e. 21% of the total current budget. Now this cannot, by any stretch of imagination, be called unproductive or wasteful expenditure, because these repayments are on account of developmental loans obtained in the past to finance our ADPs. A larger ADP will mean larger loans and a higher debt liability. When a layman therefore asks on the one hand for more ADP expenditure

and, on the other, criticises the increase in the government's liability for debt servicing, he contradicts himself. Suffice it here to say that the distinction between the ADP and the current budget is a technical one relating to a system of accounting rather than one between the developmental and non-developmental activities of the government. I would request all of you who are listening to my speech today to make a mental note of this while analysing this budget.

6. You may recall that the size of the current budget of the Punjab for 1984-85 was Rs. 1273.64 crore and that the gross ADP size was originally fixed at Rs. 430 crore. The current budget for 1984-85 has been revised upward to Rs. 1327.04 crore i.e. an increase of Rs. 53.4 crore. This increase in expenditure was due to reasons largely beyond the control of the provincial government. First, expenditure amounting to Rs. 17.06 crore was incurred on account of the referendum and general elections in the province. Secondly, there was substantial increase of Rs. 20.77 crore on account of the wheat subsidy which increased because of higher incidentals and a larger off-take of wheat from the ration depots. Thirdly, the provincial government spent Rs. 4.48 crore from the current budget on account of salaries to pesh imams and teachers of mosque schools. These teachers were originally expected to be paid through special funds from the federal government. Some additional amounts were also incurred on account of the re-fixation of salaries of government servants in the Punjab, in response to a policy decision of the federal government, and on account of enhanced assistance provided by the provincial government to PRTC. The increased expenditure of Rs. 1327.04 crore was incurred against total provincial receipts of Rs. 1034.54 crore leaving a deficit of Rs. 292.50 crore. The latter has been met with a grant from the federal government, thereby balancing the revised estimates of expenditure and receipts.

7. Sir, I have stated earlier that the original ADP for 1984-85

was fixed at Rs. 430 crore against an approx. resource availability of Rs. 391.09 crore. The resources available for financing the ADP have, in the revised estimates for the current year, increased to Rs. 397.52 crore. With very careful monitoring of the ADP it is now estimated that the available resources will be utilized to the extent of 100%.

8. Sir, I will now speak of the size of the budget for the next financial year. The budget that I am presenting today will in total amount to Rs. 2131.04 crore. The current budget will amount to Rs. 1533.24 crore and the total development programme will amount to Rs. 597.80 crore. The latter will consist of an ADP of Rs. 567.80 crore and a special development programme of Rs. 30 crore. The increase in the size of the ADP for 1985-86 compared to that of the ADP 1984-85 will be Rs. 137.80 crore or a little over 32%. If, however, the size of the special development programme is added to the size of the ADP for the next year the total increase to the development programme for the next year, compared with the current year's development programme, will be of the order of over 39%. I am glad to inform you that the development programme of the province for the next year is increasing by an unprecedented percentage compared with the increases of recent years. Here I may point out that apart from the development programme of Rs. 597.80 crore mentioned above there would be additional public sector investment in the province in the next financial year. This would come through the launching of the foreign-aided primary education programme which is estimated to cost Rs. 130 crore for three years. There would also be, as I will explain later, sizeable investment from its own funds by the PIDB. Put together, this would raise the size of the total development programme by approx. Rs. 40 crore, increasing the size of the development programme to over 630 crore. That would represent an absolute increase of Rs. 200 crore over the ADP for the current year. You will agree that this is a very substantial increase, indeed.

9. Sir, before I discuss the details of some of the programmes in the development budget of 1985-86 I would like to highlight the salient features of the programme. One of the main aims of this government's policy is to improve the living condition of our rural masses by increasing public investment in the rural areas. It has been our policy to gradually increase the proportion of the ADP that is allocated to the rural areas. Accordingly, the ADP earmarked for the rural areas of the province increased from less than 45% of the total ADP in 1978-79 to 61% in 1984-85. This momentum is being continued next year and the projects pertaining to rural areas will account for more than 70% of the total development programme in 1985-86. As a part of the government's efforts to accelerate the development of rural areas, the second priority is to tap the vast potential of our barani areas. A total allocation of Rs. 110.00 crore has been made next year for the specific projects in these areas. The major constraint in the development of barani areas is the lack of water, both for drinking and irrigation purposes. Accordingly, a major programme will be launched for building small dams in a phased programme. It is expected that work on some new dams will be started during 1985-86. The possibility of resorting to drip and sprinkle irrigation will also be explored and its economics carefully studied. At the same time an effort is being made to introduce new plants into the area through the use of green houses on an experimental basis. The third priority of the government, in finalising its development programme for 1985-86, has been to complete the maximum possible on-going projects so that the government has larger resources for starting new projects during the subsequent years. The completion of a large number of projects would also enable the economy to benefit from them. To achieve this objective more than 60% of the available resources have been allocated to ongoing schemes, and it is expected that of a total of 1604 schemes, about 65% will be completed during the course of the year.

