

**GOVERNMENT  
OF THE  
PUNJAB**

**WHITE PAPER  
ON  
THE BUDGET 1979-80**

**Released at Lahore on June 21, 1979**

## **INTRODUCTION**

This White Paper is being released simultaneously with the Budget of the Government of the Punjab for the financial year 1979-80. It reviews the implementation of the Budget for the current financial year. It also gives a brief outline of the Budget for the next financial year. It is intended to provide commentary on the Budget documents in concise and simple narrative.

**SADIQ SAYEED KHAN**

*Secretary to Government of the Punjab  
Finance Department.*

**LAHORE :**

*June 21, 1979.*

## CONTENTS

	<i>Pages</i>
<b>BUDGET AT A GLANCE</b>	
I. General Revenue Receipts .. .. .	1—6
II. Non-Development Revenue Expenditure .. .. .	7—12
III. General Capital Receipts .. .. .	13-14
IV. Non-Development Capital Expenditure .. .. .	15—22
V. Public Account Transactions .. .. .	23-24
VI. Analysis of Non-Development Budget, 1979-80 .. .. .	25—32
VII. Financing of the Annual Development Programmes .. .. .	33—36
VIII. Annual Development Programme, 1978-79 .. .. .	37—42
IX. Outline of the Annual Development Programme, 1979-80 .. .. .	43—49

## LIST OF TABLES

<i>Table No.</i>	<i>Name of Table</i>	<i>Pages</i>
1.	General Revenue Receipts .. .. .	1
2.	Provincial Tax Receipts .. .. .	2-3
3.	Non-Tax Receipts of Civil Administration Departments ..	4
4.	Non-Tax Receipts of Social Services Departments .. ..	5
5.	Non-Tax Receipts of Economic Services Departments .. ..	5
6.	Non-Development Revenue Expenditure .. .. .	7
7.	Expenditure on Civil Administration .. .. .	8
8.	Expenditure on Social Services .. .. .	9
9.	Expenditure on Education .. .. .	10
10.	Expenditure on Economic Services .. .. .	11
11.	General Capital Receipts .. .. .	13
12.	Non-Development Capital Expenditure from Account No. I ..	15
13.	Market Loans of the Punjab Government - - ..	16
14.	Debt Liability of the Province to the Federal Government ..	18-19
15.	Non-Development Capital Expenditure from Account No. II ..	20-21
16.	Public Accounts Transactions .. .. .	23
17.	Non-Development Revenue Receipts .. .. .	25
18.	Classification of Tax Revenue .. .. .	26
19.	Ratio of Receipts from Taxes collected by the Federal Government and the Provincial Government .. .. .	27
20.	Composition of the Punjab share out of the Federal Divisible Taxes ..	28
21.	Taxes collected by the Federal Government for the Provinces ..	28
22.	Provincial Tax Receipts .. .. .	29
23.	Current Expenditure .. .. .	30

<i>Table No.</i>	<i>Name of Table</i>	<i>Pages</i>
24.	Consumption Expenditure	30
25.	Transfer Payments	31
26.	Functional Distribution of Current Expenditure	31-32
27.	Financing of Annual Development Programme, 1978-79	33-34
28.	Financing of Annual Development Programme, 1979-80	35
29.	Sectoral Allocations in Annual Development Programme, 1978-79	37
30.	Sectoral Allocations under Education	41
31.	Sectoral Allocations in Annual Development Programme of 1978-79 and 1979-80.	43-44
32.	Allocation for Urban Development in ADP, 1979-80	47

## BUDGET AT A GLANCE

(Rupees in crore)

	Budget 1978-79	Revised 1978-79	Budget 1979-80
<b>1—NON-DEVELOPMENT BUDGET</b>			
<b>(a) NON-FOOD ACCOUNT</b>			
<b>GENERAL REVENUE RECEIPTS</b>			
Central Tax Assignments and other Taxes collected by the Federal Government for the Provinces	2,11·44	2,33·24	2,56·94
Provincial Tax Receipts ..	85·90	92·77	88·51
Interest Receipts ..	5·21	3·51	5·19
Civil Administration Departments ..	5·17	5·80	6·14
Social Services Departments ..	4·95	4·99	5·08
Economic Services Departments ..	68·50	70·82	73·58
Miscellaneous ..	3·27	3·84	3·86
Contributions and Miscellaneous Adjustments between the Federal and Provincial Governments.	62·15	60·80	50·10
Additional Taxation	11·77	—	—
Total General Revenue Receipts ..	4,58·36	4,75·77	4,89·40
<b>NON-DEVELOPMENT REVENUE EXPENDITURE</b>			
Tax Collecting Departments ..	9·25	8·64	9·41
Debt Services ..	92·58	92·50	1,09·02
Civil Administration Departments ..	56·17	52·83	57·34
Social Services Departments ..	1,65·02	1,56·43	1,70·55
Economic Services Departments ..	1,00·88	1,01·93	1,14·70
Miscellaneous ..	42·70	43·68	45·21
Less—Economy Cut ..	..	..	—7·73
Total Non-Development Revenue Expenditure	4,66·60	4,56·01	4,98·50
A—Revenue Surplus/Deficit ..	—(8·24)	19·76	—9·10
*(GRR minus NDR Exp.)			

\*GRR—General Revenue Receipts.

NDR Exp—Non-Development Revenue Expenditure.

(Rupees in crore)

	Budget 1978-79	Revised 1978-79	Budget 1979-80
<b>GENERAL CAPITAL RECEIPTS</b>			
Federal Grants ..	4.25	6.45	8.27
Extraordinary Receipts ..	5.94	5.48	5.39
Permanent Debt ..	7.58	7.58	7.82
Floating Debt ..	70.00	60.00	60.00
Debt Raised Abroad ..	..	..	..
Loans from the Federal Government ..	..	0.50	..
Recoveries of Loans and Advances ..	2.20	1.82	2.20
Total General Capital Receipts ..	89.97	81.83	83.68
<b>NON-DEVELOPMENT CAPITAL EXPENDITURE</b>			
Economic Services Departments ..	5.33	6.92	7.23
Permanent Debt ..	8.64	8.64	7.82
Floating Debt ..	70.00	60.00	60.00
Debt Raised Abroad ..	1.28	1.28	0.66
Loans from the Federal Government ..	2.40	2.14	4.01
Loans and Advances ..	1.81	3.39	2.03
State Trading in Coal and Medical Stores (NET) ..	-0.70	-0.55	-0.93
Total Non-Development Capital Expenditure ..	88.76	81.82	80.82
<b>B—Net Capital Receipts</b> ..	1.21	0.01	2.86
(General Capital Receipts <i>minus</i> Non-Development Capital Expenditure)			

(Rupees in crore)

	Budget 1978-79	Revised 1978-79	Budget 1979-80
<b>PUBLIC ACCOUNT RECEIPTS</b>			
Unfunded Debt ..	9.50	10.60	10.60
Deposits and Advances ..	2,76.34	2,64.45	2,61.90
Remittances ..	2,17.10	2,15.41	2,15.41
Total Public Account Receipts ..	5,02.94	4,90.46	4,87.91
<b>PUBLIC ACCOUNT DISBURSEMENTS</b>			
Unfunded Debt ..	2.80	3.01	3.01
Deposits and Advances ..	2,76.01	2,66.96	2,63.20
Remittances ..	2,17.10	2,15.41	2,15.41
Total Public Account Disbursements ..	4,95.91	4,85.38	4,81.62
C—Net Public Account Receipts (Public Account Receipts <i>minus</i> Public Account Disbursements)	7.03	5.08	6.29
Net Surplus/Deficit in the Non-Development Budget—Non-Food Account (A+B+C)	..	24.85	0.05

**(b) FOOD ACCOUNT**

(State Trading in Foodgrains and Sugar)

<b>Receipts</b>			
Loans from Commercial Bank .. ..	3,61.73	3,75.10	4,02.76
<b>Expenditure</b>			
Foodgrains (Net) ..	0.45	42.93	31.82
Sugar (Net) ..	5.34	8.91	9.53
Transport Operations ..	0.28	0.26	0.29
Repayment of Bank Loans ..	3,55.66	3,23.00	3,61.12
Total Expenditure ..	3,61.73	3,75.10	4,02.76



(Rupees in crore)

Budget 1978-79    Revised 1978-79    Budget 1979-80

## II—DEVELOPMENT BUDGET

### Annual Development Programme

Agriculture ..	51.58	42.63	61.17
Rural Development .. ..	14.00	14.48	12.50
Indusries and Minerals .. ..	7.98	3.98	7.07
Water .. ..	17.25	20.67	17.17
Transport .. ..	0.35	0.55	0.45
Communications .. ..	24.02	29.14	26.83
Physical Planning and Housing .. ..	68.76	72.15	70.82
Education and Training .. ..	18.55	17.72	16.86
Information, Culture and Tourism .. ..	0.55	0.63	0.91
Health .. ..	21.37	23.04	29.92
Social Welfare .. ..	1.50	1.14	2.25
Manpower Training .. ..	1.75	1.26	2.49
Muree Kahuta Development Authority .. ..	2.24	..	..
Block Allocation .. ..	2.50	..	1.56
<b>Gross Total ..</b>	<b>2,32.40</b>	<b>2,27.39</b>	<b>2,50.00</b>
<i>Less—Operational Shortfall</i>	<i>—8.58</i>	<i>..</i>	<i>—4.50</i>
<b>Net Total Annual Development Programme ..</b>	<b>2,23.82</b>	<b>2,27.39</b>	<b>2,45.50</b>

(Rupees in crore)

		Budget 1978-79	Revised 1978-79	Budget 1979-80
<b>Financing of Annual Development Programme</b>				
<b>Provincial Contribution</b>				
Surplus in Non-Development Budget	..	..	24.85	..
Transfer from Deposit Account for Town Development Schemes.		1.50	1.00	1.50
<b>Total Provincial Contribution</b>	..	1.50	25.85	1.50
<b>Federal Assistance</b>				
Cash Grants	..	33.12	41.39	69.88
Cash Development Loans	..	1,66.82	1,31.84	1,52.31
<b>Total Federal Assistance</b>	..	1,99.94	1,73.23	2,22.19
<b>Foreign Assistance</b>				
Grants	..	4.75	4.79	4.70
Loans	..	16.46	15.81	16.96
Re-imbursment of expenditure on flood reconstruction Works	..	..	7.54	..
World Food Programme Aid	..	1.17	0.17	0.15
<b>Total Foreign Assistance</b>	..	22.38	28.31	21.81
<b>Grand Total</b>	..	2,23.82	2,27.39	2,45.50

## CHAPTER I

### GENERAL REVENUE RECEIPTS

In the Budget Estimates of 1978-79, General Revenue Receipts of the Province were estimated at Rs. 4,58.36 crore including Rs. of 11.77 crore from the new taxation measures announced with the Budget. These are now estimated at Rs. 4,75.77 crore in the Revised Estimates 1978-79 and are expected to increase to Rs. 4,89.40 crore in the Budget Estimates 1979-80. Break-up of these receipts according to the main sources of revenue is given in Table 1 followed by a brief discussion of each category.

TABLE 1

#### General Revenue Receipts

(Rupees in crore)

	Budget 1978-79	Revised 1978-79	Budget 1979-80
Receipts from Federal divisible taxes and other taxes collected by the Federal Government for the Provinces.	2,11.44	2,33.24	2,56.94
Provincial Tax Receipts ..	*96.78	92.77	88.51
Interest Receipts ..	5.21	3.51	5.19
Civil Administration Departments ..	*5.82	5.80	6.14
Social Services Departments ..	4.95	4.99	5.08
Economics Services Departments ..	68.50	70.82	73.58
Miscellaneous ..	*3.52	3.84	3.86
Contributions and Miscellaneous Adjustments ..	62.14	60.80	50.10
Total ..	*4,58.36	4,75.77	4,89.40

#### A—TAXES

##### Federal Divisible Taxes and Federally Collected Provincial Taxes :

According to the Distribution of Revenues and Grants-in-Aid Order, 1975 (President's Order No. 2 of 1975), 80 per cent. of the net proceeds (after deducting the cost of collection) of the following Federally collected taxes and duties are assigned to the Provincial Governments :—

- (a) Taxes on income ;
- (b) Taxes on sales and purchases ;
- (c) Export duties on cotton.

---

\*Including receipts from new taxation.

