

SPEECH

OF THE

**Hon'ble Malik Muhammad Firoz Khan Noon
M.A. (Oxon), Barrister-at-Law,
Chief Minister, Punjab,**

**Introducing Budget for the year 1954-55 in the
Punjab Legislative Assembly
on Friday, the 26th February
1954.**

Speech of the Hon'ble Malik Muhammad Firoz Khan Noon, M.A. (Oxon.), Bar.-at-Law, Chief Minister, Punjab, introducing Budget for the year 1954-55, in the Punjab Legislative Assembly on Friday, the 26th February, 1954

SIR,

I rise, with your permission, to introduce the Budget of the Punjab Government for the financial year 1954-55.

The Budget day presents the traditional opportunity when we gather and look back to review the economic conditions which prevailed over the past year, measure up the prospects for the coming year and decide to set our course to meet its demands and its problems. We need no reminder that we are passing through difficult days and the occasion demands that we pool our resources to meet the challenge which the future holds before us with courage and resolution. It will be recalled that when the present Ministry entered office in April 1953, the civil administration had almost completely broken down and the Provincial Capital was directly governed by the Martial Law Administration. The Province was also in the grip of a distressing food crisis under which scarcity of food-grains of all types and mounting prices were a common feature of the situation. This naturally caused widespread distress and had a most demoralising effect on the population of a province which had hitherto enjoyed the proud title of being the granary of the country. This abnormal scarcity of food had in fact started a vicious circle because the available foreign exchange resources had to be diverted to import foodgrains and in consequence even essential consumer goods and to a certain extent raw materials required for our industries became scarce and

this in turn involved real hardship to the public. It was, therefore, obvious that the acute food shortage was the one problem which required Government's most immediate and serious consideration. The Provincial Government lost no time in mobilising its resources to meet this serious situation. The combined efforts of the Departments of Irrigation, Agriculture, Colonies and the Co-operative were directed and co-ordinated to meet the situation and numerous schemes were rapidly executed to arrest deterioration in our food position. I must here acknowledge with thanks the support we received from the Central Ministry of Finance in our Grow More Food Campaign and an increase in our storage capacity.

The Irrigation Department put into execution no less than 10 short-term schemes at a total cost of over Rs. 80 lacs of which 50 per cent was a grant from the Centre. Besides these 10 short-term grow more food schemes liberal concessions were announced for grant of exemption in *abiana* and land revenue on areas brought under food crops in excess of the area utilised for food crops in the previous year. In the case of rice crop alone there was an increase of 88,000 acres and timely rains further helped the kharif grain crops. The Department of Agriculture also arranged distribution of nearly 40,000 tons of Ammonium Sulphate at a subsidised price of only Rs. 2-8-0 per maund through a net-work of 750 Agencies. A further generous quantity of Ammonium Sulphate was also imported for the present wheat crop. The other schemes executed provide for the encouragement of tube-well irrigation on the uncommanded Crown land and in the Thal area. These schemes are designed not only to provide for the sinking of tube-wells through Government agencies but also by private individuals who have been given assistance

either through departmental schemes of the Co-operative and Agriculture Departments or through direct loan advances. Government in fact further intends shortly to enlarge the scope of the scheme to cover even uncommanded evacuee land in the province. The full details of all these schemes have been given in the Finance Secretary's explanatory memorandum and I am glad to say that in view of the vigorous steps taken by the Provincial Government and the generous gift of wheat by U. S. A. both the immediate and future prospects of the food situation can be described as very satisfactory. The province has so far received about 3,98,000 tons of imported wheat from Karachi while 1,33,000 tons were procured from within the province as against the original target of 1,00,000 tons. The definite improvement in the food position enabled the Provincial Government to liberalise distribution arrangements and to rehabilitate the Flour Mills industry which had been paralysed on the depletion of adequate wheat stocks. It may also be mentioned here that the price of wheat was brought down to Rs. 13-5-3 per maund as compared with Rs. 15-6-0 per maund reached in the earlier part of the current financial year and the concession in price involved a subsidy of nearly Rs. 124 lacs for the year. It is also gratifying that during the year wheat has reached every corner of the province and there was no black-marketing in the villages. Apart from reduction in price, the distress of the poorer sections has been further relieved through the free distribution of 17,600 tons of American wheat and the relief works costing Rs. 50 lacs which are being executed in the scarcity areas of the province.

The improvement in the food position is also reflected in the successful completion of our rice procurement

drive. The Food Department has already succeeded in purchasing one lac tons of rice and the target is likely to be exceeded by another 10 per cent before the drive concludes. This will enable the Provincial Government to release at least 85,000 tons as surplus for export which will earn valuable foreign exchange for the Pakistan Government. The Central Government in fact have already sold 30,000 tons of *begami* rice to Japan while another deal of 25,000 tons of superior rice has been finalised by the Central Government.

The successful implementation of the Grow More Food schemes, liberal grants of seed *taccavi* loans exceeding Rs. 24 lacs and the timely rains hold out pleasing prospects of a good rabi harvest, and the Centre on our request has already agreed to stop further allocations of American wheat to the province. These bright prospects and the fact that the Provincial Government will have a carry-over of nearly 3 lac tons of foodgrains at the beginning of the next crop year should altogether eliminate any possibility of either scarcity or high prices in the future year. The problem may in fact be one of storage and I am glad to announce that the Provincial Government is already nearing completion the construction of an additional storage capacity of 1,75,000 tons at a total cost of Rs. 172 lacs. This additional construction will raise the total storage capacity of the province to 2,33,000 tons¹. It is hoped this will help the Provincial Government to keep adequate stocks every year under proper conditions to meet the province's requirements and also reduce the storage losses which were largely inevitable in improvised godowns.

It must also be recorded here that in dealing with food and economic problems Government has been greatly handicapped by the lack of essential statistical data. The

absence of reliable statistics distorts whatever planning is attempted in these unhappy circumstances. The Provincial Government has, therefore, decided to establish a Bureau of Statistics which will be charged with the sole responsibility of readily furnishing Government with trustworthy data on all important matters. It is to be hoped that with the establishment of this Bureau the task of planning and development in the field of industry, agriculture and the like will be greatly assisted.