10. Sir, before I discuss the government's policy and priorities in education, the sector to which we attach the highest priority, I would like to take this House into confidence. The proof of the pudding is in its eating, and the state of education can be judged most effectively from the literacy ratios in the province. Although these are slightly better than the ratios for the country as a whole, that is no consolation. According to the 1981 census, the literacy ratio in the Punjab was 24.5% with 33.5% for males and 14.4% for females. Keeping these figures in view, the government undertook an analysis of the entire system of education in the province and identified certain key areas that deserve special attention. I will enumerate these areas briefly :

- (a) It was felt that there was a need to improve female literacy and the quality of female education, especially in the rural areas. Here I may point out that this government is very conscious of the important role of women in society and, within the injunctions of Islam, it will encourage and foster their participation in the development efforts in the province. One significant indication of the Government's intention to give due recognition to women is the presence today of two distinguished women on the ministerial benches of this Assembly.
- (b) The second area that needs government's attention is the declining quality of education. With a view to improving this the government aims to provide more teachers and to improve significantly the government's programme for teachers' training.
- (c) As a part of the effort to improve the quality of education, government would need to have more regular and methodical inspections of colleges and



schools. This will need the strengthening of the supervisory tiers of the staff of the education department.

- (d) To improve literacy rates the expansion and consolidation of primary education would be necessary. Simultaneously, it would be desirable to provide adequate equipment for class rooms and laboratories in primary schools in particular and to all other educational institutions in general.
- (e) There is a need to train those who are educated upto the matric level by channelising them into appropriate vocational and technical training institutions, instead of allowing them to acquire higher general education in colleges with the likely prospect of adding to the number of the educated unemployed. Accordingly, the government would need to systematically develop schools and institutions that impart technical training of the type that the market requires.
- (f) The government's analysis of the problem of education has also shown that to date little or no attention has been paid to the problem of educating the mentally or physically handicapped children in society. A result of this has been that such handicapped children have grown to be a burden on their families and society. A strong effort by the government would therefore be required to introduce modern concepts of educating the handicapped. For this specialised teachers' training would be required. The government would also need to introduce specialised teaching institutions and to materially encourage those which are run by private societies or individuals.

- (g) The final conclusion of the government's detailed study of the problem of education in the province is that government alone would not have the physical or financial capacity to provide funds for the total educational requirements of 50 million people of the Punjab. It would therefore need to encourage the participation of the private sector in this field. In doing this, however, it will try to ensure that the public and private sectors complement each other, and that the two do not mutually conflict. Suitable policies would need to be evolved in this regard.

11. The government is conscious of the need to immediately tackle all these issues in order to make a marked improvement in our literacy rates and in the quality of education. A number of people, and that includes some of the honourable members in this House, have expressed the view that the need of the hour is not to expand but to consolidate the effort already made by the government in the field of education. It is the view of this government that we must indeed consolidate, but we cannot stop the process of expansion. We cannot, in the last quarter of the 20th century, accept a situation where 75% of our population is illiterate. It is with a view to expanding as well as consolidating, according to the wishes of those who voted for us, that the Punjab government in proposing to allocate Rs. 488.36 crore to the education sector in its budget for 1985-86. This will include an allocation of Rs. 373.66 crore in the current budget and of Rs. 114.70 crore in the ADP. It is the highest allocation for anyone sector in the budget as a whole and is 23.24% of it. It includes a figure of approx: Rs. 41.70 crore which is being allocated by the federal government for primary education.

12. Within education the highest priority is being assigned to primary education in order to eradicate, as soon as possible, the problem of illiteracy. Care is being taken, at the same time, to

allocate the maximum possible resources to female education in order to make up for the accumulated deficiencies of the past. In the budget for 1985-86 a provision is being made for the opening of 1250 primary schools exclusively for girls, and for another 1350 mosque primary schools. However, keeping in view the suggestions made by the members of this House in the consultations preceding the finalization of the budget, high priority in education sector is being given to the secondary school level. Accordingly, a provision has been made for upgrading 500 primary schools to middle level, and this would include approximately 60% schools for girls. In addition, 256 middle schools will be upgraded to high level and this will include 64% schools for girls. Additional class rooms will be constructed for 250 girls primary schools and boundary walls will be provided for 1195 girls' schools in all. In pursuance of the government's endeavour to improve teachers' training, new training units will be set up in the existing high schools in order to improve training for primary school teachers.

13. A significant policy departure, to be made in the education sector during the next financial year, pertains to the provision of quality education in schools and the augmentation of intermediate college education. So far the policy in school education has been to provide a large number of schools in the rural areas without emphasising quality. While this has helped in improving literacy rates in these areas the existing schools have proved inadequate for equipping rural school children with the training that is necessary if they are to compete with children from the urban areas. Therefore, it is proposed, starting from 1985-86, to provide model schools in the various marakaz throughout the province. It is expected that

work will start on 58 such schools during the next year. The second policy departure is represented by the government's effort to provide more opportunities for college education in view of the growing demand for this in certain deprived areas of the province. A provision is accordingly being made for adding intermediate classes to certain high schools in the province.

