

Government Of The Punjab

White Paper

On

The Budget 1971-72

Released at Lahore on June 30, 1971.

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INTRODUCTION

This White Paper is being published simultaneously with the budget and Annual Development Programme of the Punjab for the financial year 1971-72. The White Paper follows a slightly different pattern from the one adopted for the White Paper published with the provincial budgets for 1970-71. This is partly on account of the fact that this White Paper for 1971-72 is being issued in respect of the budgetary position of the Punjab whereas the White Paper for 1970-71 had reviewed the budgetary position of the former Government of West Pakistan during 1969-70 and of the four new provinces for 1970-71. Another factor which accounts for the slightly different pattern is an attempt to simplify the presentation so as to make it more readily intelligible by the non-technical reader and to avoid confusion.

LAHORE
Dated the
30th June 1971

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CHAPTER I
BUDGET AT A GLANCE

BUDGET AT A GLANCE

The budget and revised estimates, 1970-71, and the budget estimates, 1971-72 of the Government of the Punjab are summarized below:—

I. NON-DEVELOPMENT REVENUE BUDGET

(Rupees in thousands)

REVENUE RECEIPTS

	Budget Estimates 1970-71	Revised Estimates 1970-71	Budget Estimates 1971-72
I. SHARED TAXES			
Central Excise	7,74,05	8,58,24	10,36,78
Income Tax	17,36,78	16,24,39	18,52,95
Sales Tax	11,27,70	13,88,77	15,87,09
Estate Duty	2,54	2,54	2,54
Wealth Tax	12,82	17,85	17,85
Sub Total Shared Taxes ..	36,53,79	38,91,79	44,97,21
II. PROVINCIAL TAX RECEIPTS			
Land Revenue	14,34,69	12,07,48	12,50,95
Agricultural Income Tax	38,43	34,58	34,58
Provincial Excise	2,36,82	2,17,82	2,18,09
Stamp Duties	5,31,49	4,35,17	4,80,96
Registration Fees	31,62	29,52	29,73
Motor Vehicles Tax	4,26,27	4,54,93	4,80,76
Other Taxes and Duties	8,34,85	7,72,14	8,01,99
Sub Total Provincial Tax Receipts ..	35,34,17	31,51,64	32,97,06
III. IRRIGATION			
Gross Receipts	25,05,16	24,73,59	26,76,25
Deduct Working Expenses	(—)17,16,57	(—)15,81,42	(—)18,02,95
Sub Total Irrigation Receipts (Net) ..	7,88,59	8,92,17	8,73,30

(Rupees in thousands)

	Budget Estimates 1970-71	Revised Estimates 1970-71	Budget Estimates 1971-72
IV. PROVINCIAL OTHER RECEIPTS			
Opium	15,47	15,47	15,51
Forests	3,52,04	3,67,93	3,94,54
Irrigation Works	23,96	18,60	20,41
Civil Administration	1,32,10	1,79,32	1,91,06
Beneficient Departments	8,78,60	8,06,14	8,36,28
Civil Works and Miscellaneous Public Improvements	71,36	77,20	78,37
Miscellaneous	3,81,44	3,62,97	3,17,18
Extraordinary Items	4,00,25	4,59,28	4,43,82
Interest Receipts	1,75,89	1,81,57	1,17,05
Sub Total Provincial Other Receipts	<u>24,31,11</u>	<u>24,68,48</u>	<u>24,14,22</u>
V. NON-DEVELOPMENT GRANTS			
Grants for Transferred Institutions	18,05	18,05	18,05
Sub Total Non-Development Grants	<u>18,05</u>	<u>18,05</u>	<u>18,05</u>
Grand Total Revenue Receipts	<u>1,04,25,71</u>	<u>1,04,22,13</u>	<u>1,10,99,84</u>

NON-DEVELOPMENT REVENUE EXPENDITURE

(Rupees in thousands)

	Budget Estimates 1970-71	Revised Estimates 1970-71	Budget Estimates 1971-72
I. DIRECT DEMANDS			
Opium	13,57	13,44	13,73
Land Revenue	1,53,11	1,68,63	1,89,87
Excise	28,95	27,60	28,75
Stamps	8,39	7,24	8,28
Forests	2,42,96	2,57,35	2,61,65
Registration	2,73	2,65	3,00
Motor Vehicle Acts	13,76	12,05	13,16
Other Taxes and Duties	21,90	21,67	25,30
Sub Total Direct Demands	4,85,37	5,10,63	5,43,74
II. CIVIL ADMINISTRATION			
General Administration	4,14,84	4,18,72	4,92,30
Administration of Justice	97,16	91,79	1,05,54
Jails and Convict Settlements	1,04,65	1,22,36	1,26,74
Police	5,84,77	6,35,72	6,80,37
Provincial Border Forces	1,07,49	1,03,79	1,22,77
Miscellaneous Departments	92,19	82,85	1,01,80
Sub Total Civil Administration	14,01,10	14,55,23	16,29,52
III. BENEFICIENT DEPARTMENTS			
Scientific	4,81	1,69	1,99
Education	20,78,13	22,59,99	30,37,47
Health	4,72,11	4,43,01	5,53,25
Public Health	34,15	33,26	36,97
Agriculture	3,50,32	3,46,51	3,96,51
Fisheries	7,67	7,27	8,96
Veterinary	1,10,27	1,04,06	1,22,23
Cooperation	51,33	50,17	55,05
Industries	70,95	69,27	82,81
Establishment Charges of 63-B Development	54,66	57,72	60,99
Sub Total Beneficient Departments	32,34,40	33,72,95	43,56,23

**IV. CIVIL WORKS AND
MISCELLANEOUS PUBLIC IMPROVEMENTS**

(Rupees in thousands)

	Budget Estimates 1970-71	Revised Estimates 1970-71	Budget Estimates 1971-72
Irrigation	30,30	27,76	26,89
Civil Works	1,59,60	1,70,54	2,27,11
Communications	2,34,59	2,69,82	3,33,51
Sub Total Civil Works and Miscellaneous Public Improvements	4,24,49	4,68,12	5,87,51

V. MISCELLANEOUS

Relief	4,52	1,14	4,52
Privy Purses	16,00	16,00	16,00
Pensions	2,60,74	2,89,22	3,60,14
Printing	1,08,93	94,41	1,25,92
Miscellaneous	1,98,30	2,31,76	1,81,68
Wheat Subsidy	2,97,00	4,08,00	4,14,00
Civil Defence	9.99	10.25	12,25
Sub Total Miscellaneous	8,95,48	10,50,78	11,14,51

VI. DEBT SERVICES

Interest Payments	12,68,13	12,12,04	12,48,49
Appropriations	3,49,29	1,71,83	4,95,54
Sub Total Debt Services	16,17,42	13,83,87	17,44,03

VII. CONTINGENCY ITEM

VII. CONTINGENCY ITEM	7,75,00	1,23,00	4,25,00
Total Non-development Revenue Expenditure	88,33,26	83,64,58	1,04,00,54
Revenue Surplus	15,92,45	20,57,55	6,99,30

II. DEVELOPMENT BUDGET

(Rupees in thousands)

Development Expenditure	Budget	Revised	Budget
	Estimates 1970—71	Estimates 1970—71	Estimates 1971—72
Water	3,75,01	2,69,34	2,80,00
Agriculture	8,36,34	6,38,47	6,40,00
Physical Planning & Housing	9,08,09	6,92,23	6,30,00
Industries, Fuels & Minerals	56,48	31,85	25,00
Education & Training	14,39,25	9,80,73	9,00,00
Health	8,35,38	6,31,33	6,20,00
Transport & Communications	14,05,25	9,06,09	10,00,00
Social Welfare	36,46	41,90	29,49
Manpower & Employment	41,34	13,59	25,51
Rural Works Programme	2,50,00	2,25,00	2,50,00
Block Provision for Second Priority Schemes	—	—	6,00,00
Gross Development Expenditure	61,83,60	44,30,53	50,00,00
Deduct likely shortfalls	(—)9,69,00	—	(—)7,79,00
Net Development Expenditure	52,14,60	44,30,53	42,21,00

FINANCING OF DEVELOPMENT EXPENDITURE

A. Provincial Contribution

Revenue Surplus	15,92,45	20,57,55	6,99,30
Net Capital Receipts	(—)1,31,46	(—)4,68,70	1,15,39
Additional Taxation	—	—	4,25,00
Sub Total Provincial Contribution	14,60,99	15,88,85	12,39,69

B. CENTRAL ASSISTANCE

(i) Rupee Grants

Family Planning	1,38,00	1,13,00	80,00
Central Road Fund	4,46,89	3,24,00	60,00
Fund for Roads of National Importance	6,00	—	—
Canadian Counterpart Funds	50,00	50,00	1,30,00

1	2	3	4
Australian Counterpart Funds	24,55	24,55	—
US-AID Counterpart Funds	—	55,00	—
Swedish Counterpart Funds	—	3,68	—
Norwegian Counterpart Funds	—	—	13,25
Food Aid Convention	—	—	1,86,86
Sub Total Rupee Grants	6,65,44	5,70,23	4,70,11

(ii) Loans

Cash Development Loans	25,48,00	15,61,00	24,35,81
Market Loans (Net)	—	3,43,72	—
Sub-Total Loans	25,48,00	19,04,72	24,35,81
Sub Total Central Assistance	32,13,44	24,74,95	29,05,92

C. FOREIGN AID

Loans	4,88,00	1,94,21	57,00
Grants	53,00	18,33	18,02
Sub Total Foreign Aid	5,41,00	2,12,54	75,02
Total Financing	52,15,33	42,76,34	42,20,63
Uncovered Gap	(+)83	(—)1,54,19	(—)37

III PROVINCIAL SCHEMES OF STATE TRADING

(Rupees in thousands)

	Budget Estimates 1970—71	Revised Estimates 1970—71	Budget Estimates 1971—72
A. STATE TRADING IN FOODGRAINS			
Gross Receipts	54,70,45	43,79,89	57,79,54
Expenditure	63,05,04	32,09,38	53,75,77
Net Receipts	(—)8,34,59	11,70,51	4,03,77
B. STATE TRADING IN MEDICAL STORES			
Gross Receipts	1,24,65	1,86,09	1,30,74
Expenditure	1,24,65	1,86,09	1,30,74
Net Receipts	—	—	—
C. STATE TRADING IN COAL			
Gross Receipts	5,18,00	3,29,14	3,93,25
Expenditure	5,00,27	3,19,60	3,54,86
Net Receipts	17,73	9,54	38,39

CHAPTER II
REVENUE RECEIPTS

REVENUE RECEIPTS

The revenue receipts of the provincial government other than development grants from the Centre include:

- (i) Central Tax Assignments;
- (ii) Provincial Tax Receipts;
- (iii) Irrigation receipts (net);
- (iv) Provincial Other Receipts; and
- (v) Non-development grants from the Centre.

The revenue receipts of the provincial government were estimated at Rs. 104.26 crores as per budget estimates, 1970-71, and are expected to amount to Rs. 104.22 crores as per revised estimates, 1970-71. For 1971-72, they are estimated at Rs. 115.25 crores including Rs. 111.00 crores on the basis of the existing rates of taxation and Rs. 4.25 crores on account of additional taxation. Details of the budget and revised estimates, 1970-71, and budget estimates, 1971-72, may be seen at Table No. 1.

