



SPEECH

OF

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FINANCE MINISTER, WEST PAKISTAN

INTRODUCING THE BUDGET

FOR THE YEAR

1963-64

IN THE

PROVINCIAL ASSEMBLY

ON

MONDAY, THE 10TH JUNE 1963

PART - I

Mr. SUTAKER, SIR,

I have the honour to present the Budget of the Government of West Pakistan for the fiscal year, 1963-64.

Sir, the House will share my feeling of unhappiness at the absence of my Colleague, Shaikh Masood Sadiq, who was holding the portfolio of Finance for the major part of the year. He has been unwell for sometime and may not be able to attend the current Session. His support and goodwill will, however, be a source of inspiration and strength to me while piloting the Budget.

Sir, Budgeting can be a dull and dismal occupation, but when the Head of the Administration gives it a positive direction and a sense of purpose, it becomes a rich and meaningful experience. The Governor of the Province, whose robust and dynamic leadership has infused a sense of vigour and enthusiasm in the administration, set a firm and precise objective for the next year's Budget. He directed that the principal aim in preparing the Budget should be to release sufficient financial resources to areas which have suffered from neglect in the past so that their development is accelerated and a balanced pattern of economic growth is achieved for the whole Province. This is in conformity with the principle of policy laid down in the Constitution that special care should be taken to promote the educational and economic interests of people in backward areas.

Sir, this directive was presented by the Governor as a vision which the administration has endeavoured to convert into a budgetary reality. The administrative resources of the Province have been mobilised to ensure that the problems of economically backward areas are examined with care and sympathy. This examination has revealed a number of economic gaps which we have attempted to fill by incorporating such development schemes in the Budget as will provide the basic necessities and amenities of life to the people of neglected areas.

Sir, the Budget, which I have the honour to present to you this afternoon, can be truly regarded as a Budget for the under-developed areas of the Province. The dreary figures which you see in these forbidding Budget volumes are all a symbol of the determined effort which the administration has made to bring about a faster rate of growth in these areas.

Sir, we have to constantly remember that the Province is festered with pockets of unspeakable poverty and disease and it is the individual and the collective responsibility of the people and their Government to liquidate these grim and painful reminders of decades of foreign domination and exploitation.

At less than hundred paises a day per head the standard of living of our people is one of the lowest in the world and there are areas where even this average rate of income is beyond the reach of many people. The ideal of providing two square meals a day containing adequate nutrition would appear utopian to people who cannot get even pure drinking water.

Sir, we can be legitimately proud of the great development effort which the country as a whole and this Province has made in recent years but the full benefits of this effort are going to be realised through a process which is necessarily, though agonisingly, slow. In the meantime, people have to live and live as human beings free from want and hunger. It is important, therefore, that the poignant reality of immediate needs is not lost sight of while vital development schemes of a fundamental character are being formulated and implemented. The Budget for the next year is proof of the manner in which we propose to resolve problems of immediate necessity of the common man within available resources without retarding the development effort visualised in the Second Five Year Plan. I shall explain this further when I come to the proposed Works Programme for the next year.

The House is aware of the extent to which development is neutralised as a result of population growth. Between 1951 and 1961 the population of West Pakistan increased by over nine

million persons at an average annual rate of 2·7 per cent. There are no reasons to believe that this rate will fall during the next few years. To keep pace with the population growth of this size, enormous resources have to be generated to provide adequate food supplies, housing, transport, education and health. It is a massive challenge but I have no doubt that the Province will be prepared to meet it with equal may ssive determination provided individual energy and savings can be harnessed in a disciplined and organised manner.

Sir, the year under review has been a year of great changes. Activities and organisations, which used to be the preserve of the Central Government, were transferred to the provincial sphere. A completely new financial structure was provided under the Constitution and the working of the administration had to be reorganised to conform to the constitutional requirements. The new responsibilities were accepted by the Province with willingness, indeed eagerness, notwithstanding the apprehensions of some who thought that too much was being entrusted too early to the Province and that the Provincial Administration might not be able to bear the strain. Not only has the Province cheerfully borne the strain but has succeeded in vindicating the wisdom of the decision to entrust complete executive responsibility in the field of food and agriculture, health, industries and communications to the Province. A sound working system for most of these activities has been evolved and I hope that we will be able to bring about further improvements in the system as we gather more experience.