14. The ADP provides money for the equipment and buildings to be constructed for new educational institutions. The current budget provides staff for these. However, a significant weakness in this sector is inadequate teaching staff and inadequate supervisory staff for inspections. Accordingly, a provision is being made in the current budget to create a number of new posts. In brief the details of posts to be provided through the current budget are as follows:

- i) Posts of 436 male and 196 female lecturers in existing colleges in the province : Rs. 1.20 crore.
- ii) New posts of deputy district education officers (male and female) at each tehsil headquarter in the Punjab: Rs. 50.47 lac. With the provision of these posts proper supervisory control will be possible at the sub-divisional level.
- iii) Creation of additional posts of 374 AEOs, with ancillary staff, to make up existing deficiencies : Rs. 1.03 crore.
- iv) Upgradation of normal schools at D.G. Khan, Jhelum and Multan into elementary colleges for teachers' training : Rs. 16.28 lac.
- v) Creation of 1187 posts of SSTs, 139 of PETs, 700 of ESTs & 500 of PTCs for high schools in the province: Rs. 2.23 crore. These posts will be created

for existing schools and will largely make up the existing deficiencies.

15. Here I may point out that while the government is making a special effort to enhance the quality and quantity of education in the province it is necessary for the public and the local institutions to play their role in the development of this sector. Accordingly, the provincial government will be taking two initiatives which will be based on the participation and contribution of the local communities. According to the first initiative a provision of Rs. 6.22 crore is being made in the ADP for the next year for the construction of school buildings for primary schools on a matching grant basis. Secondly, a total provision of Rs. 88 lac is being made for the provision of equipment to those middle and high schools which are provided additional class rooms, on the basis of a prescribed formula by the local communities. It is hoped that the public will respond enthusiastically to the new policy initiative and that it will generously play its part in the improvement of existing middle and high schools in the rural areas. I would like to clarify here that while the ADP provisions referred to above would be for the provision of equipment to those middle and high schools with additional class rooms by the community, the government would in its current budget make sizeable allocation for the replacement of existing equipment and furniture in all educational institutions. This latter will amount to Rs. 10 crore in the current budget for the next year. Further, a special provision of Rs. 3 crore will be made for the improvement of buildings of nationalised educational institutions which, since their nationalisation in 1972, have gradually deteriorated.

16. Education of handicapped children has been neglected in the past. The government now proposes to pay special attention to the need of those who are mentally and physically handicapped. Accordingly, an allocation of Rs. 3.43 crore has been made in the

budget for 1985-86 for special education. It is proposed to start a centre of excellence for the mentally retarded at Lahore. Simultaneously, the government will start work on the setting up of institutions, with internationally acceptable teaching standards, at four divisional headquarters. In addition, a provision of Rs. 1 crore is being made for the setting up of a residential institute for the orphans and disadvantaged children at Johar Town, Lahore.

17. I have earlier mentioned the importance of imparting technical training so that young men and women can be trained for working in different vocational and technical trades. With a view to promoting this a number of steps are contemplated for the budget of the next year. The commercial training institute already operating at Sahiwal is proposed to be converted into a commercial college at a total cost of Rs. one crore. Work will be started on the conversion during 1985-86, with a provision of Rs. 15 lac. As a result of upgradation, this institute will award B.Com degrees to students instead of certificates as at present. In addition, it is proposed to set up three commercial training institutes for men, and ten vocational institutes for girls at a total cost of Rs. 56 lac during 1985-86. The vocational institutes will be started in rented buildings and it is expected that actual training will start during the course of the next academic year. As a result 150 boys and 500 girls will be trained annually in these institutes. The Labour & Manpower Training Department will initiate two new projects during the course of the next year. Those would mark a significant departure from their activities in the past. First will be the setting up of a technical training centre for women at Lahore at a total cost of Rs. 3.00 crore; the second will be a centre for the improvement of working conditions and the environment in factories at a total cost of Rs. 1.33 crore. Work on both these projects will start during 1985-86. The number of women to be trained annually in the T.T.C. on its completion will be approximately 200.

18. The next main sector that I will discuss today is the health sector which is being provided a total of Rs. 193.14 crore in the budget for the next year. Rs. 68 crore will be provided through the A.D.P. and Rs. 125.14 crore in the current budget.

19. Through the development programme the important thrust will be in keeping with the policy of recent years to set up new basic health units. During the next year 250 basic health units will be completed while work on 200 basic health units will be started. Simultaneously, 15 rural health centres will be completed during the year and work on 30 new centres will start. Besides this X-Ray plants would be provided at 60 rural health centres and the programme would be continued to provide these to all R.H.Cs in the following years. At tehsil level 10 hospitals will be completed and work on 5 new tehsil headquarter hospitals will commence at Mankerah, Rohjan, Kalur Kot, Karor Pacca and Mian Channu. At the district level it is proposed to start conversion work on the hospital at Khanewal at a total cost of Rs. 1.60 crore. Four new nursing schools will be completed during the next financial year and they will provide for the training of 100 nurses in all. With the completion of these new nursing schools, the total number of nursing schools will increase to 16. In due course a nursing academy will also come up as a centre of excellence.

