

**GOVERNMENT
OF THE
PUNJAB**

**WHITE PAPER
ON
THE BUDGET 1981-82**

Released at Lahore on June 27, 1981

INTRODUCTION

This White paper is being released simultaneously with the Budget of the Government of the Punjab for the financial year 1981-82. 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.

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*Secretary to Government of the Punjab
Finance Department.*

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CONTENTS

	<i>Pages</i>
BUDGET AT A GLANCE	
I. General Revenue Receipts ..	1
II. Non-Development Revenue Expenditure ..	7
III. General Capital Receipts ..	14
IV. Non-Development Capital Expenditure ..	16
V. Public Account Transactions ..	24
VI. Analysis of Non-Development Revenue Account ..	26
VII. Financing of the Annual Development Programmes ..	32
VIII. Annual Development Programme, 1980-81 ..	35
IX. Outline of the Annual Development Programme, 1981-82 ..	40

LIST OF TABLES

<i>Table No.</i>	<i>Name of Table</i>	<i>Pages</i>
1	General Revenue Receipts	1
2	Federal Divisible Taxes	2
3	Provincial Tax Receipts	2
4	Receipts from Civil Administration and Other Functions	4
5	Receipts from Civil Administrations and Law and Order Departments	4
6	Receipts from Community and Social Services	5
7	Receipts from Economics Services	5
8	Non-Development Revenue Expenditure	7
9	Expenditure on General Administration	8
10	Expenditure on Law and Order	9
11	Expenditure on Community Services	9
12	Expenditure on Social Services	10
13	Expenditure on Education	11
14	Expenditure on Economic Services	12
15	General Capital Receipts	14
16	Non-Development Capital Expenditure	16
17	Market Loans of the Punjab Government	17
18	Federal Loans outstanding against the Province on 30th June 1981.	18
19	State Trading in Foodgrains and Sugar	21
20	Public Account Transactions	24
21	Non-Development Revenue Receipts	26
22	Classification of Tax Revenue	27
23	Ratio of Receipts from Federal Divisible Taxes and Provincial Taxes..	27
24	Composition of the Punjab's Share of Federal Divisible Taxes	28
25	Provincial Tax Receipts	28
26	Current Expenditure	30
27	Consumption Expenditure	30
28	Transfer Payments	30
29	Functional Distribution of Current Expenditure	31
30	Financing of Annual Development Programme 1980-81	32
31	Financing of Annual Development Programme 1981-82	34
32	Sectoral Allocation in Annual Development Programme 1980-81	35
33	Sub-Sectoral Allocations under Education in ADP 1980-81	38
34	Sectoral Allocations in Annual Development Programme of 1980-81 and 1981-82.	41
35	Allocation for Urban Development in ADP 1981-82	44
36	Sub-Sectoral Allocation under Education in ADP 1981-82	45

BUDGET AT A GLANCE

(Rupees in crore)

Budget Revised Budget
1980-81 1980-81 1981-82

1—NON-DEVELOPMENT BUDGET

(a) NON-FOOD ACCOUNT

GENERAL REVENUE RECEIPTS

Federal Divisible Taxes	..	396.57	477.15	541.35
Provincial Tax Receipts	..	111.40	131.84	136.87
Income from property and enterprises	..	4.08	4.08	4.65
Receipts from Civil Administration and other functions:				
General Administration	..	0.84	1.32	1.33
Law and Order	..	7.40	7.65	7.99
Community Services	..	3.98	4.09	4.27
Social Services	..	10.67	11.18	11.83
Economic Services	..	63.48	72.16	77.78
Miscellaneous	..	8.12	12.09	7.78
Total General Revenue Receipts	..	606.54	721.56	793.85

NON-DEVELOPMENT REVENUE EXPENDITURE

General Administration	..	34.06	47.97	55.38
Law and Order	..	48.25	51.86	55.85
Community Services	..	26.34	26.07	33.60
Social Services	..	189.08	189.46	213.15
Economic Services	..	124.81	131.56	146.52
Subsidies	..	38.09	38.63	41.38
Debt Servicing, Investible Funds and Grants	..	125.78	121.47	130.98
Miscellaneous (Unallocable)	..	0.28	11.56	0.27
Less—Economy Cut	..	..	..	(—) 23.66
Total Non-Development Revenue Expenditure	..	586.69	618.58	653.47

A—Revenue Surplus/Deficit	..	19.85	102.98	140.38
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*(GRR—minus NDR Exp.)

*GRR—General Revenue Receipts.
NDR Exp.—Non-Development Revenue Expenditure.

(Rupees in crore)

	Budget 1980-81	Revised 1980-81	Budget 1981-82
GENERAL CAPITAL RECEIPTS			
Federal Grants ..	9.46	8.68	15.16
Extraordinary Receipts ..	5.94	8.39	8.06
Public Debt ..	60.16	60.05	67.66
Recoveries of Loans and Advances ..	2.47	2.18	2.27
Total General Capital Receipts ..	78.03	79.30	93.15
NON-DEVELOPMENT CAPITAL EXPENDITURE			
Highways Roads and Bridges ..	7.96	8.39	15.16
Debt Servicing ..	66.87	67.19	77.96
Loans and Advances ..	1.70	3.84	2.20
State Trading in Medical Stores and Coal ..	-0.13	-2.24	-0.45
Total Non-Development Capital Expenditure ..	76.40	77.18	94.87
B — Net Capital Receipts .. (General Capital Receipts <i>minus</i> Non-Develop- ment Capital Expenditure).	1.63	2.12	-1.72

(Rupees in crore)

	Budget 1980-81	Revised 1980-81	Budget 1981-82
PUBLIC ACCOUNT RECEIPTS			
Unfunded Debt ..	14.30	18.00	18.00
Deposits and Advances ..	383.75	485.79	488.27
Remittances ..	209.88	249.96	249.96
Total Public Account Receipts ..	607.93	753.75	756.23
PUBLIC ACCOUNT DISBURSEMENTS			
Unfunded Debt	4.31	7.07	7.01
Deposits and Advances ..	384.60	487.10	489.85
Remittances ..	209.88	249.96	249.96
Total Public Account Disbursements ..	598.79	744.13	746.82
C—Net Public Account Receipts (Public Account Receipts <i>minus</i> Public Account Disbursements)	9.14	9.62	9.41
Net Surplus/Deficit in the Non-Development Account Non-Food Account (A+B+C).	30.62	114.72	148.07
(b) FOOD ACCOUNT			
(State Trading in Foodgrains and Sugar)			
Receipts :			
Loans from Commercial Banks ..	375.71	404.91	434.95
Expenditure :			
Foodgrains (Net) ..	-1.54	41.47	25.71
Sugar (Net) ..	9.14	35.78	-0.90
Transport Operations ..	0.26	0.26	0.23
Repayment of Bank Loans ..	367.85	327.40	409.91
Total Expenditure ..	375.71	404.91	434.95

(Rupees in crore)

	Budget 1980-81	Revised 1980-81	Budget 1981-82
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II—DEVELOPMENT BUDGET**Annual Development Programme :**