I now propose to devote a few moments to analysing another equally important problem of the financial position of the province which has been a source of some concern to your Government. A democratic Government is sustained by the measure of confidence and co-operation which it receives from the public. It is only right that I should invite you and through you the people whom you all represent to share with Government the anxiety which it feels over the present financial difficulty. It will be recalled that when the current year's Budget was being finalised a disquieting intimation was received from the Centre to the effect that as a result of restricted import policy the province's share in Sales Tax will show a decrease of nearly Rs. 2 crores. This represented nearly 9 per cent of the Punjab's revenue Budget and almost completely upset all the budgetary calculations. This difficult situation arisen at the last moment was met by certain desparate measures including the imposition of a surcharge on sugar which was calculated to yield a revenue of Rs. 80 lacs. The levy of this surcharge was, however, objected to by the Centre after the Assembly had passed the budget, as an encroachment on their sphere of taxation and had, therefore, to be discontinued very early in the year. It may, however, be remarked here that the Centre themselves have for several

years encroached on the provincial sphere of taxation as for instance in the case of tobacco tax and betelnut tax (in East Bengal only) Another very substantial loss in the revenues materialised when the Central Government decided to withhold a sum of Rs. 150 lacs due to the Provincial Government as its share of the Central Taxes for the last quarter of the previous financial year, against the price of the wheat supplies already made to the Provincial Government. It may, however, be observed here that in cases where the Centre owes money to the Punjab Government we have no such quick remedy at our disposal. Similarly another sum of Rs. 50 lacs has been provided for payment to the Central Government from the provincial revenues during the current financial year in settlement of the Centre's outstanding claim of Rs. 950 lacs for supplies during the year 1952-53 and which had not been paid for by the Provincial Government. The situation had arisen because during that year supplies of wheat and sugar had been received but the realisations therefrom had been utilised by the Provincial Government on its development projects on which a total sum exceeding Rs. 9 crores has been incurred but against which the Centre had provided a development loan of Rs. 390 lacs only which had proved to be totally inadequate. These development projects included essential irrigation and electricity schemes which the Provincial Government was compelled to complete without delay on account of factors which need not be mentioned here. Further the Central Government have in the past been sanctioning Schemes on which authority we have gone ahead with construction but the Centre have never sanctioned the actual loan till nearly the end of the financial year which placed the Provincial Government in a very awkward position. But now it has been arranged with the Centre that in future loans will be intimated and

made available early in the financial year. The position, however, was nevertheless unsatisfactory whereby receipts from sale-proceeds of food supplies received from the Centre could be diverted to other needs of the province however important. The Provincial Government, therefore, in consultation with the Centre has now taken steps to segregate its food accounts from its other normal account and has set up a machinery whereby the two accounts will be completely separate and all future realisations from sale of foodgrains will be utilised exclusively to meet debits outstanding against the Provincial Government against such supplies. This segregation has been enforced with effect from the 1st of January, 1954, and will not only help to keep the accounts clear but will prevent any possibility of abuse or of diversion of these funds to other needs.

The situation created by loss on account of estimated receipts from sugar surcharge, certain unavoidable post-budget expenditure and the withholding of Punjab's share in Central Taxes in the circumstances described above presented a very serious problem and steps had immediately to be taken to find ways and means of balancing our revenue budget. The Provincial Government, therefore, decided to set up a High Powered Economy Committee which was entrusted with the task of not only effecting economies but also to suggest measures to increase revenues wherever this was feasible. The Economy Committee is still at work and in its review of expenditure has already succeeded in effecting a saving of over Rs. 28 lacs. This saving has been achieved largely by reducing expenditure on Civil Defence, Border and the Provincial Police and in a small measure on other departments so far reviewed. The Committee was directed to complete this task in a manner which will not involve any large retrenchment which may aggravate

the unemployment problem in this province. It is hoped that the Economy Committee's work on completion will prove of benefit to Government and such economies in expenditure as are possible will have been effected.

The present Ministry simultaneously with this measure of reduction in expenditure took up with greater force and vigour the question of settlement of Punjab's outstanding claims against the Centre. These claims involve very large amounts and cover a variety of items of which the most important relate to Punjab's very heavy expenditure on relief and rehabilitation of refugees, Civil Defence, Border Police and Food Schemes. The House will be glad to know that the Centre has finally accepted Punjab's four years old claim amounting to Rs. 168 lacs on account of expenditure incurred by the province on the maintenance of Jammu and Kashmir refugees before their control was taken over by the Centre directly. The claims outstanding with the Centre on account of food schemes since partition involving a total amount of Rs. 321 lacs have also been accepted by the Centre to the extent of Rs. 124 lacs and for the balance the efforts of the Provincial Government for their satisfactory and early settlement will continue. Another claim which has partially been accepted by the Centre so far relates to Punjab's expenditure of over Rs. 89 lacs on Civil Defence measures in the province. The Centre has on this claim agreed to reimburse the province and a sum of Rs. 50 lacs is expected to be released in the settlement of this old claim. The other claim which has partially been accepted by the Centre relates to the construction of strategic roads in the province and on this account a reimbursement of Rs. 45 lacs is expected shortly. These settlements amounting to a total figure of Rs. 387 lacs will afford the province some welcome relief in the

desperate situation which had emerged as a result of developments mentioned above and will largely be utilised in liquidating our debt liabilities to the Centre in respect of food supplies received in the year 1952-53. The efforts of the Provincial Government to secure settlement of the remaining claims which are still pending with the Centre will continue with equal vigour and determination.

The financial difficulties, however, have not affected the Government's determination to work for the establishment of a welfare State where the essential needs of the masses should be met in ever-increasing measure. This goal of economic progress is certainly not easy of achievement but Government can derive no permanent satisfaction until all the difficulties which stand in the way are surmounted and the political freedom recently attained is matched by an equally important freedom from hunger, want and disease. It is, however, correct that in the field of economic progress no quick results can follow and the people should be patient and willing to make sustained efforts and sacrifices before a noticeable measure of success can be claimed. The analysis of statistics show that in the field of education which is one of the primary necessities of life a satisfactory progress has been maintained since the attainment of freedom. Thus in the primary stages of education we had in the province in 1948-49 a total of 4,780 institutions with an enrolment of 3,15,092 whereas in the current year the number of institutions rose to 7,972 and enrolment to 7,24,161. This shows an increase of 68 per cent in the number of institutions and 130 per cent in enrolment. Progress is also reflected in the case of Middle and High classes which to-day have a total of 1,427 institutions as against 1,213 in 1948-49 and an enrolment of 498,385 as against 421,782 in

1948-49. An analysis of the post-matric position is also satisfactory as the number of colleges in 1953-54 stood at 31 as against 18 in 1948-49, while the enrolment shows an increase of 158 per cent over the 1948-49 figures. The expenditure on education too has naturally been increasing correspondingly and as against our education budget of Rs. 242 lacs in 1948-49 the next year's budget provides for a total of Rs. 449 lacs and is rightly the highest on any single department and compares very favourably with the expenditure figure of Rs. 315 lacs for the 29 districts of the undivided province. This large increase in our education budget, however, seems to be making little impression on the perennial shortage of new schools, accommodation in existing educational institutions and of teachers in both. This shows the enthusiasm and unprecedented demand for education and although these are heartening signs but they are also a pointer to our increasing responsibilities and the strain which the mounting expenditure places on our present limited resources.