Sir, there has been a marked improvement in the general tone of administration. The distance between the public and the functionaries of Government has been considerably reduced as a result of the introduction of the Constitution and the advent of the Basic Democracies. A significant contribution has also been made in this direction by Members of this House who have acted as true representatives of the interests of their respective constituencies and have kept a vigilant watch over the activities of Government. They have set a healthy tradition by concent-

rating on problems of common interest rather than individual grievances and demands.

Sir, before I review the results achieved by the province in the various financial and economic spheres of activity, I should like to draw the attention of Hon'ble Members to the White Paper which has been placed before them. This is the first time that such a comprehensive document containing details of the working of different Departments and Development Agencies has been submitted to the House.

I should like briefly to indicate the development perspective against which the Budget proposals should be viewed. The current year was the third year of the Second Plan. The Plan anticipates a total development expenditure of 23,00 crore till the end of 1970. Out of this an amount of approximately 9,15 crore is the share of West Pakistan, part of which is in the Private Sector and part in the Public Sector. The share of the Public Sector, with which we are concerned in formulating our budget proposals is approximately 7,00 crore for the five years of the Plan.

A review of the implementation of the Plan carried out by the Planning Commission last month revealed extremely satisfactory results. The National Income, in real terms, increased during the first two years of the Plan by about 11 per cent. The Plan target for foodgrains production was virtually achieved three years ahead of schedule. Industrial production increased by about 23 per cent. Installed power generating capacity increased by 30 per cent while the volume of electricity actually generated was 54 per cent larger. One-third of the Plan target in the Communications Sector was achieved. Nearly 7 lakh children were added to the enrolment lists in the primary schools. The rate of domestic savings increased from approximately 6.6 per cent in 1959-60 to an estimated 8.1 per cent of the Gross National Product in 1961-62. Considerable increase in employment was provided in all fields of economic activity.

Substantial increase in crop production in West Pakistan has been achieved. Cotton production which had become static

at 16 lakh bales is now about 20 lakh bales. Wheat production has increased from 37·72 million tons to 40·36 million tons. The production of sugar-cane has increased from 11·49 million tons to 14·13 million tons. Rice production has increased from 10 lakh tons to 11 lakh tons.

In the industrial field the index of manufacturing went up from 73 in 1948 to 583 in 1962. The number of registered factories increased from 1,100 in 1948 to 5,947 in 1962. In the current year about 375 new factories were registered. The out-put of sugar increased from 66,300 tons in 1961 to 2·10 lakh tons in 1962. An increase of 17 per cent was recorded in the production of vegetable oils and vegetable ghee. The production of cotton yarn increased by 6 per cent. There was significant increase in the production of Soda Ash, Caustic Soda, Super-phosphate and other chemicals.

Sir, the process of reflecting and incorporating the Plan objectives in the Budget has been slow and arduous. Old habits and attitudes had to be reformed, sometimes through persuasion but often under compulsion, to bring them in accord with the requirements of planned development. The proposed budget for the next year represents a complete identity between Development needs and Budgetary discipline. In the past a number of schemes and projects were incorporated in the budget even though they had not been fully examined from the technical and administrative angles. During the course of this year each important scheme proposed for inclusion in the next year's budget was subjected to a searching scrutiny and a review of a number of on-going schemes was undertaken. Most of the schemes included in the next year's budget are approved schemes. These schemes will be mature for execution as soon as the House has signified its approval to the Budget proposals. There will be no need in respect of such schemes to obtain administrative sanction after the Budget has been passed. This is a major administrative reform which will help to expedite development. I shall speak

later of some other measures which we have adopted to ensure more effective implementation of the development programme.

Sir, I shall now briefly review the development programme for the current year and the proposals for the next year. An amount of approximately 1,57 crore was provided for the development programme in the current year. According to Revised Estimates, expenditure on development is likely to be of the order of 1,39 crore. As against this a Development Programme of 1,86.12 crore has been proposed for the next financial year. This means that the size of the Programme for the next year will increase by 34 per cent as compared to the current year's Programme according to Revised Estimates. This is the highest annual increase in the Development Programme since the beginning of the Second Plan based on Revised Estimates of the first three years. Increase in the second year was only 12 per cent and in the third year 21 per cent. This increase reflects the rising tempo of development which compares favourably with the rate of development in any other comparable economy in the world.