Agriculture	80.66	66.71	104.35
Rural Development Programme	14.00	15.09	29.49
Industries and Minerals	5.50	4.75	4.68
Water	17.28	18.48	20.33
Communications	25.82	30.37	27.17
Physical Planning and Housing	68.24	66.72	70.14
Education and Training	27.02	26.55	33.47
Information, Culture and Tourism	0.40	0.30	0.70
Health	32.07	33.06	32.18
Social Welfare	2.17	1.87	2.20
Manpower Training	2.37	2.00	3.23
Planning and Development	...	...	0.50
Block Allocations for:			
(i) Cholistan Development Authority	0.22	..	..
(ii) Kohistan and D. G. Khan	..	..	0.25
(iii) Governor/M.L.A's Directives for Flood Emergency Works and Carried over unfun- ded Schemes	4.25	..	6.31
Gross Total	280.00	265.90	335.00
<i>Less—Operational Shortfall</i>	<i>—14.80</i>	<i>...</i>	<i>—15.19</i>
Net Total Annual Development Programme	265.20	265.90	319.81

(Rupees in crore)

	Budget 1980-81	Revised 1980-81	Budget 1981-82
Financing of Annual Development Programme			
Provincial Contribution:			
Surplus in Non-Development Budget ..	30.62	114.72	148.07
Transfer from Deposit Account for Town Development Schemes.	5.00	4.75	7.17
Total Provincial Contribution ..	35.62	119.47	155.24
Federal Assistance:			
Cash Grants ..	121.61	125.18	55.81
Cash Development Loans ..	84.22	..	78.50
Total Federal Assistance ..	205.83	125.18	134.31
Foreign Assistance:			
Grants ..	5.99	6.14	4.50
Loans ..	17.23	14.66	25.44
World Food Programme Aid ..	0.53	0.45	0.32
Total Foreign Assistance ..	23.75	21.25	30.26
Grand Total ..	265.20	265.90	319.81

CHAPTER I

GENERAL REVENUE RECEIPTS

General Revenue Receipts accrue to the Province from the following main sources :—

- (a) Federal Divisible Taxes.
- (b) Provincial Taxes.
- (c) Return on investment in Property and Enterprises (including interest on loans advanced by the Government)
- (d) Charges for the services rendered by Civil Administration.
- (e) Other Sources.

Originally estimated at Rs. 606.54 crore, the general revenue receipts have improved during the year to Rs. 721.56 crore in the Revised Estimates 1980-81 and are expected to go up further to Rs. 793.85 crore in the Budget Estimates 1981-82. Break-up of these receipts according to the main sources is given in Table 1.

TABLE 1

GENERAL REVENUE RECEIPTS

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Federal Divisible Taxes	396.57	477.15	541.35
Provincial Tax Receipts	111.40	131.84	136.87
Income from Property and Enterprises	4.08	4.08	4.65
Receipts from Civil Administration and other Functions.	86.37	96.40	103.20
Miscellaneous (Other Sources)	8.12	12.09	7.78
Total	606.54	721.56	793.85

Federal Divisible 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 is assigned to the Provincial Governments:—

- (a) Taxes on income.
- (b) Taxes on sale and purchase.
- (c) Export duties on cotton.

The total amount allocated to the Provinces is divided among the Provincial Governments in proportion to their population. The Punjab Government, is thus entitled to receive 60.25 per cent of the share of the Provinces out of the net proceeds of Federal divisible taxes.

The Federal Government had indicated budget estimates of Rs. 396.57 crore for 1980-81 on account of the Punjab share of the Federal divisible taxes. Due mainly to the new taxation measures introduced by the Federal Government, the amount receivable by the Punjab Government has gone up to Rs. 477.15 crore in the Revised Estimates and Rs. 541.35 crore in the Budget Estimates 1981-82 as detailed in Table 2.

TABLE 2
FEDERAL DIVISIBLE TAXES

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Export Duty on Cotton	.. —	14.88	14.88
Corporate Income Tax	.. 108.26	204.92	232.52
Personal Income Tax	.. 162.39	97.63	110.79
Sales Tax	.. 125.92	159.72	183.16
Total	.. 396.57	477.15	541.35

Provincial Tax Receipts

Income from Provincial taxes has increased from Rs. 111.40 crore in Budget Estimates 1980-81 to Rs. 131.84 crore in Revised Estimates 1980-81 to Rs. 136.87 crore in Budget Estimates 1981-82. The details are given in Table 3.

TABLE 3
PROVINCIAL TAX RECEIPTS

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Direct Taxes—			
Agricultural Income Tax	.. 0.18	0.13	0.04
Urban Immovable Property Tax	.. 2.16	2.50	2.98
Taxes on Transfer of Property	.. 6.19	7.42	8.23
Land Revenue	.. 10.41	15.43	12.98
Capital Gains Tax	.. 2.80	4.68	4.93
Tax on Persons engaged in Professions, Trades and Callings.	.. 1.50	2.00	2.13
Gift Tax	.. 0.48	0.48	0.48
Total Direct Taxes	.. 23.72	32.64	31.77

	Budget 1980-81	Revised 1980-81	Budget 1981-82
Indirect Taxes—			
Excise Duty on Natural Gas	.. 3.43	3.25	3.58
Provincial Excise	.. 1.13	1.50	1.50
Sale of Opium	.. 0.05	0.05	0.07
Stamp Duties	.. 30.21	38.93	40.54
Motor Vehicles Tax	.. 18.66	22.26	24.63
Entertainment Tax	.. 14.82	15.70	16.00
Education Cess	.. 0.06	0.06	0.06
Cotton Fee	.. 6.00	7.20	7.25
Tax on Hotels	.. 0.45	0.38	0.35
Electricity Duty	.. 11.21	8.25	9.45
Others	.. 1.66	1.62	1.67
Total Indirect Taxes	.. 87.68	99.20	105.10
Total Provincial Taxes	.. 111.40	131.84	136.87

The following factors have contributed to the substantial increase of 18.35 per cent in the Revised Estimates of Provincial Tax Receipts over the Budget Estimates of 1980-81 :—

- (a) Land revenue receipts have shown an improvement of Rs. 5.02 crore due to the non-introduction of Ushr because receipts on this account for one crop only were included in the Budget.
- (b) Receipts from stamp duty and registration fee improved significantly because of a general increase in economic activity and better control over collection.
- (c) Due to increase in the number of motor vehicles, good cotton crop and vigilance of the Department, receipts from the taxes collected by the Excise and Taxation Department have been considerably larger than the amount anticipated in the Budget Estimates.

A large increase of more than 18 per cent in the Revised Estimates over the Budget Estimates 1980-81 has left very little scope for any sizeable further increase during 1981-82. It is mainly for this reason that the anticipated Provincial tax receipts of Rs. 136.87 crore in the Budget Estimates 1981-82 show an improvement of 3.82 per cent over the Revised Estimates of 1980-81 although a part of it is due to a lower estimate of land revenue receipts in anticipation of introduction of Ushr during 1981-82.

Income from Property and Enterprizes:

Income from property and enterprizes represents the interest on soft loans advanced by the Provincial Government to its employees for construction of houses and purchase of conveyances, to the farmers for purchase of agricultural inputs and

sinking of tubwells, etc. and to the local bodies and Provincial Public Corporations for financing their development. It also includes dividends on investment of cash balance of the Government in Federal Government securities, etc.

Receipts from this source are expected to aggregate Rs. 4.65 crore during 1981-82 against Rs. 4.08 crore in the Budget as well as Revised Estimates 1980-81 because certain autonomous bodies will start paying interest which was not being recovered because terms and conditions of the loans advanced to them had not been finally settled.

Receipts from Civil Administration and other Functions:

Table 4 contains broad details of the receipts incidental to the law enforcing and other control functions of the Government and charges on account of services rendered by the Public Sector agencies.