The total amount allocated to the Provinces is divided among Provincial Governments in proportion to their population. The Punjab Government is, thus, entitled to receive 60·25 per cent of the share of Provinces in the net proceeds of the Federal divisible taxes. Collection of certain Provincial taxes, namely gift tax and royalty and excise duty on natural gas, is also made by the Federal Government and the proceeds are transferred to the Provinces after deducting the collection charges.

The Federal Government indicates the estimates to be adopted in respect of receipts on account of Federal Divisible taxes and Federally collected Provincial taxes. According to the information received from the Finance Division receipts from these sources would increase from Rs. 2,11·44 crore in the Budget Estimates 1978-79 to Rs. 2,33·24 crore in the Revised Estimates 1978-79 and Rs. 2,56·94 crore in the Budget Estimates 1979-80.

### Provincial Tax Receipts :

Table 2 contains the details of Provincial Tax Receipts.

**TABLE 2**

### Provincial Tax Receipts

	(Rupees in crore)		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Agricultural Income Tax ..	..	0·59	—
Land Revenue ..	13·40	15·46	10·79
Provincial Excise Duty ..	2·84	3·13	0·92
Stamp Duty ..	21·83	21·85	22·03
Registration Fee ..	3·70	3·93	3·94
Tax on Motor Vehicles ..	*15·34	15·73	16·09
Taxes on Luxuries ..	*13·25	11·60	11·81
Electricity Duty ..	*14·53	8·99	10·81
Cotton Fee ..	6·50	4·50	5·00
Tax on Urban Immovable Property ..	1·54	2·03	2·11
Other Taxes ..	*3·85	4·96	5·01
Total ...	*96·78	92·77	88·51

\*Including receipts from new taxation.

The resource mobilization measures announced with the Budget of 1978-79 included rationalization and unification of multiple rates of electricity duty to a flat rate of 15% of the electricity tariff for all categories of consumers. This was expected to yield an additional revenue of Rs. 4 crore during 1978-79. The additional income on this account did not materialise because the new rate of electricity duty was withdrawn consequent upon the Federal Government's announcement of substantial increase in the electricity tariff in accordance with the one of the conditions of a World Bank loan obtained to finance certain WAPDA projects. Budget Estimates, 1978-79 also included a provision of Rs. 4 crore on account of recovery of arrears of electricity duty out of which only Rs. 2 crores could be recovered due to the difficult resource position of WAPDA. There has also been a shortfall on Rs. 2 crore in receipts from cotton fee due to the failure of cotton crop. These shortfalls were partially counter-balanced by recovery of arrears of agricultural income tax amounting to Rs. 0.59 crore, improvement of Rs. 2 crore under land revenue due to increase in the mutation fee receipts as a result of withdrawal of compulsory registration of transfers of rural immovable properties, improvements of Rs. 0.50 crore each in the receipts from paddy husking fee and capital gains tax and certain other minor improvements. The result is a net shortfall of Rs. 4.01 crore in the Revised Estimates of Provincial tax receipts as compared to the Budget Estimates of 1978-79.

The Provincial Tax receipts are expected to decrease further by Rs. 4.26 crore in the Budget Estimates 1979-80 in spite of some significant increases expected under stamp duty, motor vehicles tax and cotton fee. This is due to the abolition of land revenue and development cess with the introduction of Ushr from Kharif 1979 and complete ban on consumption of liquor, opium and other intoxicants which would substantially reduce our revenue from the Provincial excise duties.

### **B—NON-TAX RECEIPTS**

#### **Interest Receipts :**

The Provincial Government advances soft loans to its employees for construction of houses and purchase of conveyances and to the farmers for purchase of agricultural inputs and sinking of wells, etc. It also gives long term loans to the local bodies and Provincial public corporations for financing their development programmes. Receipts under this head represent the interest payable by these individuals and institutions on such loans. The decrease of interest receipts in the Revised Estimates, 1978-79 as compared to the Budget Estimates is mainly due to the inability of the Punjab Road Transport Board, Punjab Small Industries Corporation, Punjab Live-stock, Dairy and Poultry Development Board and most of the Municipal Committees to pay interest on Provincial loans due to their difficult financial position. The increase in the Budget Estimates, 1979-80 is due to anticipated recovery of arrears from these Bodies.

### Receipts of Civil Administration Departments :

The main components of non-tax receipts of Civil Administration Departments are motor driving licence fee, fines imposed by criminal courts, sale-proceeds of Jail Industry's products and reimbursement of expenditure on the Police Force provided to the Federal Government and Railways. Details are given in Table 3.

**TABLE 3**

#### Receipts of Civil Administration Departments

	(Rupees in crore)		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Administration of Justice ..	1.76	1.83	1.92
Jails and Convict Settlements ..	0.65	0.55	0.64
Police ..	3.09*	3.09	3.18
Miscellaneous Departments ..	0.27	0.27	0.28
Civil Defence ..	0.05	0.06	0.11
<b>Total</b> ..	<b>5.82*</b>	<b>5.80</b>	<b>6.14</b>

A small shortfall in the Revised Estimates 1978-79 in receipts from Jail manufactures due to economy cut on the provision of raw materials has been offset by improvements under Administration of Justice and Civil Defence. Budget Estimates 1979-80 depict normal growth of receipts under Administration of Justice and revival of previous production level of Jail industries. Increase of Rs. 5 lac under Civil Defence is due to larger matching grant by the Federal Government for purchase of equipment.

### Receipts of Social Services Departments :

The details of non-tax receipts of the Social Services Departments are given in Table 4.

**TABLE 4**

#### Receipts of Social Services Departments

	(Rupees in crore)		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Education ..	1.89	2.01	2.07
Health ..	1.75	1.82	1.82
Public Health ..	0.57	0.57	0.57
Receipts-in-aid of superannuation ..	0.47	0.59	0.62
<b>Total</b> ..	<b>4.95</b>	<b>4.99</b>	<b>5.08</b>

\*Including receipts from new taxation.

The small increase in the Budget Estimates 1979-80 is due to the normal annual increase in student enrolment in educational institutions.

### Receipts of Economic Services Departments :

The details of receipts of economic Services Departments are shown in Table 5.

**TABLE 5**

### Receipts of Economic Services Departments

	(Rupees in crore)		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Opium ..	0.43	0.35	0.12
Forests ..	8.69	8.96	9.83
Irrigation Works for which Capital Accounts are kept.	40.00	41.74	42.52
Irrigation Works for which no Capital Accounts are kept.	0.24	0.23	0.25
Agriculture ..	8.94	8.48	8.87
Fisheries ..	0.40	0.66	0.70
Veterinary ..	1.67	1.56	1.71
Co-operation ..	0.06	0.06	0.06
Industries ..	0.50	0.56	0.56
Civil Works ..	0.46	0.48	0.51
Communications ..	2.47	2.41	2.46
Housing and Physical Planning ..	1.26	2.90	3.45
Stationery and Printing ..	3.38	2.43	2.54
<b>Total</b>	<b>68.50</b>	<b>70.82</b>	<b>73.58</b>

The receipts of Economic Services Departments have increased from Rs. 68.50 crore in Budget Estimates, 1978-79 to Rs. 70.82 crore in Revised Estimates, 1978-79 and to Rs. 73.58 crore in Budget Estimates, 1979-80. The Revised Estimates of receipts of the Housing and Physical Planning Department show an increase of Rs. 1.64 crore over the Budget Estimates, 1978-79. This is due mainly to a technical reason. An amount of Rs. 1.50 crore had been deducted from the Budget Estimates, 1978-79 under this head for transfer to the newly opened Deposit Account of Town Development Schemes. It was later decided that transfer to the Deposit Account

would be shown in the Budget as expenditure under the relevant head and not as a reduction in receipts. Consequently, the receipts of Housing and Physical Planning Department increased by Rs. 1.50 crore in the Revised Estimates as compared with the Budget Estimates, 1978-79. In addition, the Irrigation receipts have also shown an improvement of Rs. 1.74 crore owing to increase in area under cultivation due, among other reasons, to larger water supply from Thal canals. This increase has partially been counter-balanced by a shortfall of Rs. 0.95 crore in receipts of Stationery and Printing Department owing to lower sales and a decrease of Rs. 0.46 crore in Agriculture Department's receipts as a result of lower income from hiring of agricultural machinery.

The main components of the increase of Rs. 2.76 crore in the Budget Estimates, 1979-80 as compared with the Revised Estimates, 1978-79 are the improvements in Irrigation receipts on account of expected enhancement in cultivated area, increase in receipts of the Housing and Physical Planning Department owing to increased sale of plots, higher receipts of Agriculture Department because of more efficient use of the new agricultural machinery being purchased, improvement in Forest receipts on account of increase in felling area and consequent increase in receipts from sale of timber, firewood and Charcoal and increased production of resin and turpentine by the Jallo Rosin Factory.

#### **Miscellaneous Non-Tax Receipts :**

Miscellaneous Non-Tax Receipts comprise profits on state trading in Food-grains and sugar and other miscellaneous receipts of the Provincial Government.

The increase of Rs. 0.32 crore in the Revised Estimates, 1978-79 is due mainly to deposit of unspent cash balance of Murree Kahuta Development Authority into Government account due to dissolution of the Authority.

#### **Contributions and Miscellaneous Adjustments :**

The Revised Estimates, 1978-79 have shown a decrease of Rs. 1.34 crore as compared with the Budget Estimates, 1978-79. The shortfall is due mainly to non-receipt of anticipated amount of Rs. 1.70 crore due from the Federal Government as their share of expenditure on West Pakistan Rangers for the period the Force remained under the administrative control of the Provincial Government. In addition, there is a decrease of Rs. 2.38 crore on account of economy cut applied by the Federal Government on the special grant of Rs. 57 crore for meeting a part of the deficit in the non-development Budget of the Provincial Government. This shortfall has, however, partially been counterbalanced by receipt of a grant amounting to Rs. 0.80 crore for the construction of a girls hostel for Islamia University, Bahawalpur.

The decrease in the Budget Estimates, 1979-80 over the Revised Estimates, 1978-79 is due mainly to a substantially smaller Federal grant for budgetary support and non-inclusion of a number of other non-recurring Federal grants received during, 1978-79.



**CHAPTER II**  
**NON-DEVELOPMENT REVENUE EXPENDITURE**

The non-development revenue expenditure of the Provincial Government has been classified on functional basis into the following broad categories comprising costs of —

- (i) Collection of Provincial Taxes ;
- (ii) Debt Services ;
- (iii) Civil Administration ;
- (iv) Social Services ;
- (v) Economic Services; and
- (vi) Miscellaneous items.

The Budget Estimates for this expenditure for the year, 1978-79 were placed at Rs. 466·60 crore. The Revised Estimates stand at Rs. 456·01 crore while the Budget Estimates, 1979-80 are Rs. 498·50 crore. The details are given in Table 6.

**TABLE 6**  
**Non-Development Revenue Expenditure**

		(Rupees in crore)		
		Budget	Revised	Budget
		1978-79	1978-79	1979-80
Collection of Provincial Taxes	..	9·25	8·64	9·41
Debt Services	..	92·58	92·50	109·02
Civil Administration	..	56·17	52·82	57·34
Social Services	..	165·02	156·43	170·55
Economic Services	..	100·88	101·93	114·70
Miscellaneous	..	42·70	43·69	45·21
<i>Less</i> Economy Cut	..	..	..	(—)7·72
Total	..	466·60	456·01	498·50

In spite of a sizeable increase in the overall non-development revenue expenditure mainly due to interest liability on cash development loans there is a decrease of 2·27 per cent in the Revised Estimates 1978-79 as compared to the Budget Estimates. This decrease is due mainly to two

economy cuts of 5 per cent each imposed on non-development expenditure, first at the outset of the financial year and the second from 1st February, 1979. In addition, strict control on extra-budgetary allocations has also contributed to the decrease in non-development expenditure.

The Budget Estimates of non-development revenue expenditure for 1979-80 show an increase of 9.3 per cent over the Revised Estimates 1978-79 in spite of an economy cut of 2.5 per cent imposed on this expenditure. The increase is due mainly to an addition of more than Rs. 17 crore in the debt servicing liability of the Provincial Government on account of additional cash development loans for financing the Annual Development Programme, increase in subsidy on wheat owing to larger internal offtake of indigenous wheat and higher rates of incidentals, anticipated filling of vacant posts, normal expansion of the activities of social and economic services departments and transfer of certain completed development schemes to the non-development budget.

#### Civil Administration :

The details of expenditure on Civil Administration are given in Table 7.