Sir, you would naturally like to know how this amount of 1,86 crore has been allocated to different regions and the extent to which the needs of less-developed areas have received attention in the Budget.

In order to divert resources to less developed areas, it was necessary to restrict the rate of growth in areas which are generally regarded as more developed. Accordingly, the former Punjab area and Karachi have received allocations for the next year which show an increase of only 10.89 per cent and 1.56 per cent respectively.

A substantial saving has been effected in schemes of province-wide application. An amount of about 80 crore is provided in the next year's budget against the current year's allocation of 74 crore showing an increase of less than 9 per cent. The funds saved from the provincial schemes and from the two developed regions have been diverted to under-developed areas.

The largest percentage increase has been proposed in the case of the former Bahawalpur Region. Hon'ble Members will see in the White Paper, a graph showing the trend of allocations in this Region since 1960-61. It is a depressing graph for the first three years. Only an amount of 65 lakh was provided for this region during the current year. In the earlier two years the allocations did not exceed 80 lakh. By diverting funds from more developed areas and by formulating special development schemes for this region it has been possible to make an allocation of 3.47 crore for this area recording an increase of nearly 457 per cent. The buoyant look which the graph has now acquired is proof of the determination of the Government to devote greater attention to the needs of neglected areas.

The next largest increase in allocations is in favour of the former Frontier Province. Members will notice that the proposed allocation for 1963-64 will result in a marked upward trend in development in this area. An amount of 7.98 crore has been provided for the next year as against 4.66 crore in the current year showing an increase of 71.24 per cent. An increase of 37.03 per cent has been proposed in the case of the Frontier Regions.

The next highest recipient of development allocation is the former Sind Region. An amount of 32.45 crore has been provided during the next year as compared to current year's allocation of 25.83 crore representing an increase of 26 per cent.

In the case of Baluchistan Region an amount of 5.70 crore has been provided as against the current year's allocation of 5.59 crore. The administration is under a special directive to prepare more development schemes for this area and I hope it will be possible to increase this allocation next year.

While making allocations to different regions, the state of development in each division and in each sector of the economy was carefully studied.

WATER AND POWER SECTOR

Sir, I shall take up first the Water and Power Sector which is the largest Sector in the Development Programme and has a fundamental importance for the economy of the Province. The future of both agriculture and industry depends on the rapid development of our water and power resources. A massive effort is underway to reclaim waterlogged and saline lands. An amount of 71.76 crore has been provided for this Sector during the next year as against 54.54 crore in the current year. The proposed allocation shows an increase of 31.57 per cent as compared to the increase of 26.6 per cent allowed in 1961-62 and 3.64 per cent during 1962-63.

A substantial part of the proposed allocation will be utilised on continuing schemes, such as, Tanda Dam, Kurram Garhi, Salinity Control and Reclamation Projects, Second Circuit on Multan-Lyallpur 220 K.V. Transmission Line and Extension of Lower and Upper Sind Thermal Power Station. The provision for continuing schemes is approximately 55.00 crore, and the balance amount will be spent on new schemes which consist of Gomal-Zam Multi-purpose Project, Khanpur Dam, Salinity Control and Reclamation Projects in Larkana-Shikarpur, Lower Thal and Upper Rechna.

There is an impressive record of achievement in this Sector but I shall mention only the Salinity Control and Reclamation Project No. I (Rechna Doab) which was completed in December 1962 and is now in operation. The results of this Project have been acclaimed by technical experts all over the world. The water table in the area is gradually declining and additional area of 50,000 acres of land has come under cultivation. The results of this project will serve as a model for future work in this field.

Out of a total amount of 71.76 crore provided in the Water and Power Sector, over 52 crore will be spent in the underdeveloped areas of the Province.

The highest allocation in this sector has been proposed for the former Sind Region which will receive over 20 crore in the next year.

The allocation for the former N.-W.F.P. has been increased from 2·58 crore to 5·32 crore.