TABLE NO. 1

Item	Budget Estimates 1970-71	Revised Estimates 1970-71	(Rupees in crores) Budget Estimates 1971-72
Central Tax assignments ..	36.54	38.92	44.98
Provincial Tax Receipts ..	35.34	31.52	32.97
Irrigation Receipts (Net) ..	7.89	8.92	8.73
Provincial Other Receipts ..	24.31	24.68	24.14
Grants from Centre ..	0.18	0.18	0.18
Additional Taxation ..	—	—	4.25
Total Provincial Receipts ..	104.26	104.22	115.25

CENTRAL TAX ASSIGNMENTS

For 1970-71, the share of the Punjab province in the divisible pool of shared taxes has been determined in accordance with the terms of the Distribution of Revenues Order, 1965, and the decision of the President's Cabinet taken at the meeting held on January 27, 1971. The Distribution of Revenues Order, 1965, prescribes the distribution of the divisible pool of shared taxes between the Central Government,

the Government of East Pakistan and the former Government of West Pakistan. The Cabinet decision of January 27, 1971, prescribes the further distribution of the former Government of West Pakistan's share between the four new provinces in West Pakistan.

Under the Distribution of Revenues Order, 1965, the divisible pool of shared taxes includes, after deducting the costs of collection, the net proceeds from:

- (i) Taxes on income, including Corporation Tax, but not including tax on income consisting of remuneration paid out of the Central Consolidated Fund.
- (ii) Sales Tax.
- (iii) Excise duties on tea, tobacco and betel nuts.
- (iv) Export duties on jute and cotton (abolished in December, 1967).

Out of the net proceeds of the above-mentioned taxes, except for the sales Tax, 65% are assigned to the provinces and 35 percent retained by the Centre. Out of the provincial share, the province of East Pakistan receives 54 percent and the four provinces in West Pakistan receive 46 percent. In the case of the Sales tax the proceeds are again split in the ratio 65:35 between the provinces and the centre but only 70 percent of the provincial share is distributed in the ratio indicated above and the balance 30 percent on the basis of the actual collections in the province of East Pakistan and in the region of West Pakistan.

As per the decision of the Presidential Cabinet dated the 27th January, 1971, West Pakistan's share of the divisible pool of taxes is to be shared by the four new provinces in West Pakistan in the following ratio:—

The Punjab	56.5%
Sind	23.5%
NWFP	15.5%
Baluchistan	4.5%

On the basis of the Order and the Decision referred to above, Punjab's share of central tax assignments was estimated at Rs. 36.54 crores as per budget estimates, 1970-71, and is anticipated to be Rs. 38.92 crores as per revised estimates, 1970-71, and Rs. 44.98 crores as per budget estimates, 1971-72. Details may be seen at Table No. 2.

TABLE NO. 2

(Rupees in crores)

Name of Tax	Budget Estimates 1970-71	Revised Estimates 1970-71	Budget estimates 1971-72
Central Excise Duties	7.74	8.58	10.37
Taxes on Income	17.37	16.24	18.53
Sales Tax	11.27	13.89	15.87
Wealth Tax*	0.03	0.03	0.03
Estate Duty*	0.13	0.18	0.18
Total Share Taxes	36.54	38.92	44.98

*Both the Wealth Tax and the Estate Duty are collected by the Centre and 100 percent of the net proceeds distributed to the provinces on the basis of collections in each province.

For 1971-72, the National Economic Council has decided at its meeting on June 16, 1971, that the basis for province-wise distribution of shared taxes should remain unchanged but that the provincial share of the divisible pool should be increased from 65 percent to 80 percent. On the basis of the revised formula approved by the National Economic Council, Punjab's share is expected to increase by about Rs. 10.00 crores. The budget has, however, been prepared on the basis of the 1970-71 formula as the decision of the National Economic Council will be translated into law at a date subsequent to the announcement of the budget.

PROVINCIAL TAXES

The principal provincial taxes are land revenue and cesses on land revenue, stamp duties, provincial excise duties, taxes on motor vehicles, entertainment duty, urban immovable property tax and electricity duty. These seven taxes account for 95 percent of the proceeds from provincial taxes. The balance 5 percent is accounted for by a number of other minor taxes, cesses, duties and levies.

As per budget estimates, 1970-71, receipts from provincial taxes were estimated at Rs. 35.34 crores. As per revised estimates, 1970-71, proceeds therefrom are estimated at Rs. 31.52 crores. For 1971-72, provincial tax receipts are estimated at Rs. 32.97 crores. Details of the budget and revised estimates, 1970-71, and budget estimates, 1971-72, may be seen at Table No. 3.

TABLE NO. 3

Name of Tax	(Rupees in crores)		
	Budget	Revised	Budget
	Estimates	Estimates	Estimates
	1970-71	1970-71	1971-72
Land Revenue	14.35	12.07	12.51
Agricultural Income Tax	0.38	0.35	0.35
Provincial Excise	2.37	2.18	2.18
Stamp Duties	5.31	4.35	4.81
Registration Fees	0.32	0.30	0.30
Receipts under Motor Vehicles Acts	4.26	4.55	4.81
Entertainment Duty	2.93	2.45	2.49
Urban Immoveable Property Tax	2.66	2.66	2.75
Electricity Duty	1.42	1.29	1.42
Rest	1.34	1.32	1.35
Total Provincial Taxes	35.34	31.52	32.97

Revised estimates, 1970-71, indicate that receipts from provincial taxes will be less by Rs. 3.82 crores than the level anticipated in the budget estimates. The main shortfalls are in receipts from land revenue (Rs. 2.28 crores), stamp duties (Rs. 0.96 crores) and entertainment duty (Rs. 0.48 crores). Lower receipts from land revenue are accounted for partly by the ban on lease of state land, which was in operation for the first half of 1970-71, and partly by non-realization of arrears upto the originally anticipated level. Lower receipts from stamp duties are the result of fewer sales of stamps consequent to the reduced level of economic activity. Lower receipts from entertainment duty are accounted for by the closure of a large number of cinemas during the early part of 1970-71 as a result of the strike observed by the film industry.

During 1971-72, receipts from provincial taxes are expected to increase by Rs. 1.45 crores or 4.6 percent over the revised estimates figure of Rs. 31.52 crores. This relatively small increase indicates both the narrowness of the provincial tax base as also the inelasticity thereof. With the exception of land revenue (and cesses thereon), stamp duties, taxes on motor vehicles and electricity duty, receipts from the other provincial taxes are virtually stagnant. This points to the vital need for revising the

provincial taxation structure in a manner so as to make it more progressive in its incidence and more responsive to income and price changes. It also points to the need for a significant expansion of the provincial tax base.

IRRIGATION RECEIPTS (NET)

Net irrigation receipts are arrived at by deducting from the gross receipts the working expenses of the Irrigation department on the maintenance and operation of canals, and the working expenses of the Land and Water Development Board on the operation and maintenance of tubewells.

As per budget estimates, 1970-71, gross irrigation receipts were estimated at Rs. 25.05 crores, working expenses at Rs. 17.16 crores and net irrigation receipts at Rs. 7.89 crores. As per revised estimates, 1970-71, gross receipts are expected to be Rs. 24.73 crores, working expense Rs. 15.81 crores and net irrigation receipts Rs. 8.92 crores. The slight shortfall in gross irrigation receipts is accounted for partly by non-levy of double the occupiers rate in certain areas of SCARP-II and partly by lower than anticipated receipts from the Reclamation Fee levied in SCARP I. This slight shortfall has been more than made up by exercising economies in expenditure on maintenance and operation of tube-wells in all the SCARP areas. As a result, the irrigation receipts are expected to be Rs. 1.03 crores higher than those anticipated in the budget estimates, 1970-71.

For 1971-72, gross receipts are estimated at Rs. 26.76 crores, working expenses at Rs. 18.03 crores and net irrigation receipts at Rs. 8.73 crores. The increase of Rs. 2.03 crores in gross receipts, over the revised estimate figure of Rs. 24.73 crores, is accounted for partly by levy of enhanced water rates applicable to SCARP areas, and partly by the normal increase in receipts from this source. The increase of Rs. 2.22 crores in working expenses is accounted for by the mounting burden of the operational and maintenance expenditure on tube-wells in SCARP areas.

If due account is taken of the debt-servicing liability of the provincial government in respect of loans utilised for construction of canals and installation of SCARP tubewells (Rs. 6.71 crores during 1971-72), the gross receipts of the provincial government from the irrigation/tubewell system more or less match its expenditure thereon. This conceals, however, the fact that water supplied in SCARP areas is being subsidized. Despite levy of double the occupiers rate, the expenditure on the tube-well system substantially exceeds the gross irrigation receipts from the SCARP areas.

PROVINCIAL OTHER RECEIPTS

Provincial Other Receipts include interest and return on the loans and investments of the provincial government, income from state forests, receipts from the sale of state land and miscellaneous receipts of various government departments. As per budget estimates, 1970-71, provincial Other Receipts were estimated at Rs. 24.31 crores. As per revised estimates, 1970-71, they are anticipated to be Rs. 24.68

crores. For 1971-72, these receipts are expected to be Rs. 24.14 crores. The overall variation between the budget estimates, 1970-71, the revised estimates, 1970-71, and the budget estimates, 1971-72, are small but the total figures conceal substantial variations in the components thereof as will be evident from perusal of Table No. 4.

TABLE NO. 4

(Rupees in crores)

Name of Receipt	Budget		
	Estimates 1970-71	Revised Estimates 1970-71	Budget Estimates 1971-72
Sale of Opium	0.15	0.15	0.16
Sale of Forest Products	3.52	3.68	3.95
Interest Receipts	1.76	1.82	1.17
Civil Administration	1.32	1.79	1.91
Beneficent Departments	8.79	8.06	8.36
Civil Works and Miscellaneous Public Improvement	0.71	0.77	0.78
Irrigation Receipts	0.24	0.19	0.20
Miscellaneous	3.82	3.63	3.17
Extra-ordinary Receipts	4.00	4.59	4.44
Total Provincial Other Receipts ..	24.31	24.68	24.14

During 1970-71, the main shortfall is on account of non-realization of arrears of cotton fee upto the originally anticipated level, (receipts from cotton fee are included as part of receipts from the Beneficent departments) This shortfall has, however, been more than made up by increased receipts from sale of forest products, civil administration and sale of state lands. For 1971-72, the main decline is in interest receipts. This decline is caused by the fact that the Thal Development Authority has been wound up, and merged with various departments of the provincial government, and hence no receipts can be expected in future on account of interest on loans to the said Authority.

Provincial Other Receipts are by their very nature an inelastic source of revenue. Nevertheless, their virtual stagnation, and in some cases decline, does point to the need for a review of the various rates at which these receipts are realized in order to enhance their contribution to the revenue receipts of the provincial government.

Non-Development Grants from the Centre

The only non-development grant received by the provincial government from the Centre is the grant of Rs. 0.18 crores for financing departments and institutions transferred from the Centre to the provinces with effect from 1st July, 1962. The quantum of this grant remains unchanged from year to year.