20. While the government is expanding health cover in the small towns of the rural areas of the province, it is simultaneously concentrating on the provision of quality medical treatment in the major towns. During the next financial year work on the cardiac centre at Lahore, the chest diseases unit at Bahawalpur, the casualty blocks in Lahore & Rawalpindi and the family and private wards in the Nishter Hospital, Mutan, will be completed. The completion of these five units will add 400 hospital beds in these principal cities of the province. I may point out that the special eye ward in the Mayo Hospital was completed this year with 200 beds. This ward has already started working. While work on some of these units is under

way, the government is planning for the provision of specialized units in the fields of cancer treatment, paediatric treatment, ENT treatment and coronary care for the future. It is hoped that the planning of these units will be completed during the next year and that work will start shortly thereafter. The government will, during 1985-86, initiate a new programme through which school children will have periodic medical check-ups by special teams of doctors. Next year an experimental start will be made. Gradually, it is proposed that the programme will be extended further.

21. The demand for para-medical staff is increasing very rapidly in the province owing to the expansion of basic health units and rural health centres in the rural areas. Accordingly, the government is proposing to set up 4 new para medical schools at Sahiwal, Sargodha, Sialkot and Jhelum. Work on these 4 schools is already in hand and it is expected that the process of training will start during the next year. As a result approximately 400 para medical personnel will be trained annually. The increase in the availability of trained staff should meet the existing shortages in our B.H.U.s and R.H.C.s. I expect that these trained personnel will cooperate with the government and go forth willingly with missionary zeal and serve their brethren in the rural areas.

22. In the current budget a substantial effort is being made to make up shortages of doctors and to create posts for supervisory purposes in the health department. At the same time a considerable increase has been made for the provision of funds for the purchase of medicines and maintenance of hospitals in the province. The details of some of important additions are as follows :

- (a) Creation of 24 posts of ADHOs for certain tehsils in the province. This would ensure that each tehsil has an ADHO from 1985-86.



- (b) Creation of 510 additional posts of house physicians/surgeons for young doctors by which this government would provide approximately 85% house jobs in future for young medical graduates.
- (c) Creation of new posts and the provision of funds for the teaching hospital at Faisalabad: Rs. 1.70 crore.
- (d) Creation of posts for the new Casualty block at Mayo Hospital, Lahore : Rs. 22.73 lac.
- (e) Creation of additional posts in the Lahore General Hospital, Lahore : Rs. 24.23 lac.
- (f) The yardsticks for the provision of funds for all teaching, D.H.Q. and tehsil hospitals are being revised from the next year, thereby increasing the total allocation from Rs.15.87 crore during 1984-85 to Rs.24.04 crore during 1985-86. It is expected that patients in the hospitals would be treated and looked after better in the future.

23. Sir, you are aware that the Punjab has a primarily rural economy with over 70% of the people living in villages. It is keeping this in view that a very high priority is attached to the development of agriculture in the province. The agricultural sub-sector has a high priority in the ADP for 1985-86 with an allocation of Rs. 96 crore. In the current budget there is an additional allocation of Rs. 48.19 crore, making a total allocation for agriculture of over Rs. 144 crore in the provincial budget. Rs. 54 crore of the total amount allocated to agriculture in the ADP will be for the continuing programme of farm-to-market roads in the various districts of the province. This will ensure the construction of nearly 800 miles of metalled roads in the province, and this target has been fixed keeping in view the demands articulated by the members of this Assembly

in their recent meetings with the government representatives. The other priority in the agriculture sector is the allocation of approximately Rs. 21.26 crore to the water management programme under which it is expected that approximately 16400 water courses will be improved. As you well know the improvement of water courses leads to a very large saving of irrigation water and the implementation of this programme will, to some extent, off-set the shortage of irrigation water in lean years. The government will continue to attach considerable priority to agricultural research for which over 5 crore rupees will be provided in the ADP and Rs. 7.19 crore in the current budget. To an extent the performance of the government in the agriculture sector can be judged from the production figures of major crops. The production of cotton during the last cotton season is now estimated at a record figure of 44.51 lac bales compared with the production of under 16 lac bales in the preceding year. This represents an increase of over 178%. There have been small but significant increases in the production of rice and maize. The production target of wheat for the current financial year is estimated at approx. 83 lac tons for the present, despite the acute shortage of irrigation water and drought conditions in the crucial months of February and March. These figures represent an increase of seven lac tons against the production figure of last year, and the performance is quite remarkable keeping in view the very adverse weather conditions during the last rabi season.

24. In the development programme for the next year a provision for Rs. 1.00 crore is being made for the setting up of diesel tubewells in the barani, salaba and irrigated areas of the province. In addition a sum of Rs. 21.80 lac will be provided as subsidy for the installation of 300 lift-pumps in specific areas. Since it is a part of the policy of the government to encourage farmers to use quality seed, a provision of Rs. 4.15 crore is being made in the ADP for the subsidy on various seeds. Here I would like to say a word about the failure of winter rains and the shortage of water during the rabi season. Not only

has the wheat crop been affected seriously in some parts of the province but there is a danger that cotton sowing in the coming kharif season may be adversely affected owing to the shortage of irrigation water in May. I would like to ensure all farmers in the Punjab that their concern over this grave situation is fully shared by all member of the provincial government. The implications of this water shortage and the need for finding ways and means of remedying it were among the first items to be considered by the cabinet on its formation a few weeks ago. The government is constantly monitoring the availability of water and electricity in the rural areas, and day-to-day assessments of the situation are being made in consultation with WAPDA and the federal government. We are not happy about the prevailing situation and have told the federal government so. They should look at this as a national calamity and not as a problem of the Punjab alone. While other issues can be settled later right now water must be shared to enable sowing for kharif.