**TABLE 7**

#### Expenditure on Civil Administration.

	(Rupees in crore)		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
General Administration ..	12.64	11.66	13.21
Administration of Justice ..	3.65	3.73	4.05
Jails and Convict Settlements ..	4.26	4.20	4.50
Police ..	31.55	29.48	31.27
Miscellaneous Departments ..	3.56	3.31	3.71
Civil Defence ..	0.51	0.45	0.60
<b>Total</b>	<b>56.17</b>	<b>52.83</b>	<b>57.34</b>

The principal reason for the decrease in the Revised Estimates 1978-79 as compared to the Budget Estimates is the combination of the two economy cuts of 5 per cent each imposed on the non-development revenue expenditure during 1978-79.

The increase in the Budget Estimates 1979-80 is due to increments in the remuneration of staff and normal expansion of departmental activities.

## Social Services :

The trend of expenditure on Social Services Departments is shown in Table 8.

**TABLE 8**  
**Expenditure on Social Services**

	(Rupees in crore).		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Scientific Departments ..	0.08	0.08	0.09
Education ..	126.44	117.60	124.79
Health Services ..	25.00	24.64	30.99
Public Health ..	1.69	1.50	1.68
Superannuation Allowances and Pensions ..	8.01	8.01	8.01
Commutation of Pensions ..	3.80	4.60	4.99
<b>Total ..</b>	<b>165.02</b>	<b>156.43</b>	<b>170.55</b>

There is a decline of Rs. 8.59 crore in the Revised Estimates 1978-79 as compared to the Budget Estimates. Apart from the economy cuts imposed during 1978-79, this decrease is also attributable to a number of posts remaining vacant in the health and education institutions in view of the general shortage of suitably qualified personnel.

It is anticipated that during 1979-80 there will be an increase of 14.12 crore in the expenditure on social services as compared to the expenditure incurring during 1978-79. This is in spite of transfer of a liability of Rs. 6.36 crore on account of maintenance grants of the universities to the Federal Government. Most of this increase in expenditure will be due to the anticipated expansion of education and health services, increments to staff and filling of vacant posts.

Education still remains the sector to which the largest total allocation of Provincial resources is made. The total expenditure proposed to be incurred on education during 1979-80 is Rs. 141.65 crore which includes an allocation of Rs. 16.86 crore for development projects. The non-development expenditure on education will be nearly 25 per cent of the total non-development revenue expenditure and 73 per cent of the allocation for social services departments in the Budget Estimates 1979-80. Table 9 indicates budgetary allocations for different levels of education.

**TABLE 9**

**Expenditure on Education**

	(Rupees in crore)		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Universities ..	8.37	8.13	..
Colleges ..	17.81	15.58	18.56
Secondary Schools ..	29.68	29.37	31.00
Primary Schools ..	63.40	57.81	67.06
Technical Education ..	3.27	2.82	3.57
Special Education ..	0.97	0.94	1.05
Miscellaneous ..	2.94	2.96	3.55
Total ..	126.44	117.61	124.79

Maximum stress within the education sector continues to be on the expansion of primary education in keeping with the national objective of attaining universal literacy within the shortest possible time.

No provision has been kept for expenditure on University education in view of the Federal Government's decision to provide for this expenditure from federal resources.

**Economic Services:**

Provincial Government's spendings on Economic Services Departments include expenditure on:—

- (1) Maintenance and extension of forest resources;
- (2) Irrigation system including public sector tubewells;
- (3) maintenance of roads, bridges and Government buildings;
- (4) Maintenance and operation of Agriculture Department's fleet of bulldozers and other earthmoving equipment as well as agricultural extension and research;
- (5) health cover for and raising of livestock and Poultry; and
- (6) operation of Government Printing Presses and Industries including subsidies for promotional schemes of the Punjab Small Industries Corporation.

Sector-wise details of expenditure on Economic Services Departments are indicated in Table 10.

**TABLE 10**  
**Expenditure of Economic Services**

	(Rupees in crore).		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Opium ..	0.28	0.27	0.16
Forests ..	4.92	5.37	6.35
Working Expenses of Irrigation system including Charges on Irrigation Establishment and other Irri- gation Expenditure financed from ordinary Revenues	45.61	48.47	53.03
Agriculture ..	15.24	14.40	16.16
Fisheries ..	0.45	0.42	0.45
Veterinary ..	4.20	4.04	4.30
Co-operation ..	1.46	1.43	1.55
Industries ..	3.56	3.47	3.70
Civil Works including Establishment Charges ..	8.35	7.75	9.73
Housing and Physical Planning ..	1.26	2.10	2.73
Stationery and Printing ..	3.77	3.30	3.61
Communications including Establishment Charges	11.51	10.91	12.93
Total ..	100.88	101.93	114.70

Expenditure on the economic services has increased by Rs. 1.05 crore in the Revised Estimates 1978-79 as compared to the Budget Estimates. In fact there have been much bigger increases than this in the expenditure on Forest and Irrigation Departments. The expenditure of the Forest Department increased by Rs. 0.45 crore due to the assumption of responsibilities for the management of Murree forest area consequent upon the dissolution of Murree Kahuta Development Authority. The maintenance and operation charges of the Irrigation Department tubewells went up by Rs. 5.56 crore due to a 54 per cent increase in the WAPDA's tariff with effect from July, 1978. These increase as were, however, partially counter-balanced by the economy cut on non-development expenditure leaving a net increase of Rs. 1.05 crore in the total expenditure on economic services.

Budget Estimates 1979-80 show an increase of Rs. 12.77 crore over the Revised Estimates, 1978-79. Main reasons are the additional allocation made for repairs and maintenance of buildings, roads and bridges and the irrigation system including operation of tubewells, higher level of Forest Department's spending due to additional commitments in Murree Forest area and increased production by the Jallo Rosin Factory, provision for Agricultural Research Co-ordination Board and certain other important schemes of the Agriculture Department besides the filling of vacant posts and increments of the staff of different economic services departments.

### Miscellaneous:

Miscellaneous expenditure of the Provincial Government consists of subsidy on wheat and expenditure on relief measures, privy purses and grants to local bodies. The Revised Estimates of expenditure for 1978-79 on this account show an increase of Rs. 0.99 crore over the Budget estimates, 1978-79. In 1979-80 it is estimated to go up further by Rs. 1.52 crore as compared to the Revised Estimates 1978-79.

Increase in the Revised Estimates, as compared to the Budget Estimates 1978-79, is due to a number of extra-budgetary allocations sanctioned during the year. An amount of Rs. 1.50 crore was authorised for payment of compensation to the Co-operative Banks and societies for the loss in income they suffered as a result of grant of interest free loans to small farmers for purchase of seed and fertilizer for Rabi crops of 1978-79. Another amount of Rs. 90 lac was transferred from the Provincial Consolidated Fund to the Workers Children Education Fund. Development Authorities of Lahore and Multan were given Rs. 0.68 crore for maintenance of national highways passing through these cities. Special grants were also sanctioned for different municipal committees. All these and some other minor allocations accounted for an excess of Rs. 4.01 crore which was partially counterbalanced by economy cuts and transfer of expenditure of the Murree Kahuta Development Authority to the Forest Department.

Increase.

Increase in the Budget Estimates 1979-80 over the Revised Estimates 1978-79 is substantially more than what is reflected in Table 6. It has, however, been partially counter-balanced by non-inclusion in the Budget Estimates of 1979-80 of a number of non-recurring items included in the Revised Estimates 1978-79. The main increases are transfer of an allocation of Rs. 1.64 crore on account of salaries of the staff of Integrated Rural Development Programme from development to Non-Development Budget, larger subsidy on wheat due to increase in incidental charges as well as internal off-take of wheat (Rs. 4.33 crore) and writing off irrecoverable loans (Rs. 0.76 crore).

### CHAPTER III GENERAL CAPITAL RECEIPTS

The General Capital Receipts accrue partly to Account No. I (Non-Food Account) and partly to Account No. II (Food Account) of the Provincial Government with the State Bank of Pakistan.

The receipts which form part of Account No. II consist of temporary advances from the Commercial Banks under the counter finance arrangements with the State Bank of Pakistan for financing operations of state trading in foodgrains and sugar. The quantum of such temporary advances was estimated at Rs. 361.73 crore in the Budget Estimates 1978-79 which increased to Rs. 375.10 crore in the Revised Estimates and is expected to go up to Rs. 402.76 crore in the Budget Estimates 1979-80 in view of larger handling operations.

The General Capital Receipts accruing to Account No. I consist of —

- (1) Capital Grants from the Federal Government ;
- (2) Extraordinary Receipts ;
- (3) Permanent Debt ;
- (4) Floating Debt ; and
- (5) Recoveries of Loans and Advances granted by the Provincial Government

Details of such receipts are given in Table 11.

**TABLE 11**  
**General Capital Receipts**

	(Rupees in crore)		
	Budget 1978-79	Revised 1978-79	Budget 1979-80
Grants-in-Aid from the Federal Government ..	4.25	6.45	8.27
Extraordinary Receipts ..	5.94	5.48	5.39
Permanent Debt ..	7.58	7.58	7.82
Floating Debt ..	70.00	60.00	60.00
Loans from the Federal Government ..	..	0.50	..
Recoveries of Loans and Advances ..	2.20	1.82	2.20
<b>Total</b> ..	<b>89.97</b>	<b>81.83</b>	<b>83.68</b>

#### **Federal Grants :**

The Federal Government has taken over the responsibility for improvement and maintenance of national highways. A sum of Rs. 4.25 crore was provided in the Budget Estimates 1978-79 which has gone up to Rs. 6.45 crore in the Revised Estimates in view of increased quantum of work required on the maintenance and improvement of highways. There is a further increase of Rs. 1.82 crore in the Budget Estimates 1979-80 in view of greater construction and maintenance activity expected.

### **Extraordinary Receipts**

Extraordinary receipts are drawn from sale proceeds of capital assets of the Government like land, buildings and machinery. These receipts have declined by Rs. 0.46 crore in the Revised Estimates as compared with the Budget Estimates 1978-79. This decrease of 7.7% is due mainly to less sale of agricultural land and machinery. The Budget Estimates 1979-80 show a further decline of Rs. 0.09 crore due to lower anticipated sales.

### **Permanent Debt :**

Permanent Debt consists of long term borrowings of the Province viz. market loans and compensation payable for land resumed under the Land Reforms. The Policy followed by the Provincial Government since the dissolution of One Unit is to float Market Loans only to the extent an earlier loan matures for repayment. The Revised Estimates 1978-79 match the Budget Estimates but the Budget Estimates 1979-80 anticipate an increase of Rs. 0.24 crore over the Revised Estimates. This is due to the reason that the Government will have to raise a Market Loan of Rs. 7.82 crore in order to redeem the 5½ per cent Punjab Loan 1979 which will mature in September, 1979.

### **Floating Debt :**

Floating Debt consists of temporary borrowings from the State Bank of Pakistan (commonly known as Ways and Means Advances) which the Provincial Government has to obtain occasionally as the flow of receipts into the Government Account is not always matched by the expenditure therefrom. The Revised Estimates 1978-79 show a decrease of Rs. 10 crore as compared to the Budget Estimates 1978-79 the main reason for which is timely releases of funds by the Federal Government which resulted in less ways and means advances being drawn from the State Bank of Pakistan. The provision of Rs. 60 crore has been repeated in the Budget Estimates 1979-80 on the basis of the Revised Estimates 1978-79.

### **Loans from the Federal Government :**

The Revised Estimates 1978-79 show an amount of Rs. 0.50 crore as having been received as loan from the Federal Government. This amount was received as an interest free loan for the holding of the National Horse and Cattle Show.

### **Recoveries of Loans and Advance :**

The Provincial Government Advances loans to cultivators, Government servants and the Local and Autonomous Bodies for specific purposes. The expected recovery of such loans in 1978-79 was Rs. 2.20 crore which has gone down by Rs. 0.38 crore in the Revised Estimates. This is due to the reason that the first instalment towards repayment of loans advanced to Municipal Committees during 1975-76 was erroneously included in Budget Estimates 1978-79 although it was due in 1979-80. This amount has now been dropped in the Revised Estimates 1978-79 and included in the Budget Estimates 1979-80 which have been increased accordingly.



## CHAPTER III

### Non-Development Capital Expenditure

As in the case of General Capital Receipts, the Non-Development Capital Expenditure also pertains both to Account No. I and Account No. II of the Provincial Government with the State Bank of Pakistan. The expenditure in Account No. I relates to—

- (i) Economic Services;
- (ii) Repayment of Debt;
- (iii) Loans and Advances by the Provincial Government; and
- (iv) State Trading in Coal and Medical Stores.