CHAPTER III
NON-DEVELOPMENT EXPENDITURE
ON THE
REVENUE ACCOUNT

NON-DEVELOPMENT EXPENDITURE ON THE REVENUE ACCOUNT

The non-development expenditure of the provincial government on its revenue account consists of expenditure on:

- (i) Revenue collecting departments.
- (ii) Civil Administration.
- (iii) Beneficent departments.
- (iv) Civil Works and Miscellaneous Public Improvements.
- (v) Miscellaneous.
- (vi) Debt servicing.
- (vii) Contingency Item.

As per budget estimates, 1970-71, non-development expenditure on revenue account was estimated at Rs. 88.33 crores. As per revised estimates, 1970-71, it is anticipated to be Rs. 83.65 crores. For 1971-72, it has been estimated at Rs. 104.01 crores. Details of the budget and revised estimates, 1970-71, and budget estimates 1971-72, may be seen at Table No. 5.

TABLE NO. 5

(Rupees in crores)

Item	Budget Estimates 1970—71	Revised Estimates 1970—71	Budget Estimates 1971—72
Revenue Collecting Departments	4.85	5.11	5.44
Civil Administration	14.01	14.55	16.29
Beneficent Departments	32.35	33.73	43.56
Civil Works & Miscellaneous Public Improvements	4.25	4.65	5.88
Miscellaneous	8.95	10.51	11.15
Debt Servicing	16.17	13.84	17.44
Contingency Item	7.75	1.23	4.25
Total Non-Development Expenditure ..	88.33	83.65	104.01

The budget and revised estimates, 1970-71, are not strictly comparable with the budget estimates, 1971-72, as the former provide for payment of wages and salaries for eleven months only—the salaries for the month of June, 1970, were paid in June,

1970—whereas the latter provides for the payment of wages and salaries for the normal period of twelve months. Consequently, the increase in non-development expenditure during 1971-72 is less sharp than would appear at first sight.

REVENUE COLLECTING DEPARTMENTS

The principal, though by no means the only function of the revenue collecting departments is to recover the receipts of the provincial government from opium, land revenue and cesses thereon, provincial excise duties, stamp duties, forests, registration fees, other taxes and duties and taxes on motor vehicles. The expenditure incurred by the provincial government on the revenue collecting departments as a proportion of the recoveries effected by them may be seen at Table No. 6

TABLE NO. 6

(Rupees in crores)

Item	Budget	Revised	Budget
	Estimates	Estimates	Estimates
	1970—71	1970—71	1971—72
Revenue realized	38.63	35.00	36.72
Expenditure incurred	4.85	5.11	5.44
Expenditure as a percentage of Revenue	12.55%	14.60%	14.81%

It will be seen that the provincial government spends about 14% to 15% of its gross proceeds from its provincial taxes on collection thereof. This is not excessive especially in view of the fact that the revenue collecting departments perform other vitally important administrative functions. For example the staff engaged in collection of land revenue and cesses thereon is also responsible for the maintenance of the Record of Rights.

The increase between the budget and revised estimates, 1970-71, is on account of the additional amounts allowed to the Forest department for purchase of rosin for the Jallo Rosin Factory, and to the Director Land Records for purchase of stationery forms and printing of records. The increase between the revised estimates, 1970-71, and budget estimates, 1971-72, represents the normal six percent acceleration allowed to the non-development departments.

CIVIL ADMINISTRATION

The expenditure of the provincial government on Civil Administration includes expenditure on general administration, administration of justice, jails and convict settlements, police and the provincial border forces. Details thereof may be seen at Table No. 7.

TABLE NO. 7

(Rupees in crores)

	Budget Estimates 1970—71	Revised Estimates 1970—71	Budget Estimates 1971—72
General Administration	4.15	4.19	4.92
Administration of Justice	0.97	0.92	1.05
Jails and Convict Settlements	1.05	1.22	1.27
Police	5.85	6.35	6.80
Provincial Border Forces	1.07	1.04	1.23
Miscellaneous departments	0.92	0.83	1.02
Total Civil Administration	14.01	14.55	16.29

Expenditure on general administration is expected to increase by Rs. 0.73 crores during 1971-72 over the revised estimates figure of Rs. 4.19 crores largely on account of higher than anticipated expenditure of all departments on stationery and printing charges as a consequence of the commercialization of the Printing & Stationery department, and partly on account of anticipated new expenditure on the Assembly and Ministers. The increase does not betoken any expansion of the general administrative structure. In fact, fresh recruitment at the class III and class IV level has been banned until such time as all employees rendered surplus as a consequence of the Dissolution of One Unit have been absorbed.

Expenditure on administration of justice is expected to increase by Rs. 0.13 crores over the revised estimate figure of Rs. 0.92 crores partly on account of the provision for creation of fifteen new posts for Civil Judges. These new posts are being created in an effort to reduce the huge backlog of pending cases in the Civil Courts.

Expenditure on jails and convict settlements has increased during 1970-71 wholly on account of the larger than anticipated number of prisoners in the jails. The further anticipated increase during 1971-72 is nominal.

The increase in expenditure on police during 1970-71 as per the revised estimate thereof is on account of inadequate provision for payment of wages and salaries of the sanctioned strength of the Police department at the time of preparation of the budget estimates, 1970-71. The further anticipated increase during 1971-72 is as per normal trends.

Expenditure on the provincial border forces viz. the West Pakistan Rangers is shared by the Centre and the province in the ratio of 60:40. The figures indicated

at Table No. 7 relate to the share of the provincial government only. The strength of the West Pakistan Rangers is being increased and their equipment and materials modernized, in accordance with a phased three year programme. The third and last phase of the Re-organization Programme is being effected during 1971-72. The anticipated increase in expenditure on the West Pakistan Rangers during 1971-72 is entirely accounted for by the said Re-organization.

BENEFICIENT DEPARTMENTS

The bulk of the expenditure on Beneficient departments is on the Education, Health and Agriculture departments in that order. The Education department by itself accounts for 70 percent of all expenditure on Beneficient departments and 29 percent of the entire non-development expenditure of the provincial government on its revenue account. The importance attached to expenditure on education and the relative priorities of the other Beneficient departments would be evident from perusal of Table No. 8

TABLE NO. 8

(Rupees in crores)

Item	Budget		
	Estimates	Revised	Budget
	1970—71	Estimates	Estimates
		1970—71	1971—72
Education	20.78	22.60	30.37
Health	4.72	4.43	5.53
Agriculture	3.50	3.47	3.97
Veterinary	1.10	1.04	1.22
Industries	0.71	0.69	0.83
Co-operation	0.51	0.50	0.55
Public Health	0.34	0.33	0.37
Rest	0.69	0.67	0.72
Total Beneficient Departments	32.35	3.73	43.56

Experience gained during the third plan period indicates that expenditure on Beneficient departments, as also on Civil Works and Miscellaneous Public Improvements, should be allowed to expand at the rate of 15 per cent compound per annum, if adequate provision is to be made for maintenance and operation of completed development schemes. The increases allowed in expenditure on Beneficient departments during 1971-72 are in line with the conscious strategy of the provincial government to cater adequately to the need for more primary schools and teachers, more medicines for hospitals and so forth.

In the field of education, the relative priority given to different types of education e.g. primary education, secondary education, etc. may be seen from Table No. 9 below.

TABLE NO. 9

(Rupees in crores)

Item	Budget Estimates 1970—71	Revised Estimates 1970—71	Budget Estimates 1971—72
Universities and Colleges	4.11	4.12	4.92
Primary Education	10.61	12.81	17.73
Secondary Education	3.84	3.49	5.19
Special Education	0.37	0.38	0.41
Technical Education	0.93	0.85	1.15
Rest	0.92	0.95	0.97
Total Education	20.78	22.60	30.37

During 1970-71, the bulk of the increase in expenditure on education is accounted for by the fact that inadequate provision was made for additional salary bill of the primary teachers as a consequence of the revision of their pay scales. For 1971-72, the bulk of the increase in expenditure is accounted for by full provision being made for operation of the 4000 primary schools that were opened during the latter part of the financial year 1970-71. Adequate provision has also been made for operation of the 179 local bodies, high schools which have been provincialised with effect from June, 1971, as also for the 96 local bodies, high schools that were provincialised in June, 1970. Some increase has also been allowed in respect of grants to the universities.

While primary education is virtually free, all other types of education are also heavily subsidized by the provincial government. During 1971-72, receipts from educational institutions are estimated at Rs. 3.02 crores only, including Rs. 1.43 crores from local bodies on account of their contribution towards maintenance of primary schools whereas expenditure on education is estimated at Rs. 30.37 crores.

For 1971-72, substantial funds have been provided to meet the shortage of staff in various hospitals through creation of new posts. The 1970-71 budget provision for purchase of medicines has also been increased by Rs. 39.00 lacs. In addition extra funds are being allowed to the Buildings department in order to enable them to meet adequately the maintenance requirements of government hospitals and dispensaries.

In the field of agriculture, a substantial part of the anticipated increase in expenditure during 1971-72 is accounted for by the transfer of a number of completed development schemes to the non-development budget. Provisions for operation of the machinery and equipment of the Agriculture department have also been enhanced. Allocations for the extension service work of the Agriculture department have been protected.

CIVIL WORKS AND MISCELLANEOUS PUBLIC IMPROVEMENTS

Expenditure on Civil Works and Miscellaneous Public Improvements means expenditure on the maintenance of government buildings, roads, bridges and minor irrigation works. As in the case of Beneficent departments, third plan experience suggests that maintenance expenditure for the above mentioned purposes should be allowed to expand at the rate of 15 percent per annum. Additional expenditure has been allowed for these purposes during 1971-72 accordingly.

In the case of the Highways department, the yardstick for maintenance of roads and bridges has been revised, and an attempt made to provide funds in accordance with the revised yardstick. The budget provision 1971-72 for the Highways department is Rs. 3.34 crores as against Rs. 2.70 crores only as per revised estimates, 1970-71. In the case of the Buildings department, a special allocation of Rs. 40.00 lacs has been made for extraordinary repairs of government offices and buildings. The budget provision 1971-72 for this department is Rs. 2.27 crores as against Rs. 1.70 crores only as per revised estimates, 1970-71.

MISCELLANEOUS

The bulk of the Miscellaneous expenditure of the provincial government is accounted for by the wheat subsidy, pensions paid to retired government servants, expenditure of the Printing and Stationery department and grants to Union Councils for performance of their Basic Democracies functions, in that order. The expenditure incurred by the provincial government on relief operations, privy purses and civil defence also counts as part of its Miscellaneous expenditure.

The provincial government procures wheat at the price of Rs. 17.00 per maund. It also issues wheat to the flour mills at the same rate. The incidental charges incurred on procurement, storage and issue, which amount to Rs. 3.00 per maund are borne by the provincial government in respect of issue of wheat to consumers in the Punjab province. The incidental charges thus comprise the wheat subsidy and the quantum of the latter is calculated on the basis of internal off-take of wheat within the territory of the Punjab province. During 1970-71 the provision for the wheat subsidy had to be increased by Rs. 1.11 crores over the budget estimate figure of Rs. 2.97 crores on account of higher than the originally anticipated off-take of wheat. Internal off-take during 1970-71 is estimated at about 5 lacs tons of wheat. For

1971-72, the budget provision for the wheat subsidy has been kept as Rs. 4.14 crores on the assumption that internal off-take of wheat will not exceed about 5 lac tons.