25. I would like to mention here the difficulties faced by the residents of cities and towns in regard to load shedding. In view of power shortage in the country in the last few months, and in view of the national need for meeting the requirements of the farming community, I know that the urban consumer has suffered in a big way. The government appreciates the sacrifices made by him so far without complaint. I would like to inform you that the federal government has been requested to augment, as soon as possible, the generation of power. And, as a result you would be pleased to know that the federal government hopes to augment power generation by about 1300 megawatts in the next 18 months.

26. The water sector is vitally important for the rural economy of the Punjab. The total allocation in the budget for this sector during 1985-86 will be nearly Rs. 220 crore. Of this amount Rs. 43 crore will be provided in the ADP, Rs. 30 crore through the special development programme, and nearly Rs. 147 crore through the current budget.

27. Sir, the members of this Assembly are well aware of the menace of water-logging and salinity which is rapidly destroying

agricultural land in various parts of this province. The government has been actively agitating the issue with the federal government which is primarily responsible for resolving this problem. Some headway has been made in this regard. In the federal ADP for next year it is expected that a provision of over Rs. 84 crore will be made for tackling this problem. Among the major projects on which work will continue would be the Punjnad Abbasia, Lower Rachna (including Kherewala) Lower Rachna drainage (Paharang and Samundri units) and Pandokey projects. An important project will be started in the Thal area. In addition, the provincial government would be providing Rs. 22.77 crore (including Rs. 15.00 crore as provincial share for SCARP Fordwah Sadquia (SCARP VI) for 12 ongoing and ten new projects pertaining to drainage and reclamation. The total provincial investment for reclamation and drainage will be 53% of the ADP allocation for irrigation.

28. The government is aware that one of the most pressing demands for the development of rural areas pertains to the electrification of villages. We expect that the share of the Punjab would be in the region of about 1500 villages against the federal allocation. This is against the current year's figure of 630 villages. In addition, a provision of Rs. 1.5 crore in the Punjab ADP has been made for the electrification of those abadis which were left out by WAPDA at the time of the implementation of the programme for the electrification of villages in the province. Another provision of Rs. 50 lac is being made in the provincial ADP for the sharing programme in which those villages will be taken up for electrification where the local community is willing to share one-third of the total cost. During discussions with members of this Assembly, as well as with the members of the National Assembly, a point has been made regarding the need to rationalize WAPDA's policy for the electrification of villages. This pertains particularly to villages in the barani areas as well as to certain old villages in the irrigated areas. The problem in such cases is that the abadis of those villages are not compact and are not fully covered by

WAPDA's electrification programme. The issues are being identified by the provincial government, and, during the course of the next year, it is expected that suitable policy decisions will be finalized with WAPDA. In this connection, I may mention that the government has recently reorganized the power wing of the irrigation department and a nucleus field organization has been set up. It is hoped that the irrigation and power department will now be in a position to help the farmer and consumer, especially in the rural areas, in their recurring problems pertaining to the distribution of electricity by WAPDA.

29. In the sector of livestock production the government will be allocating Rs. 8.25 crore in the ADP and next year's development programme indicates a shift of emphasis from the narrow animal health oriented approach to one that will increase both livestock and poultry production. Apart from this, it is proposed to propagate the production of teddy goats, to strengthen the animal nutrition centre at Rakh Dera Chahl, to make improvements at the barani research institute in Kheri Murat and to substantially increase the production of foot and mouth disease vaccine in the province. Simultaneously, in the current budget a provision is being made for the creation of 75 posts of veterinary officers and 60 posts of stock assistants. It has also been decided to make a special provision of Rs. 1.50 crore for the provision of medicines to veterinary dispensaries throughout the province. You may recall that the maintenance of veterinary dispensaries and the provision of medicines is the responsibility of district councils. However, keeping in view the limited resources of the local councils the provincial government plans to supplement their efforts and to thereby assist the livestock department in the preventive health programme.

30. A vital sector of the provincial economy is the industry sector. This government is conscious of the fact that the expansion of industry is not only necessary for the utilization of locally available raw material but is also essential for the development of new

technology and the provision of employment. Keeping in view these objectives the government is now trying to promote industrialization in the province through a three pronged attack. First it will continue to provide infra-structure in the form of industrial estates and common service facilities in the selected industries. Accordingly, industrial estates in Faisalabad, Daska and Gujranwala-II will be completed during the next year. Modernization of common service facilities for leather technology at Gujranwala, sport goods service centre at Sialkot and pottery development at Shahdara will be completed. The Punjab Small Industries Corporation has launched a pioneering programme which aims to set up crafts development centres in the remote areas of Dera Ghazi Khan and Cholistan. The object of this programme is to reach the door-steps of craftsmen in these areas, to provide raw materials and designs to them and to collect finished products for marketing against cash payments. This programme has already helped in bringing to light some crafts which appear to have considerable marketing potential. This programme will be further developed by the Corporation during the next year.