The other sphere where progress will directly improve the present extremely low living standards is that of industry and here too work has been carried on on correct lines although progress has been slow for lack of technical personnel, difficulty in the import of machinery and the inadequate generation of necessary power. The province can nevertheless show a satisfactory progress in the Textile industry. Already 3,50,000 spindles are ready for operation as against 6,50,000 allotted to the province. The small power loom units for the production of art silk have also gained in popularity and about 3,000 such looms are in operation in the province while demand for another 7,000 is being pressed for acceptance. The province will also during the course of the next year complete the installation

of three new sugar factories with a total daily crushing capacity of 3,000 tons in all and has now three vegetable ghee units as against one at the time of partition. The Pakistan Industrial Development Corporation are also setting up a Cement Factory at Daud Khel with a daily capacity of 300 tons, an Ammonium Sulphate plant with a capacity of 50,000 tons a year, a 25 tons daily strawboard factory at Rahwali and a super-phosphate plant at Lyallpur. The province has also increased its mineral oil production from a figure of $1\frac{1}{2}$ crore gallons in 1947 to over 5 crores. Besides, a large number of factories have been established for tanning of hides and skins, manufacture of chemicals, crushing of bones, starch, surgical cotton, tailors' wadding, hollow glassware, soaps and oils, paints and varnishes, fans, sewing machines, bicycles, biscuits and other food products. The net result is that the number of registered factories in the Punjab has more than doubled since partition and investment trends are gratifying. The number of Joint Stock Companies which stood at 1,226 in 1947 and had an authorised capital of about Rs. 50 crores has now risen to 1,900 with an authorised capital of Rs. 100 crores. This development in the field of industry will greatly improve the living standards of the people but the present standards are so distressingly low and the pace of progress is not of the type as can be expected to produce visible results in the near future. The pace of the progress must, therefore, be developed and accelerated so that the progress which we desire may be attained with the utmost speed. All the resources of the province should be harnessed to carry out rapidly the important task of producing cheap electricity which will be required in ever-increasing quantity in giving impetus to industrial development in the province and in reclaiming and irrigating our thirsty lands. The requirements of the province are estimated at 3 lacs K. W.

by 1958 and the gap in the available power and this estimate amounts to nearly 1,70,000 K. W. The schemes in hand will on completion provide another 1,35,000 K. W. and the balance will have to be met from Dargai and Warsak Hydel schemes or from other projects within the province.

It is necessary that the people should be made electricity minded and be able to use it in place of other fuel for their various domestic needs. The Provincial Government has, therefore, decided that in pursuance of this object and as a measure of essential relief to the people the duty of one anna per unit on electricity be abolished altogether all over the province and in addition a further reduction of one anna per unit be made in the gross rate of such electrical undertakings as are being run by Government. It is hoped that this decision will be welcomed and will not only afford relief to the public but will also help to achieve the larger object which has prompted it. The House will also be interested to know that it has been decided recently in Karachi that Sui Gas will be used to produce electricity immediately and that we may expect our share of a 100,000 K. W. generating set which is likely to be set up in the Dera Ghazi Khan district on the west coast of the Indus within the next three years. If this work is entrusted to the Pakistan Industrial Development Corporation as I have pressed, there is every hope of our getting the electricity within 3 years.

As a further measure of relief the Provincial Government has also decided to raise the scale of pay of peons and of other Government employees whose present scale of pay is fixed at Rs. 25— $\frac{1}{2}$ —30 to Rs. 28— $\frac{1}{2}$ —32. This revised scale will correspond with the scale of pay of similar staff in the Central Government and will involve an increase of Rs. 3 per mensem in the initial pay of this category

of Government employees at an estimated annual cost of nearly Rs. 3 lacs. This class of Government employees have also been given further relief by enhancement of their existing daily allowance rates by 100 per cent and an increase of 25 per cent in the other elements of the travelling allowance.

Another important decision which deserves to be mentioned relates to the separation of executive and judiciary. This step has been taken by Government to ensure expeditious disposal of cases which have accumulated enormously and the pending summary cases alone in the province are to the tune of 1,31,416. The judicial magistrates will be unhampered by any executive duties which in the past was one of the factors responsible for accumulation of cases in courts. The scheme is further designed to ensure that trials are held in an atmosphere which is totally free from any semblance of executive influence. The scheme in its present form is only a step in the above direction and has only recently been introduced in 13 out of the 16 districts of the province. A complete separation of judicial and executive functions will require amendment of the present laws, rules and instructions and until this can be completed a start has been made with the scheme in its present form as an interim measure and future direction to it will be given in the light of the experience gained in the working of the scheme.

This separation of executive and judicial functions and the accumulation of a large number of cases other than Summary cases in courts 9,175 in all in July 1953 which have been a common unhappy feature since partition has also prompted Government to immediately recruit 30 Magistrates from amongst practicing lawyers. The selection has been made through the Public Service Commission and

the selected lawyers will be members of the Punjab Civil Service on a permanent basis. It is hoped that this addition to the strength of the service will greatly help to remove the existing objectionable congestion of criminal work in the courts practically all over the province.

The provincial Government also intends to have one Resident Magistrate at each Tahsil Headquarter so that the litigants may not be inconvenienced by having to travel long distances to secure justice. This measure will not only afford relief in time and money but also help in the expeditious disposal of cases. There are in all 61 tahsils and of these 36 already have Magistrates at the Tahsil Headquarters and for the remaining 25 the decision will be implemented as soon as the existing problem of accommodation and similar other administrative difficulties have been provided for.

There is one other serious problem on which I desire to focus attention and which constitutes a grave threat to the agricultural economy of the province. The *thur* and water-logging problem is assuming proportions which no longer can be treated lightly. A total of 23 lac acres has already been affected and every year a further area of 40,000 acres is being rendered unproductive by this creeping menace to our fertile irrigated land and it has escaped public notice so long only because the new irrigation schemes were bringing fresh areas under increased cultivation. There is a limit to the process which will bring fresh areas under cultivation and as we start reaching these limits the loss of nearly $\frac{1}{2}$ lac of acres every year by *thur* and water-logging will present a problem to which an answer must be found if the Punjab cultivator is to survive and improve his present inadequate standards of life. The Provincial Government during the year has in collaboration with F. A. O. experts sunk 24 tube-wells in the Chuhrkana area on an

experimental basis in order to get useful and essential data to combat the water-logging problem in the province. The present indications are that anti-thur operations can be successfully concluded by giving larger supplies of water in the affected areas which helps to suppress the salts which come to the surface. The Chuharkana Reclamation Experiment has enabled the Department to provide an extra discharge of 36 cusecs which has helped to bring under operations an area of 5,102 acres in Kharif and 4,042 acres during Rabi in the first year. The House will also be interested to know that in the Province as a whole a total discharge of 3,706 cusecs are being utilised for reclamation purposes which is 45 per cent more than the last year and covers an area of 1.38 lac acres in all representing an increase of 62 per cent as compared with the previous year.

The Reclamation operations are now sure to be accelerated with the establishment of a Soil Reclamation Board which has immediately been provided with a sum of Rs. 50,000 for preliminary work while full provision will be made on submission of its detailed schemes and estimates. I trust that our Irrigation Engineers will seriously address themselves to this problem without loss of further time so that agriculture, which to-day is our principal industry of the province, is saved from the threat to which it is at present exposed. It is an index of the magnitude of this problem that during this year the Provincial Government has agreed to the reduction of a sum of Rs. 3,60,000 from the land revenue demand of the Jaranwala Tahsil which is one of the seriously affected areas of the province. This remission, which involves a substantial loss of revenues at a time when we can ill-afford to lose anything, had, however, become necessary and had to be agreed to.