The pensionary liability of the provincial government is steadily increasing. Anticipated expenditure on payment of pensions during 1971-72 is estimated at Rs. 3.60 crores as against Rs. 2.89 crores as per the revised estimates, 1970-71. Part of this substantial increase is accounted for by the fact that the provincial government has accepted liability for payment of pensions to teachers of provincialized primary schools for their service with the provincial government after 1st July, 1962, as also for their service with the local councils prior to this date.

The expenditure being incurred on [maintenance of the Basic Democracies structure is being curtailed with effect from the financial year 1971-72 consequent to the decision of the Central Government to discontinue grants-in-aid to the provinces for purposes of Basic Democracies.*

DEBT SERVICES

The expenditure incurred by the provincial government on the servicing of its debt has two component parts—actual payments of interest on loans raised by or funds placed at the disposal of the provincial government, and appropriations for reduction or avoidance of debt. The latter category of expenditure represents a purely technical transfer of funds from the revenue account to the capital account and is of no consequence in terms of actual cash flow. The real expenditure of the provincial government is on the payment of interest on loans raised by and funds placed at its disposal.

The 'real' expenditure of the provincial government on debt services was estimated at Rs. 12.68 crores as per budget estimates, 1970-71, and is likely to amount to Rs. 12.12 crores as per revised estimates 1970-71. For 1971-72, the 'real' expenditure on debt services is expected to increase to Rs. 12.48 crores. Details of the interest amounts payable by the provincial government in respect of various types of loans raised and funds secured by the provincial government may be seen at Table No. 10.

TABLE NO. 10

Item	(Rupees in crores)		
	Budget	Revised	Budget
	Estimates	Estimates	Estimates
	1970-71	1970-71	1971-72
Market Loans	2.23	2.32	2.51
Rupee Loans from the Centre	9.00	8.82	9.05

*The latest information is that the Centre has re-considered its decision to discontinue grants-in-aid for Basic Democracies. Consequences of such re-consideration have not yet been sorted out.

1	2	3	4
Foreign Loans	1.07	0.70	0.72
Other obligations (including State Provident Funds)	2.49	2.07	2.49
Deduct Transfers	(—)2.11	(—)1.79	(—)2.29
Total Debt Services	12.68	12.12	12.48

For the time being, expenditure on debt services is being contained within reasonable limits. In subsequent years, however, expenditure on debt services is bound to increase sharply as the bulk of the development expenditure of the provincial government is financed through rupee loans from the Central Government and foreign loans from foreign lending countries and agencies.

CONTINGENCY ITEM

The contingency item is meant to accommodate expenditures of an unforeseen but emergent nature that arise during the course of any particular financial year. For 1971-72, the provision for the contingency item has been kept as Rs. 4.25 crores including Rs. 1.25 crores for the normal contingency item and Rs. 3.00 crores for accommodating the impact of wage increases and police reorganization consequent to implementation of the recommendations of the Pay Commission and Police Commission respectively.

CHAPTER IV
RECEIPTS AND NON-DEVELOPMENT EXPENDITURE
ON THE
CAPITAL ACCOUNT

RECEIPTS AND NON-DEVELOPMENT EXPENDITURE ON THE CAPITAL ACCOUNT

For convenience of presentation, this chapter has been divided into the following sections:—

1. Capital Receipts
2. Non-Development Expenditure
3. Provincial Schemes of State Trading.

Capital Receipts

The capital receipts of the provincial government other than development loans and grants from the Central Government and other than receipts through incurring of Public Debt, are drawn from the following sources:

- (i) Unfunded debt (net);
- (ii) Recoveries of loans and advances;
- (iii) Receipts and recoveries on the Capital Account;
- (iv) Appropriations for reduction or avoidance of debt; and
- (v) Other miscellaneous receipts.

Net receipts from unfunded debt mean the excess of payments into the General Provident Funds over withdrawals therefrom. Net receipts from this source were estimated at Rs. 2.45 crores as per budget estimates, 1970-71, and are likely to amount to Rs. 2.73 crores as per revised estimates, 1970-71. For 1971-72 they are anticipated to be Rs. 2.76 crores.

Loans and advances have been given by the provincial government to the Thal Development Authority, the Lahore Improvement Trust, the Lahore Stadium Committee, the Industrial Estates, agriculturists, government servants and various municipal committees. Receipts from the recovery of loans and advances from these debtors were estimated at Rs. 2.52 crores as per budget estimates, 1970-71, and are likely to amount to Rs. 0.97 crores as per revised estimates, 1970-71. The shortfall has occurred largely because of the liquidation of the Thal Development Authority the functions of which have been divided between various government departments. Loans owed by this Authority to the provincial government will have to be written off or adjusted in due course against the assets taken over from the said Authority. The shortfall has also occurred because loans owed by the Lahore Stadium Committee have proved irrecoverable and may also have to be written off. For 1971-72, receipts on account of recoveries of loans and advances are estimated at Rs. 1.02 crores. In

arriving at this figure no account has been taken of loans that have proved to be patently irrecoverable.

Receipts and recoveries on capital account include a number of miscellaneous receipts e.g. sale of town sites, sale of Burewala Textile Mills, etc. The receipts from these miscellaneous sources were estimated at Rs. 1.46 crores as per budget estimates, 1970-71, and are likely to amount to Rs. 1.18 crores as per revised estimates, 1970-71. The shortfall has occurred largely because of the stay order obtained by the parties from whom sale price of Burewala Textile Mills is recoverable. The figure of receipts adopted for budget estimates, 1971-72, on this account is Rs. 1.24 crores.

Receipts from appropriations for reduction or avoidance of debt depend entirely on the provision made for this purpose in the revenue account of the provincial budget. The said appropriations are a purely technical provision in the revenue account. Expenditure allowed in the revenue account is always equal to corresponding receipts in the capital account.

Miscellaneous receipts are drawn from a number of sources including the deposits made by local, semi-autonomous and autonomous bodies in their personal ledger accounts at government treasuries, and the net effect of various suspense, deposit and remittance heads. These receipts do not follow any fixed pattern and cannot, therefore, be relied upon. Consequently, they are not taken into account for purposes of working out the availability of resources for financing the annual development programmes.

NON-DEVELOPMENT EXPENDITURE

The non-development expenditure of the provincial government on its capital account, other than expenditure on discharge of Public Debt, includes expenditure on the following items:—

- (i) Establishment expenditure chargeable to the capital account;
- (ii) Non-development loans and advances;
- (iii) Payment of commuted value of pensions;
- (iv) Railway Reserve Funds; and
- (v) Miscellaneous.

The Expenditures incurred on the establishments of the Irrigation & Power department, the Building department and the Highway department are distributed pro-rata between the revenue and the capital heads on the basis of provisions for works outlay under the concerned heads. On this basis establishment expenditure chargeable to the capital account was estimated at Rs. 1.75 crores as per

budget estimates, 1970-71, and will probably amount to Rs. 1.58 crores as per revised estimates, 1970-71. The corresponding provision for budget estimates, 1971-72, is Rs. 1.77 crores.

The non-development loans and advances of the provincial government include loans to government servants and advances to cultivators under the Land Improvement Loans Act, 1883, and the Agriculturists Loans Act, 1958. Expenditure on non-development loans and advances was estimated at Rs. 0.61 crores as per budget estimates, 1970-71, and will not exceed Rs. 0.48 crores as per revised estimates, 1970-71. For 1971-72 the corresponding provision is Rs. 0.55 crores.

In accordance with the pension rules applicable to them, government servants at the time of retirement can get a certain portion of their pension commuted. Expenditure incurred by the provincial government on payment of commuted value of pensions counts as capital expenditure as the provincial government thereby reduces future liabilities. Expenditure on this account was estimated at Rs. 1.13 crores as per budget estimates, 1970-71, and is likely to be Rs. 1.24 crores as per revised estimates, 1970-71. For 1971-72, expenditure on this account is estimated at Rs. 1.24 crores.

Prior to dissolution of One Unit, the former Government of West Pakistan acted as a banker to Pakistan Western Railways in respect of the latter's reserve funds. As on July 1, 1970, the liability of the four new provinces to Pakistan Western Railways on account of the balances in their three funds stood at Rs. 22 crores approximately. This liability is to be discharged by the four provinces in the same ratio as that adopted for distribution of former Government of West Pakistan's cash balance. On this basis, Punjab's share of the liability on account of withdrawals made by Pakistan Western Railways from their three funds works out as Rs. 2.08 crores* during 1970-71 and Rs. 1.77 crores during 1971-72. During 1970-71, Punjab's liability of Rs. 2.08 crores on account of aforesaid withdrawals includes liability of Rs. 1.76 crores on account of withdrawals from the depreciation reserve fund and the improvement fund, and Rs. 0.32 crore on account of withdrawals from the reserve fund for profits and losses. Similarly, during 1971-72, Punjab's liability of Rs. 1.77 crores on account of aforesaid withdrawals includes liability of Rs. 0.30 crore on account of withdrawals from the depreciation reserve fund and the improvement fund and liability of Rs. 1.47 crores on account of withdrawals from the reserve fund for profits and losses. The Central Government has agreed to give to the provincial government special loans for meeting its share of the liability on account of losses incurred by Pakistan Western Railways. Consequently, the

*Figure adopted in the budget documents is Rs. 1.76 crores. Revised figure of Rs. 2.08 crores communicated by the Centre subsequent to printing of the budget documents.

burden on provincial finances has been reduced to the extent of the withdrawals made by Pakistan Western Railways from its depreciation reserve fund and improvement fund amounting to Rs. 1.76 crores during 1970-71 and Rs. 0.30 crore during 1971-72.

Former Government of West Pakistan owed to the Central Government a sum of Rs. 2.04 crores on account of purchase of Canadian fertilizer. Punjab's share of the arrear liability on this account has been worked out as Rs. 1.41 crores on the basis of actual utilization of Canadian fertilizer in the territory of each new province. Necessary provision has been made for discharge of this arrear liability in the budget for 1971-72.

PROVINCIAL SCHEMES OF STATE TRADING

The state trading operations of the provincial government cover foodgrains and sugar, medical stores and coal. Transactions pertaining to state trading operations in foodgrains and sugar are kept separate and distinct from all other transactions of the provincial government. Receipts from and expenditure on state trading in foodgrains are credited and debited respectively to the food account of the provincial government with the State Bank of Pakistan. Funds for the procurement of foodgrains are obtained from Commercial Banks under the counter-finance arrangements with the State Bank of Pakistan. These also are credited to the food account of the provincial government.

As per budget estimates, 1970-71, expenditure on state trading in foodgrains was estimated at Rs. 63.05 crores. This was to be financed to the extent of Rs. 59.00 crores through loans from the Commercial Banks. As per revised estimates, 1970-71, expenditure on state trading in foodgrains is estimated at Rs. 32.09 crores, and loans from Commercial Banks for financing this expenditure are estimated at Rs. 43.00 crores. The reduction in expenditure is mainly due to the fact that against the original target of 9.50 lac tons for the procurement of wheat, actual procurement is likely to be of the order of 5.50 lac tons only. For 1971-72 the corresponding provision for expenditure on state trading in foodgrains and loans from Commercial Banks are Rs. 53.76 crores and Rs. 52.00 crores respectively. The target for procurement of wheat is 8.00 lac tons.