31. The second way in which industrial growth is proposed to be stimulated is through the continuation and expansion of the scheme called Rural Industrial Loan Fund. Under this project soft loans are given directly by the Small Industries Corporation for projects located in rural areas. During the last two years 188 projects have been sanctioned for villages and small towns in the province, and it is expected that an even larger number of projects will be sanctioned in the coming year. In this way prospects of self employment would improve. The third way in which the government is planning to develop industry in the province is through the introduction of modern technology in the projects to be executed by the Punjab Industrial Development Board. You may recall that the PIDB has for over ten years been endeavouring to start a project for the production of paper and news print at Kamalia. This project is based on the installation of new technology developed for the

conversion of bagasse into paper and news-print. It is with very great pleasure that I would like to inform the members of this Assembly that the project has finally been approved by ECNEC and that the PIDB expects to start work on the project, which is estimated to cost approximately Rs. 200 crore, during the next financial year. On completion the project will have an annual production capacity of 50,000 tons of paper as well as a capacity for producing news-print on an experimental basis. The project envisages the employment of over 500 persons on completion. The PIDB will also start another project for the production of ferrite at a cost of over Rs. 5.00 crore next year. This project will be first of its kind in the country, and will introduce modern technology for the production of small alloy components in high technology engineering goods. You will be pleased to know that both these projects will not be a burden on the ADP but would be funded through the income generated by the PIDB's own projects as well as through the involvement of banking and private sectors.

32. The construction of roads in the province, especially in rural areas, has been given a high priority by the government. Since the introduction of the programme of farm-to-market roads in 1980-81, about 3000 miles of roads have been constructed so far. As has already been explained by me, another 800 miles will be constructed under this programme in the next year. Besides, the ADP is making a provision for the improvement of nearly 200 miles of provincial highways under the provincial programme of the C&W Department. I would like to add here that the renovation and improvement of two important portions of the federal highway, from Gujranwala to Lalamusa and from Sahiwal to Khanewal, are likely to be started in the next year through the federal ADP.

33. An area of serious concern to the government is that pertaining to the maintenance of capital assets created in the past. You are aware that provincial roads, buildings and canals have not

been maintained satisfactorily owing to inadequate allocations in the budget. Accordingly, the government has been, for the last two years, periodically reviewing and updating the maintenance allocations for roads, buildings and irrigation channels in the current budget. The total allocation for all those, in the current budget for 1984-85, was nearly Rs. 63 crore. I am pleased to inform you that this allocation will be increased by over 42% to Rs. 89.63 crore in the budget for the next year. This includes a general increase of nearly Rs. 8.76 crore in the maintenance grants for all provincial buildings. A special provision of Rs. 3.50 crore is being made in the current budget for the first time for the repairs of middle schools in the province. You would know, and this demand has been articulated by the members of this Assembly, that the condition of school buildings has deteriorated rapidly in recent years. So far the responsibility for maintenance of buildings of middle schools was considered a local responsibility. After taking into account all aspects of the case, the government has now decided that the maintenance of all middle schools will now be the responsibility of the provincial government. The maintenance of high schools is already a provincial responsibility. A provision of Rs. 3 crore is also being made for special repairs to provincialized high schools which have so far not been looked after by the provincial government since their take-over 12 years ago. It is hoped that with these allocations the condition of maintenance of all government buildings, as well as of roads and irrigation/drainage channels, will improve considerably in the next year.

34. Sir, water for drinking purposes is a basic necessity which this government is keen to provide to all citizens of the province. The problem is specially acute in the barani and brackish water areas of the province. This problem is also serious in some of the large cities. Keeping this in view, the government is making a special escalation in the provision of funds for water supply schemes in the ADP for the next year. The total allocation for water supply schemes in the ADP in the current year is Rs. 27.38 crore. This allocation is



being increased by nearly 45% to Rs. 39.58 crore in the ADP for 1985-86. Rs. 13.00 crore will be provided for urban water supply schemes, and Rs. 26.58 crore will be provided for rural water supply schemes. I would like to indicate here that in keeping with the provincial government's policy to emphasize the completion of ongoing schemes, the government expects to complete as many as 176 rural water supply schemes during the course of next year.

35. In addition to the allocation just referred to by me I may inform you that a further allocation of nearly Rs. 18.63 crore would be provided to the development authorities of Faisalabad, Lahore and Multan for improving their water supply and drainage facilities. A large chunk of this will go to Faisalabad whose water supply project has been in some difficulty in recent years. I am glad to inform you that those difficulties, both technical and financial, have been largely overcome and that work will proceed at a more satisfactory rate during the next year when approximately Rs. 10.00 crore are expected to be spent.

36. You may recall that the Lahore Development Authority started work on the Data Nagar Bridge during the course of the current financial year. This work will be continued next year when a provision of Rs. 2.50 crore will be made for it. In addition, a sum of Rs. 1.00 crore is being allocated for the initiation of work for the construction of a bridge in Ghari Shahu in Lahore. The government is aware of the problems of the larger towns and cities and of the need for providing adequate housing in urban areas. It is in keeping with this programme that an allocation of Rs. 8.00 crore is being made in the ADP, through funds generated within the province, for housing projects through-out the Punjab. Ten ongoing projects are expected to be completed during the course of the next year and a provision of funds is being made for the acquisition of land for new schemes in Rawalpindi, Okara, Kasur, Khushab, Chichawatni, Jampur and Khanpur. Actual work on new housing

projects for these towns would commence in the following year. Another aspect of this problem is represented by the lack of adequate government buildings. A sizeable allocation of Rs. 37 crore has been made for this in the ADP 1985-86.