The net expenditure on State Trading in Foodgrains and Sugar and repayment of loans taken from the commercial banks for State Trading operations of the Food Department are included in Account No. II.

Details of Non-Development Capital Expenditure relating to Account No. I are given in Table 12.

**TABLE 12**

#### Non-Development Capital Expenditure

(Rupees in crore)

	Budget 1978-79	Revised 1978-79	Budget 1979-80
Economic Services Departments ..	5.33	6.92	7.23
Permanent Debt ..	8.64	8.64	7.82
Floating Debt ..	70.00	60.00	60.00
Debt Raised Abroad ..	1.28	1.28	0.66
Loans from the Federal Government ..	2.40	2.13	4.01
Loans and Advances by the Provincial Government ..	1.81	3.39	2.03
State Trading in Coal and Medical Stores (Net) ..	-0.70	-0.55	-0.93
Total ..	88.76	81.81	80.82

#### Federal Grants :

Work relating to improvement of national highways and construction of certain other roads of national importance is executed by the Provincial Highway Department on behalf of the Federal Government. Expenditure on these works is, therefore, exhibited in the Provincial Budget as capital expenditure outside the Annual Development Programme of the Province.

The Revised Estimates 1978-79 show an increase of Rs. 1.59 crore over the Budget Estimates 1978-79, the main reason for which is the additional amount sanc-

tioned by the Federal Government for the improvement and construction of the National Highway and for the construction of Road Bridge over the River Indus at Ghazi Ghat. The increase of Rs. 0.31 crore in the Budget Estimates 1979-80 over the Revised Estimates 1978-79 is on account of additional expenditure to be incurred on the National Highway and the Ghazi Ghat Bridge the execution of which is to be speeded up during 1979-80.

#### Permanent Debt:

A provision of Rs. 8.64 crore was made in the year 1978-79 to discharge the Punjab Government's share of Rs. 7.57 crore in the liability on account of the 5½% West Pakistan Loan 1978 and to repay the last instalment of Rs. 1.07 crore of the debenture loan of the former West Pakistan Agricultural Development Corporation. Both these liabilities were discharged and hence there is no variation in the Revised Estimates 1978-79. As regards Budget Estimates 1979-80, the 5½% Punjab Loan 1979 will mature in September, 1979 requiring payments aggregating Rs. 7.82 crore for which provision has been made.

At the end of the financial year 1978-79, the outstanding liability of the Punjab Government in respect of Market Loans will be Rs. 49.92 crore as detailed in Table 13.

**TABLE 13**  
**Market Loans of the Punjab Government**  
(Rupees in crore)

Name of Loan	Year of Issue	Date of Maturity	Amount
5½% Punjab Loan, 1979	1970	17-9-79	7.82
5½% Punjab Loan, 1981	1971	28-8-81	7.52
6½% Punjab Loan, 1982	1972	12-8-82	9.05
8½% Punjab Loan, 1984	1974	22-6-84	10.52
9½% Punjab Loan, 1986	1976	14-9-86	2.38
10½% Punjab Loan, 1987	1977	28-8-87	5.06
10½% Punjab Loan, 1988	1978	12-9-88	7.57
	Total		49.92

#### Floating Debt:

As indicated in Chapter III, the Provincial Government has to resort to temporary borrowings from the State Bank of Pakistan to cover occasional deficit in cash flow in its Account No. I with the Bank. The sum total of all small temporary

advances obtained from the State Bank of Pakistan and repaid during the year is exhibited in the budget as floating debt on receipt as well as expenditure side. The Revised Estimates 1978-79 as well as Budget Estimates 1979-80 have been placed at Rs. 60 crore on the basis of actual transactions of the current financial year.

#### **Debt Raised Abroad:**

Debt Raised Abroad represents the direct borrowings of the Provincial Government from abroad on the guarantee of the Federal Government. The Revised Estimates stand at the same level as the Budget Estimates 1978-79 while there is a decrease of Rs. 0.62 crore in the Budget Estimates 1979-80. This decrease is due to the fact that DLF Loan for SCARP-I (WAPDA) has been completely repaid in 1978-79.

#### **Repayment of Federal Government Loans:**

Annual Development Programme of the Province is financed mostly through borrowings from the Federal Government and from foreign agencies who are allowed to maintain Counterpart Funds in the country. Foreign Exchange loans also play an important role in financing the development programme. The rupee loans received from the Federal Government are repaid in equal instalments over a period of 20 years after an initial grace period of five years. The terms and conditions of repayment of foreign exchange loans by the Provinces are the same as those between the Federal Government and the foreign lending agencies. In case of US AID Counterpart Fund loans the money is generally repaid in 61 equal half-yearly instalments with an initial grace period of ten years. For the repayment of German Counterpart Fund Loans, the terms and conditions are the same as those for repayment of Cash Development Loans obtained from the Federal Government.

There is a decrease of Rs. 0.27 crore in the Revised Estimates as compared to Budget Estimates 1978-79 which is due to lesser repayment made under Foreign Exchange loans as a result of adjustment of excess recovery made by the Federal Government during 1976-77 and 1977-78. Budget Estimates 1979-80 reveal an increase of Rs. 1.88 crore which is mainly due to commencement of repayment of the Cash Development Loan 1973-74.

At the end of the financial year 1978-79 the total debt liability of the Provincial Government to the Federal Government will be Rs. 900.70 crore. This includes—

- (a) Rs. 808.63 crore on account of rupee loans received from the Federal Government.
- (b) Rs. 22.38 crore on account of Counterpart Fund Rupee Loans; and
- (c) Rs. 69.69 crore on account of Foreign Exchange Loans.

Details of these loans are given in Table 14.

**Table 14**

**Federal Loans outstanding against the Province on 30-6-1979**

	(Rupees in crore)
<b>A—Rupees Loans—</b>	
Cash Development Loan, 1973-74 ..	86.73
Cash Development Loan, 1974-75 ..	114.45
Cash Development Loan, 1975-76 ..	157.64
Cash Development Loan, 1976-77 ..	186.61
Cash Development Loan, 1977-78 ..	118.19
Cash Development Loan, 1978-79 ..	131.71
Cash Development Loan for SCARP Tube-well Project for 1974-75	2.93
Cash Development Loan for SCARP Tube-well Projects for 1975-76	5.65
Cash Development Loan 1977-78 for Rural Development Markaz at Laar, Multan (Interest free).	1.00
Cash Development Loan 1978-79 for setting up a Small Scale Production Unit for Manufacturing Weapons by Mistri Kamal at Sargodha (Interest Free).	0.12
Non-Development Loan for meeting Railway losses, 1973-74 ..	0.21
Non-Development Loan for Text Book Board, 1973-74 ...	0.38
Non-Development Loan for Murree Municipality 1975-76	0.43
Non-Development Loan for Rawalpindi Municipality 1974-75 ..	0.20
Non-Development Loan for Augmentation of Police Force, 1973-74	1.88
Non-Development Loan to organize Horse & Cattle Show at Lahore for 1978-79	0.50
Total ..	808.63
 <b>B—Counterpart Fund Rupee Loans—</b>	
	(Rupees in crore)
(1) US AID 391-G-009 ..	0.43
(2) US AID 391-G-065 ..	1.58
(3) US AID 391-G-120 ..	6.69
(4) US AID 391-G-122 ..	3.06
(5) US AID 391-G-132 ..	4.98
(6) US AID 391-G-133 ..	0.74
(7) US AID 391-G-147 ..	0.31
(8) German Loan, 1964-65 ..	0.06

(9) German Loan, 1965-66	0.35
(10) German Loan, 1966-67	0.39
(11) German Loan, 1967-68	0.49
(12) German Loan, 1968-69	1.00
(13) German Loan, 1969-70	1.17
(14) German Loan, 1971-72	1.13

Total	22.38
-------	-------

**C—Foreign Exchange Loans—**

(1) Foreign Loans received upto 1962-63 in the form of equipment etc.	1.76
(2) US AID 391-H-055	4.84
(3) US AID 381-H-060	0.50
(4) US AID 391-H-087	4.65
(5) US AID 391-H-069	2.14
(6) US AID 391-H-107	2.56
(7) US AID 391-H-079	1.17
(8) US AID 391-H-103	0.53
(9) US AID 391-H-084	2.96
(10) US AID 391-H-128	0.84
(11) US AID 391-H-135	1.17
(12) IDA-106-Pak	2.04
(13) IDA-30-Pak	1.33
(14) IDA-50-Pak	8.05
(15) IDA-54-Pak	4.89
(16) Swedish-106-Pak	1.95
(17) 5th U.K. Credit	0.44
(18) German -AL-182	1.82
(19) IBRD-578-Pak	0.61
(20) IDA-466-Pak	4.98
21) IDA-683-Pak Flood Rehabilitation Works 1976).	12.52
(22) IDA-630-Pak (LDA, WASA)	7.94

Total Foreign Exchange Loans	69.69
------------------------------	-------

**Loans and Advances by the Provincial Government:**

This head reflects loans advanced by the Provincial Government to its employees for construction of houses and purchase of conveyances, to the farmers for sinking of wells, purchase of seed, fertilizer and implements and to the local and autonomous bodies for financing their development programmes.

The increase of Rs. 1.58 crore in the Revised Estimates 1978-79 over the Budget Estimates is due to release of Rs. 0.84 crore to the Punjab Road Transport Board and Rs. 0.64 crore to Multan Development Authority as non-development loans.

#### State Trading in Coal, Coke and Medicines:

The Provincial Government procures coal and coke through the Trading Corporation of Pakistan and then sells it for use in public and private sectors. The Budget Estimates 1978-79 anticipated purchase of 10,000 tons of steam coal and 45,000 tons of hard coke at a cost of Rs. 14.56 crore. The receipts from the sale of above quantities of coal and coke were estimated at Rs. 15.26 crore thus showing a surplus of Rs. 0.70 crore.

The revised purchase target for hard coke is 45,000 tons, i.e. the same as originally anticipated. However, 10,000 tons of steam coal is not intended to be imported because the existing stocks of coal at the dump are sufficient to meet the needs of the consumers. The total expenditure during the year 1978-79 will be Rs. 11.38 crore. Sale of coal and coke during 1978-79 is expected to yield an income of Rs. 11.93 crore giving a surplus of Rs. 0.55 crore reflected in the Revised Estimates 1978-79.

During 1979-80, it is proposed to purchase 5,000 tons of steam coal and 55,000 tons of hard coke at an estimated cost of Rs. 17.22 crore. Sale of the above quantities of coal and coke are expected to yield Rs. 18.16 crore, giving a surplus of Rs. 0.94 crore.

#### State Trading in Foodgrains and Sugar:

Table 15 contains a summary statement of the non-development Capital expenditure included in Account No. II of Provincial Government.

TABLE 15

#### Non-Development Capital Expenditure on State Trading in Foodgrains and Sugar

(Rupees in crore)

	Budget 1978-79	Revised 1978-79	Budget 1979-80
<b>A—STATE TRADING IN FOODGRAINS</b>			
Gross Expenditure	21,8.73	2,13.46	2,39.72
Deduct Recoveries	(—)2,18.28	(—)1,70.53	(—)2,07.90
Net Expenditure	0.45	42.93	31.82

**B—State Trading In Sugar**

Gross Expenditure	..	164·18	183·67	187·48
Deduct Recoveries	..	(—) 158·84	(—)174·76	(—)177·95
Net Expenditure	..	5·34	8·91	9·53

**C—Transport Operations**

Gross Expenditure	..	0·28	0·26	0·29
Deduct Recoveries	..	—	—	—
Net Expenditure	..	0·28	0·26	0·29
Total Net Expenditure	..	6·07	52·10	41·64

The expenditure on the purchase, handling and storage of wheat and rice during 1978-79 decreased from the budgeted amount of Rs. 218·73 crore to Rs. 213·46 crore in the Revised Estimates as a consequence of reduction in the budgeted target for procurement of indigenous wheat from 15·00 lac metric tons to 8·00 lac metric tons. To make up the deficiency in domestic procurement, the procurement target of imported wheat was enhanced from 2·00 lac metric tons to 7·50 lac metric tons which to some extent was a counter balancing factor. The Revised Estimates 1978-79 also include an additional expenditure of Rs. 1·44 crore in the shape of gunny bags for procurement of rice on behalf of the Rice Export Corporation of Pakistan and reflect some increase in expenditure due to revision of incidentals from Rs. 264 to Rs. 298 per metric ton as a result of increase in interest on borrowings and cost of gunny bags.