TABLE 4
RECEIPTS FROM CIVIL ADMINISTRATION AND OTHER FUNCTIONS

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
General Administration and Law and Order ..	8.24	8.97	9.32
Community and Social Services ..	14.65	15.27	16.10
Economic Services ..	63.48	72.16	77.78
Total ..	86.37	96.40	103.20

Agency-wise details are given in the subsequent paragraphs.

Receipts from General Administration and Law and Order Departments:

Sources of receipts falling in this category and income from each source are indicated in Table 5.

TABLE 5
RECEIPTS FROM CIVIL ADMINISTRATION AND LAW AND ORDER DEPARTMENTS

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
General Administration ..	0.84	1.32	1.33
Justice ..	2.79	2.82	2.95
Police ..	3.91	4.12	4.22
Jails ..	0.59	0.61	0.72
Civil Defence ..	0.11	0.10	0.10
Total ..	8.24	8.97	9.32

Increase in the Revised Estimates over the Budget Estimates 1980-81 is due mainly to larger contribution for pension and gratuity receivable from autonomous and local bodies, etc. in respect of the civil servants serving on deputation with them. Receipts of Police Department have also increased because of inclusion of additional dearness allowance and conveyance allowance in the charges recoverable from the agencies borrowing the services of police personnel.

Receipts from Community and Social Services :

The trend of receipts from Community and Social Services is indicated in Table

TABLE 6
RECEIPTS FROM COMMUNITY AND SOCIAL SERVICES

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Works ..	3.26	3.37	3.52
Public Health ..	0.72	0.72	0.75
Education ..	2.15	2.29	2.41
Health ..	1.82	1.87	1.88
Manpower Management ..	0.02	0.02	0.02
Housing and Physical Planning ..	6.63	6.95	7.46
Social Security and Social Welfare Measures Receipts under the Wild Birds and Wild Animals Protection Act. ..	0.05	0.05	0.06
Total ..	14.65	15.27	16.10

The main increase, both in Revised Estimates 1980-81 and Budget Estimates 1981-82, is in the receipts of Housing and Physical Planning Department because of sale of more plots in housing sites developed by the Department.

Receipts from Economic Services :

Service-wise details of receipts from Economic Services are given in Table 7.

TABLE 7
RECEIPTS FROM ECONOMIC SERVICES

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Agriculture ..	7.47	8.32	9.66
Fisheries ..	0.60	0.60	0.65
Animal Husbandry ..	1.92	2.24	2.43
Forest ..	9.93	10.62	11.96
Co-operation ..	0.07	0.10	0.11
Irrigation ..	40.25	47.30	49.91
Printing and Stationery ..	2.55	2.24	2.30
Industries ..	0.69	0.74	0.76
Total ..	63.48	72.16	77.78

Receipts from Economic Services have increased substantially in the Revised Estimates 1980-81 as well as Budget Estimates 1981-82. The improvement is due to—

- (a) induction of new agricultural machinery for hire by the farmers and others and better use of the existing machinery;
- (b) larger sales of animals and cash crops in the Livestock farms;
- (c) better exploitation of forest produce, higher rate of rosin and turpentine, and increase in the prices of rosin from Rs. 125 to Rs. 200 per maund with effect from 1st July, 1981; and
- (d) increase of 25 per cent in abiana rates with effect from kharif 1980.

Miscellaneous Receipts :

Miscellaneous Receipts include the Federal grants to the Province, recovery of net expenditure incurred by the Provincial Government on behalf of Federal Government on the administration of Islamabad Capital Territory, Arms Licence Fees and other miscellaneous receipts.

Increase in the Reveised Estimates 1980-81 over the Budget Estimates is due to *ad hoc* extra-budgetary Federal grants received during the year for relief in rain affected areas, student amenties, etc. Budget Estimates 1981-82 have decreased because of non-inclusion of *ad hoc* Federal grants received during 1980-81 and discontinuance of reimbursement of net expenditure on the administration of Federal Capital Territory because of assumption of direct control of administration by the Federal Government with effect from the 1st January, 1981.

CHAPTER II

NON-DEVELOPMENT REVENUE EXPENDITURE

The Non-Development Revenue Expenditure of the Provincial Government comprises expenditure on—

- (i) General Administration;
- (ii) Law and Order;
- (iii) Community Services;
- (iv) Social Services;
- (v) Economic Services;
- (vi) Subsidies;
- (vii) Debt Servicing, Investible Funds and Grants; and
- (viii) Miscellaneous (Unallocable) items.

The details are given in Table 8.

TABLE 8

NON-DEVELOPMENT REVENUE EXPENDITURE

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
General Administration	34·06	47·97	55·38
Law and Order	48·25	51·86	55·85
Community Services	26·34	26·07	33·60
Social Services	189·08	189·46	213·15
Economic Services	124·81	131·56	146·52
Subsidies	38·09	38·63	41·38
Debt Servicing, Investible Funds and Grants	125·78	121·47	130·98
Miscellaneous (Unallocable) items	0·28	11·56	0·27
Less Economy Cut	..	..	(—)23·66
Total	586·69	618·58	653·47

The Revised Estimates of Non-Development Revenue Expenditure for 1980-81 indicate an increase of 5.4% over the Budget Estimates 1980-81. This increase is, in general, attributable to the following reasons:—

- (i) Grant of additional Dearness Allowance of Rs. 30 per month to Government Servants drawing pay upto Rs. 1500 P.M. and increase in Conveyance Allowance and pensions.

- (ii) Increase in electricity tariff, postage, POL charges, etc.
- (iii) Transfer of a number of completed development schemes to the Non-Development Account.
- (iv) Increase in the cost of operation and maintenance of irrigation tube-wells due to enhancement of electricity and POL charges.
- (v) Other minor extra-budgetary allocations for in-escapable items of expenditure.

Increase in expenditure due to the above mentioned factors was partially counter-balanced by a saving of Rs. 5.26 crore in debt servicing liability, because no new cash development loan was obtained from the Federal Government for financing the Annual Development Programme of 1980-81, and some other minor savings.

The Budget Estimates 1981-82 show an increase of about 5.64% over the Revised Estimates 1980-81 which is due to normal expansion and other reasons explained later in this chapter in the discussion on allocations for different items summarized in Table 9.

General Administration :

The details of expenditure on General Administration are given below in Table 9.

TABLE 9
EXPENDITURE ON GENERAL ADMINISTRATION

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Organs of State ..	10.58	11.49	14.79
Fiscal Administration ..	20.52	33.48	37.31
Economic Regulation ..	0.68	0.75	0.76
Statistics ..	1.36	1.30	1.50
Publicity and Information ..	0.92	0.95	1.02
Total ..	34.06	47.97	55.38

Increase in the Revised Estimates 1980-81 over the Budget Estimates is due to the general reasons explained under Table 8. Increase in the Budget Estimates 1981-82 over the Revised Estimates 1980-81 is due mainly to allocations for new administrative units, purchase of cars for the Ministers and for protocol duties, introduction of new system of motor vehicles registration and number plates, and throw-forward effect of increase in pensions.

Law and Order

This includes expenditure on Administration of Justice, Police and Civil Armed Forces, Jails and Detention Places, Civil Defence, etc. as detailed in Table 10.

TABLE 10
EXPENDITURE ON LAW AND ORDER

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Justice—Law Courts ..	4·06	4·89	5·34
Police and Civil Armed Forces ..	37·57	40·11	42·86
Jails and Detention Places ..	4·78	5·01	5·72
Civil Defence ..	0·68	0·67	0·72
Training and Research in Law and Order ...	0·60	0·61	0·65
Others ..	0·56	0·57	0·56
Total ..	48·25	51·86	55·85

Two main factors, apart from the general reasons mentioned earlier, responsible for increase in the Revised Estimates over the Budget Estimates 1980-81 were the establishment of permanent Benches of Lahore High Court at Multan, Bahawalpur and Rawalpindi and expenditure on additional Police force sanctioned for Islamabad for the period the capital territory remained under administrative control of the Provincial Government.