37. A problem that is common to the urban and rural areas of the Punjab is that of transport. Since the response from the private sector has been very encouraging for the last few years, it is the government's policy to induct private transport wherever possible. However, in areas where private transport is shy, both in cities and rural areas, government transport will continue to perform its role. A total provision of nearly Rs.15 crore has been made for the transport sector. With the induction of this money during the next year it is hoped that the process of modernising the fleet of the Corporation will continue and that, simultaneously, its financial position will improve.

38. The focus on the regional development of backward areas will continue during 1985-86 and the allocation for regional programmes will be enhanced from Rs. 7.25 crore during 1984-85 to Rs. 9.94 crore in 1985-86 giving a percentage acceleration of approximately 37%. The specific areas to be covered under this regional programme include D.G.Khan, Cholistan, Murree, Soan Valley, Shakargarh and the barani areas in general. During 1985-86 work is also being taken in hand to prepare master plans for the development of barani areas and Cholistan, so that specific projects can be taken up in subsequent years. I have already spoken of the introduction of the special development programme from the next year: among the projects that will be included in it will be those pertaining to the harnessing of hill torrents.

39. So far I have spoken mainly about the expenditure estimates of the provincial government for the development and the current budgets. The receipts of the provincial government are,

perhaps, of even greater concern to this Assembly, since it is on the basis of those that expenditure estimates can be prepared. Provincial receipts at present consist of three identifiable sources. The first part consists of tax receipts and the second of receipts for provincial public utilities and government services. The third part consists of receipts which accrue to the provincial government on account of its share in the federal divisible taxes, which are distributed on the basis of a formula devised in 1975. In the budget estimates for 1984-85 the total receipts of the provincial government were estimated to Rs. 1030.59 crore and the revised estimates show that there was almost no change with the final figure being adopted as Rs. 1029.92 crore. For 1985-86 the receipts are now estimated at Rs. 1117.39 crore i.e. an increase of about 8.4% over the estimates of the current year.

40. Provincial receipts were, at the time when the formula was determined in 1975, expected to throw up surplus for financing the ADP. Because the formula was not updated till 1981, by which time the pattern of provincial receipts and expenditure had changed radically, the provincial receipts of this province began to fall behind expenditure. Since 1982-83 the Punjab government has been unable to balance its current budget and receipts and it has started depending like the other three provinces, on grants from the federal government for this purpose. It is now expected that a new national finance commission will be set up shortly and the question of sharing taxes between the federation and the provinces will be reconsidered in accordance with the provisions of the Constitution. A new award of the national finance commission is expected to restore the balance between receipts and expenditure of the Punjab government. Suffice it here to say that this government is keen to ensure that the burden of taxes does not unnecessarily increase for the tax-payers and that taxes, which are already in force, are collected efficiently and without leakages. While the government is closely scrutinizing its receipts it is very anxious to ensure that the unnecessary expansion of the

administration is avoided. From what I have explained earlier today you will have noted with satisfaction that in the next year additional posts would be created mainly in the education and health sectors and for the departments which are directly engaged in development activities.

41. Sir, the honourable members of this Assembly would agree that Punjab represents a rich synthesis of different regional cultures, the origin of which go far back in history. While the government is taking steps to modernise the economy and to provide for the basic needs of the poor, it is also keen to ensure that its rich heritage, both Islamic and local, is not lost. With this in view steps are being taken to foster and preserve our tradition in architecture, painting, music and local craftsmanship. I have already mentioned the projects of the Small Industries Corporation by which an attempt is being made to keep alive some of the ancient crafts in the remote parts of this province. In order to preserve samples of such craftsmanship, a Folk Crafts and Art Complex is being established in the old Freemason's building in Lahore. Another aspect of the government's endeavour to promote culture is to encourage the establishment of libraries in this province. On the 25th December last year the Quaid-e-Azam Library was inaugurated in Lahore and this will provide upto date research material to scholars and general readers. Plans are underway for the renovation and modernization of Punjab Public Library and the Dyal Singh Trust Library in Lahore. A directorate of libraries has recently been established and a sum of Rs.3.00 crore has been provided for the promotion of libraries in other towns and cities of the province. The government plans to provide modern libraries in all divisional towns of the province and will lend some support and assistance to libraries supported by local institutions and private agencies in other major towns.

42. The government has been strongly emphasizing the rural development programme ever since local elections were held in 1979.

For 1985-86 Rs. 51.10 crore have been provided for the programme in the ADP, which includes a special block allocation of Rs. 26.10 crore. There will also be an allocation of about Rs. 17 crore for the matching grant scheme. The role of local bodies has been pivotal in reviving political activity in the country and the government will continue to support and nurture their development. I may add that these local bodies have largely provided the political leadership that finds itself today in this and other legislative assemblies of the country. All local bodies are a part of the province and the provincial government and local bodies will have to march hand-in-hand to develop the economy. The government will continue to find ways and means of strengthening local bodies further.