Bahawalpur, which received no funds in this sector during the current year, has been allocated an amount of 18 lakh.

The provision for Kalat Division has been increased from 44·67 lakh to 62 lakh.

AGRICULTURE SECTOR

Sir, intensive efforts were made during the current year to increase agricultural output. I have already mentioned details of increase in crop production in the Province.

The West Pakistan Agricultural Development Corporation, which was set up in 1961, has achieved impressive results in its Field Wing. The Colonisation Programme which the Corporation has carried out so far represents a model of highly imaginative and well-co-ordinated development effort.

For the entire Agriculture Sector, an amount of 24.12 crore has been proposed in the next year's Development Programme as compared to the current year's Revised Estimates of 15·09 crore. This represents an increase of 59·84 per cent.

The largest allocation in the Agriculture Sector for the next year has been made in favour of former Sind Region which will receive an amount of 4·30 crore. Hyderabad Division will get an allocation of 2·57 crore as against the current year's allocation of 1·88 crore and Khairpur Division will receive an allocation of 1·70 crore as against the current year's allocation of 1·48 crore.

Substantial increase in allocation has also been made for the former Frontier Province. Dera Ismail Khan Division has been allocated an amount of 11·32 lakh as against the current year's allocation of 3·92 lakh.

Bahawalpur Division will receive an allocation of 46·25 lakh as compared to the current year's allocation of 7·03 lakh.

INDUSTRIES SECTOR

There was a decline in the allocation made to the Industries Sector during 1961-62. The situation was remedied during the current year and for the next year an allocation of 11.95 crore has been proposed as against the current year's allocation of 8.89 crore showing an increase of 34.42 per cent.

The allocation to the former Sind Region in this Sector has been raised from 26.73 lakh in the current year to 1.83 crore in the next year. Similarly, Baluchistan's allocations has been increased from 1.13 crore in the current year to 1.56 crore in the next year.

With the bifurcation of the P.I.D.C. and the transfer of its western component to the Province, the Provincial Government assumed an important responsibility for the development of industries in the Public Sector. An amount of 8.66 crore has been allocated to W.P.I.D.C. in the next year's programme, which is the highest amount received by this organisation since 1960-61.

COMMUNICATIONS

An amount of 39.67 crore has been proposed in the next year's Development Programme for the Communications Sector as against current year's Revised Estimates of 34.14 crore, showing an increase of 16.2 per cent.

The largest allocation in this Sector has been made for the former Sind Region which will receive an amount of over 2.71 crore. The former Frontier Province will receive an amount of 98.83 lakh as against current year's allocation of 52.12 lakh. Allocation for Baluchistan has also been substantially increased. An amount of 44.04 lakh has been provided for the next year as against the current year's allocation of 11.91 lakh.

An amount of 7.97 crore has been provided in this sector for the development of roads.

The mileage of metalled roads at the time of Integration was less than 8,000. It is now nearly 11,000 miles. Considerable

provision for roads has also been made in the proposed Works Programme for the next year.

EDUCATION

Sir, it is one of the most cherished objectives of this Government to provide adequate educational facilities to the people of the Province. You will be glad to know that an aggregate amount of 37.47 crore has been proposed for the Education and Training Sector for the next year out of which an amount of 13.54 crore will be Development expenditure.

An amount of 11.70 crore is earmarked for Primary Education. Universities and Colleges will receive an amount of 5.70 crore and 4.67 crore, respectively.

Sir, we have provided substantial funds for the Universities to enable them to strengthen their existing Departments and to expand their activities. You will see from the White Paper that the total amount proposed for the Universities in the next year's Budget represents the highest provision since 1954-55.

A provision of 40 lakh has been made in the next year's budget for the promotion of social, literary, cultural and sports activities. In addition, an amount of 6 lakh has been provided to improve the condition of the Lahore Museum and Libraries in Lahore. Grants-in-Aid have been provided for the Board of Advancement of Literature, Lahore, the Urdu Academy, Sindhi Adabi Board, Bazm-e-Iqbal, Punjabi Adabi Academy, Pushto Academy and the Institute of Islamic Culture. Members will be glad to know that Government have set up a Board of Governors for the National College of Arts, Lahore, to enable this institution to operate as a Semi-Autonomous body.