Receipts from the sale of foodgrains during 1978-79 within the Province are estimated at Rs. 170·53 crore in the Revised Estimates against the budgeted figure of Rs. 218·28 crore. The total quantity of wheat involved is 13·00 lac metric tons which is entirely meant for internal off-take. The budgeted off-take of wheat was 12·00 lac metric tons internal and 5·00 lac metric tons external. The receipts also include recovery of incidental charges of Rs. 1·44 crore on account of 1·20 lac metric tons of rice procured for Rice Export Corporation of Pakistan as well as subsidy of Rs. 4·60 crore receivable from the Federal Government. The shortfall in receipts as shown in the Revised Estimates 1978-79 represents lower sale of indigenous wheat.

The expenditure on the purchase, handling and storage of sugar during 1978-79 is expected to increase from Rs. 164·18 crore in the Budget Estimates to Rs. 183·67 crore in the Revised Estimate owing to increase in the procurement of sugar from 3·60 lac metric tons to 4·00 lac metric tons. The receipts from the sale of 3·95 lac metric tons of sugar are estimated at Rs. 174·76 crore in the Revised Estimates as against the budgeted figure of Rs. 158·84 crore.

The Transport Operation of the Food Department is anticipated to cost Rs. 0·26 crore during 1978-79 as against the budgeted figure of Rs. 0·28 crore.

The expenditure on State Trading in Foodgrains and sugar is met from borrowings from commercial banks.

For 1979-80 a provision of Rs. 239.72 crore has been made for the purchase, handling and storage of 3.00 lac metric tons of imported wheat and 12.00 lac tons of indigenous wheat. This provision has been worked out at the enhanced rate of Rs. 45 per maund, as against Rs. 37 per maund, made effective from 1.5.1979. This also includes additional expenditure of Rs. 2.51 crore on account of incidental charges on indigenous wheat increased from Rs. 264 to Rs. 298 per ton with effect from 16-4-1979 as well as cost of gunny bags amounting to Rs. 7.20 crore required for procurement of 6 lac metric tons of rice on behalf of the Rice Export Corporation of Pakistan.

The Receipts from the sale of foodgrains are estimated at Rs. 207.90 crore. The receipts will accrue through sale of 13.50 lac metric tons of wheat, 12 lac metric tons through ration depots and the remaining 1.50 lac metric tons at cost price to the flour Mills. The receipt figures also include recovery of Rs. 7.20 crore from the Rice Export Corporation of Pakistan as cost of gunny bags.

A provision of Rs. 187.48 crore has been made in the Budget Estimates 1979-80 for the purchase, handling, storage and distribution of 4.00 lac metric tons of sugar. The receipts on account of the sale of 3.95 lac metric tons of sugar are estimated at Rs. 177.95 crore.

The Transport Operations are likely to cost Rs. 0.29 crore during 1979-80.



## CHAPTER V

### Public Account Transactions

The Public Account Transactions of the Provincial Government outside the Provincial Consolidated Fund are broadly categorised as under :—

- (1) Unfunded Debt,
- (2) Deposits and Advances, and
- (3) Remittances.

Table 16 shows the net receipts from the Public Account Transactions as per Budget and Revised Estimates, 1978-79 and Budget Estimates, 1979-80.

**TABLE 16**

Public Account Transactions		(Rupees in crore)		
		Budget 1978-79	Revised 1978-79	Budget 1979-80
Unfunded Debt (Net)	..	6.69	7.59	7.59
Deposits and Advances (Net)	..	0.33	(—)2.52	(—)1.31
Remittances	..	..	..	..
Total	..	7.02	5.07	6.28

#### Unfunded Debt :

Unfunded Debt consists of the Provincial Government's liability on account of balances in the various Provident Funds of the Government employees. Since the number of Government employees increases from year to year, their contribution to the Provincial Fund also increases resulting in increased liability of the Provincial Government as the payment into such Funds usually exceeds withdrawals therefrom. The net receipts in the Revised Estimates, 1978-79 are estimated at Rs. 7.59 crore. The same figures have been repeated in the Budget Estimates, 1979-80.

#### Deposits and Advances :

Deposits and Advances cover a large number of items of miscellaneous receipts and expenditure most of which do not follow any fixed pattern. This is specially true of the receipts and expenditure pertaining to the Personal Ledger Accounts of the Autonomous and Local Bodies of the Provincial Government kept with various Government treasuries. This is also applicable to the receipts and expenditure pertaining to the various Suspense Accounts. Whether net receipts from Suspense Accounts will be positive or negative depends entirely on whether misclassification in respect of receipts has been greater than that in respect of expenditure and *vice versa*. Therefore, for purposes of budgeting, the net effect of most of such receipts and expenditure is assumed to be *nil*.

**Remittances :**

1979-80

The net effect of the transactions pertaining to the Remittances Heads, including the Inter-Provincial Suspense Account and the Adjusting Account between the Federal Government and the Provincial Governments, has also been assumed to be *nil* during 1979-80 as was done for 1978-79.

(continued)

Account	1978-79	1979-80
63-4001	61-50:11	62-4001
62-V	62-V	62-V
12-14-3	12-14-3	12-14-3
22-3	22-3	22-3

The net effect of the transactions pertaining to the Remittances Heads, including the Inter-Provincial Suspense Account and the Adjusting Account between the Federal Government and the Provincial Governments, has also been assumed to be nil during 1979-80 as was done for 1978-79.

The net effect of the transactions pertaining to the Remittances Heads, including the Inter-Provincial Suspense Account and the Adjusting Account between the Federal Government and the Provincial Governments, has also been assumed to be nil during 1979-80 as was done for 1978-79.

## CHAPTER VI

### ANALYSIS ON NON-DEVELOPMENT BUDGET, 1979-80

The Non-Development Budget of the Provincial Government provides for expenditure on the maintenance and improvement of existing assets and services in the Province. It also includes tax receipts, income on account of services rendered and commercial activities undertaken by the public sector agencies and revenues flowing from the control functions of the Government like fees, fines and forfeitures. The objectives of Non-Development Budget are generation of resources to finance the expanding development programme, maintenance and improvement of social, economic and physical services, minimization of less productive expenditure and stabilization and support of prices of essential commodities.

#### Revenue Receipts :

The Budget Estimates, 1979-80 project the Provincial Government's General Revenue Receipts as Rs. 4,89.40 crore. A major part of these receipts amounting to Rs. 3,45.45 crore and constituting 71 per cent of the total revenue receipts, will accrue from taxes. The non-tax receipts for 1979-80 have been estimated at Rs. 85.62 crore which is 17 per cent of the total revenue receipts. The rest of the Provincial Government's revenue receipts for 1979-80 will accrue on account of transfers estimated at Rs. 58.33 crore, i.e., 12 per cent of the total revenue receipts. The composition of non-development revenue receipts for 1978-79 and 1979-80 is given in Table 17.

**TABLE 17**  
**Non-Development Revenue Receipts**

	Tax Revenue		Non-Tax Revenue		Transfers		Total
	Amount	Percentage,	Amount	Percentage	Amount	Percentage	
Budget 1978-79 ..	*308.22	67	*80.25	18	*69.89	15	458.36
Revised 1978-79 ..	326.01	69	82.46	17	67.30	14	475.77
Budget 1979-80 ..	345.45	71	85.62	17	58.33	12	489.40

#### Tax Receipts :

The tax receipts for 1979-80 constitute 71 per cent of the total non-development revenue receipts against 67 per cent in the Budget Estimates 1978-79. The increase is attributable mainly to an improvement in the Provincial Government's share of Federal divisible taxes, namely Income Tax, Corporation Tax and Sales Tax.

\*Including new taxation.

There are improvements also in the proceeds of certain Provincial Taxes like Urban Immovable Property Tax, Taxes on Luxuries and Motor Vehicles Tax, but these improvements have been more than counter-balanced by substantial decrease in revenue due to abolition of land revenue and development cess and ban on consumption of liquor, opium and other intoxicants.

The distribution of the tax revenue between receipts from direct and indirect taxes is given in Table 18.

**TABLE 18**  
**Classification of Tax Revenue**

(Rupees in crore)

	DIRECT*		INDIRECT**		Total
	Amount	Percentage	Amount	Percentage	
Budget 1978-79	151.92***	49	156.30***	51	308.22
Revised 1978-79	168.30	52	157.71	48	326.01
Budget 1979-80	178.76	52	166.69	48	345.45

The ratio between the receipts from direct and indirect taxes has improved from 49 : 51 in the Budget Estimates 1978-79 to 52 : 48 in the Revised Estimates 1978-79 on account of increase in the Provincial Government's share of direct Federal divisible taxes, viz. Income Tax and Corporation Tax. The ratio between direct and indirect taxes remains the same between the Revised Estimates 1978-79 and Budget Estimates 1979-80.

A major part of tax receipts of the Provinces are drawn from Federally collected divisible taxes and other taxes collected by the Federal Government on behalf of the Provinces. Table 19 indicates the ratio such taxes bear to the receipts from taxes levied and collected by the Provincial Government.

\*Includes Corporation Tax, Income Tax, Estate Duty, Wealth Tax, Gift Tax, Land Revenue, Education Cess, Cotton Fee and Urban Immovable Property Tax.

\*\* Comprise Customs, Excise Duties, Sales Tax, Royalty/Excise Duty on Gas, Provincial Excise, Stamps, Registration Fee, Receipts under Motor Vehicles Acts, Taxes on Luxuries, Electricity Duty and other items.

\*\*\* Including new taxation.

TABLE 19

**Ratio of Receipts from Taxes collected by the Federal Government and the Provincial Government.**

(Rupees in crore)

	TAXES COLLECTED BY FEDERAL GOVERNMENT		TAXES COLLECTED BY PROVINCIAL GOVERN- MENT		Total
	Amount	Percentage	Amount	Percentage	
Budget 1978-79	211.44	69	*96.78	31	*308.22
Revised 1978-79	233.24	72	92.97	28	326.01
Budget 1979-80	256.94	74	88.51	26	345.45

The ratio of Federally collected taxes to the total tax receipts of the Provincial Government increased from 69 per cent in the Budget Estimates 1978-79 to 72 per cent in the Revised Estimates in view of substantial improvement in the Federally collected taxes on the one hand and short falls in certain Provincial Tax Receipts on the other. The reduced Provincial Tax Receipts are mainly on account of short payment of arrears of electricity duty by WAPDA and reduced Cotton fee receipts as a consequence of a poor cotton crop.

In the Budget Estimates 1979-80, the percentage of taxes collected by the Federal Government is anticipated to go up further to 74 per cent as a result of further improvement in Federally collected taxes. On the other hand, Provincial Tax Receipts are expected to decline in 1979-80 as compared to the Revised Estimates 1978-79 in view of the abolition of land revenue and development cess with the introduction of Ushr from Kharif 1979 and as a result of lower receipts from Provincial Excise in view of the complete ban on liquor, opium and other intoxicants.

The large proportion of Federal taxes in the total tax receipts of the Province is explained by the fact that most of the important direct and indirect taxes are constitutionally within the Federal jurisdiction. Table 20 shows Federal divisible taxes which are passed on to this Province in terms of percentages of the total receipts from this source.

\*Including new taxation.

**TABLE 20****Composition of the Punjab's share out of Federal Divisible Taxes****(Rupees in crore)**

	BUDGET 1978-79		REVISED 1978-79		BUDGET 1979-80	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Corporation Tax ..	50.17	24	51.82	22	58.29	23
Income Tax	79.76	38	94.00	41	102.00	40
Sales Tax ..	77.84	38	84.53	37	92.95	37
<b>Total ..</b>	<b>207.77</b>	<b>100</b>	<b>230.35</b>	<b>100</b>	<b>253.24</b>	<b>100</b>

As indicated in the above table, personal income tax will contribute the highest proportion of receipts from Federal divisible taxes during 1979-80 followed by sales tax and the corporate income tax.

Composition of other taxes collected by the Federal Government and passed on to the Province is explained in Table 21.