As per budget estimates, 1970-71, receipts from sale of foodgrains and transfer of wheat subsidy from the non-food to the food account were estimated at Rs. 54.70 crores. Aforesaid receipts are likely to amount to Rs. 43.80 crores only as per revised estimates, 1970-71. Thus, the net excess of expenditure over receipts originally estimated at Rs. 8.35 crores is now likely to become a net excess of receipts over expenditure of the order of Rs. 11.71 crores. This will enable the Food department to repay loans from commercial banks of equivalent amount. For 1971-72,

receipts from sale of foodgrains plus wheat subsidy are estimated at Rs. 57.80 crores. This means that during 1971-72 there will be a surplus of receipts over expenditure of the order of Rs. 4.04 crores which will again enable the Food department to repay commercial bank loans of equivalent amount.

The Medical Store Depot, Lahore, purchases medicines from both Pakistani and foreign manufacturers in bulk, and supplies them to hospitals and dispensaries of the provincial government, local councils in the Punjab province, the Pakistan Western Railways, the Government of Pakistan and the Government of N.W.F.P. The state trading operations in medical stores are conducted on a no-profit no-loss basis and it is ensured that expenditure incurred in any one year is matched by equivalent receipts. The net effect of state trading operations in medical stores is therefore, expected to be nil as per budget and revised estimates, 1970-71, and also as per budget estimates, 1971-72.

The provincial government purchases coal and coke from abroad in bulk under various barter agreements and sells the same to industrial and private consumers in the Punjab province. State trading operations in coal were expected to yield a surplus of Rs. 18 lacs as per budget estimates, 1970-71, which has been reduced to Rs. 10 lacs as per revised estimates, 1970-71. During 1971-72, state trading operations in coal are expected to throw up a surplus of Rs. 38 lacs.

CHAPTER V
PUBLIC DEBT

PUBLIC DEBT

The Public Debt of the provincial government includes:

- (1) Borrowings from the Central Government.
- (2) Loans raised from the Market.
- (3) Ways and Means Advances from the State Bank of Pakistan.
- (4) Food Advances from the Commercial Banks.

BORROWINGS FROM THE CENTRAL GOVERNMENT

As on June 30, 1971, the outstanding liability of the provincial government on account of borrowings from the Central Government will be about Rs. 134.06 crores. The bulk of this liability has been inherited from the former Government of West Pakistan. On the dissolution of One Unit the provincial government had to assume liability for the outstanding amounts of all rupee and foreign loans utilized for projects located exclusively within the territory of the Punjab province. It also had to assume 53.77 per cent of the liability for the outstanding amounts of loans utilized by departments and bodies of the former Government of West Pakistan, other than the six undivided autonomous bodies. Punjab's share of the total outstanding liability in respect of such loans was determined on the basis of the ratio derived from the total development expenditure in the territory of each new province during the period 1960-61 to 1968-69. Finally, the provincial government had to assume a sizeable share of the liability for the outstanding amounts of Counter-part Fund loans utilized for the Malaria Eradication Programme, the Family Planning Programme and the Rural Works Programme. Punjab's share of the total outstanding liability in respect of such loans was determined on the basis of the ratios derived from the expenditure on these programmes in the territory of each new province during the years in which the loans were utilized on them. The total liability inherited by the provincial government as on July, 1, 1970, was determined to be Rs. 119.04 crores. Consequently, the net increase in the indebtedness of the provincial government during the current financial year on account of borrowings from the Central Government works out as Rs. 15.02 crores only. Details of the outstanding liability of the provincial government on account of borrowings from the Central Government at the beginning and the close of the financial year 1970-71 may be seen at table No. 11.

TABLE II

Type of loans	Outstanding amount as on July 1, 1970	(Rupees in crores)
		Estimated outstanding amount as on June 30, 1971
Foreign Exchange Loans	18.42	18.54
Rupee Loans from the Centre	84.97	99.89
Counterpart Fund Loans	15.65	15.63
Total	<u>119.04</u>	<u>134.06</u>

As per the original financing pattern of the Annual Development Programme, 1970-71, receipts from Central Government loans were estimated at Rs. 30.36 crores including Rs. 25.48 crores from cash development loans and Rs. 4.88 crores from foreign exchange loans. As per revised estimates, 1970-71, these receipts are estimated at Rs. 17.55 crores, including Rs. 15.61 crores from cash development loans and Rs. 1.94 crores from foreign exchange loans. For 1971-72, receipts from Central Government loans are estimated at Rs. 24.93 crores including Rs. 24.36 crores* from cash development loans and Rs. 0.57 crores from foreign exchange loans. The figures for receipts from cash development loans do not include receipts from the special loans of Rs. 0.32 crore during 1970-71 and Rs. 1.47 crores** during 1971-72, for meeting Punjab's share of the losses incurred by Pakistan Western Railways, nor do they include receipts from cash development loans directly passed on by the Centre to the undivided autonomous bodies by way of grants, for and on behalf of the provincial government, for meeting various non-development and development expenditures in the Punjab province. Reasons for shortfalls in receipts from cash development loans and foreign exchange loans during 1970-71 are discussed in chapter VI on the Size and the Financing of the Annual Development Programmes.

Expenditure on repayment of Central Government loans was estimated at Rs. 5.11 crores as per budget estimates, 1970-71, and will amount to Rs. 5.24 crores as per revised estimates, 1970-71. For 1971-72, expenditure on repayment of Central Government loans is estimated at Rs. 5.00 crores. Details may be seen at table No. 12.

TABLE NO. 12

(Rupees in crores)

Type of loans	Budget Estimates 1970-71	Revised Estimates 1970-71	Budget Estimates 1971-72
Rupee loans	4.41	4.55	4.30
Counter-part Fund Loans	0.02	0.02	0.02
Foreign Exchange Loans	0.67	0.67	0.68
Total Repayment	5.10	5.24	5.00

MARKET LOANS

On the dissolution of One Unit, the liability of the former Government of West Pakistan in respect of the outstanding market loans as on June 30, 1970, was Rs. 78.79

*The figure adopted in budget estimates 1971-72 is Rs. 24.33 crores. The revised figure of Rs. 24.36 crores has been communicated by the Centre subsequent to finalization of the budget documents.

**Not reflected in revised estimates, 1970-71, and budget estimates, 1971-72, as figures were communicated by the Centre after printing of budget documents.

crores. Liability in respect of the said market loans was assumed by the President for and on behalf of all four provinces and the Central Government in respect of the Centrally Administered Areas. Each province is required, however, to reimburse the President to the extent of the liability discharged by him on account of these loans in the ratio derived from the development expenditure in the territory of each province during the period 1960-61 to 1968-69. On this basis, Punjab's share of the liability in respect of outstanding amount of market loans as on July 1, 1970, has been determined to be Rs. 42.49 crores.

During 1970-71, the provincial government had to provide an amount of Rs. 4.39 crores for meeting Punjab's share of the liability discharged by the President through repayment of 4½ percent West Pakistan Loan 1970. The provincial government raised funds for meeting this liability through floatation of 5½ percent Punjab Loan 1979. This loan was over-subscribed to the extent of Rs. 3.44 crores and the Centre allowed the provincial government to retain the over-subscribed amount. This did not, however, confer any advantage to provincial finances as the Centre reduced its cash development loans to the provincial government by an equivalent amount.

During 1971-72, the provincial government will have to provide a sum of Rs. 4.54 crores to the President for meeting Punjab's share of the repayment liability in respect of 4½ percent West Pakistan Loan 1971, which will mature on 29th August, 1971. In addition, the provincial government will have to provide Rs. 0.76 crores to the President for meeting Punjab's share of the liability on account of repayment of WPADC debentures. The provincial government expects to meet both liabilities through floatation of a fresh market loan of the value of Rs. 5.30 crores.

WAYS AND MEANS ADVANCES

Ways and means advances are obtained from the State Bank of Pakistan to cover temporary over-drafts in the account of the provincial government with the State Bank. These over-draft facilities are necessary because of the uneven flow of receipts into the provincial exchequer which would, but for these temporary advances, cause the cash balance of the provincial government to become negative. As per revised estimates, 1970-71, and budget estimates, 1971-72, the provincial government expects to avail of these over-draft facilities to the extent of Rs. 30 crores during each of these two years. These advances are supposed to be repaid during the course of each financial year and their net effect on provincial finances should, therefore, be nil.

FOOD ADVANCES

Food advances from the Commercial Banks are utilized for financing the procurement of wheat. As per revised estimates, 1970-71, the Food department

expects to avail of these advances to the extent of Rs. 43 crores, and as per budget estimates, 1971-72, to the extent of Rs. 52 crores. During 1970-71, repayment of food advances is estimated at Rs. 43 crores, and consequently there will be no increase in the indebtedness of the provincial government on this account. During 1971-72, the Food department expects to repay food advances to the extent of Rs. 57 crores. Consequently, the net indebtedness of the provincial government on this account will decrease by Rs. 5 crores by the end of the financial year 1971-72.

...

FOOD ADVANCES

Food advances from the Commercial Banks are utilized for financing the procurement of wheat. As per revised estimates, 1970-71, the Food department

CHAPTER VI
SIZE AND FINANCING OF THE
ANNUAL DEVELOPMENT PROGRAMMES

SIZE AND FINANCING OF ANNUAL DEVELOPMENT PROGRAMMES

The gross size of Punjab's Annual Development Programme, 1970-71, was determined at Rs. 61.84 crores and the net size at Rs. 52.15 crores after allowing for an operational short-fall of Rs. 9.69 crores. Availability of resources for financing the net size of the programme was also anticipated to be Rs. 52.15 crores. As per revised estimates, 1970-71, development expenditure is estimated at Rs. 44.31 crores, and availability of resources for financing this expenditure at Rs. 42.76 crores. Sector-wise details of the development expenditure and source-wise details of resources for financing the said development expenditure, as per budget and revised estimates 1970-71, may be seen at Table No. 13.

TABLE No. 13

Sector	(Rupees in crores)	
	Budget estimates	Revised estimates
	1970-71	1970-71
Water	3.75	2.69
Agriculture	8.36	6.38
Physical Planning and Housing	9.08	6.92
Industries, Fuels and Minerals	0.56	0.32
Education and Training	14.39	9.81
Health	8.35	6.31
Transport and Communications	14.05	9.06
Social Welfare	0.36	0.42
Manpower and Employment	0.41	0.14
Rural Works Programme	2.50	2.25
Gross Development Expenditure	61.84	44.31
Deduct Likely Short-falls	(—)9.69	—
Net Development Expenditure	52.15	44.31
Resources		
A. Provincial Contribution		
Revenue Surplus	15.92	20.58
Net Capital Receipts	(—)1.31	(—)4.69
Sub-total Provincial Contribution	14.61	15.89

B. Central Assistance

Grants from the Road Funds	..	..	4.53	3.24
Family Planning Grants	..	..	1.38	1.13
Australian Counterpart Funds	..	..	0.24	0.24
Swedish Counterpart Funds	..	..	—	0.04
Canadian Counterpart Funds	..	..	0.50	0.50
US-AID Counterpart Funds	..	..	—	0.55
Cash Development Loans	..	..	25.48	15.61
Market Loans (Net)	..	..	—	3.44
Sub-total Central Assistance	..	..	32.13	24.75

C. Foreign Aid

Loans	..	..	4.88	1.94
Grants	..	..	0.53	0.18
Sub-total Foreign Aid	..	..	5.41	2.12
Total Resources	..	..	52.15	42.76

The provincial government has exceeded its budgetted contribution towards the financing of its Annual Development Programme by exercising strict economies in its non-development expenditure. It would have been able to contribute even more but for the imposition by the Centre of a number of unbudgetted expenditures including an amount of Rs. 1.76 crores on account of withdrawals by Pakistan Western Railways from their various reserve funds.