Increase in expenditure on law and order in the Budget Estimates 1981-82 is due mainly to creation of 24 posts of Civil Judges and 21 posts of Additional District and Sessions Judges with auxiliary staff, purchase of 11 cars for judges of the High Court, anticipated augmentation of the police force and reorganization and streamlining the administration of jails.

Community Services :

Community Services include road communications net-work, Government buildings, Water Supply, Sanitation, Sewerage and Refuse Disposal, etc. Details of expenditure on Community Services are indicated in Table 11.

TABLE 11
EXPENDITURE ON COMMUNITY SERVICES

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Works ..	24·35	24·20	31·45
Public Health Services (Water Supply, Sanitation, Sewerage and Refuse Disposal).	1·82	1·66	1·94
Other Community Services ..	0·17	0·21	0·21
Total ..	26·34	26·07	33·60

The Revised Estimates 1980-81 have decreased as compared with the Budget Estimates because a number of posts in the Buildings, Highways and Public Health Engineering Departments remained vacant during the year.

Increase in the Budget Estimates 1981-82 over the Revised Estimates 1980-81 is due to (A) enhancement of yardstick for repairs and maintenance of roads from Rs. 5,000 to Rs. 9,200 per standard mile of 10 feet width and (B) increase of about Rs. one crore in the allocation for repairs and maintenance of Government Buildings to ensure proper maintenance of assets.

TABLE 12
EXPENDITURE ON SOCIAL SERVICES

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Education ..	146.91	148.00	164.36
Health ..	31.03	30.76	36.04
Manpower and Labour Management ..	1.67	1.63	1.92
Housing and Physical Planning ..	6.50	5.07	7.15
Sports and Recreation Facilities ..	0.85	0.86	0.99
Social Security and Social Welfare ..	1.30	1.35	1.54
Natural Calamities and other Disasters ..	0.80	1.61	0.88
Religious Affairs ..	0.02	0.18	0.27
Total	189.08	189.46	213.15

Expenditure on Social Services has increased only marginally in the Revised Estimates 1980-81 over the Budget Estimates 1980-81 inspite of sizeable additional liabilities arising out of the grant of Dearness Allowance and increase in Conveyance Allowance of Government Servants and increase in electricity, postage, P.O.L. Charges, etc. This is due to the reasons that a large number of posts remained vacant in the Health and Education Departments and the amount transferred to the Deposit Account for Town Development Schemes was substantially less than anticipated at the time of preparation of Budget Estimates 1980-81.

Increase in the Budget Estimates 1981-82 over the Revised Estimates 1980-81 is attributable to the following factors:—

- (a) Anticipated filling of the vacant posts in Health and Education Departments..
- (b) Creation of new posts for 1500 new primary schools including 150 Mosque schools, additional teachers in 1000 existing primary schools, upgradation of 80 middle schools to high standard and introduction of the subject of Biology in 169 high schools, 20 new Rural Health Centres, 80 Sub-Health Centres, 57 Basic Health Units and 150 new jobs of House Surgeons and Physicians.

(c) The amount to be transferred to the Deposit Account for Town Development Schemes would be about Rs. 2 crore more than the amount transferred during 1980-81.

(d) Normal increments of the staff and the officers.

The Provincial Government continues to spend the largest part of its non-development revenue budget on Education. Out of the total allocation of Rs. 164.36 crore shown for Education in Table 12, the Education Department will utilize Rs. 156.94 crore and the remaining allocation of Rs. 7.42 crore is meant for Medical Colleges, Training Institutions of Labour Department, Libraries, Archives and Museums.

Primary Education continues to receive the highest priority within the Education Department. This is in accordance with national objective of attaining universal literacy within the shortest possible time.

Table 13 indicates budgetary allocations for different levels of education within the Education Department.

TABLE 13
EXPENDITURE ON EDUCATION

		(Rupees in crore)		
		Budget 1980-81	Revised 1980-81	Budget 1981-82
Colleges	..	20.18	18.88	20.08
Secondary Schools	..	34.53	35.23	37.96
Primary Schools	..	76.66	77.19	86.64
Technical Education	..	3.58	4.96	6.03
Special Education	..	1.09	1.10	1.23
Miscellaneous	..	3.96	4.51	5.00
Total		140.00	141.87	156.94

Economic Services :

Provincial Government's spending on Economic Services includes expenditure on—

- (1) maintenance and operation of Agriculture Department's fleet of bulldozers and other earth moving machinery and equipment as well as agricultural extension and research;
- (2) maintenance and extension of forest resources;
- (3) health cover for and raising of Livestock and Poultry;

- (4) operation and maintenance of irrigation system including public sector tubewells and land reclamation operations;
- (5) operation of Government Printing Presses and industries including subsidies for promotional schemes of the Punjab Small Industries Corporations; and
- (6) administration of Local Government and Rural Development Institutions.

Details of expenditure on Economic Services are indicated in Table 14.

TABLE 14
EXPENDITURE ON ECONOMIC SERVICES

		(Rupees in crore)		
		Budget 1980-81	Revised 1980-81	Budget 1981-82
Agriculture and Food	..	40.98	43.76	50.12
Irrigation	..	69.45	72.55	80.00
Land Reclamation	..	1.14	1.05	1.22
Rural Development	..	5.01	5.29	5.76
Industries and Mineral Resources	..	8.21	8.89	9.41
Transport and Communications	..	0.02	0.02	0.01
Total	..	124.81	131.56	146.52

Apart from the general reasons given earlier under Table 8, expenditure on economic services increased significantly in the Revised Estimates 1980-81 due to increase in POL charges of agricultural machinery and electricity charges of the Irrigation Department's Tubewells. Another contributory factor is purchase of tractors for award to the farmers in connection with the crop yield competitions.

Increase in the Budget Estimates 1981-82 over the Revised Estimates 1980-81 is due mainly to a provision of Rs. 2 crore for purchase of spare parts of agricultural machinery, additional allocation for operation and maintenance of irrigation channels and new completed SCARP tubewells to be taken over from WAPDA, increase in the price of resin to be purchased for the Jallo Rosin Factory from Rs. 125 to Rs. 200 per maund and transfer of a number of completed development schemes to the Non-Development Account.

Debt Servicing, Investible Funds and Grants:

Expenditure under this head includes interest on Provincial debt and grants paid by the Provincial Government to autonomous bodies and institutions like National Institute of Public Administration, Lahore, Punjab Economic Research Institute, Pakistan Academy for Rural Development, Peshawar, Armed Services

Board, etc. Grants to Lahore Development Authority and Multan Development Authority for the maintenance of National Highways falling within their jurisdiction were also included under this head. Provision for these grants is now made in the budget of the Highways Department. This has resulted in a decrease of Rs. 1.50 crore in the Revised Estimates as compared with the Budget Estimates 1980-81. A provision of Rs. 5.26 crore had been made in the Budget Estimates 1980-81 on account of interest on Cash Development Loan to be obtained during the year for investment in the Annual Development Programme. As no loan was obtained due to a substantial improvement in surplus in the Non-Development Account of 1980-81, interest liability has decreased by Rs. 5.26 crore in the Revised Estimates 1980-81. This decrease has, however, been partially counterbalanced by increase on account of arrears of interest on Cash Development Loan of 1978-79 as a result of retrospective increase in the rate of interest on that loan.