**TABLE 21****Taxes Collected by the Federal Government for the Provinces****(Rupees in crore)**

	BUDGET 1978-79		REVISED 1978-79		BUDGET 1979-80	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Excise Duty on Natural Gas ..	3.09	84	2.28	79	3.09	84
Royalty on Natural Gas ..	.07	2	.10	4	.10	3
Gift Tax ..	.50	14	.50	17	.50	13
<b>Total ..</b>	<b>3.66</b>	<b>100</b>	<b>2.88</b>	<b>100</b>	<b>3.69</b>	<b>100</b>

A comparison of the receipts from different taxes levied and collected by the Provincial Government is given in Table 22.

**TABLE 22**

**Provincial Tax Receipts**

(Rupees in crore)

	BUDGET 1978-79		REVISED 1978-79		BUDGET 1979-80	
	Amount	Percent- age	Amount	Percent- age	Amount	Percent- age
Agricultural Income Tax	.. .. .	..	0.59	1	..	..
Land Revenue	.. 13.40	14	15.46	17	10.79	12
Provincial Excise	.. 2.84	3	3.13	3	0.92	1
Stamps	.. 21.83	23	21.85	24	22.03	25
Registration	.. 3.70	3	3.93	4	3.94	5
Receipts under Motor Vehicles Acts	.. *15.34	16	15.73	17	16.09	18
Education Cess	.. .06	..	0.06	..	.06	..
Taxes on Luxuries (Entertainment Duty)	.. *13.25	14	11.60	13	11.81	13
Electricity Duty	.. *14.53	15	8.99	10	10.81	12
Cotton Fee	.. 6.50	7	4.50	4	5.00	6
Urban Immovable Property Tax	.. 1.54	1	2.03	2	2.11	2
Other Items	.. *3.79	4	4.90	5	4.95	6
<b>Total</b>	.. 96.78	100	92.77	100	88.51	100

Stamp Duty remains the largest contributor to Provincial Tax Receipts with a share of 25 per cent in the total receipts for 1979-80. This explains the importance of Stamp Duty in the Provincial Tax Receipts which is now the most important provincial tax. Receipts from land revenue were expected to decline considerably when the Ushr Law comes into force after Rabi 1979 whereafter land revenue will be discontinued. Consequently, the Motor Vehicles Tax has become the second largest source of Provincial Tax Receipts during 1979-80 with a contribution of 18 per cent to the total revenue. Other important sources of Provincial Tax Receipts are Entertainment Duty which will contribute 13 per cent and Electricity Duty which will be 12 per cent of the total Tax Receipts during 1979-80.

\* Including new taxation.

### Non-Tax Receipts :

The sources of non-tax receipts for the Provincial Government are fees, rates, charges and miscellaneous receipts for services rendered commodities sold and fines levied by Government departments. Table 17 shows that non-tax receipts account for 17 per cent of the total revenue receipts estimated for 1979-80 which is the same as the percentage of such receipts in the Revised Estimates 1978-79. Tables 3,4 and 5 in Chapter 1 give details of the non-tax receipts of the Provincial Government.

### Transfer Receipts :

Included in transfer receipts are interest receipts, Federal grants, profits of state trading and receipts in aid of superannuation. Table 17 shows that transfer receipts constitute 12 per cent of the total Revenue Receipts estimated for 1979-80.

### Current Expenditure :

The current expenditure of the Provincial Government consists of (a) consumption *i.e.* payments on account of wages, salaries, goods and services, and (b) transfer payments which include interest on Provincial debt, subsidies, pensions, grants etc. Table 23 indicates the trend of the current expenditure.

TABLE 23

#### Current Expenditure

(Rupees in crore)

	CONSUMPTION EXPENDITURE		TRANSFER PAYMENTS		TOTAL
	Amount	Percent-age	Amount	Percent-age	
Budget 1978-79	310.95	67	155.65	33	466.60
Budget 1979-80	333.39	67	165.12	33	498.51

The percentage of consumption expenditure and transfer payments viz-a-viz the total current expenditure remains the same.

### Consumption expenditure :

Further break-up of the consumption expenditure is given in Table 24.

TABLE 24

#### Consumption Expenditure

(Rupees in crores)

	Wages and Salaries	Percent-age	Goods and Services	Percent-age	Total
	Budget 1978-79	230.54	74	80.41	26
Budget 1979-80	246.78	74	86.61	26	333.39



Table 25 contains details of transfer payments in the Budget Estimates 1978-79 and 1979-80.

**TABLE 25**  
**Transfer Payments**

	<b>(Rupees in crore)</b>			
	<b>BUDGET 1978-79</b>		<b>BUDGET 1979-80</b>	
	<b>Amount</b>	<b>Percentage</b>	<b>Amount</b>	<b>Percentage</b>
Interest	92.58	60	109.02	66
Grants	19.42	12	8.74	5
Subsidies	31.56	20	34.07	21
*Other Transfers	12.09	8	13.29	8
<b>Total</b>	<b>155.65</b>	<b>100</b>	<b>165.12</b>	<b>100</b>

Interest continues to be the largest component of transfer payments. The factor behind its increase in the Budget Estimates 1979-80 is the increased debt liability as a result of the increasing need to borrow for financing the Annual Development Programmes of the Province. The decrease in grants is mainly due to the discontinuation of Provincial grants to Universities in view of the assumption by the Federal Government of the liability on account of financing University education throughout the country.

**Functional Distribution of Current Expenditure :**

Functional distribution of the Non-development Revenue Expenditure of the Provincial Government is shown in Table 26.

**TABLE 26**  
**Functional Distribution of Current Expenditure**  
**(Rupees in crore).**

	<b>BUDGET 1978-79</b>		<b>REVISED 1978-79</b>		<b>BUDGET 1979-80</b>	
	<b>Amount</b>	<b>Percent- age</b>	<b>Amount</b>	<b>Percent- age</b>	<b>Amount</b>	<b>Percent- age</b>
Tax Collecting Departments ..	9.25	2	8.64	2	9.41	2
Civil Administration Departments	56.17	12	52.82	12	57.34	11
Social Services Departments ..	163.33	35	154.93	34	168.87	33
Economics Services Departments	53.74	11	51.36	11	58.94	12
Irrigation ..	45.88	10	48.47	11	53.03	10

\* Other Transfers consist of the expenditure on Superannuation allowances and Pensions, Commutation of Pensions financed from Ordinary Revenue, Relief and Privy purses.

Community Services Departments	2.95	1	3.60	1	4.41	1
Debt Services	92.58	20	92.50	20	109.02	22
Unallocable	42.70	9	43.69	9	45.22	9
<b>Total</b>	<b>466.60</b>	<b>100</b>	<b>456.01</b>	<b>100</b>	<b>506.24</b>	<b>100</b>
Less Economy Cut	..	..	..	..	(- )7.73	..
<b>Net Total</b>	<b>466.60</b>	<b>100</b>	<b>456.01</b>	<b>..</b>	<b>498.51</b>	<b>..</b>

The Social Services Departments continue to consume the largest component of current expenditure with education alone accounting for Rs. 124.79 crore and health services for Rs. 30.99 crore.

## CHAPTER VII

### Financing of the Development Programme

The gross size of the Annual Development Programme for 1978-79 was Rs. 232.40 crore. Against this, the estimated resource availability was Rs. 223.82 crore which consisted of Federal and Foreign Assistance to the extent of Rs. 222.32 crore and a Provincial Contribution of Rs. 1.50 crore by transfer from the Deposit Account of Town Development Schemes. A Programme of Rs. 227.39 crore has been included in the Revised Estimates 1978-79 against resource availability of the same level.

The details of the resources available for financing the revised Annual Development Programme 1978-79 and their comparison with the resources originally estimated for financing the Programme are given in Table 27.

**TABLE 27**

#### Financing of Annual Development Programme 1978-79

		(Rupees in crore)	
		Budget 1978-79	Revised 1978-79
<b>A—Provincial Contribution :—</b>			
Revenue Surplus/Deficit	.. (—)	8.24	19.76
Net Capital Receipts	..	8.24	5.09
Transfer from Deposit Account of Town Development Schemes	..	1.50	1.00
<b>Total Provincial Contribution</b>		.. 1.50	25.85
<b>B—Federal Assistance :—</b>			
<b>Cash Grants—</b>			
Subsidy on Tubewells	..	0.50	0.98
Wheat Seed Subsidy	..	0.30	0.30
Flood Protection Schemes	—	..	0.50
Traffic Count Programme	..	..	0.01
Construction of Police Station and accommodation for lower and upper subordinates	..	..	2.00
Drinking water in the dry areas of Sargodha Division	..	..	1.00
Improvement of Public School Rahim Yar Khan	..	..	0.10
Construction of Model Police Station	..	..	0.10
Ground Plant Protection Operation	..	12.28	13.13
Rural Water supply and Sanitation	—	7.22	7.22

		(Rupees in crore)	
		Budget 1978-79	Revised 1978-79
Primary Education	..	4.02	4.03
Rural Health Programme	..	8.80	8.96
IBRD Assisted Extension and Agricultural Development Project	..	..	1.06
IBRD Assisted Punjab Livestock Project, Sheikhpura	..	..	1.00
On-Farm Water Management	..	..	1.00
Sub-Total Cash Grants		33.12	41.39
Cash Development Loan		166.82	131.84
Total Federal Assistance		199.94	173.23
<b>C—Foreign Assistance :—</b>			
Foreign Grants	..	4.75	4.79
Foreign Exchange Loans	..	16.46	15.81
Reimbursement of expenditure on flood reconstruction works	..	..	7.54
World Food Programme Aid	..	1.17	0.17
Total Foreign Assistance		22.38	28.31
Grand Total		223.82	227.39

The Provincial contribution of Rs. 25.85 crore for financing the revised Annual Development Programme 1978-79 is due to improvement of Rs. 22.58 crore in the Provincial Government's share of Federal divisible taxes and economy cut of Rs. 22.27 crore on Non-Development Expenditure. These improvements were partially counter-balanced by substantial short-falls in receipts on account of withdrawal of scheme of compulsory consolidation of holdings, remission of court fee on suits up to the value of Rs. 25,000, fall in cotton fee receipts due to unsatisfactory cotton crop, short recovery of arrears of electricity duty from WAPDA, additional liability of Rs. 5.56 crore on account of maintenance and operation of irrigation tubewells arising out of increase in electricity tariff, purchase of medicines for Government hospitals and dispensaries, transfer of Rs. 90 lac to the Board of Management for Workers Children Education Fund and number of other shortfalls in receipts and extra-budgetary allocations for incapable items of non-development expenditure.

The shortfall in Federal Assistance for financing the current year's Annual Development Programme is due mainly to decrease in the Cash Development Loan which has been reduced because the Revised Estimates 1978-79 show a surplus in the Non-Development Budget of the Provincial Government for investment in the Annual Development Programme.

The Federal Government has allocated resources amounting to Rs. 244·00 crore for financing the Punjab Government's Annual Development Programme of 1979-80. Another amount of Rs. 1·50 crore will be available out of the Deposit Account for Town Development Schemes. Thus, a total amount of Rs. 245·50 crore will be available for financing the Annual Development Programme of 1979-80 as detailed in Table 28.

**TABLE 28**

**Financing of Annual Development Programme 1979-80**

(Rupees in crore)

<b>A—Provincial Contribution:</b>		
Transfer from Deposit Account of Town Development Schemes ..		1·50
<b>B—Federal Rupee Assistance:</b>		—
<b>Cash Grants:</b>		
Subsidy on Tubewells ..		2·19
Wheat Seed Subsidy ..		0·30
Installation of Tubewells around Faisalabad ..		1·00
Flood Protection Schemes ..		10·30
Plant Protection ..		10·00
Rural Water Supply & Sanitation ..		10·48
Primary Education ..		5·38
Rural Health Programme ..		13·50
IBRD-Assisted Extension and Agricultural Development Project		2·52
IBRD-Assisted Punjab Livestock Project Sheikhupura ..		1·10
On Farm Water Management ..		2·02
IBRD-Assisted Seed Industry Project ..		2·34
Subsidy on Seed ..		2·00
Foodgrain Storage ..		6·75
	Sub-Total Cash Grants ..	<u>69·88</u>
	Cash Development Loan ..	<u>152·31</u>
	Total Federal Assistance ..	<u>222·19</u>
<b>C—Foreign Assistance:</b>		
Foreign Grants ..		4·70
Foreign Exchange Loans ..		16·96
World Food Programme Aid ..		0·15
	Total Foreign Assistance ..	<u>21·81</u>
	Grand Total ..	<u>245·50</u>

Against this, a Programme of the size of Rs. 250.00 crore has been formulated. The gap between the resources available and the gross size of the Annual Development Programme is expected to be met by a likely operational shortfall in the implementation of the Programme.