Sir, I would like to remind the House that even though there has been a substantial increase in the allocation for Education and Training, the resources of the Province will have to be supplemented substantially by private effort if the professed objective of providing universal primary education and adequate technical training has to be achieved within the

foreseeable future. A determined effort will have to be made by Local Bodies to collect funds to meet 50 per cent of the recurring expenditure involved in the running of primary schools. The field of education more than any other requires the closest co-operation between Government and Local Bodies.

HEALTH

Sir, you will notice from the development graph on Health in the White Paper that there was a decline in allocation during the current year as compared to the previous year. This disturbing trend has been reversed and the provision for the next year shows an increase of 57·23 per cent. Total provision both for development and non-development expenditure in the Health Sector for the next year is 12·16 crore as against 9·87 crore in the current year.

A provision of 72 lakh has been made for the construction and improvement of Rural Health Centres. Substantial funds are being provided to ensure supply of proper equipment to hospitals. An amount of 70 lakh has been provided for the Malaria Eradication Programme as compared to current year's provision of 50 lakh.

Substantial increase in the Health Programme has been made in respect of Peshawar and Dera Ismail Khan Divisions. Provision for Bahawalpur has been raised from 1·62 lakh to 31·03 lakh and that for the former Sind Region from 30·80 lakh to 40·62 lakh.

HOUSING AND SETTLEMENT

The provision for this Sector has been raised from the current year's level of 9·88 crore to 14·50 crore in the next year's budget showing an increase of 46·76 per cent. The Karachi Development Authority will receive 6·97 crore during the next year.

A provision has been made for the preparation of survey and feasibility reports for Town Development Schemes for Hyderabad, Sukkur, Khairpur and Quetta. Provision has also

been made for providing additional housing facilities to Government servants and for the new Secretariat building in Lahore.

An amount of 2·71 crore has been provided for Rural and Urban Water Supply Schemes.

Provision in this sector for the former Frontier Area has been raised from 11·26 lakh to 35·76 lakh and for the former Sind Area from 74·83 lakh to 1·32 crore. Similarly, the provision for Baluchistan Area has been increased from 21·12 lakh to 47·42 lakh.

SOCIAL WELFARE

There was a provision of only 21·48 lakh for this Sector in the current year. An amount of 1·24 crore has been provided for the next year. The increase is mainly due to the transfer of certain Central responsibilities in the field of labour and manpower to the Province.

In order to provide proper supervision and guidance to social welfare work in the province, it has been decided to set up a Social Welfare Directorate under the Basic Democracies Department.

Sir, I must apologise to Members for taking so much of their time to give them these details of the proposed developed programme, but I felt that it was necessary to do so in order to substantiate the claim that the Budget for the next year is a Budget for the under-developed areas of the Province.

Sir, while these figures will naturally generate a sense of optimism, I must caution Hon'ble Members that development involves a great deal more than budgeting. It involves a complete revolution in the attitudes and habits of people and the administration. Making a provision for schemes in the Budget does not mean that all the benefits expected from those schemes will become available over-night. As I said earlier development is a slow process. What is important is that this process has

taken a vigorous start. We have succeeded in creating an awakening among the masses during recent years. Their aspirations and hopes for a better future have been fully aroused. Years of lethargy, indifference and a growing sense of fatalism had robbed them of the knowledge that it is in their power to determine their future. It should be a matter of intense satisfaction for all of us that things which had been dormant for years are now on the move and if we press forward united in faith and disciplined in endeavour we will overtake our lost destiny.

Sir, I mentioned earlier that in our pre-occupation with big development schemes, we must not lose sight of the immediate needs of the common man. A provision of 10 crore has been made in the next year's budget for a programme of Rural Development, which is popularly known as the Works Programme.

Sir, this is a completely new feature in our Development Programme. Schemes of local importance are being prepared in consultation with Local Councils. These schemes will be such as should make an immediate impact on the rural economy. In the implementation of this Programme, the administration will be working in close association with various tiers of Basic Democracies. The success of the Works Programme will depend entirely on the extent to which voluntary effort by the people is forthcoming. While labour will be adequately rewarded, there will be no payment for middlemen and contractors. It is our intention to make every scheme under the Works Programme a model of organised voluntary local effort sustained by missionary zeal.