There is one other matter of special interest which must find a mention here. The recent tour which I carried out in the northern districts of the province has impressed me with the necessity that some scheme is essential for the development of this tract which is economically very backward but has otherwise played a very important role in the history of the Punjab province. It is too early as yet to announce what precise shape the Government decision will take but the intention is that suitable measures should be adopted for the development of these somewhat neglected areas by sinking of tube-wells, installation of pumps, construction of embankments and other land reclamation operations on a wide scale. I trust that during the course of the year Government will be in a position to announce a scheme to meet its requirements to the extent that its present strained resources permit.

There is one other scheme which if it is eventually found to be practicable holds good promise of adding very substantially to the area under cultivation in this province. A large block of land of more than 20 lac acres generally known as the Greater Thal area is at present lying absolutely barren and it is proposed that a good use may be made of it by utilising flood supply in the Indus which otherwise runs waste to the sea. This supply is, however, available only in the three flood months and will not provide the usual type of perennial or non-perennial irrigation with which we are familiar. The intention is to explore if this extra flood supply could be utilised for what is known as basin irrigation in the Greater Thal area on the pattern practiced in Egypt on the Nile. The scheme is at present purely at an exploratory and experimental stage but if it is found to be practicable a flood channel of 10,000 cusecs capacity from Kala Bagh costing about Rs. 10 crores should be able to irrigate about 4 lac acres from this barren tract. I am glad

to say that I discussed this case with The Hon'ble Chief Minister, Sind recently and he agreed that there would be no objection from Sind to our opening this canal, since it will take water only in June, July and August which are flood months. It is hoped that when the scheme has been examined in all its implications the Provincial Government may during the course of the year be in a position to make some definite announcement about its future.

The House will also be interested to know the working of some of the important industrial concerns which are under the direct management of Government. There is the Rahwali Sugar Mill which is an evacuee concern under the management of a Board appointed by Government and it is satisfactory to note that during the 5 years ending 1951-52 since partition the Mill has shown an average annual profit of Rs. 2,57,514. The Mill has also as a result of improvements and extension in the existing machinery helped to increase the supply of cane from the gate-area from 43.6 per cent at the time of partition to over 60% now. The acreage under cane in the gate-area has now increased to 9,000 acres and cane worth about Rs. 25 lacs is on an average purchased every year by the Mill. The management of the Baghbanpura Cold Storage by the Department of Agriculture has also been on a profitable basis and has greatly helped to enable the Department to meet the demand of potato growers who before partition were entirely dependent for the supply of this seed from India. The other concern whose management was directly assumed by Government is the Jallo Rosin Turpentine Factory which was run by Managing Agents up to April, 1951, when it was taken over by the Forest Department. The working under the Managing Agents was on a profitable basis but unfortunately the analysis of figures since the management was

directly assumed by Government shows that it has been running on a substantial loss in the previous 2 years. This is attributed largely to the non-devaluation of the currency by the Pakistan Government which makes it impossible for its products to be exported abroad on any competitive basis. The Department, however, hopes that with the increase in the demand of its products by the establishment of paper mills in East Bengal and a Soap Factory by Lever Brothers in West Pakistan the present unsatisfactory position will largely be reversed and the Department will be able to run this concern on profitable basis. The other concern whose working has not been satisfactory is the Punjab Cotton Mills. During the past 2 years of Government management it showed a profit but during 1952-53 there was a loss of over Rs. 6 lacs. This year various economies have been effected, cost of production decreased, and production raised, and by these means it will perhaps be possible to convert the loss into profit. The present manager, who is an ex-Army Colonel, has in fact now increased the daily production from 7,000 yards to 12,000 yards. The factory is still using the cotton which was purchased nearly two years ago at a very high price and was later burnt in a fire at the mill premises. The working of the Shahdara Weaving Factory on the other hand which is a Training-cum-Commercial Centre has been very satisfactory and shows a definite improvement on the pre-partition results. The profits during the previous two years have been above Rs. 4 lacs a year while during the current year they are estimated at over Rs. 6 lacs.

This, Sir, is the general background in which we have to set our future course for the next financial year. It is a matter of satisfaction that despite the financial stringency the pace of the Punjab's development and progress

has not been allowed to be retarded and we march forward with confidence to the attainment of the goal which we have set before us and to which I have alluded earlier in my speech. I must now proceed to place before you the broad facts of our financial position.

ACCOUNTS 1952-53

The financial year expiring end of March 1953, just before this Ministry took office, was originally expected to close with a deficit of Rs. 68 lacs but actually we inherited a deficit of Rs. 457 lacs. This is the result of decrease of Rs. 307 lacs in the revenue receipts and an increase of Rs. 82 lacs in the revenue expenditure during the course of that year. These large variations both in receipts and expenditure are explained in some detail in the memorandum prepared by the Finance Secretary and published separately.

REVISED ESTIMATES, 1953-54

When the Budget of the current year was framed the receipts inclusive of the Muhajir Cess were estimated at Rs. 22.76 crores and the expenditure at Rs. 22.71 crores, leaving a small surplus of Rs. 5 lacs. The Revised Estimates now available, however, show that revenue receipts will in fact amount to Rs. 24.81 crores as against Rs. 22.76 crores provided in the Budget, while expenditure is likely to go up to Rs. 23.81 crores as against Rs. 22.71 crores originally anticipated. Thus there will be an increase of Rs. 2.05 crores in receipts and Rs. 1.10 crores on the expenditure side and the year is expected to close with a surplus of nearly Rs. 1 crore.

The increase of Rs. 2.05 crores in revenue receipts in the Revised Estimates is made up of several variations which have been examined in detail in the Finance Secretary's memorandum which has been published separately. The important variations include an increase of Rs. 27 lacs

as a result of collection of old arrears of Agricultural Income-Tax and of Rs. 47 lacs in our share in Sales Tax. The other important variation which deserves mention is the large increase of Rs. 170 lacs under 'Miscellaneous' which is largely the result of a reimbursement of Rs. 168 lacs by the Centre on account of expenditure incurred by the Provincial Government on the maintenance of Jammu and Kashmir refugees before the control was directly assumed by the Centre in March, 1949. The important item of decrease in our revenue receipts is under "Extraordinary Receipts" and is to be attributed to sale of a smaller number of town sites.

The increase of Rs. 1.10 crores in the revenue expenditure consisted of several items of which the more important relates to the repayment of an instalment of Rs. 50 lacs to partially liquidate the outstanding debits for supplies of wheat and sugar received from the Centre. There was also an increase of Rs. 53 lacs under 'Police' on account of rise in the prices of articles of clothing and equipment and continued retention of the Emergency Wing of the Punjab Constabulary and of the Border Police for which no provision was made originally in the Budget in view of the uncertainty regarding their future. The other important increase of Rs. 49 lacs is under 'Civil Works' and is mainly due to the construction of Dera Ghazi Khan-Taunsa-Kashmore road and a larger provision for material required in connection with the satellite town schemes. The increases have partially been set off by small savings under various heads, full details of which have been provided in the memorandum prepared by the Finance Secretary.

BUDGET 1954-55

According to the Budget Estimates of 1954-55 the revenue receipts are anticipated at Rs. 23,92 lacs and the

revenue expenditure at Rs. 24,54 lacs, leaving a deficit of Rs. 62 lacs.