Tubewells installed and drains constructed by WAPDA under the accelerated programme for control of water-logging and salinity are on completion transferred to the Provincial Government and their capital cost is debited to the Loan Account of the Province. The Authority have intimated that the total capital expenditure incurred on all tubewells and drains already transferred to the Provincial Government and those to be transferred during 1981-82 will be debited to the Loan Account of the Province from July 1981. This would mean a debt liability of Rs. 87.53 crore in addition to the loan of Rs. 27.31 crore already transferred to the Provincial Government. Interest of Rs. 9.96 crore payable on this debt during 1981-82 constitutes the reason for increase in the Budget Estimates 1981-82 over the Revised Estimates 1980-81.

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 Provincial Government with the State Bank of Pakistan.

The receipts which form part of Account No. II consist of Temporary Advances from 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 as Rs. 375.71 crore in the Budget Estimates 1980-81 which increased to Rs. 404.91 crore in the Revised Estimates 1980-81 because of more procurements of foodgrains and sugar. Target for 1981-82 has been fixed at Rs. 434.95 crore keeping in view the anticipated procurement.

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

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

Details of these receipts are given in Table 15.

TABLE 15
GENERAL CAPITAL RECEIPTS

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Grants from Federal Government	.. 9.46	8.68	15.16
Extraordinary Receipts	.. 5.94	8.39	8.06
Public Debt	.. 60.16	60.05	67.66
Recoveries of Loans and Advances	.. 2.47	2.18	2.27
Total	.. 78.03	79.30	93.15

Federal Grants :

Federal Government reimburses expenditure on improvement of National Highways and construction of certain other roads of national importance. A sum of Rs. 9.46 crore was expected from Federal Government during 1980-81 for improvement of National Highways, construction of other roads of national importance and Ghazi

Ghat Bridge. Revised Estimates 1980-81 have been fixed at Rs. 8.68 crore in the light of releases made by the Federal Government. Provision of Rs. 15.16 crore has been made in Budget Estimates 1981-82 on the advice of the Highways Department and in anticipation of receipt from the Federal Government.

Extraordinary Receipts :

These consist of sale-proceeds of capital assets of the Government like land, buildings and machinery. Increase of Rs. 2.45 crore in the Revised Estimates 1980-81 as compared with the Budget Estimates is due mainly to more receipts anticipated from sale of agricultural land and proprietary rights to tenants in colony areas. Income of Rs. 8.06 crore is expected from these sources during 1981-82.

Public Debt :

It consists of domestic permanent debt representing market loans and Land Commission compensation bonds and floating debt or temporary borrowings from the State Bank of Pakistan known as ways and means advances. Market loans are long term loans taken by Provincial Government from the general public and financial institutions. Ways and means advances are obtained as and when the Provincial Government's cash balance with the State Bank of Pakistan falls below the minimum required to be maintained as a result of uneven flow of receipts into the Government Account or delay in release of funds receivable from the Federal Government.

5 $\frac{3}{4}$ per cent Punjab Loan 1981 will mature for repayment on the 28th August, 1981 and the Punjab Government will raise a new loan of equivalent amount to repay the maturing one. This explains the increase in Budget Estimates 1981-82 over the Revised Estimates 1980-81.

Recoveries of Loans and Advances :

The Provincial Government advances loans to its employees, the cultivators and the local and autonomous bodies for specific purposes. The recoveries of such loans are reflected under this head. Although an amount of Rs. 10.66 crore is recoverable from the various local/autonomous bodies upto 30th June 1981, a recovery of Rs. 1.83 crore only is expected to accrue to the Government Account by this date because most of the local/autonomous bodies are unable to repay the loans on account of their weak financial position. Only Punjab Road Transport Board owes an amount of Rs. 7.01 crore which is repayable to the Punjab Government before 30th June 1981.

Provision of Rs. 2.27 crore in the Budget Estimates 1981-82 also reflects the amount realizable from the local and autonomous bodies and from the Government servants and net the amount due from the local and autonomous bodies during the year.

CHAPTER IV

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—

- Highways, Roads and Bridges;
- Repayment of Debt;
- Loans and Advances by the Provincial Government; and
- State Trading in Medical Stores and Coal.

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 are given in Table 16.

TABLE 16
NON-DEVELOPMENT CAPITAL EXPENDITURE

		(Rupees in crore)		
		Budget 1980-81	Revised 1980-81	Budget 1981-82
Account No. I :				
Highways, Roads and Bridges	..	7.96	8.39	15.16
Debt Servicing	..	66.87	67.19	77.96
Loans and Advances	..	1.70	3.84	2.20
State Trading in Medical Stores and Coal	..	-0.13	-2.24	-0.45
Total Account No. I		76.40	77.18	94.87
Account No. II :				
State Trading in Foodgrains and Sugar (Net)	..	7.86	77.51	25.04
Debt Servicing	..	367.85	327.40	409.91
Total Account No. II		375.71	404.91	434.95
Grand Total		452.11	482.09	529.82

Highways, Roads and Bridges :

As stated in Chapter III, work relating to construction of National Highways and certain other roads and bridges of national importance is executed by the Provincial Highways 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. Allocation for such works has increased from Rs. 7.96 crore in the Budget Estimates 1980-81 to Rs. 8.39 crore in the Revised Estimates due to more release of funds by the Federal Government. The expenditure is expected to go up to Rs. 15.16 crore during 1981-82.

Debt Servicing (Account No. I) :

Debt Servicing in Account No. I consists of repayment of domestic debt comprising Market Loans, Ways and Means Advances, Federal Government Loans, Debt Raised Abroad and Foreign Debt.

The expenditure has increased from Rs. 66.87 crore in the Budget Estimates 1980-81 to Rs. 67.19 crore in the Revised Estimates 1980-81 due mainly to commencement of repayment of principal in respect of Non-Development Loan for Text Book Schemes, Development Loan for SCARP Tubewell Projects and Foreign Loan (Second Danish Credit) for Highways Department. Budget Estimates 1981-82 reflect actual requirement of funds for repayments due in that year.

Market Loans :

The details of Market Loans outstanding at the end of the financial year 1980-81 are given in Table 17.

TABLE 17
MARKET LOANS OF THE PUNJAB GOVERNMENT

Name of Loan	(Rupees in crore)		
	Year of Issue	Date of Maturity	Amount
5¾% Punjab Loan 1981	.. 1971	28-8-1981	7.52
6¼% Punjab Loan 1982	... 1972	12-8-1982	9.05
8¼% Punjab Loan 1984	... 1974	22-6-1984	10.52
9½% Punjab Loan 1986	... 1976	14-9-1986	2.38
10½% Punjab Loan 1987	... 1977	28-8-1987	5.06
10½% Punjab Loan 1988	... 1978	12-9-1988	7.58
10½% Punjab Loan 1989	.. 1979	17-9-1989	7.85
..	Total	..	49.96

Ways and Means Advances :

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 on account of delay in the receipts of instalments of Federal divisible taxes and cash grants from the Federal Government. The Provincial Government was constrained to obtain temporary advances aggregating Rs. 60 crore from the State Bank of Pakistan during the year 1980-81. For the year 1981-82 also an equivalent amount of Rs. 60 crore has been provided for the purpose.

Repayment of Federal Government Loans :

Annual Development Programmes of the Province have, in the past, been 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 programmes. 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 USAID 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.