The provincial government has been unable, however, to protect its Annual Development Programme against the extraordinarily heavy shortfalls in rupee assistance from the Central Government and in disbursements of foreign aid. The Central Government have fulfilled their commitments in respect of Family Planning grants and Counterpart Fund grants, and have also agreed to make good the shortfall in grants from the Road Funds through equivalent additional release of cash development loans. The real shortfall has occurred in releases of cash development loans. This shortfall is partly on account of Centre's refusal to make good the resource shortfall caused by former Government of West Pakistan's alleged failure to levy new taxes, partly on account of a different basis adopted by the Ministry of Finance in apportioning the cash development loan provision for West Pakistan which works to the advantage of the undivided bodies and to the disadvantage of the new provinces, and partly on account of the ad hoc 10 per cent cut imposed by the Centre on all releases of cash development loans. In this connection, it may be mentioned, that net receipts from Market Loans have to be added to the figure for cash

development loans in the revised estimates of receipts before calculating the extent of the short-fall in releases. The shortfall in releases of cash development loans is, therefore, somewhat less than would be apparent at first sight, from Table No. 13.

Shortfalls in disbursements of foreign aid have occurred largely because of the cancellation of foreign loans earmarked for the Highway schemes. The provincial government was forced to request for de-obligation of the foreign loans for the Highway schemes because the tenders received from foreign contractors for these projects were, on average, three times as high as the estimated costs of construction thereof. Disbursements from and utilisation of other foreign loans and grants has been satisfactory.

Lower disbursements of foreign aid have automatically reduced development expenditure by equivalent amounts. It has not been possible however to contain rupee expenditure on development within the reduced availability of rupee resources. The revised estimates, 1970-71, for development expenditure have been adopted as Rs. 44.31 crores but actual expenditure is likely to exceed this figure because additional appropriations have had to be allowed, subsequent to the finalization of the said revised estimates, to protect essential physical targets.

For 1971-72, the gross size of Punjab's Annual Development Programme has been determined as Rs. 50.00 crores and net size fixed at Rs 42.21 crores after allowing for an operational shortfall of Rs. 7.79 crores. Sector-wise details of the Annual Development Programme, 1971-72, and source-wise details of resources available for financing the same may be seen at Table No. 14.

TABLE NO. 14

(Rupees in crores)

Sector	Budget Estimates 1971-72
Water	2.80
Agriculture	6.40
Physical Planning and Housing	6.30
Industries, Fuels and Minerals	0.25
Education and Training	9.00
Health	6.20
Transport and Communications	10.00
Social Welfare	0.29
Manpower and Employment	0.26
Rural Works Programme	2.50
Block Provision for Second Priority Schemes	6.00
Gross Development Expenditure	50.00
Deduct Likely Shortfalls	(—)7.79
Net Development Expenditure	42.21

Resources

A. Provincial Contribution

Revenue Surplus	..	..	7.00
Net Capital Receipts	..	..	1.15
Additional Taxation	..	..	4.25
Sub-total Provincial Contribution	..	..	<u>12.40</u>

B. Central Assistance

Grants from the Road Funds	..	..	0.60
Family Planning Grants	..	..	0.80
Canadian Counterpart Funds	..	..	1.30
Norwegian Counterpart Funds	..	..	0.13
Food Aid Convention Grants	..	..	1.87
Cash Development Loans	..	..	24.36
Sub-total Central Assistance	..	..	<u>29.06</u>

C. Foreign Aid

Loans	..	..	0.57
Grants	..	..	0.18
Sub Total Foreign Aid	..	..	<u>0.75</u>
Total Resources	..	..	<u>42.21</u>

At its meeting held on June 16 and 17, 1971, the National Economic Council inter alia decided that the figure originally indicated by any province as its contribution for financing the Annual Development Programme, 1971-72, should form part of the divisible pool of resources, and that additional effort made by any province, over and above the originally indicated provincial contribution, either by exercising economies in its non-development expenditure or by levy of additional taxation will be retained 100% by the province concerned for financing its Annual Development Programme. On the basis of this decision Rs 2.29 crores out of the provincial contribution of 12.40 crores forms part of the divisible pool of resources and the balance Rs. 10.11 crores represents the additional effort of the provincial government. The resources available for financing Punjab's Annual Development Programme, 1971-72, thus consist of two parts: Punjab's share in the divisible pool of resources (Rs. 32.10 crores) and the additional effort of the provincial government (Rs. 10.11 crores). Punjab's share in the allocation for West Pakistan out of the divisible pool of central resources has increased appreciably from 52.9% during 1970-71 to 56.4% during 1971-72. It is expected to increase still further in 1972-73 and subsequent years.

Additional effort of Rs. 10.11 crores is being achieved by making strict economies on the non-development expenditure of the provincial government. It also involves additional taxation to the extent of Rs 4.25 crores. The provincial government is making this additional effort primarily because of the decision referred to in the preceding para viz., that the benefit of the additional effort will accrue to the provincial

government for the financing of its own Annual Development Programme, and not form part of the central pool of divisible resources.

The rupee grants from the Centre and the foreign aid loans and grants from outside agencies and countries have been fully reconciled with corresponding expenditure provisions in the provincial budget. The danger of their non-receipt or non-utilization has, therefore, been minimized. The provision of Rs. 24.36 crores as receipts from cash development loans is the balancing item, that together with figures for provincial contribution, rupee grants and foreign aid adds up to the resource availability figure of Rs 42.21 crores.

Physical and financial targets of the development expenditure to be incurred during 1971-72 are discussed in detail in the next three chapters on the productive sectors, the social sectors and physical infra-structure. The bulk of the allocation for each sector has been earmarked for on-going schemes. Utmost effort has been concentrated on protecting the most productive and essential on-going schemes without undertaking new ventures which might then have languished for want of funds. The developmental needs of the relatively backward areas of the province have been accorded priority. Adequate rupee funds have also been provided for full utilization of anticipated foreign aid for financing Punjab's Annual Development Programme, 1971-72.

In addition to the net development expenditure of Rs. 42.21 crores by departments and agencies of the provincial government, a substantial portion of the allocation made in favour of the five undivided autonomous bodies would also be spent within the territory of the Punjab province. The total development expenditure to be undertaken by the 5 autonomous bodies is estimated at Rs. 70 crores out of which Rs. 45 crores is earmarked for the P.W.R. and for WAPDA's power programme, which is un-allocable province-wise. Out of the remaining Rs 25 crores to be spent by WAPDA, WPADC, WPIDC and WPSIC, Punjab's share will come to Rs. 14.10 crores or 56.4% of the allocable total of Rs. 25.00 crores. The above position is summarized in Table No. 15 below:—

TABLE NO. 15

Undivided Bodies' ADP

		(Rupees in crores)
		Budget
		Estimates 1971-72
A. Non-allocable	.. ..	45.00
P.W.R.	.. ..	12.00
WAPDA (Power)	.. ..	33.00
B. Allocable	.. ..	25.00

Punjab Portion only

WAPDA (Water)	..	..	7.20
WPADC	..	..	3.60
WPIDC	..	..	3.00
WPSIC	..	..	0.30
			<hr/>
Total Punjab Portion	..	..	14.10
			<hr/>

The allocable expenditure to be incurred within the territory of the Punjab province will be financed through cash development loans from the Centre. These loans will be released direct to the undivided autonomous bodies concerned but will be treated as loans from the Centre to the Punjab province and as loans or grants depending upon the nature of the scheme from the Punjab province to the concerned autonomous body. These transactions will be reflected in the accounts of the provincial government during the next financial year through a supplementary budget. Similar transactions pertaining to the year 1970-71 will have to be adjusted in the provincial accounts through the same mechanism.

CHAPTER VII
THE PRODUCTIVE SECTORS
INCLUDING :

- A. WATER.**
- B. AGRICULTURE**
- C. RURAL WORKS PROGRAMME**
- D. INDUSTRIES, FUELS AND MINERALS.**

A. WATER

The allocation for the water sector in the Annual Development Programme, 1971-72, is Rs. 2.80 crores, as against an allocation of Rs. 3.75 crores in the Annual Development Programme, 1970-71, and estimated expenditure of Rs. 2.69 crores as per revised estimates, 1970-71. Sub-sector-wise details of the 1971-72 allocation may be seen at Table No. 16.

TABLE NO. 16

	(Rupees in lacs)		
	On-going	New	Total
Multi-purpose Development and Irrigation Projects	46.75	33.50	80.25
Survey and Investigation	9.23	7.00	16.23
Tubewells and Small Irrigation Schemes	20.10	3.40	23.50
Drainage, Reclamation and Tubewells	101.80	1.00	102.80
Flood Regulation Works	10.70	2.30	13.00
Open Canals	23.30	20.92	44.22
Total Water	211.88	68.12	280.00

The allocation of Rs. 80.25 lacs for multi-purpose development and irrigation projects includes provisions for the Bakht Extension Scheme, the Taunsa Project, the Greater Thal Project, the Jalalpur Canal Project, the Dajal Branch Extension Project and a number of other minor irrigation works. The physical targets for 1971-72 include construction of 25 miles of irrigation channels and remodelling of an additional 127 miles. Achievement of these targets will improve water supplies to about 1.68 lac acres of agricultural land.

The provision of Rs. 16.23 lacs for surveys and investigation will enable continuation of work on 27 research studies in the fields of hydraulics, physics, soil mechanics and hydrology. It will also enable the hydrology directorate to improve and expand their data-collection systems.

Rs. 23.50 lacs has been allocated for tube-wells and small irrigation schemes with priority being given to completion of the on-going projects. It is expected that the above allocation will enable completion of 18 on-going schemes. In physical terms, this will mean the completion of work on installation or re-boring of as many as 39 tube-wells with a command area of about 12,000 acres of agricultural land.

The bulk of the provision of Rs. 102.80 lacs for drainage, reclamation and tube-wells will be spent on drainage projects in Sahiwal, Lahore, Lyallpur and Sheikhpura districts. It is anticipated that planned expenditure on these drainage projects will enable remodelling of 50 miles of existing drains and construction of an additional 59 miles of drain with appurtenant works, with consequent benefit to about 50,000 acres of agricultural land.