It is necessary to mention here that the gap between estimated revenue receipts and expenditure during the next financial year was in fact much larger than the figure of Rs. 62 lacs mentioned above. The Provincial Government explored various avenues to reduce this gap and the main effort was to meet this difficult situation without fresh taxation as far as possible. The immediate economies which could be enforced effected a reduction of over Rs. 16 lacs in the expenditure and proposals to enhance the revenues without fresh taxation yielded a further amount of Rs. 229 lacs. This consisted of larger refunds from the Centre on account of Punjab's share in the Sales Tax and enhanced income from the lease and sale of Crown land at its full market rent. A further sum of Rs. 118 lacs is expected from the levy of a Development Cess at the rate of Re. 0-2-0 per rupee of the land revenue and *abiana* with which the province is long familiar in the form of the Muhajir Cess which was initially levied in 1948 and has since continued. The justification for the Development Cess has already been shown in the discussions of the Bill which has preceded the presentation of the Budget. The enlargement of the activities of the beneficent Departments (including Education on which our expenditure now amounts to Rs. 449 lacs as against Rs. 242 lacs in 1948-49), the increasing burden of the mounting recurring expenditure on other social uplift schemes executed with the Central grant of Rs. 5 crores and the fact that the cut imposed in *abiana* in 1934, when there was a steep fall in the prices of agricultural produce, has not so far been restored, all provide more than ample justification for the imposition of the Development Cess. It will be appreciated that if the activities of the beneficent Departments are

to be extended to meet the growing demand of the people and if the progress of development in different directions is to be maintained and improved upon these additional burdens and sacrifices will have to be accepted.

The other measure adopted to improve revenue receipts is the enhancement in the rate of the Agricultural Income Tax in the highest reaches which has again been restored to the level at which it existed before it was reduced in 1952 and is expected to yield an additional revenue of Rs. 4 lacs in the next financial year.

It will, therefore, be realised that every possible effort has been made to reduce the gap between the expected revenues and the inescapable expenditure without recourse to fresh taxation but nevertheless a deficit of Rs. 62 lacs remains to be covered. This deficit is proposed to be met by the levy of a surcharge on transport at the rate of $12\frac{1}{2}$ per cent on all road traffic. It will be remembered that during the current year the Central Government had enhanced its railway freight by the same percentage and this proposed surcharge will not in any way prejudice the road transporters vis-a-vis the railway. This measure is expected to yield a net revenue of Rs. 50 lacs. This reduces the deficit to Rs. 12 lacs which will be more than met by a net conservative estimated profit of Rs. 20 lacs from the working of the Burewala Textile Mills which has not been shown in the Budget. This Mill has gone into partial production and full operation will be possible only after arrangements for the supply of power have been completed which may take a few months. The deficit will thus be converted into a surplus of Rs. 8 lacs of which about Rs. 3 lacs will be utilised for the enhancement of the salary of peons and other staff in the same scale to which I have already referred in the earlier part of my

speech. The net surplus is, therefore, not expected to exceed Rs. 5 lacs. ||

A comparison of the Budget Estimates of 1954-55 with the Revised Estimates of the current year will reveal that the receipts show a decrease of Rs. 89 lacs while on the expenditure side there is a rise of Rs. 74 lacs. All necessary details of expenditure are contained in the Budget Volume which has been circulated to the Hon'ble Members and the memorandum explanatory to the Budget gives full details of all the important variations. It may, however, be mentioned here that the expenditure of Rs. 24,54 lacs includes new expenditure to the extent of Rs. 4,66 lacs of which Rs. 63 lacs will be on entirely new schemes and the balance of Rs. 403 lacs on schemes which are continuing from previous years.

It is noteworthy that out of a total expenditure of Rs. 24,54 lacs which is to be incurred in the course of the next financial year no less than Rs. 764 lacs is earmarked for beneficent Departments. This compares favourably with a provision of Rs. 748 lacs in the current year's Budget. There is thus an increase of Rs. 16 lacs in the expenditure on beneficent Departments over the current year's provision. This shows that inspite of the tight budgetary position there is no slackening of the pace in enlarging the scope and activities of the nation-building Departments and the primary needs of the people in the field of education and health continue to be met in ever-increasing measure.

It will be of interest to mention here some of the more important schemes included in the Schedule of New Expenditure for the year 1954-55.

The expenditure on education next year is estimated at nearly Rs. 4½ crores as against Rs. 4.21 crores during

the current year. The important items of new expenditure include a sum of Rs. 5 lacs which is proposed to be given to the Punjab University as a special grant in addition to its usual recurring grant of Rs. 4.32 lacs. There has also been an enhancement in the grants to important educational institutions from Rs. 62,000 to Rs. 1,01,000. Government have also decided to open a new College for Women at Gujranwala at an estimated cost of over Rs. 63,000 and to provide F.Sc. Medical Classes at the Government Colleges for Women in the three towns of Sialkot, Gujrat and Rawalpindi involving an expenditure of over Rs. 64,000. It has also been decided to open two Technical High Schools at Jauharabad and Lyallpur at an estimated cost of nearly Rs. 50,000 ; a higher secondary school at Muzaffargarh involving an expenditure of over a lac and a Junior Model School at Lahore with an expenditure of over Rs. 37,000. A provision of Rs. 50,000 has also been made for the raising to high standard of 4 Government Girls Middle Schools while another 300 new Primary Schools will be opened in April, 1954, at an estimated cost of about Rs. 3½ lacs. A grant-in-aid of over Rs. 67,000 is also proposed to be given for the expansion of education in the backward excluded area in Dera Ghazi Khan while the existing grants both to the Punjab Boys Scouts Association and the Girls Guides Association are proposed to be enhanced very appreciably.

In the sphere of public health a new T. B. Hospital is to be opened at Sargodha at a cost of nearly Rs. 1,12,000. The Anti-Malaria operations in the Corporation area of Lahore are also proposed to be continued at a cost of over Rs. 3 lacs while a sum of Rs. 4 lacs has been earmarked for the advance of grants for urban and rural sanitary works. The Fatimah-Jinnah Medical College and its allied institutions are to be provided a sum of nearly Rs. 11

lacs of which 50 per cent is to be provided by the Central Government. The new expenditure for Health Services includes a total sum of Rs. 47,000 as grants-in-aid to various dispensaries and a sum of over Rs. 70,000 on the training of midwives and nurse-dais.

Another scheme which deserves mention relates to the purchase of casing pipes and modern boring machinery by the Department of Agriculture for the installation of tube-wells at an estimated cost of nearly Rs. 9 lacs.

The decision of the Government to establish a Carpet Weaving Demonstration Factory at Shahdara at an estimated cost of over Rs. 66,000 will it is hoped receive general approval as the revival of carpet industry will not only earn us valuable Foreign Exchange but also provide employment to a large number of refugee carpet workers. The other important new scheme of the Industries Department relates to the establishment of a Woollen Industries Development-cum-Training Centre at Jhang at an estimated cost of nearly Rs. 9 lacs. It is hoped that this scheme will sustain and improve the cottage and small scale woollen industry which will provide profitable employment to the Panipat refugees settled in the Jhang district.