At the end of the financial year 1980-81, the total debt liability of the Provincial Government to the Federal Government will be Rs. 1099.49 crore. This includes—

- (a) Rs. 951.60 crore on account of rupee loans received from the Federal Government;
- (b) Rs. 21.04 crore on account of Counterpart Fund Rupee Loans; and
- (c) Rs. 126.85 crore on account of Foreign Exchange Loans.

Details of these loans are given in Table 18:

TABLE 18
FEDERAL LOANS OUTSTANDING AGAINST THE PROVINCE ON 30TH
JUNE 1981

	(Rupees in crore)
A—Rupee Loans :	
Cash Development Loan 1973-74	83.28
Cash Development Loan 1974-75	112.57
Cash Development Loan 1975-76	157.64
Cash Development Loan 1976-77	184.15
Cash Development Loan 1977-78	118.19

Cash Development Loan 1978-79	139.34
Cash Development Loan 1979-80	124.56
Cash Development Loan for SCARP Tubewell Projects for 1974-75	3.55
Cash Development Loan for SCARP Tubewell Projects for 1975-76	9.26
Cash Development Loan for SCARP Tubewell Projects for 1976-77 (including arrear for 1978-79)	9.17
Cash Development Loan for SCARP Tubewell Projects for 1977-78 (including arrear for 1978-79)	5.28
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	0.19
Non-Development Loan for Text Book Board, 1973-74	0.19
Non-Development Loan for Murree Municipality, 1975-76	0.37
Non-Development Loan for Rawalpindi Municipality, 1974-75	0.18
Non-Development Loan for Augmentation of Police Force, 1973-74	1.62
Non-Development Interest Free Loan to organize Horse and Cattle Show at Lahore during 1978-79	0.47
Non-Development Interest Free Loan for Data Darbar Mosque at Lahore 1978-79	0.47

Sub Total .. 951.60

B—Counterpart Funds Rupee Loans :

1. U.S. AID 391—G—009	0.41
2. U.S. AID 391—G—065	1.43
3. U.S. AID 391—G—120	6.35
4. U.S. AID 391—G—122	2.91
5. U.S. AID 391—G—132	4.74
6. U.S. AID 391—G—133	0.70
7. U.S. AID 391—G—147	0.30

Sub-Total U.S. AID .. 16.84

German Loan, 1964-65	0.05
German Loan, 1965-66	0.31
German Loan, 1966-67	0.35
German Loan, 1967-68	0.44
German Loan, 1968-69	0.92
German Loan, 1969-70	1.07
German Loan, 1971-72	1.06

Sub-Total German Loans .. 4.20

Total Counterpart Funds Rupee Loans .. 21.04

C—Foreign Exchange Loans :

1.	Foreign Loans received upto 1962-63 in the form of equipment, etc.	..	1.35
2.	U.S. AID 391—H—055	..	4.45
3.	U.S. AID 391—H—060	..	0.46
4.	U.S. AID 301—H—069	..	2.01
5.	U.S. AID 391—H—079	..	1.10
6.	U.S. AID 391—H—084	..	2.78
7.	U.S. AID 391—H—087	..	4.43
8.	U.S. AID 391—H—103	..	0.51
9.	U.S. AID 391—H—107	..	2.43
10.	U.S. AID 391—H—128	..	0.80
11.	U.S. AID 391—H—135	..	1.12
12.	IDA—30—PAK	..	1.30
13.	IDA—50—PAK	..	7.92
14.	IDA—54—PAK	..	4.81
15.	IDA—106—PAK	..	2.01
16.	IDA—466—PAK	..	4.98
17.	IDA—620—PAK (Seed Industry Project)	..	0.93*
18.	IDA—630—PAK (LDA, WASA)	..	17.86
19.	IDA—678—PAK (3rd Education Project)	..	0.67*
20.	IDA—683—PAK (Flood Restoration Works, 1976)	..	16.25
21.	IDA—813—PAK	..	0.84*
22.	IDA—892—PAK (Primary Education Project)	..	0.73*
23.	Swedish—106—PAK	..	1.72
24.	5th UK—Credit	..	0.48
25.	German—AL—182	..	1.99
26.	IBRD—578—PAK	..	0.57
27.	IBRD—1366—T—PAK (PLDB)	..	0.19*
28.	Second Swiss Credit	..	1.33*
29.	Second Danish Credit	..	0.92*
30.	Third Danish Credit	..	0.55*
31.	35th UK Credit (Kamalia Sugar Mills)	..	19.17*
32.	US AID 391—T—172 (On Farm Water Management)	..	1.98*
33.	Japanese Credit—PK—P4 (For Replacement of Existing Fleet of Crawler Tractors (Agriculture Deptt.))	..	18.10*
34.	ADB—Credit 331—PAK (FDA. WASA)	..	0.11*
	Total Foreign Exchange Loans	..	126.85

*These amounts have not yet been formally credited to the Punjab Government Account for want of adjustment advices from the Federal Government.

Loans and Advances :

Provincial Government advances loans to Government servants, cultivators and Local and Autonomous Bodies for specific purposes. The increase in Revised Estimates 1980-81 as compared with Budget Estimates is due to loan of Rs. 2.16 crore granted to Punjab Road Transport Board for salaries and bonus to staff.

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. Budget Estimates 1980-81 anticipated purchase of 5,000 tons of steam coal and 20,000 tons of hard coke at a cost of Rs. 7.81 crore. Sale of the above quantities of coal and coke were estimated at Rs. 7.94 crore, thus showing a surplus of Rs. 0.13 crore.

It is not intended to purchase steam coal this year because the existing stocks at the dump are sufficient to meet the needs of the consumers. The expenditure has, therefore, decreased to Rs. 5.70 crore in the Revised Estimates 1980-81. Sale of coal and coke during 1980-81 is expected to yield an income of Rs. 7.94 crore giving a surplus of Rs. 2.24 crore reflected in the Revised Estimates 1980-81.

During 1981-82, it is proposed to purchase 20,000 tons of Hard Coke only at an estimated cost of Rs. 8.53 crore, the sale of which is expected to yield Rs. 8.98 crore.

State Trading in Foodgrains and Sugar:

Details of expenditure and receipts of the Provincial Government in respect of State Trading in Foodgrains and Sugar for the year 1980-81 and 1981-82 are given below in Table 19.

TABLE 19
STATE TRADING IN FOODGRAINS AND SUGAR

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Budget 1981-82
Gross Expenditure on Purchase of Foodgrains	2,37.85	3,14.37	3,09.25
<i>Deduct</i> —Recoveries	-2,39.39	-2,72.90	-2,83.54
Net Expenditure	-1.54	+ 41.47	+25.71
Gross Expenditure on Purchase of Sugar	2,03.76	2,43.61	2,46.97
<i>Deduct</i> —Recoveries	-1,94.62	-2,07.83	-2,47.87
Net Expenditure	+ 9.14	+ 35.78	-0.90
Transport Operations	0.26	0.26	0.23
Total Net Expenditure	+ 7.86	+ 77.51	+25.04

The expenditure on purchase, handling and storage of wheat and rice during 1980-81 increased from the budgeted amount of Rs. 237.85 crore to Rs. 314.37 crore in the Revised Estimates as a consequence of enhancement in the budgeted target for procurement of indigenous wheat from 13.00 lac metric tons to 16.55 lac metric tons. However, no imported wheat was purchased. The Revised Estimates 1980-81 also include an additional expenditure of Rs. one crore on purchase of tarpaulins for the storage of foodgrains.