The allocation of Rs. 13.00 lacs for flood regulation works is earmarked for construction and reconditioning of flood protection bunds in Gujrat, Jhelum, Lahore, Bahawalnagar and Jhang districts. It will enable construction of 13 miles of new bunds and reconditioning of about 31 miles of existing bunds with consequent benefit to about 18,500 acres of agricultural land.

The planned expenditure of Rs. 44.22 lacs on open canals is earmarked for construction of 6 miles of new canals and remodelling of an additional 116 miles of existing canals.

B. AGRICULTURE

The allocation for the agriculture sector in the Annual Development Programme, 1971-72, is Rs. 6.40 crores, as against an allocation of Rs. 8.36 crores in the Annual Development Programme, 1970-71, and estimated expenditure of Rs. 6.38 crores as per revised estimates, 1970-71. The sub-sector-wise details of the 1971-72 allocation may be seen at Table No. 17.

TABLE NO. 17

		(Rupees in lacs)		
		On-going	New	Total
Agriculture and Agricultural Credits	..	366.48	10.04	376.52
Animal Husbandry	.. ..	93.02	—	93.02
Land Reforms	.. ..	41.37	—	41.37
Co-operatives	.. ..	38.62	—	38.62
Fisheries	.. ..	1.95	—	1.95
Food Storage	.. ..	11.52	—	11.52
Forests	.. ..	77.00	—	77.00
Total Agriculture		629.96	10.04	640.00

For 1971-72, high priority is being given to the programme for extension of plant protection activities. The target is to protect 10.96 lac acres from pest attack against anticipated protection of 7.64 lac acres only during 1970-71. Major emphasis will be given to protection of the wheat, cotton, gram and rice crops. An allocation of Rs. 180.00 lacs has been made for this purpose. This includes a sum of Rs. 102 lacs for

payment of the 50% subsidy on pesticides distributed through the private sector. This provision will enable procurement of Rs. 204 lacs worth of pesticides as the provincial government will pay to WPADC only 50% of the cost of pesticides distributed through the private sector; the private distributors will pay direct to WPADC the balance 50%. WPADC will finance the initial procurements through counter-finance from the State Bank of Pakistan. The total allocation of Rs. 180.00 lacs also includes a sum of Rs. 68.00 lacs for financing procurement of pesticides to be distributed by the provincial government itself to smaller farmers and to farmers in less accessible areas. The total sales by the provincial government will amount to about 25% of the total sales of the private and public sectors combined. This volume of direct sales by the provincial government is expected to contain within reasonable limits the increase in pesticide prices consequent upon transfer of 75% of the distribution work to the private sector.

During 1971-72 a major effort will be made to substitute the Irri-8 and local varieties of rice with the new Mehran-69 variety, and to introduce the new Barani 70 and Chenab 70 wheat varieties in the Barani areas. WPADC is also expected to step up significantly the distribution of better seeds, especially for the major crops. The 1971-72 targets for the distribution of seeds for the wheat and cotton crops are 4.04 lac maunds and 3.75 lac maunds respectively against anticipated distribution of 1.08 lac maunds and 1.60 lac maunds only during 1970-71.

During 1971-72, considerable importance is also being given to the agricultural mechanisation programme. The allocations made should enable levelling of 2.00 lac acres of land, ploughing of another 0.27 lac acres and contour ploughing, range management, etc., of yet another 0.10 lac acres. In addition, various incentives including the subsidy on sinking of diesel tubewells are expected to lead to the installation of another 2500 tubewells.

The financial and physical inputs discussed in the preceding paragraphs are expected to lead to a significant increase in the production of various crops. The 1970-71 base figures and the 1971-72 targets in respect of the major crops may be seen at Table No. 18.

TABLE NO. 18

	1970-71 Base	1971-72 Target
Wheat	48.66 lac tons	60.00 lac tons
Rice	9.66 lac tons	12.00 lac tons
Cotton	21.58 lac bales	24.10 lac bales
Oil-seeds	9.42 lac tons	10.24 lac tons

During 1971-72, adequate funds have also been provided for continuation of research work in various crops with special emphasis being given to research in new

varieties of cotton, oil-seeds, pulses, potatoes and citrus fruits. The Rapid Soil Fertility scheme is also being continued.

In the field of animal husbandry, the major thrust during 1971-72 will be towards increasing the supply of poultry, meat, eggs and milk. Adequate funds have been provided for continuation of the scheme for increased Broiler Production and Modernization of existing Government Poultry Farms. Funds have also been provided for expanding the extension work of the Animal Husbandry department. The targets for 1971-72 include inoculation of 317 lac animals and treatment of 67 lac sick animals. In addition, with the assistance of the Government of Sweden, an action programme has been finalized for establishment of 44 new artificial insemination centres and insemination of over 18,000 cows and buffaloes. Finally, an allocation of Rs. 7.44 lacs has been made for the Lahore Milk Supply Board in order to enable this board to achieve the target of supplying 8000 tons of processed milk and 340 tons of butter and cheese in the Lahore area.

An allocation of Rs. 41.37 lacs has been made for the two schemes for consolidation of land holdings in various districts of the Punjab. The 1971-72 target is for consolidation of 4.42 lac acres of land as against 5.94 lac acres during 1970-71.

In the field of co-operatives and rural credit, major emphasis was laid during 1970-71 on the expansion of the Co-operative Consumers' Societies, and establishment of fair price co-operative shops. Upto the end of 1970-71, 21 such shops had been opened including 16 at Lahore, 3 at Sargodha, and 2 at Lyallpur. During 1971-72, the priority given to this aspect of the co-operative movement will continue. An allocation of Rs. 21.58 lacs has been made for opening of new co-operative stores in various towns of the Punjab province. It is expected that such shops will act as a substantial stabilizing factor in containing the rising trend in the prices of consumer articles of every-day use.

The allocations for the fisheries and food storage sub-sectors Rs 1.95 lacs and Rs. 11.52 lacs are nominal. Nevertheless, the allocation for the food storage sub-sector will enable completion of all on-going schemes for construction of food godowns.

The allocation of Rs. 77.00 lacs for the forests sub-sector is for various schemes of afforestation, range management, water management and sericulture. The 1971-72 targets include afforestation of an additional 7600 acres, new nursery plantations covering 175 acres and construction of 31 miles of forest roads in Murree Hills. A provision of Rs. 6.66 lacs has also been made for development of sericulture in the Punjab.

C. RURAL WORKS PROGRAMME

The allocation for the Rural Works Programme in the Annual Development Programme, 1971-72, is Rs. 2.50 crores. The allocation for this programme in the

Annual Development Programme, 1970-71, was also Rs. 2.50 crores but actual expenditure thereon is estimated to be Rs. 2.25 crores* only as per revised estimates, 1970-71.

This programme is designed to alleviate the problem of rural unemployment especially in the off-harvest seasons, to build rural infra-structure by linking marketing centres with out-lying villages and to raise the level of investment and incomes in rural areas. The budgetted funds for this programme are released to district councils, who in turn pass on part of their allocations to their respective union councils and town committees. Planning and execution of schemes financed under this programme is the responsibility of the local councils. In preparation of their plans, the local councils are required to give highest priority to the development of communications. They are also required to give due importance to schemes for improvement of education and provision of basic health and sanitation facilities.

During 1970-71 the local councils are expected to spend 47% of their allocations on transport and communication schemes, 31% on educational schemes, 12% on health and sanitation schemes and the balance 10% on various miscellaneous schemes. These inter-sectoral priorities will remain more or less unchanged during 1971-72.

During 1970-71 an edge was given to the backward districts by distributing 60% of the budgetted funds equally between the districts and 40% on the basis of population whereas formerly only 50% of the allocations were distributed equally between the districts and 50% on the basis of population. This edge for the backward districts will be maintained during 1971-72 also.

D. INDUSTRIES, FUELS AND MINERALS

The allocation for the industries, fuels and minerals sector in the Annual Development Programme, 1971-72, is Rs. 0.25 crores only, as against Rs. 0.56 crores in the Annual Development Programme, 1970-71 and estimated expenditure of Rs. 0.32 crores as per revised estimates, 1970-71. The major activity in this sector was the scheme for establishment of industrial estates at Sargodha, Jhelum, Rahimyar Khan and Multan. These estates have not proved successful ventures with the partial exception of the estate at Multan. The reduced allocation for this sector is explained by the fact that further development of these estates except for the one at Multan is being discontinued for the time being. Adequate funds have, however, been provided for continuing work on the other on-going schemes of this sector.

*Cuts imposed on this programme subsequent to finalization of the Revised Estimates, 1970-71 have further reduced this figure to Rs. 1.96 crore.

CHAPTER VIII
THE SOCIAL SECTORS
INCLUDING

- A. EDUCATION AND TRAINING**
- B. HEALTH**
- C. SOCIAL WELFARE AND MANPOWER**

A. EDUCATION AND TRAINING

The allocation for the education and training sector in the Annual Development Programme, 1971-72, is Rs. 9.00 crores as against an allocation of Rs. 14.39 crores in the Annual Development Programme, 1970-71, and estimated expenditure of Rs. 9.81 crores as per revised estimates, 1970-71. The sub-sectorwise details of the 1971-72 allocation may be seen at Table No. 19.

TABLE NO. 19

			(Rupees in lacs)		
			On-going	New	Total
Primary Education	..	..	—	130.00	130.00
Secondary Education	..	..	179.25	74.65	253.90
Teachers Education	..	..	5.00	37.00	42.00
Technical Education	..	..	72.00	5.00	77.00
College Education	..	..	66.04	14.64	80.68
Universities	..	..	157.72	—	157.72
Scholarships	..	..	107.00	—	107.00
Miscellaneous	..	..	32.00	19.70	51.70
Total Education and Training			619.01	280.99	900.00

During 1970-71, over 4000 new primary schools were opened, 3100 up-graded to the level of middle schools, and 5500 consolidated through provision of additional teachers. Enrolment is expected to have increased by 3.75 lac children. For 1971-72, the targets are for opening of 1000 new primary schools, including 200 for girls only, upgradation of 200 primary schools to the level of middle schools and consolidation of another 1000 primary schools through provision of additional teachers. Achievement of these targets is expected to lead to additional enrolment of 1.44 lac children at the primary school level.

In the field of secondary education, 23 comprehensive high schools started functioning during 1970-71. Funds have been provided for further development of 17 of these schools during 1971-72. In addition, adequate allocations have been made for completion of another 25 high schools. Provision has also been made for improving the libraries of 50 existing high schools.

Special attention has been given to teachers' education in the Annual Development Programme, 1971-72. Necessary funds have been provided for expansion and development of the existing teachers' training colleges, and for giving in-service training to 1500 primary school teachers, 2200 secondary school teachers and 400 college teachers. An amount of Rs. 5.00 lacs has also been provided in the Foreign Exchange budget for the scheme for Foreign Training of Teachers.

In the field of technical education, adequate provision has been made for completion of the four polytechnic institutes at Bahawalpur, Sialkot, Rawalpindi and Lahore, and the two vocational institutes at Khanewal and Bahawalpur. Funds also have been provided for continuing the development of the Swedish-Pak Institute and the Institute of National and Graphic Arts, Lahore.