Sir, I now turn to the Revised Estimates for the current year and the proposed Budget Estimates for the next year.

I shall describe first the financial position of the Province. According to the figures supplied by the Audit Department the provincial surplus on Revenue Account increased from 34 crore at the end of 1960-61 to 51 crore at the end of 1961-62. The Public Debt of the Province increased to 1,99 crore but

this was more than balanced by direct capital investments of the Province amounting to 2,10 crore. In addition, the Province had given loans and advances to different Development Agencies amounting to 63 crore.

The ways and means position of the Province has been kept under constant and vigilant supervision. The current year opened on a distressing note. The Province had drawn advances to the extent of 23.12 crore from Commercial Banks against food stocks and from the State Bank of Pakistan against Securities. During the course of the year we were able to liquidate these advances and today the Province is carrying no advance or loan from the Commercial Banks. The liability of the Province on account of payment of interest has been reduced during the current year by over 50 per cent. This comfortable position is the result of judicious and careful husbanding of resources.

The permanent debt liabilities of the Province are expected to decline from 2,64 crore to approximately 2,08 crore by the end of June, 1963.

Sir, the Revised Revenue Estimates for the current year are 1,28.77 crore against the Budget Estimates of 1,15.93 crore. The increase in revenues is due to larger receipts of foreign grants from the Central Government and increase in Central Refunds as a result of larger collection.

The Revised Estimates of revenue expenditure are 1,06.26 crore as compared to the Budget Estimate of 1,08.68 crore. The reduction in the Revised Estimates of revenue expenditure for the current year is the result of the sustained effort which the Government made during the course of the year to keep non-development expenditure under firm control.

Sir, you will appreciate the full significance of this reduction if you take into account the substantial additional burden on revenue which was accepted by Government as a result of their decision to allow interim relief to Government employees at 10 per cent of basic pay. Later, Government decided that the pay scales of all non-gazetted Government employees including

employees of the P. W. R. should be revised so as to afford them a minimum of 10 per cent increase on consolidated pay. The additional financial expenditure on this account is estimated at approximately 6.10 crore for the next year.

Sir, you will be glad to hear that the pay revision work, which in the past caused considerable agitation among Government servants due to delays, has been substantially completed in record time. The revised scales have been generally acclaimed as liberal and more rational than the previous scales. The generous increase allowed in the salaries of teachers has been particularly appreciated. While revising the pay scales we were able to eliminate regional disparities and introduce a uniform salary structure throughout the Province. Members will be able to find full details of the revised scales in a separate documents which has been placed before them.

While on this subject I might mention that the long awaited integrated Pension Rules were issued on 7th June, 1963. Provision for pension has now been made for employees in several Units which had no pension rules. The new rules will apply uniformly throughout the Province. Formerly the maximum limits of pensions varied from 5,000 to 7,000 per annum for different categories of Government servants of various services. The limit has now been fixed at 7,000 per annum for all categories. These rules will take effect from the date of integration of West Pakistan, i.e., 14th October, 1955.

Sir, Capital Receipts were estimated in the current year as 1,51.30 crore. The Revised Estimates are 1,35.67 crore. The decline in Capital Receipts is due mainly to the reduction in the amount of loans received from the Central Government which were originally estimated at 98.91 crore and have been reduced to 73.75 crore in the Revised Estimates. There has also been a decline of 6.53 crore under Deposits and Remittances Heads.

Expenditure on Capital Account which is intended largely to finance the Development Programme was

estimated at 1,57.56 crore. The Revised Estimates place the capital expenditure for the current year at 132.90 crore representing a shortfall of over 16 per cent. The shortfall in expenditure is due mainly to the operation of certain financial provisions relating to re-appropriation of funds in the Constitution. I propose to ask the House to provide an amount of 10 crore as a pro-forma arrangement under the Contingency Item in addition to the amount asked for under the normal Contingency Item to enable the Administration to re-appropriate funds in accordance with the provisions of the Budget Manual. I should like to assure the House that all items of re-appropriation under the pro-forma Contingency Item will in due course be submitted to the House for approval. This arrangement will help in expeditious and more effective implementation of the Development Programme. Another cause of shortfall in expenditure is the increasing element of construction work in the Development Programme. A High Powered Committee has been set up to devise a system under which part of the construction work in selected fields may be entrusted to private construction firms. This will not only help in increasing the pace of construction in the province but should provide a powerful incentive to the growth of national construction firms.