Receipts from the sale of foodgrains during 1980-81 are estimated at Rs. 272.90 crore in the Revised Estimates against the budgeted figure of Rs. 239.39 crore. The total quantity of wheat involved is 16.00 lac metric tons out of which 11.20 lac metric tons are meant for internal off-take whereas the balance of 4.80 lac metric tons is to be despatched to other provinces. The budgeted off-take of wheat was 14.00 lac metric tons.

The receipts also include a sum of Rs. 38.53 crore as subsidy representing incidentals, the rate of which has been revised from Rs. 298 per metric ton to Rs. 344 per metric ton.

The expenditure on the purchase, handling and storage of sugar during 1980-81 is expected to increase from Rs. 203.76 crore in the Budget Estimates to Rs. 243.61 crore in the Revised Estimates 1980-81 owing to increase in the procurement target of sugar from 3.75 lac metric tons to 4 lac metric tons.

Receipts from sale of sugar during 1980-81 are estimated at Rs. 207.83 crore as against the budgeted receipts of Rs. 194.62 crore. The increase in receipts is due to enhancement of the sale price of sugar for domestic as well as commercial establishments.

The transport operations of the Food Department are anticipated to cost Rs. 0.26 crore during 1980-81 as against the budgeted figure of Rs. 0.26 crore.

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

For 1981-82, a provision of Rs. 309.25 crore has been made for the purchase, handling and storage of 16.00 lac tons of indigenous wheat. This provision has been worked out at the enhanced rate of Rs. 1450 per metric ton. This also includes expenditure of Rs. 9.60 crore on account of cost of gunny bags required for procurement of 5 lac metric tons of rice on behalf of the Rice Export Corporation of Pakistan.

Receipts from the sale of foodgrains are estimated at Rs. 283.54 crore. The receipts will accrue through sale of 16.00 lac metric tons of wheat, i.e. 12.00 lac metric tons through ration depots and 4.00 lac metric tons to other Provinces and Defence Services. The receipts also include recovery of Rs. 9.60 crore from the Rice Export Corporation of Pakistan as cost of gunny bags.

A provision of Rs. 246.97 crore has been made in the Budget Estimates 1981-82 for the purchase, handling, storage and distribution of 3.75 lac metric tons of sugar. The receipts on account of sale of 3.75 lac metric tons of sugar are estimated at Rs. 247.87 crore.

The Transport operations are likely to cost Rs. 0.23 crore during 1981-82.

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 20 shows the net receipts from the Public Account Transactions as per Budget and Revised Estimates 1980-81 and Budget Estimates 1981-82

TABLE 20
PUBLIC ACCOUNT TRANSACTIONS

(Rupees in crore)

	Budget 1980-81	Revised 1980-81	Budget 1981-82
Unfunded Debt (Net)	9.99	10.94	10.99
Deposits and Advances (Net)	(—)0.85	(—)1.32	(—)1.58
Remittances	..	..	..
Total	9.14	9.62	9.41

Unfunded Debt:

Unfunded Debt consists of the Provincial Government's liability on account of balances in the various Provident Funds of Government employees. Since the number of Government employees increases from year to year, their contribution to the Provident 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 1980-81 are estimated at Rs. 10.94 crore. Budget Estimates 1981-82 have been fixed at Rs. 10.99 crore.

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 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:

The net effect of the transactions pertaining to the Remittance heads, including the Inter-Provincial Suspense Accounts and the Adjusting Account between the Federal Government and the Provincial Government, has also been assumed to be nil during 1981-82 as was done for 1980-81.

CHAPTER VI

ANALYSIS OF NON-DEVELOPMENT REVENUE ACCOUNT

The Non-Development Account of the Provincial Budget provides for expenditure on the maintenance and improvement of existing assets and services in the Province. It also includes tax receipts, income from the 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 Account 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 1981-82 project the Provincial Government's General Revenue Receipts as Rs. 793.85 crore. A major part of these receipts amounting to Rs. 678.22 crore and constituting 85 per cent of the total revenue receipts will accrue from taxes. The non-tax receipts for 1981-82 have been estimated at Rs. 103.20 crore which is 13 per cent of the total revenue receipts. The rest of the Provincial Government's revenue receipts for 1981-82 will accrue on account of transfers estimated at Rs. 12.43 crore, i.e. 2 per cent of the total revenue receipts. The composition of non-development revenue receipts for 1980-81 and 1981-82 is given in Table 21.

TABLE 21

NON-DEVELOPMENT REVENUE RECEIPTS

	TAX REVENUE		NON-TAX REVENUE		TRANSFERS		TOTAL
	Amount	Percentage	Amount	Percentage	Amount	Percentage	
Budget 1980-81	507.96	84	87.49	14	11.09	2	606.54
Revised 1980-81	608.99	84	95.30	14	16.33	2	721.56
Budget 1981-82	678.22	85	102.10	13	13.33	2	793.85

Tax Receipts :

The tax receipts for 1981-82 constitute 85 per cent of total non-development revenue receipts against 84 per cent in the Budget Estimates 1980-81. The increase is attributable mainly to an improvement in the Provincial Government's share of Federal divisible taxes, namely Income Tax, Corporation Tax, Export Duties on cotton and Sale Tax. There are improvements also in the proceeds of certain Provincial Taxes like Entertainment Tax, Tax on Transfer of Property, Capital Gains Tax, Stamp Duties, Motor Vehicles Tax and Cotton Fee, etc.

The distribution of the tax revenue between receipts from direct and indirect taxes is given in Table 22.

TABLE 22

CLASSIFICATION OF TAX REVENUE

	(Rupees in crore)				TOTAL
	DIRECT		INDIRECT		
	Amount	Percent- age	Amount	Percent- age	
Budget 1980-81	294.36	58	213.60	42	507.96
Revised 1980-81	335.19	55	273.80	45	608.99
Budget 1981-82	375.08	55	303.14	45	678.22

The ratio between the receipts from direct and indirect taxes works out to 55:45 in the Budget Estimates 1981-82 against 58:42 in the Budget Estimates 1980-81.

A major part of tax receipts of the Province are drawn from Federally collected divisible taxes. Table 23 indicates the ratio such taxes bear to the receipts of the Provincial Government from other taxes.

TABLE 23

RATIO OF RECEIPTS FROM FEDERAL DIVISIBLE TAXES AND PROVINCIAL TAXES.

	(Rupees in crore)				TOTAL
	FEDERAL DIVISIBLE TAXES		PROVINCIAL TAXES		
	Amount	Percent- age	Amount	Percent- age	
Budget 1980-81	396.57	78	111.39	22	507.96
Revised 1980-81	477.15	78	131.84	22	608.99
Budget 1981-82	541.35	80	136.87	20	678.22

The ratio of Federal divisible taxes to the total tax receipts of the Provincial Government increased from 78 per cent in the Budget Estimates 1980-81 to 80 per cent in the Budget Estimates 1981-82 in view of substantial improvement in the Federally collected taxes.

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 24 shows Federal divisible taxes which are passed on to this province in terms of percentages of the total receipts from this source.

TABLE 24

COMPOSITION OF THE PUNJAB SHARE OF FEDERAL DIVISIBLE TAXES

(Rupees in crore)

	BUDGET 1980-81		REVISED 1980-81		BUDGET 1981-82	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Corporation Tax	108.26	27	204.92	43	232.52	43
Personal Income Tax	162.39	41	97.63	20	110.79	20
Sales Tax	125.92	32	159.72	34	183.16	34
Export duty on Cotton	..	..	14.88	3	14.88	3
Total	396.57	100	477.15	100	541.35	100

As indicated in the above table, Corporation Tax will contribute the highest proportion of receipts from Federal divisible taxes during 1981-82 followed by sales tax and the personal income tax.