SOCIAL UPLIFT SCHEMES

It will be remembered that the Central Government had allocated a sum of Rs. 5 crores to the province for Social Uplift Schemes. This allocation is in the nature of a non-lapsing grant and the Provincial Government's decision was to earmark a sum of Rs. 4 lacs for labour welfare schemes and the balance of Rs. 496 lacs was to be equally divided between social development schemes of Education and Health Departments. The execution of these schemes was commenced in the year 1952-53 when a sum of Rs. 16,70,325 was utilised by the Education Department

from its share of Rs. 248 lacs on its various approved schemes. This Department is now expected to spend another sum of about Rs. 52 lacs in the current year while a provision of Rs. 32 lacs has been made for the Education schemes in the next year's Budget. The various schemes and the progress achieved has been fully reported in the memorandum submitted by the Finance Secretary.

The Health Department on the other hand is expected to incur a total expenditure of about Rs. 70 lacs on its approved schemes by the end of the current financial year while a provision of over Rs. 47 lacs has been made for the Health schemes in the next year's Budget. Here again the progress in the execution of the Health schemes financed from the Social Uplift Fund has been shown in the Finance Secretary's memorandum and need not be repeated here.

REFUGEES AND REHABILITATION

The problem of resettlement of refugees on land and urban areas was of such a magnitude and complexity that a sustained effort over a long period has not yet succeeded to produce the results which we are all anxious to achieve. I am, however, happy to be able to say that very considerable progress in the resettlement of refugees on land has been made during the current year and the conclusion of this tremendous operation is now in sight. The latest available figures show that out of about 12 lacs claims registered in the province over $10\frac{1}{2}$ lacs covering an area exceeding 39 lacs acres have now been settled leaving a small balance of about $1\frac{1}{4}$ lac claims which are pending verification and final settlement. The net result is that settlement operations have now been concluded in about 7 districts while in the remaining 9 districts or colonies more than 75 per cent of the work has been done.

It should, however, be mentioned here that a serious problem still awaits solution, namely the smallness of the holding which cannot provide sustenance to the allottees as well as the old tenants. This problem has been created by the distribution of all evacuee land on the basis of one acre per head irrespective of the fact whether the allottee was an agriculturist in Punjab (India) or not.

The rehabilitation work in the urban areas on the other hand must for the present, in view of our commitments with India, continue on a purely temporary basis. The Provincial Government is fully alive to the earnest desire of the urban refugees for permanent settlement on the same pattern as has been carried out in the case of rural refugees and is constantly pressing the Centre for the early acceptance of this persistent demand. It is realised that Government is ill-fitted to play the role of a landlord over nearly 3 lac units of evacuee property scattered in about 141 urban areas all over the province and the only satisfactory solution of this difficult problem, which will not only remove the present grievance of the urban refugees but also ensure the urban evacuee property from deterioration, is some suitable form of permanent settlement and we hope that the Central Government will soon find it possible to announce its policy in the direction desired by all of us.

This permanent resettlement of urban refugees is indeed also necessary as under the existing arrangements both the Provincial Government and its Local Bodies are every year losing substantial revenues from Property Tax whose recovery from the existing temporary allottees is not always possible and consequently there are not always sufficient amounts available to the credit of the evacuee owners to enable the Taxation Department to effect the recovery of its dues. It will be relevant to mention here

that arrears on account of Property Tax due to Government from evacuee property now amount to over Rs. 64 lacs while no less than Rs. 34 lacs is due to the Lahore Corporation alone in the form of Taxes from evacuee property.

The Provincial Government would also like to register a protest here against the Central Government's decision to abolish distinction between Agreed and Non-Agreed areas for purposes of allotments in the province. The province is already over-populated and there is at present little scope for absorbing more refugees in its economy.

SATELLITE TOWNS

The satellite town schemes around the 8 congested towns of Lahore, Gujranwala, Sialkot, Multan, Lyallpur, Montgomery, Rawalpindi and Sargodha which were to provide a total of 31,395 residential sites have made satisfactory progress during the course of the current year. The development work including the construction of roads under-ground sewerage, water-tap supply is now in full swing and it is hoped that this work will be completed before the end of 1954-55. The department has also made progress in the actual construction of 'C' category houses and out of a total of 2,239 houses to be completed it is expected that 427 houses will be ready by the end of the current financial year. These houses are expected to be constructed at an average cost of Rs. 3,000 each and are meant for refugees whose monthly income does not exceed Rs. 300. The work of allotment of sites in the satellite towns has also made sufficient progress and in fact $\frac{2}{3}$ rd of the available residential sites have already been allotted. The commercial sites in the new towns have on the other

hand been put to auction and about 50 per cent of the available sites will be disposed of during the current year.

While the work is in progress on the lines already indicated in the last year's speech the only additional feature in the execution of these schemes is provided by a recent decision which provides for the construction of 'D' type quarters for the poorer class of refugees. The Central Government have recently agreed to allocate a further sum of nearly Rs. 25 lacs from the Refugee Tax Fund in addition to the grant of Rs. 3 crores already agreed, and this will be exclusively utilised in the construction of 'D' type quarters at a cost of Rs. 600 each. These quarters will be let out at a monthly rent of Rs. 1-8-0 or given on hire-purchase instalment of Rs. 2-2-0 per mensem which it is hoped will be within the easy reach of the poorest of refugees who need to be provided with shelter in the new towns.

VILLAGE AID

The Village Aid Administration was set up less than a year ago with the object of implementing the village agricultural and industrial development programme sponsored by the Pakistan Government with the generous assistance of the Technical Co-operation Administration (U. S. A.) and Ford Foundation. The first step towards the implementation of the programme was to set up a Training Centre in which Village Level Workers were to be trained before their posting to Project Areas. One of the two Training Institutions to be opened in the province has been started temporarily at Quaidabad where the first batch of Village Level Workers has been receiving training since 1st July, 1953. It is proposed to eventually shift this institution to Lalamusa in Gujrat district as soon as buildings are constructed there. The other institution will be opened at Lyallpur. It is hoped that sufficient

Village Level Workers will be trained in these institutions to enable the Provincial Government to make a start with three Project Areas during the next financial year where Village Aid Administration will undertake development work according to the requirements of the local population at an estimated cost of Rs. 10 lacs inclusive of the Centre's share of 50 per cent. This programme is of tremendous significance and is designed to improve the living conditions in rural areas where over 80 per cent of our population at present lives in conditions of deplorable squalor and disease. The success of this programme is, therefore, a matter of most vital interest to all of us and I trust that it will receive from all the enthusiastic support which it deserves.

The Provincial Government also intends to examine the possibility of bringing the Village Aid Administration, Panchayats and the Muqadam Organisation of the Department of Agriculture under one single Department in a manner that the activities of all the three may be co-ordinated for the benefit of the rural population. It is envisaged that under this proposed set-up there will be an active Panchayat Organisation for every 10,000 population and this organisation will be entrusted with the discharge of some judicial and executive functions within its jurisdiction. The Provincial Government will retain powers for appointment of officials for the discharge of judicial functions in each Panchayat Area. It is also intended that the Headquarter of each Panchayat Administration should be provided with a model Agricultural Farm, a Poultry Farm and similar other pursuits which fall within the sphere of a farmer's normal activities.