43. Here I would like to point out that, in keeping with the government's policy of bringing administration close to the common man, a number of new administrative divisions and districts have been created in the last five years. In continuation of that policy we will, by the grace of Allah, be establishing new district headquarters at Khanewal and Chakwal from the 1st July, 1985. Simultaneously, new tehsils will be set up at Mian Channu and Jand, and new sub-tehsils at Kallar Kahar and Choa Saidan Shah. I hope that these steps will materially help in the development of the most backward pockets of these new districts.

44. Before concluding my speech, I would like to speak about taxation. The budget for 1985-86 visualises a development task of monumental proportions: an increase of developmental expenditure of over Rs. 130 crore, and of supporting current expenditure of nearly Rs. 260 crore, requires a massive injection of funds. The options before the provincial government were either to tax or to postpone this expenditure or to find a suitable compromise. I am glad to inform you that we are not going to impose any new tax. On the other hand, we are proposing certain concessions to give some relief to the people. We have managed to cut down on wasteful expenditure and to take steps to improve our provincial receipts.

As a result we will be able to completely balance the provincial budget without resorting to additional taxation for the next year. It will be the policy of this government not to live beyond its means and not to put any avoidable burden on our taxpayer.

We have, however, been looking at our taxes and other provincial receipts with a view to gradually simplifying and rationalising the system of revenue collection. We propose to take three steps in this connection through the Finance Bill of 1985. These measures are as follows :

- (1) At present owners of motor cycles or scooters pay a tax of Rs. 13.00 or Rs. 17.00 every three months. In case of a delay in payment the owner is sometimes harassed and has to make a number of irksome trips to the tax office. Accordingly, we are now proposing a change whereby he will be able to pay the tax in one payment each year. He will also have the option to make a once-for-all payment of Rs. 600.00 to the government, after which the motor cycle or scooter will be exempt from the tax for ever in the province.
- (2) Owners of motor cars or delivery vans at present pay an annual tax of below Rs. 500.00, but on a quarterly basis. It is now proposed to collect this tax on annual basis. The object would be to make the payment less cumbersome for the owner, and the collection more easily accountable for the government. The tax will be payable in the first 3 months of the financial year i.e. till September, and the payee will continue to get the present rebate for payments before the end of July.
- (3) The third measure proposed to be taken through the Finance Bill of 1985 to provide some relief to cinemas

which pay entertainment duty below Rs. 10,000.00 per month. Such cinemas at present pay a cinema tax at rates which vary between Rs.100.00 and Rs.3,000.00 per annum. Keeping in view the nominal nature of this tax and somewhat difficult conditions being faced by cinema houses, it is proposed to exempt such cinemas from the payment of this tax altogether.

- (4) The fourth measure relates to abolition of gift tax levied by the federal government in 1963, it became a provincial tax under the 1973 Constitution. This tax has been a source of some harrassment. Therefore, in accordance with our policy to simplify the system of taxes it is proposed to abolish the gift tax.

I would like to emphasise that these measures have all been introduced for the convenience of the tax payer. No material change is likely, in the long run, as far as government receipts are concerned. We will, however, continue to look for ways and means of symplifying the collection for our revenues further.

45. Sir, the budget that I have presented to you today reflects the hopes and aspiration of the people of the Punjab. This budget, as I have explained earlier, is a very large one. It is also a balanced budget. It concentrates on issues that are of very great importance to our farmers and to those in the lower income groups in the rural and urban areas of the province. While it will endeavour to increase agriculture production, it will also try to provide for fundamental needs in the fields of education, health and drinking water. But although the budget will enable the government to cover a lot of ground in the next year, I am conscious of the fact that a lot will remain to be done: not merely in the areas that I have just mentioned, but in others. For instance, we will need to deliberate at length and devise policies for tackling unemployment which is being accentuated by the return of some Pakistanis who have been working abroad. In the very short time that was available to this government to adjust budgetary priorities, and to raise resources, it did its best to make significant changes. With the blessing of Allah, in consultation with the members of this distinguished Assembly, and with the cooperation of the people of the Punjab, we hope that we will be able to achieve much more in future. In the very short

period since the election of the members of this Assembly, it has been encouraging to note the way in which various members have given useful suggestions regarding policy matters. I would, on behalf of the government, like to convey my profound thanks and appreciation to them. It is on the basis of their advice that the government has been able to improve the process of determining priorities in the budget for the next year. This government will continue to seek the advice of the members of the Provincial Assembly and to maintain a direct contact with the citizens of this province. It is entirely due to the direction given by the members of this Assembly that this Province is getting what is a record development budget for the next year. I would like to assure my colleagues on the benches of this House that the government will continue to give due attention to their wishes and to analyse very closely the suggestions made by them. The future of this government is linked very closely to the future of members of this Assembly and the two will have to march forward together. There should be no doubt in the mind of any person that the leadership of the Punjab lies now with the new generation of elected representatives in the national and provincial assemblies and not with those living in ivory towers. The faith and trust placed in the elected representatives by the people of the Punjab is a sacred trust and it will be honoured. We have to respond positively to the confidence shown in us by the voters in the Punjab and we will have to reject the views of those who no longer have any representative status. We have to respond positively to the confidence shown in us by the voters of the Punjab, and think constructively about the issues facing the province and the country. May Allah guide us on the correct path. I thank you Mr. Speaker Sir, and honourable members of the House, for listening so patiently to my speech today.

Pakistan Zindabad.