## ANNUAL DEVELOPMENT PROGRAMME 1978-79

The sector-wise allocations included in the revised Annual Development Programme and their comparison with the allocations in the original Programme of 1978-79 are given in Table 29. This is followed by a brief description of the physical targets expected to be achieved in the main sectors during the year.

TABLE 29

## Sectoral Allocation in Annual Development Programme 1978-79.

(Rupees in crore)

	Budget 1978-79	Revised 1978-79	Percentage increase/ decrease
1. Agriculture ..	51.58	42.63	(-17)
Agriculture and Agricultural Credit ..	33.78	26.32	(-22)
Animal Husbandry ..	6.94	5.46	(-21)
Forestry ..	3.23	3.83	19
Fisheries ..	0.68	0.55	(-19)
Cooperative and Rural Credit ..	0.50	0.39	(-22)
Food Storage ..	6.45	6.08	(-6)
2. Rural Development Programme ..	14.00	14.48	3
3. Industries and Minerals ..	7.98	3.98	(-50)
4. Water ..	17.25	20.67	20
5. Transport and Communications ..	24.37	29.69	22
6. Physical Planning and Housing ..	68.76	72.15	5
Town Planning and Research ..	0.17	0.16	(-6)
Low Income Housing ..	7.72	8.97	16
Urban Development ..	41.00	39.86	(-3)
Rural Water Supply ..	7.22	8.26	14
Urban Water Supply ..	5.36	5.47	2
Government Buildings and Offices ..	4.12	6.17	50
Government Servants Housing ..	3.17	3.27	3
7. Education and Training ..	18.55	17.2	(-4)
8. Health ..	21.37	23.04	8
9. Social Welfare ..	1.50	1.14	(-24)
10. Manpower Training ..	1.75	1.26	(-28)
11. Information Culture and Tourism ..	0.55	0.63	15
12. Murree Kahuta Development Authority ..	2.24	..	..
Total ..	232.40	227.39	(-2)

## **Agriculture and Agricultural Credit :**

The policy of supplying agricultural inputs to farmers on subsidized rates continues to be followed successfully. An allocation of Rs. 8.14 crore has been made in the revised Annual Development Programme for the procurement of pesticides to be made available to the farmers at a subsidy of 75 per cent for granular and 50 per cent for other pesticides. This has helped in ground spraying of an total area of 36 lac acres for protection of different crops. An amount of Rs. 1.08 crore has been provided for subsidy on improved seed of Wheat, Cotton and other crops. 24.14 lac maunds of seed was procured for supply to farmers on subsidized rates. Allocation of Rs. 1.96 crore has been made for subsidy on sinking of 1188 private diesel tubewells while a provision of Rs. 0.14 crore has been made for subsidizing the supply of sprayers to the extent of 50 per cent in case of ordinary sprayers and 33 per cent in case of power sprayers. In addition, 50 per cent subsidy was provided for supply of gypsum and zinc sulphate. These measures contributed significantly to the record production of wheat during 1978-79 which is more than 72 lac tons as compared to 60 lac tons in 1977-78. Similarly, the output of rice also went up to a record level of 16.80 lac tons as compared to 14.42 lac tons in 1977-78.

The work on land levelling and improvement of water courses is also proceeding in full swing. An amount of Rs. 2.65 crore has been allocated for the purpose in the revised Annual Development Programme for improving 150 water courses and levelling of 8,500 acres of land.

## **Livestock and Dairy Development**

The activities in this sector are aimed mainly at providing veterinary health cover and increasing production of livestock, dairy and poultry products. During the current financial year, the Programme for mass vaccination, dipping and drenching of livestock was continued. 2.70 crore animals were treated for various diseases, 3.94 crore animals and poultry vaccinated and 30 lac poultry was dewormed against endoparasites. To extend the veterinary cover, 5.10 crore doses of vaccine were also produced. Additional diagnostic laboratories were established at the District level and mobile veterinary dispensaries were established in the Cholistan area of Bahawalpur Division. Under the scheme for the control of warble fly, over 2 lac cattle were treated during 1978-79. Other significant targets achieved during the year were artificial insemination of 89,000 animals, production of 96 lac broilers and egg production of more than 100 crore.

## **Forestry :**

The main emphasis under this sector is on afforestation of blank areas under irrigated plantation, strips along canals, roads and railway lines, raising of nurseries and development of parks and recreational facilities. The allocation of Rs. 3.83



crore in the revised A.D.P. 1978-79 is mainly for afforestation over 5,900 compact acres and 2900 avenue miles, and raising 10 lac potted plants and bed nurseries over 615 acres.

#### **Rural Development :**

The allocation under this sector has increased from Rs. 14 crore to Rs. 14.48 crore in the revised Annual Development Programme of 1978-79. This amount has been utilized on the construction of 155 miles of metalled roads, soling of 162 miles of katcha roads, providing 1000 small water outlets, maintenance of 5,500 Adult Education Centres and 1200 Industrial Homes.

#### **Industries and Minerals:**

The major beneficiaries of the allocation under this sector are the Punjab Industrial Development Board, the Punjab Small Industries Corporation, the Punjab Mineral Development Corporation and the Industries Department. The existing development programme of the Punjab Industrial Development Board consists in establishing 5 sugar and 5 textile mills in the public sector in the Punjab at a total cost of about Rs. 190 crore. During the current financial year, Pattoki and Pasrur Sugar Mills have been completed and have gone into operation. The Punjab Small Industries Corporation is continuing work on the development of the new Small Industries Estates at Faisalabad, Jhelum, Gujranwala, Gujrat, Bahawalpur, Sialkot and Kot Lakhpat (Lahore) and two Mini Estates at Gujjar Khan and Chakwal. The Major programmes being executed by the Punjab Mineral Development Corporation during the current year include minerals exploration in the Salt Range, the Kala Chitta Range and at Khushab in district Sargodha. In addition, dolomite quarry at Paikhel, Mianwali and silica sand quarry at Kutki- Chapri are being developed.

#### **Water :**

The allocation under the sector has been increased from Rs. 17.25 crore to Rs. 20.67 crore in the revised Annual Development Programme. The main physical targets of the department for the year 1978-79 are remodelling and construction of 220 masonry works on irrigation channels, drains and a few small dams in addition to 100 masonry works forming part of the Flood Reconstruction Programme, 21.40 crore cubic feet of earth work which includes 11 crore cubic feet in connection with the flood rehabilitation Works.

#### **Transport And Communications :**

A provision of Rs. 24.02 crore was included in the Annual Development Programme 1978-79 for construction of roads and bridges which has been raised to Rs. 29.14 crore in the Revised Programme. The Highways Department will complete, among others, the following important schemes during the year :—

1. Construction of Lahtrar-Kotli Road (11.56 miles).
2. Construction of overhead bridge near Marripura level crossing at Sargodha.

3. Construction of Sahiwal-Noor Shahi—Gogera Road Section Noor Shahi-Gogera via Akbar (13 miles).
4. Construction of road from Vehari to Mailsi via Karampur (17.00 miles).
5. Construction of Highway Workshop building at Rawalpindi.
6. Construction of Chund-Lalian Road (22.60 miles).
7. Construction of Khushab-18 Hazari-Muzaffargarh Road (25 miles).
8. Construction of road from T.T. Singh to Gojra (17.25 miles).
9. Construction of road from Muzaffargarh to Kinjer Khas via Mondke (14.50 miles).
10. Construction of road from Jahanian to Khanewal (13.25 mile).

Allocation of Rs. 0.35 crore in the original Annual Development Programme for the Punjab Road Transport Board has been increased to Rs. 0.55 crore in the revised programme to facilitate completion of the workshops at Sargodha, Sahiwal and Bahawalpur.

#### **Low Income Housing :**

Under this sector, the revised allocation of Rs. 8.97 crore would be spent on completion of 15 Area Development Schemes and development of 10,000 plots by the end of the current financial year.

#### **Rural Water Supply :**

The allocation of Rs. 8.26 crore in the revised programme will be utilized for completion of 81 Rural Water Supply schemes benefiting a population of 3.75 lac. In addition, 11 sewerage and drainage schemes are also expected to be completed during the current year benefiting a population of 0.40 lac.

#### **Urban Water Supply :**

There is a provision of Rs. 5.47 crore in the revised programme of 1978-79 which has been spent by the public Health Engineering Department on completing 9 water supply schemes in the urban areas which would benefit an additional population of 4 lac and 8 sewerage and drainage schemes which will serve an additional population of 9 lac.

#### **Urban Development :**

An allocation of Rs. 39.86 crore has been made for this sector in revised Programme of 1978-79. Out of this amount, Rs. 3.25 crore was meant to be utilized on the rehabilitation of residents of the Katchi Abadis by the Lahore Development Authority, Rs. 1.00 crore by the Faisalabad Development Authority and Rs. 0.50 crore by the Multan Development Authority.

Lahore Development Authority would spend about Rs. 4.00 crore on the widening and improvement of various roads in Lahore. It will also spend Rs. 11.00 crore during the current year on the Greater Lahore Water Supply, Sewerage and Drainage Project Phase II and Rs. 3.00 crore on the crash sewerage and drainage programme. The Faisalabad Development Authority will spend Rs. 1.00 crore on the Greater Faisalabad Water Supply, Sewerage and Drainage Project and Rs. 3 crore on the short term plan to improve the water storage and disposal work system. The important schemes of the Multan Development Authority which will continue during the next year are the Comprehensive Sewerage Project Phase-I on which Rs. 1.70 crore will be spent during the current year and the water supply scheme Phase-I for which Rs. 0.30 crore have been allocated. The major road scheme of the Multan Development Authority is the construction of Multan By-Pass for which Rs. 0.16 crore have been earmarked.

#### Education and Training :

The allocation for this sector in the Revised Annual Development Programme is Rs. 17.72 crore. The sub-sector-wise comparison with the original allocation of Rs. 18.55 crore is given in Table 30.

**TABLE 30**  
**Sub-Sectoral Allocations under Education**

		(Rupees in crore)	
		Original allocations 1978-79	Revised allocation 1978-79
1	Primary Education ..	4.03	3.3
2	Secondary Education ..	2.77	2.21
3	Teacher Training ..	1.41	1.30
4	Technical Education ..	1.29	1.08
5	College Education ..	1.96	1.79
6	Universities ..	3.49	3.86
7	Scholarships ..	2.00	2.00
8	Miscellaneous ..	1.60	2.14
		18.55	17.72

The 4 per cent reduction in the revised allocation as compared to the original allocation does not, however, affect the original targets of opening 1000 new primary schools, consolidation of existing primary schools, upgradation of 42 primary schools to the middle standard and 5 middle schools to the high standard, establishment, im-

provement and development of Intermediate and Degree Colleges and introduction of Agro-Technical courses.

**Health :**

There has been an increase in the revised allocation for the health sector from Rs. 21.37 crore in the original Annual Development Programme to Rs. 23.04 crore in the revised Programme. Work is in progress on 12 tehsil headquarters hospitals which will provide 720 additional beds and 3 district headquarters hospitals which will increase the bed availability by 640. A provision of Rs. 49 lac has been made for the on-going work on the 200 bedded Eye Ward at the Mayo Hospital, Lahore while Rs. 50 lac has been allocated for the work in progress on the construction of the Casualty Block in the same hospital. Rs. 1.15 crore have been earmarked for work on the establishment of the Rawalpindi Medical College. 225 Basic Health Units have been completed during the current financial year.

## CHAPTER IX

### OUTLINE OF THE ANNUAL DEVELOPMENT PROGRAMME 1979-80

The guiding principles of the Annual Development Programme 1979-80 are—

- (i) high priority to the improvement of agricultural productivity and to the provision of social and infra-structural facilities in the rural area; and
- (ii) special emphasis on the completion of on-going schemes and minimizing, as far as possible, the commencement of the new schemes.

In accordance with the above-mentioned principles, high priority has been attached to agriculture, livestock, rural development, rural water supply, food storage, water, communications, education and health sectors. Within the education sector, a substantial increase has been made in the allocations for primary, middle and high school education, major part of which will go to the rural areas. Relatively, larger allocations have been made to schemes which are specifically meant for rural areas. Accordingly, in the ADP 1979-80, approximately 47 per cent of the total allocation will be for the rural areas as compared to 44 per cent during 1978-79 and 40 per cent during 1977-78. On-going schemes have been given preference in the ADP 1979-80 and new schemes have been included only where they were regarded exceptionally important or where it was felt that their exclusion would seriously impede the development efforts of the concerned departments.