There is one other important matter for which I feel Government is under moral obligation to make some

provision. A large number of cases arise every year where a Government servant dies before attaining the age of superannuation or otherwise qualifying himself for any gratuity and pension and in some cases leaves behind his family in most distressing circumstances. A scheme of retirement benefits has been drawn up to meet such cases but it is at present under the consideration of the Central Government and until it has been sanctioned cases of the type mentioned above remain unprovided. I, therefore, propose to earmark a sum of Rs. 1 lac in the next year's Budget to provide for relief to the families of Government servants who die before qualifying for any pension or gratuity and whose families are thereby placed in circumstances where relief becomes an absolute necessity. The amount provided can be utilised for the grant of stipends to the children of the deceased Government servants to complete their studies and will also otherwise be governed on the same general principle on which the small amount of compassionate fund is at present applied in a very limited sphere.

Before I conclude this review of the Revenue Budget I wish to make another provision of Rs. 10,000 to stimulate the campaign of Small Savings Scheme in the province. This provision will be utilised to provide encouragement in various forms for the success in the campaign of small investments which is indeed a matter of vital national interest and which according to the recent decision will provide much needed funds for the execution of development projects within the province. All the Administrative units in the province will be required to compete to show maximum results and those who do really well will through this provision receive recognition in some suitable form.

CAPITAL EXPENDITURE

Before I review the capital expenditure for the next financial year I wish to emphasise an important decision which has been taken during the year on the classification of the "Extraordinary Receipts". The receipts under this head are built up largely from the sale of Government assets in the form of Crown land, town sites and the like. This amount has for several years been taken to Revenue Budget and utilised for meeting the current expenditure, whereas it should in fact be kept apart for financing capital expenditure. It is an obvious requirement of sound finance that disposal of assets should be utilised to create fresh assets as otherwise under the present practice the revenue expenditure would grow on the strength of a source which is bound to dwindle and the ultimate position for Government will be one of serious embarrassment. It has, therefore, been decided that all receipts under this particular head from the sale of land should in future be gradually utilized to finance expenditure of a capital nature. It was not possible to implement this decision in a single year as the amount involved exceeded Rs. 133 lacs and its omission from the revenue receipts would have created an impossible situation to balance the Revenue Budget. It has, therefore, been decided that in the next year's Budget at least 25 per cent of the revenues from this head be taken to Capital Budget and the process be completed in a period of 4 years at the end of which the entire receipts from this source should be earmarked for financing capital expenditure.

The capital expenditure of the province during the next year exclusive of State Trading in foodgrains is expected to amount to Rs. 17.97 crores which will be in addition to the revenue expenditure of Rs. 2,454 crores to which I alluded earlier in my speech. Out of the total capital

expenditure Rs. 7·65 crores will be spent on construction of irrigation works, Rs. 4·72 crores on Electricity schemes, Rs. 1·66 crores on civil works outside the Revenue Account and Rs. 1·21 crore on satellite towns. The figures of capital expenditure also include a loan of Rs. 1·50 crore to the Thal Development Authority, Rs. 10 lacs for *taccavi* loans for sinking of tube-wells and percolation wells and Rs. 25 lacs to the Lahore Improvement Trust for the execution of its schemes in the Capital of the province.

IRRIGATION SCHEMES

It may be of interest to mention here that of the three irrigation links in hand the Bambanwala-Ravi-Bedian link and the Balloke-Suleimanki link aggregating an expenditure of over Rs. 14 crores have practically been completed and the work is in its concluding stages. The work on the Marala-Ravi link on the other hand was commenced only in 1953 and is in progress. It is estimated to cost over Rs. 8 crores and a sum of Rs. 180 lacs has been provided in the next year's Budget for this important irrigation work. The other important work is the multi-purpose Taunsa Barrage project comprising a Barrage over the Indus river with road and rail bridges in addition to a Hydel and Tube-well Scheme. A Ring bund has already been completed on the Barrage site and the excavation of the Barrage foundations is in full swing. This important project will on completion greatly increase the production of foodgrains in the province and will change the complexion of the hitherto undeveloped districts of Muzaffargarh and D. G. Khan. A provision of Rs. 3·84 crores has been made for this project in the next year's Budget. There has also been further progress in the Rasul Tube-well project which was designed to sink 1,860 tube-wells in order to counteract waterlogging in Rachna and Chaj

Doab. The total number of wells completed has now risen to 1,464 and the work on the rest is in progress. The other important works in progress relate to 4 Hydro-Electric schemes at Chicho-ki-Mallian, Shadiwal, Gujranwala and Mangla. These four projects between them are estimated to cost Rs. 8.71 crores and will produce a total of 81,000 K. W. of electricity. It is hoped that substantial progress will be achieved in the execution of these important schemes by the end of the next financial year.

ELECTRICITY SCHEMES

The Rasul Hydel scheme of the Electricity Department has further progress to show. The Power House, 132 K. V. lines and 66 K. V. line Gujranwala-Lyallpur section are in commission. Similarly the 66 K. V. line between Rasul and Sargodha via Malakwal and Bhalwal has been tested and energised and is now in operation. The construction of another 66 K. V. line between head Faqirian and Bhabra is well under way while work on 11 K. V. line sub-stations and local distribution network is in progress in Chiniot, Sukheke and Kunjah. The entire scheme was estimated to cost Rs. 857 lacs and the total expenditure so far incurred exceeds Rs. 620 lacs.

The Department of Electricity has a proposal for the installation of two 4,000 K. W. Portsmouth Steam Sets at Lyallpur. These sets were purchased in 1949 under the stress of special circumstances and shortage of power when no other sets were immediately available for delivery. These are in fact 25 years old sets and there is no certainty regarding their future utility or life. There is also difficulty regarding their spare parts and Government will consider whether the scheme in the circumstances deserves to be pursued further in view of our present position and the circumstances described above.

The other proposal of the Department relates to the installation of three 10,000 K. W. Steam Sets at Lyallpur. The delivery and installation of these sets is not expected to be completed before a period of three years—in fact even the order for this machinery has not been placed yet. In view of the prospects of Sui Gas which have recently become known the Provincial Government will probably have to abandon this project as well. It must also be mentioned here that the cost of production of electricity is highest in the case of diesel plants while power from Sui Gas is likely to be made available to the Provincial Government at about 1/6th the cost of production of power from diesel machinery and at less than half the cost of production of electric power through a steam plant. The installation of these three 10,000 K. W. Sets was to involve a cost of Rs. 237 lacs which can now be diverted to finance arrangements for the supply of Sui Gas power to the province.

It is unfortunate that two 3,000 K. W. Japanese Sets had been lying idle in Montgomery for the past three years or so. Government are, however, now taking steps to bring Engineers from Japan to complete their installation.

The Department has also during the year completed the 35 mile line linking Dina to Jhelum via Mangla Headworks and supply is now available to the Fauji Textile Mill near Jhelum. The work on the 13 mile 11 K. V. line from Hattian to Campbellpur has also been commissioned and the supply is being delivered to Campbellpur.