Sir, the Budget Estimate of receipts on Revenue Account for the next year are 1,34.53 crore as against the current year's Revised Estimates of 1,28.77 crore. I have the privilege to announce that there will be an estimated surplus of 11.84 crore under the Revenue Account during the year next. This sizeable surplus shows that the province has been able to absorb the full impact of the increase in pay scales allowed to non-gazetted employees within the Revenue Account and release substantial resources for development .

The Budget Estimates of receipts under the Capital Account are 174.48 crore inclusive of the revenue surplus of 11.84 crore. The proposed Budget Estimates of expenditure on

Capital Account are also 1,74·48 crore inclusive of a provision of 10 crore under the Contingency Item.

Sir, the figure of Capital expenditure estimated as 1,74·48 crore on a net basis is lower than the Development Expenditure estimate of 1,86·12 crore which I mentioned earlier because Development Expenditure is not wholly charged to the Capital Account. A part of it is also spread over the Revenue Accounts.

The Province depends heavily on loans and grants from the Central Government to finance its Development Expenditure. An amount of approximately 138 crore is estimated to be received from the Central Government as loans and grants during the next year. The Province will contribute from its own resources an amount of 46·80 crore to finance Development expenditure as against the current year's contribution of 27·34 crore on the basis of Revised Estimates. This means an increase of over 69 per cent in the amount which the Province will find from its own resources for Development Expenditure. In spite of this highly impressive effort there will still be a gap of 6·78 crore in Capital Receipts. I have shown this gap in the Budget against the item "Utilisation of Cash Balance". If the Cash Balance of the Province is drawn down by this amount, we will be left with a precariously low figure of about 62 lakh. We have, therefore, to find additional resources to the extent of 6·78 crore to finance the Capital Expenditure and to ensure full implementation of the proposed Development Programme. Sir, this brings me to the taxation proposals for the next year for which Hon'ble Members have been waiting impatiently for some time. Before introducing these proposals, I have to remind the House that the sources of taxation available to the Province are extremely inelastic. In spite of this limitation we have to recognise the need for contributing larger domestic resources for development if dependence on foreign aid has to be gradually reduced.

Sir, you will observe that the taxation proposals, which I have submitted before the House, are extremely modest and represent the minimum sacrifice which the Province must make if the process of development is not to be retarded. The class of people on which the burden of the new taxation proposals will fall can afford to pay the extra amount without much difficulty. The incidence of not a single taxation proposal will fall on the common man.

Sir, The Integration of various Units into the Province of West Pakistan represents an experiment in unity conceived on the grand scale. It is based on common faith and ideology and the determination of the people to rise above distinctions of culture and differences of language. If countries of Europe, which for centuries have been at war with one another, can achieve economic and cultural unity, there is no reason why we who subscribe to the same faith and belong to the same nation, should not be able to work out a rational and harmonious economic system for the betterment of our people.

Sir, the Budget which I have presented to the House today may not be an ideal one. But I believe that it does take us nearer to the ideal—the ideal of infusing economic vitality into the under-developed areas of West Pakistan. It provides a spring-board for new endeavours in partnership among the integrating Units working towards common objectives with unwavering faith in the inherent unity of West Pakistan.

Sir, in the end, I must place on record my deep appreciation of the excellent work done by officers of the Finance Department in connection with the preparation of the Budget. I am particularly indebted to the Finance Secretary, Mr. Altaf Gauhar, who is a brilliant officer. The tenacity, perseverance and devotion to duty, which he has displayed as Head of the Finance Department specially in preparing the budgetary documents entitles him to the highest praise. I should also like

to thank the Additional Chief Secretary of the Planning and Development Department and his hard-working officers for the significant contribution which they made in processing and finalising the Annual Development Programme.

Sir, I have now the honour to present to you the Budget for the next financial year.

Lahore

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