A comparison of sectoral allocations included in the Revised Annual Development Programme 1978-79 and the Annual Development Programme 1979-80 is given in Table 31, which is followed by a brief account of the special features and major targets of different sectors and sub-sectors.

**TABLE 31**

#### Sectoral Allocations in Annual Development Programme of 1978-79 and 1979-80

(Rupees in crore)

	Revised 1978-79	Budget 1979-80	Percentage increase/ decrease
1. Agriculture	42.63	61.17	43
Agriculture and Agricultural Credit	26.32	39.44	50
Animal Husbandry	5.46	7.30	34
Forestry	3.83	6.04	58

Fisheries	..	0.55	1.00	82
Co-operative and Rural Credit	...	0.39	0.64	64
Food Storage	...	6.08	6.75	11
2. Rural Development Programme	..	14.48	12.50	(-), 14
3. Industries and Minerals	..	3.98	7.07	78
4. Water	..	20.67	17.17	(-), 17
5. Transport and Communications	..	29.69	27.28	(-), 8
6. Physical Planning and Housing	..	72.15	70.82	(-), 2
Town Planning and Research	..	0.16	0.17	6
Low Income Housing	..	8.97	7.26	(-), 19
Urban Development	..	39.86	37.41	(-), 6
Rural Water Supply	..	8.26	10.48	27
Urban Water Supply	..	5.47	4.76	(-), 13
Government Servants Housing	..	3.27	4.77	27
Government Offices and Buildings	..	6.17	5.98	(-), 3
7. Education and Training	..	17.72	16.86	(-), 5
8. Health	..	23.04	29.92	34
9. Social Welfare	..	1.14	2.25	97
10. Manpower Training	..	1.26	2.49	98
11. Information, Culture and Tourism	..	0.63	0.91	44
12. Block Allocation	..	..	1.56	..
Total	..	227.39	250.00	10

#### Agriculture and Agricultural Credit :

In view of the importance of agriculture in our economy, great emphasis has been placed on increasing productivity in this sector. The major physical targets that are proposed to be achieved are installation of 1100 tubewells under the subsidy schemes, ground spraying of 76.35 lac acres and aerial spray of 13 lac acres for plant protection, procurement and distribution of 17.83 lac maunds of good quality seed of various crops and development of 6,800 acres of land under the precision land levelling programme. In addition, 397 bulldozers are proposed to be imported for hiring out to farmers and 1,500 tractor operators are planned to be trained by the end of 1979-80.

#### Livestock and Dairy Development :

The main targets to be achieved during 1979-80 under this sector are treatment and vaccination of 3 crore animals and poultry, production of one crore table birds and 120 crore eggs, production of 5 crore doses of sera and vaccine and artificial insemination of 2.53 lac cows and buffalows.

**Forestry :**

Special emphasis has been given to the forests during 1979-80 keeping in view the importance of forests as the main source of fuel wood and timber and raw material for industry. The major physical targets projected for 1979-80 under this sector include compact plantation over an area of 9000 acres and linear plantation over 1400 avenue miles and raising of nurseries over 516 acres.

**Fisheries :**

Fish being a rich source of protein, exploitation of fish potential in the Province is being encouraged. It is planned to stock 40 lac fish seed, develop 40 new village ponds into fish ponds and produce 3 lac maunds of fish during 1979-80.

**Co-operative and Rural Credit :**

Besides continuing work on 3 on-going schemes, *i.e.* Establishment of 5 Co-operative Farms under the National Scheme of Co-operative Farming, Establishment of Dairy Co-operative Farming Societies for supply of milk to Islamabad Milk Plant and Co-operative Sheep Shearing, Grading and Marketing of wool in Cholistan and a new Programme of "Reconstruction of Rural Credit and Agricultural Marketing" would also be started during 1979-80.

**Food Storage :**

It is planned to create a new capacity of 1 lac tons during 1979-80, thus expanding the storage capacity in the Province to 10.49 lac tons by the end of June, 1980.

**Rural Development Programme :**

The allocation for Rural Development Programme is Rs. 12.50 crore for 1979-80 as compared with Rs. 14.48 crore in the Revised Estimates of 1978-79. The decrease is due to the transfer of an allocation of Rs. 1.64 crore on account of salaries of staff to the Non-Development Budget. The main targets proposed to be achieved during 1979-80 are metalling of 326 miles of rural link roads, brick-soling of 140 miles of katcha roads and construction of 276 stores under the Seed Exchange Programme. An allocation of Rs. 1.50 crore has been reserved for execution of small village level schemes of drainage, street paving, construction of culverts, etc. costing up to Rs. 5,000 each.

**Industries and Mineral Developments :**

The allocation of the order of Rs. 7.07 crore in this sector will be shared by the Punjab Industrial Development Board, the Punjab Small Industries Corporation. The Punjab Mineral Development Corporation, the Directorate of Industries, the Printing and Stationery Department and the Bureau of Statistics. The Punjab Industrial Development Board will undertake feasibility

studies with the allocation of Rs. 5 lac made to it during 1979-80 while the Punjab Small Industries Corporation will continue work on their on-going programme of 9 Small Industries Estates and 2 Mini Estates at Gujar Khan and Chakwal. The Punjab Mineral Development Corporation will concentrate efforts on the completion of their ongoing programme which includes exploration and development of Khushab Bauxite, Exploration of Salt Range minerals, Kala Chitta Range minerals and development of silica sand quarry in District Mianwali. The Major programme of the Directorate of Industries includes the setting up of the Industrial Estate at Multan and the sub-contracting exchange at Lahore.

### **Water**

The Annual Development programme of 1979-80 includes an allocation of Rs. 17.17 crore for this Sector as compared to Rs. 20.67 crore in the Revised Programme of 1978-79. However, the programme for 1979-80 includes a provision of Rs. 3.42 crores only for flood restoration and improvement programme as against Rs. 14.55 crore for flood protection programme in the Revised Estimates 1978-79. Thus the allocation for irrigation schemes other than the flood protection programme has been more than doubled from Rs. 6.12 crore in the Revised Programme of 1978-79 to Rs. 13.75 crore in the Annual Development Programme 1979-80. The main targets proposed to be achieved during 1979-80 include remodelling and extension of 200 miles of irrigation channels, repair or replacement of 100 tubewells, dredging and remodelling of 150 miles of drains and completion of 5 small dams.

### **Transport and Communications :**

For transport, there is an allocation of Rs. 45 lac which will be utilized for the completion of two workshops of the Punjab Road Transport Board at Jhang and Shahdara and 2 sub-depots at Gujrat and Vehari.

An allocation of Rs. 26.82 crore has been made for communications Sector for improvement of roads in the Province. It is planned to add 150 miles of new roads and widening of 110 miles of existing roads during 1979-80. Construction work on the high level bridge on Dotal Kas (district Attock) Overhead Bridge at Okara, Boat bridge on river Sutlej, overhead bridges at Rahim Yar Khan and Sadiq-Abad will be continued during 1979-80.

### **Low Income Housing :**

In order to cater for the housing requirement of low income group of urban areas, an allocation of Rs. 7.26 crore has been made in ADP 1979-80. It is expected that 14 on-going area development schemes at Jhelum, Gujrat, Kamalia, Samundri Khanewal, Sahiwal, Okara, Multan, D. G. Khan, Haroonabad, Minchinabad, Rahim



Yar Khan (Phases I and II) and Khanpur would be completed during 1979-80. In Physical terms about 17,000 plots of various categories shall be developed for allotment to the public.

#### Rural Water Supply:

In order to provide hygienic water to the rural population, an amount of Rs. 10.48 crore has been allocated in the Annual Development Programme 1979-80. 30 Water Supply Schemes will be completed during the year 1979-80 which would enable an additional population of 6.27 lac persons to have access to clean drinking water. Similarly, on the completion of 13 sewerage and drainage schemes, an additional population of 2.21 lac will have better sewerage and drainage facilities in the rural areas of the Province.

#### Urban Water Supply:

53 Urban Water Supply and Sewerage Schemes will be under implementation during 1979-80 out of which 14 Water Supply Schemes and 10 drainage and sewerage schemes are expected to be completed by the end of June, 1980. The Water Supply schemes, on completion, will benefit an additional population of 3.47 lac while 7.12 lac persons will be benefitted by improved drainage and sewerage facilities during 1979-80.

#### Urban Development :

An allocation of Rs. 37.41 crore has been made for Urban Development during 1979-80. The broad details are given in Table 32:

TABLE 32

#### Allocation for Urban Development in A.D.P. 1979-80

(Rupees in crore)

#### ALLOCATION

	Housing	Roads and Bridges	Water Supply and Sewerage	Total
Lahore Development Authority ..	—	4.00	13.00	17.00
Faisalabad Development Authority ..	0.40	2.60	8.80	11.80
Multan Development Authority ..	0.12	1.19	2.30	3.61
Lumpsum for Katchi Abadis ..	5.00	—	—	5.00
<b>Total ..</b>	<b>5.52</b>	<b>7.79</b>	<b>42.10</b>	<b>37.41</b>

Important housing schemes under this sector are Area Development Scheme at Chak No. 196/R B. to be executed by the Faisalabad Development Authority and Area Development scheme at new Shah Shams Colony to be undertaken by the Multan Development Authority. Major road schemes include widening of Harike Road and widening and improvement of Ferozepur Road by the Lahore Development Authority, resotoration of flood damages to Faisalabad-Samundari road and Faisalabad-Sargodha road by the Faisalabad Development Authority and widening and improvement of Bosani road and Abdali road by the Multan Development Authority.

The allocation for Water Supply and Sewerage schemes will be utilized by the above mentioned Authorities on the second phase of the Greater Lahore Water Supply, Sewerage and Drainage project Phase I and improvement of Water Storage and construction of disposal works at Faisalabad, and Phase I of the comprehensive sewerage scheme and Phase II of Water Supply scheme, Multan.

#### Education and Training:

An allocation of Rs. 16.86 crore has been made for the education sector in the Annual Development Programme 1979-80. Sub-sectorwise allocations are as under:

Name of Sub -sector	(Rupees in crore)	
	Allocation	Percentage for 1979-80
Primary Education	7.10	42.1
Secondary Education	2.79	16.5
Teachers Education	1.27	7.5
Technical Education	1.31	7.8
College Education	1.22	7.3
Scholarships	1.90	11.3
Miscellaneous	1.27	7.5
<b>Total</b>	<b>16.86</b>	<b>100.0</b>

The major target of the Development programme are:—

- (a) Opening of 1135 new Primary Schools, consolidation of 347 existing Primary schools and supply of equipment in 1513 existing primary schools,
- (b) Construction of buildings for 301 primary schools and construction of boundary walls for 550 Primary Girls Schools,

- (c) Opening of 144 new Primary schools in Mosques;
- (d) Upgradation of 50 Primary schools to the Middle level and 25 middle schools to the Secondary level;
- (e) Opening of 7 new commercial Institutes for Boys and 5 Vocational Institutes for Girls;
- (f) Completion of 7 Colleges including one college for Women.

No allocation has been made for grants to the Universities in view of the Federal Government's decision to assume responsibility for the financing of all Universities in the country.

**Health:**

The Annual Development Programme 1979-80 provides an amount of Rs. 29.92 crore for the Health sector. The maximum allocation amounting to Rs. 14.20 crore, i.e. over 40% has been made for the construction of Basic Health Units and Rural Health Centres in line with the Government's policy to extend maximum health facilities to the rural areas. 174 Basic Health Unit and 21 Rural Health Centres will be completed during 1979-80. In addition, 12 tehsil headquarters hospitals will also be completed adding 720 beds to the existing bed strength of the tehsil level hospitals. 650 beds will be added to the existing bed strength of district headquarters hospitals in the Province. Construction work will continue on the Quaid-i-Azam Medical College, Bahawalpur, Rawalpindi Medical College, Rawalpindi, Punjab Medical College, Faisalabad and Allama Iqbal Medical College, Lahore.

**Social Welfare:**

An allocation of Rs. 2.25 crore has been made in the Annual Development Programme 1979-80 for the continuation of the ongoing programmes and for initiating some new schemes. Under the ongoing programmes 456 Social Welfare agencies would be provided grants-in-aid through the Social Services Board, residential and educational facilities would be provided to destitute women and orphans and institutional care will be made available to abandoned children and babies.