The Provincial Government has also decided to complete the Gujranwala-Sialkot link which is estimated to involve a cost of Rs. 50 lacs and is likely to be completed in a period of 4 months.

BUILDINGS AND ROADS

The total metalled road mileage in the province has been raised from 2,679 at the time of partition to 4,077 by the end of the current financial year. It will, therefore, be seen that in less than 7 years the metalled road mileage in the province has been increased by over 52 per cent. This construction has vastly improved communications but in view of the scarcity of funds, the increasing recurring cost in the maintenance of roads at an average annual rate of Rs. 1,700 per mile and the demands of other essential works which are directly productive the provincial Government will be unable to provide funds for construction of new roads in the next or future years for some time. The Department's activity during the next year will, therefore, largely be devoted to the construction of important buildings like the Nishtar Medical College and Hospital, the total cost on which is expected to exceed Rs. 174 lacs and for which a provision of Rs. 66 lacs exists in the next year's Budget. The other important work in hand relates to the construction of a new College of Engineering and Technology at Sihala; a new building for deMontmorency College at Sargodha and improvement of Government T. B. Sanatorium at Samli. The work on the Pre-Cadet College at Hasanabdal has mostly been completed and only minor works remain to be finished during the next financial year. The Department has also completed at commendable speed the construction of storage bins at a cost of Rs. 172 lacs. This construction will add a storage accommodation of 175,000 tons to the available capacity of 58,000 tons in the province. This entire work is expected to be completed early in the next financial year when the balance of about Rs. 43 lacs is expected to be spent on these works which will be of immense advantage for the

storage of foodgrains and will largely eliminate storage losses which were unavoidable in improvised godowns.

Now that our new storage programme is nearing completion, Government are considering a proposal to introduce during the next crop, a scheme to eliminate, as far as possible, heavy fluctuations in foodgrain prices which take place between May-June and December-January every year because of private exploiters. The details of this scheme are being worked out.

The House will also be glad to know that in the Budget Estimates of 1954-55 a sum of over Rs. 6 lacs has been provided for grants-in-aid to District Boards for the improvement of roads and bridges.

THAL DEVELOPMENT

The development of the Thal tract under the Thal Development Authority made further commendable progress in the various directions during the course of the year. In the sphere of industry the Authority has established two Textile Mills of which one has already gone into production and the other is expected to be in production before the close of the current year. The weaving sections of these two mills are expected to be completed by the middle of 1954. The two Sugar Mills in the Thal with a crushing capacity of 1,000 tons of sugarcane a day each are also expected to be in production before the end of 1954. The work is also in progress on the construction of first Hydel Work in the Thal near Quaidabad which will produce 6,000 K. W. of electricity thereby raising the Authority's production of electricity to 7,000 K. W. in all for domestic consumption and industry in the Thal area.

In the field of colonisation a total of 11,466 peasant houses will have been completed by the end of the year and

the area under irrigated farming now amounts to 457,000 acres registering an increase over the last year of 139,000 acres. The area already allotted now amounts to 316,000 acres which has been distributed to 23,444 families.

The Authority has also succeeded to procure a fleet of tractors from abroad with a loan from the International Bank of Reconstruction. This fleet has been organised in 8 units which are working in the Bhakkar and Leiah Divisions and has already constructed 500 miles of primary water-course and has reclaimed 10,000 acres of land in the Thal. The acquisition of this fleet will enable the Authority to reclaim another area of 140,000 acres during the next year.

The Authority has also completed plans to bring under cultivation that part of the Thal area which is outside the irrigation limits. A tubewell organisation has been set up and the Authority has secured pumping equipment worth Rs. 63 lacs which is expected to arrive from Australia under the Colombo Plan.

The Medical needs of the people have been met by the establishment of 13 dispensaries including a Mobile Dispensary while 5 large hospitals of 125 beds each are proposed to be built in the 5 new mandi towns during the course of the next year. The number of schools now in the Thal area has increased to 55 and another 12 will be added including 3 Middle Schools and one High School during the next year. The Authority has also a total area of 10,000 acres under forest plantation and another 8,000 acres of land will be brought under afforestation during the course of the next year including 40 miles of shelter-belts.

PUBLIC DEBT

The figures in the Finance Secretary's memorandum would show that the net Public Debt of the province at the

close of the current financial year stands at nearly Rs. 85 crores including the Debt of the undivided Punjab of over Rs. 31 crores the liability for which will eventually be apportioned between the two divided provinces of Punjab (Pak) and Punjab (India). The rapid growth of this debt is a development which can only be viewed with great anxiety. The size of the debt necessitates caution against over-capitalisation. It is not generally realised that the burden of this debt is in fact proving a great strain on the Revenue Budget of the province and the next year's Budget provides an amount of Rs. 267 lacs for payment of interest charges alone. The other load which this Debt places on the Revenue Budget is in the form of Sinking Fund for the liquidation of the Debt liability and on this account the further provision of Rs. 40 lacs exists in the next year's Budget. This will raise the total load on the Revenue Budget from Rs. 267 lacs to Rs. 307 lacs in all. The fact that this provision represents 12.8 per cent of the total Revenue Budget is a serious matter which must claim our immediate attention. This large debt has accumulated partly as a result of some unavoidable expenditure ^{in 1947-48} of protective and unremunerative nature which the partition has necessitated and we propose to request the Centre to treat this as a partition liability and give it a special treatment. It is also important that we should devise ways and means to liquidate this heavy liability and should see that whatever capital expenditure has already been incurred brings maximum returns without avoidable delay and that future expenditure is largely restricted to productive schemes. The recent decision of the Government to utilise receipts from the sale of Crown land and other assets to finance capital expenditure will certainly be an element of improvement in this situation.

Sir, I have now placed before you the broad outlines of the financial position on which our Budget of 1954-55 is based. It reveals a prospect that cannot be viewed without anxiety. The province has not as yet emerged from the ravages which its unjust partition had inflicted on it. The large but necessary demands of the unprovided refugee population, the grave threat to our canal supplies and the requirements of a lengthy border unrelieved by natural barriers all place a serious strain on our economy which on the other hand is required to meet the growing needs of a progressive people anxious and even impatient to see a visible and immediate improvement in their surroundings. This situation demands unity, discipline and mutual tolerance in our ranks and a sustained effort and sacrifices which we should gladly undertake in the sure hope and confidence that as our problems yield to solution in the face of our united endeavours we shall emerge, strengthened and fortified, to reach the goal of prosperity, contentment and happiness for all.

I shall be failing in my duty were I not to express my great appreciation of the work of the Finance Secretary on whom has fallen the difficult task of administering the finances of the province. His industry and devotion to duty have won my deep appreciation. I am also grateful to the Accountant-General and his staff as well as the staff of the Finance Department.

In the end I must avail of this opportunity to record my feelings of gratitude to the Hon'ble Finance Minister of the Central Government and his officers for their willing co-operation and valuable guidance which I have always received at their hands.

Sir, I beg to present the Budget for the year 1954-55.

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