During 1970-71, work on the intermediate colleges at Lahore, Multan and Bahawalpur is expected to reach an advanced stage of completion. Necessary provision has been made in the Annual Development Programme, 1971-72, for completion of all development works on these 3 colleges. Funds have also been provided for starting work on 3 intermediate colleges and for continuing work on another 6 intermediate colleges. Priority is also being given to the construction of hostels in 4 intermediate colleges and 7 degree colleges.

The 1971-72 allocation for universities includes Rs. 50 lacs for the Punjab University, Lahore, Rs 58 lacs for the Agriculture University, Lyallpur, and Rs. 50 lacs for the University of Engineering and Technology, Lahore. The allocation of Rs. 58 lacs for the Agriculture University, Lyallpur, includes foreign aid allocation of Rs. 37 lacs. It is expected that these allocations will enable all three universities to make substantial progress in their plans for renovation of existing buildings, construction of new residential and non-residential buildings and purchase of new equipment.

The 1971-72 allocation of Rs. 107 lacs for scholarships will enable the Education department to award and continue 11,700 merit scholarships.

B. HEALTH

The allocation for the health sector in the Annual Development Programme, 1971-72, is Rs. 6.20 crores, as against an allocation of Rs. 8.35 crores in the Annual Development Programme, 1970-71, and estimated expenditure of Rs. 6.31 crores as per revised estimates, 1970-71. The sub-sector wise details of the 1971-72 allocation may be seen at Table No. 20.

TABLE NO. 20

	(Rupees in lacs)		Total
	On-going	New	
Family Planning Programme	160.00	—	160.00
Malaria Eradication Programme	100.00	—	100.00
Rural Health Programme	159.00	—	159.00

Medical Education and Training	32.54	59.67	92.21
General Hospitals	19.69	30.17	49.86
Medical Research	11.11	—	11.11
Scholarships	13.46	—	13.46
Control of Communicable Diseases	4.07	—	4.07
T.B. Control Programme	11.99	0.22	12.21
Miscellaneous	9.11	8.97	18.08
Total Health	520.97	99.03	620.00

The Family Planning Programme continues to receive the high priority that it deserves. During 1971-72, the Punjab Family Planning Board expects to achieve the targets of 2.53 lacs I.U.D. insertions, 0.30 lacs vasectomies and 0.19 lacs tubelignations. They also expect to increase significantly the distribution and sale of oral pills and contraceptive materials.

The Malaria Eradication Programme is being re-assessed in the light of the experience gained during the last decade. The current thinking is that eradication of malaria is not an attainable objective. The Programme is likely therefore to be converted into a Malaria Control Programme as a prelude to its integration with the general health services.

In the field of rural health, provision has been made for completion of 11 rural health centres and for starting work on an additional 28 centres. The scheme for establishment of rural health centres continues to receive high priority as the construction of such centres is the fundamental pre-requisite for establishment of an adequate rural health service.

The Quaid-i-Azam Medical College, Bahawalpur, started functioning during 1970-71 with an enrolment of 100 medical students. A sum of Rs. 37 lacs* was provided for acquisition of land for this college, during 1970-71. An additional amount of Rs. 50 lacs has been allocated for construction work on this college in the Annual Development Programme, 1971-72. Funds have also been allocated for expansion and development of the existing medical colleges in order to bring them up to the standards prescribed by the Pakistan Medical Council.

During 1970-71, 300 additional beds were provided in general hospitals throughout the province. The target for 1971-72 is 210 additional beds. In addition, provision has been made for general improvement and expansion of district and tehsil headquarters hospitals, as also of hospitals attached to the medical colleges.

In the field of medical research, the allocation of Rs. 11.11 lacs for 1971-72 envisages further expansion of the Institute of Hygiene and Preventive Medicine, Lahore

*Not reflected in revised estimates, 1970-71, as release authorized after finalisation of said revised estimates.

and the installation of an electron microscope at the King Edward Medical College, Lahore. Funds have also been earmarked for purchase of equipment for the Research Institute for Animal Experimentation.

During 1970-71, over 400 probationary nurses, about 100 trained nurses and about 30 midwives received scholarships of varying amounts. The allocation of Rs. 13.46 lacs will enable the Health department to continue all such scholarships during 1971-72.

The allocation of Rs. 4.07 lacs for control of communicable diseases is earmarked for the Smallpox Eradication Programme in Bahawalpur division, where this Programme will enter the attack phase during 1971-72. The allocation of Rs. 12.21 lacs control of for the other mass disease, tuberculosis, envisages 10 lac inoculations during 1971-72, as also further work on the T.B. Wards at Sialkot, Gujrat, Jhang, Sahiwal and Rahimyar Khan.

C. SOCIAL WELFARE AND MANPOWER

The allocation for social welfare is Rs. 0.29 crores and that for manpower Rs. 0.26 crores in the Annual Development Programme, 1971-72, as against allocations of Rs. 0.36 crores and Rs. 0.41 crores respectively in the Annual Development Programme, 1970-71, and estimated expenditure of Rs. 0.42 crores and Rs. 0.14 crores respectively as per revised estimates, 1970-71.

In the field of social welfare, the most significant development during 1970-71 has been the establishment of the Social Services Board. This Board has been entrusted with powers to oversee and co-ordinate all schemes and activities in the field of social welfare. It has also been given powers to raise funds from private sources. It is hoped that the funds secured by the Board from private sources together with existing government grants will lead to significantly higher expenditure on social welfare in future years.

For 1971-72 funds have been provided for continuance of 48 Urban Community Development Projects (Rs. 12.46 lacs) and 13 Rural Community Development Projects (Rs. 4.82 lacs). Provision has also been made for continuance of the Mother's and Children's Home at Sialkot, the Beggars' Home, Lahore, and the Model Orphanage, Lahore. A sum of Rs. 3.50 lacs has also been provided for grants-in-aid to voluntary social welfare agencies in the Punjab province. The distribution of this grant will be the responsibility of the new Social Services Board.

The 1971-72 allocation for manpower programmes allows for continuation of work on the re-organization of the technical training centre, Gulberg, and the establishment of technical training centres at Gujar Khan and Rahimyar Khan. Provision has also been made for expansion of the technical training centre, Multan. The Government of the Netherlands will be assisting the expansion programme of the Multan Centre.

CHAPTER IX

PHYSICAL INFRA-STRUCTURE

INCLUDING :

- A. TRANSPORT AND COMMUNICATIONS**
- B. PHYSICAL PLANNING AND HOUSING**

A. TRANSPORT AND COMMUNICATION

The allocation for the transport and communications sector in the Annual Development Programme, 1971-72, is Rs. 10.00 crores. The corresponding allocation in the Annual Development Programme, 1970-71, was Rs. 14.05 crores whereas actual expenditure is estimated at Rs. 9.06 crores *as per revised estimates, 1970-71, Sub-sector-wise details of the 1971-72 allocation may be seen from Table No. 21

TABLE NO. 21

	(Rupees in lacs)		
	On-Going	New	Total
Re-conditioning and Improvement of Existing Roads	421.85	122.12	543.97
New Roads	134.80	—	134.80
Bridges	232.73	49.50	282.23
Research, Surveys and Studies	11.00	—	11.00
Restoration of Flood Damages	—	10.00	10.00
Minor Works	—	10.00	10.00
Miscellaneous	8.00	—	8.00
Total Transport and Communications ..	808.38	191.62	1000.00

During 1970-71, the provincial government was forced to abandon the aided schemes for construction of the Lahore-Lyallpur Highway, the Sheikhpura-Sargodha Highway and the high level bridge over the river Chenab because the tenders received from foreign contractors were three times as high as the estimated costs of construction of these two highways and bridge. The rupee funds thus saved were diverted to schemes for widening and improvement of existing roads especially various portions of the G.T. Road. Work on the decking of the Shershah bridge over the river Chenab also continued apace, and the provincial government paid to Pakistan Western Railways a sum of Rs. 56 lacs on this account.

During 1971-72 priority is being given to the schemes for widening and improvement of the G.T. Road, the Lahore-Sheikhpura-Khushab road, the Lahore-Multan-Bahawalpur road, the Lahore-Jaranwala-Lyallpur road and the Gujrat-Sargodha road. The allocation of Rs. 543.97 lacs for these and similar schemes will enable widening and improvement of about 275 miles of roads.

*Actual expenditure may exceed this figure by about Rs. 0.28 crores because of releases authorized subsequent to finalization of revised estimates, 1970-71

The allocation of Rs. 134.80 lacs for new roads has been earmarked exclusively for completion of essential on-going schemes. The 1971-72 target for construction of new roads is 5 miles.

In the allocation for bridges, adequate provision has been made for payment to Pakistan Western Railways for further work done on decking of the Shershah bridge over the river Chenab. Provision has also been made for commencing construction work on the bridge over the river Chenab near Wazirabad.

B. PHYSICAL PLANNING AND HOUSING

The allocation for the physical planning and housing sector in the Annual Development Programme, 1971-72, is Rs. 6.30 crores, as against 9.08 crores in the Annual Development Programme, 1970-71, and estimated expenditure of Rs. 6.92 crores as per revised estimates, 1970-71. Sub-sector-wise details of the 1971-72 allocation may be seen at Table No. 22

TABLE NO. 22

	(Rupees in lacs)		
	On-going	New	Total
Basic Development	9.44	—	9.44
Aid to Local Bodies	300.00	—	300.00
Low Income Housing	86.15	2.50	88.65
Rural Water Supply	3.11	—	3.11
Urban Water Supply	122.15	24.66	146.81
Government Servants' Housing	17.41	9.00	26.41
Government Offices and Buildings	32.89	22.69	55.58
Total Physical Planning and Housing	571.15	58.85	630.00

The allocation of Rs. 9.44 for basic development will enable completion of the outline development plans for Jhelum and Gujrat and further progress on similar plans for Sialkot, Sheikhpura and Gujranwala. It will also enable continuation of construction work on the buildings of the Building Research Station, Lahore.

Under aid to local bodies, the bulk of the allocation has been earmarked for the vitally important Greater Lahore Water Supply and Sewerage Project. The execution of this project is being financed in part through loans from the International Development Authority but the bulk of the finances are provided by the provincial government itself. The 1971-72 targets for this project include, in respect of water supply, drilling of 6 tubewells, installation of 6 chlorination plants, laying of 60,000 ft. of main grid pipe and 22,000 ft. of distribution pipe, and installation of 800 water meters; and in respect of sewerage, construction of 1.5 miles of main sewers and 2.5 miles of internal sewers, and rehabilitation of 6 miles of storm water channels and 3 miles of sewers.

The bulk of the allocation of Rs. 88.65 lacs for low-income housing is earmarked for the Lahore Township scheme which is being financed in large part from Canadian Counterpart Fund grants. The 1971-72 target for the Lahore Township Scheme is for development of another 3500 plots. Provision has also been made for contributions to the Workers' Welfare Fund, and for continuing work on surveys and investigations for new housing schemes.

Amongst urban water supply schemes, priority is being given to completion of on-going schemes. It is expected that 14 out of the 19 on-going schemes will be completed during 1971-72 and substantial progress made for completion of the Multan, Gujranwala and Rawalpindi water supply schemes.

As regard government servants housing and government offices and buildings, adequate provision has been made for protection of the on-going schemes, and a block provision kept for meeting critical shortages of housing at the provincial and the divisional headquarters.