A comparison of the receipts from different taxes levied and collected by the Provincial Government is given in Table 25.

TABLE 25

PROVINCIAL TAX RECEIPTS

(Rupees in crore)

	BUDGET 1980-81		REVISED 1980-81		BUDGET 1981-82	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Agricultural Income tax	0.18	..	0.13	..	0.04	..
Immovable Property tax	2.16	2	2.50	2	2.98	2
Taxes on transfer of property ..	6.19	6	7.42	6	8.23	6
Land Revenue ..	10.41	9	15.43	12	12.98	9
Gift Tax ..	0.48	..	0.48	..	0.48	..
Excise Duty on Natural Gas	3.43	3	3.26	2	3.58	3
Capital Gains Tax ..	2.80	3	4.68	4	4.93	4
Tax on persons engaged in professions, trades and callings ..	1.50	1	2.00	2	2.13	2

Provincial Excise	..	1·13	1	1·50	1	1·50	1
Sale of Opium	..	0·05	..	0·06	..	0·07	..
Stamp Duties	..	30·21	27	38·93	30	40·54	30
Motor Vehicles Tax	..	18·66	17	22·26	17	24·63	18
Entertainment Tax	..	14·82	13	15·70	12	16·00	12
Education Cess	..	0·06	..	0·06	..	0·06	..
Cotton Fee	..	6·00	6	7·20	5	7·25	5
Tax on Hotels	..	0·45	..	0·38	..	0·35	..
Electricity Duty	..	11·20	10	8·25	6	9·45	7
Others	..	1·66	2	1·62	1	1·67	1
Total	..	111·39	100	131·84	100	136·87	100

Stamp duty remains the largest contributor to Provincial tax receipts with a share of 30 per cent in the total tax receipts for 1981-82. This explains the importance of Stamp Duty in the Provincial tax receipts which is now the most important provincial tax. Motor Vehicles Tax is the second largest source of Provincial tax receipts during 1981-82 with a contribution of 18 per cent to the total revenue. Other important sources of Provincial tax receipts are entertainment tax which will contribute 12 per cent and land revenue which will be 9 per cent of the total tax receipts during 1981-82.

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 21 shows that non-tax receipts account for 13 per cent of the total revenue receipts estimated for 1981-82 against 14 per cent of the total in the Revised Estimates 1980-81. Tables 4 to 7 in Chapter I give details of the non-tax receipts of the Provincial Government.

Transfer Receipts :

Included in transfer receipts are interest receipts, Federal grants and receipts in aid of superannuation. Table 21 shows that transfer receipts constitute 2 per cent of the total Revenue Receipts estimates for 1981-82.

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.

Analysis in the following paragraphs is based on the gross figures of current expenditure estimated for 1981-82 without taking into account the effect of 6 per cent across-the-board economy cut imposed on all current expenditure except that on debt servicing, operation and maintenance of irrigation system, pensions, subsidies privy purses.

Table 26 indicates the trend of the current expenditure.

TABLE 26
CURRENT EXPENDITURE

(Rupees in crore)

	CONSUMPTION EXPENDITURE		TRANSFER PAYMENTS		Total
	Amount	Percent-age	Amount	Percent-age	
Budget 1980-81 ..	401.95	69	184.74	31	586.69
Budget 1981-82 ..	468.36	69	208.77	31	677.13

The percentage of consumption expenditure and transfer payments *viz-a-viz* the total current expenditure has remained the same in Budget Estimates 1981-82 as in Budget Estimates 1980-81. Further break-up of the consumption expenditure is given in Table 27.

TABLE 27
CONSUMPTION EXPENDITURE

(Rupees in crore)

	Wages and Salaries	Percent-age	Goods and Services	Percent-age	Total
Budget 1981-82 ..	347.9	74	120.45	26	468.36

Table 28 contains details of transfer payments in the Budget Estimates 1980-81 and 1981-82

TABLE 28
TRANSFER PAYMENTS

(Rupees in crore)

	Budget 1980-81		Budget 1981-82	
	Amount	Percent-age	Amount	Percent-age
Interest ..	123.54	67	130.09	62
Grants ..	8.51	4	7.00	3
Subsidies ..	38.09	21	41.38	20
*Other Transfers ..	14.00	8	30.30	15
Total ..	184.74	100	208.77	100

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

Interest continues to be the largest component of transfer payments. Increase in interest charges in the Budget Estimates 1981-82 is due to the additional debt liability to be transferred to the Provincial Government on account of the cost of completed SCARP Tubewells installed by WAPDA under the Accelerated Programme for control of Salinity and Waterlogging.

Functional Distribution of Current Expenditure:

Functional distribution of the non-development revenue expenditure of the Provincial Government is shown in Table 29.

TABLE 29
FUNCTIONAL DISTRIBUTION OF CURRENT EXPENDITURE

(Rupees in crore)

	Budget 1980-81		Revised 1980-81		Budget 1981-82	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
General Administration	34.06	6	47.97	8	55.33	8
Law and Order	48.25	8	51.87	8	55.85	8
Community Services	26.34	5	26.07	4	33.60	5
Social Services	189.08	32	189.47	31	213.15	32
Economic Services	124.81	21	131.56	21	166.52	22
Subsidies	38.09	7	38.63	6	41.38	6
Debt Servicing	125.78	21	121.47	20	130.98	19
Investible Funds and Grants						
Unallocable ..	0.28	..	11.56	2	0.26	..
Less Economy cut	..	..	..	..	(-)-23.66	..
Total ..	586.69	100	618.60	100	653.47	100

The Social Services continue to consume the largest component of current expenditure with education alone accounting for Rs. 164.36 crore and health services for Rs. 36.04 crore

CHAPTER VII

FINANCING OF THE ANNUAL DEVELOPMENT PROGRAMME

The gross size of the Annual Development Programme for 1980-81 was Rs. 280 crore against an estimated resource availability of Rs. 265·20 crore including Federal and Foreign Assistance of Rs. 229·58 crore, surplus of Rs. 30·62 crore in the Non-Development Account and Rs. 5 crore out of the Deposit Account of Town Development Schemes. A Programme of Rs. 265·90 crore has been included in the Revised Estimates 1980-81 against resource availability of the same level.

The details of the resources available for financing the revised Annual Development Programme 1980-81 and their comparison with the resources estimated in the Budget Estimates 1980-81 are given in Table 30.

TABLE 30

FINANCING OF THE ANNUAL DEVELOPMENT PROGRAMME 1980-81

		(Rupees in crore)	
		Budget 1980-81	Revised 1980-81
A—Provincial Contribution :			
Revenue Surplus	..	19·85	102·98
Net Capital Receipts	..	10·77	11·74
Transfer from Deposit Account of Town Development Schemes	..	5·00	4·75
Total Provincial Contribution		35·62	119·47
B—Federal Assistance :			
Cash Grants	..	121·61	125·18
Cash Development Loan	..	84·22	
Total Federal Assistance		205·83	125·18
C—Foreign Assistance :			
Foreign Grant	..	5·99	6·14
World Food Programme Project Aid	..	0·53	0·45
Foreign Exchange Loans	..	17·23	14·66
Total Foreign Assistance		23·75	21·25
Grand Total		265·20	265·90

The substantial increase in the Provincial contribution for financing the Annual Development Programme from Rs. 35.62 crore in the Budget Estimates to Rs. 119.47 crore in the Revised Estimates 1980-81 is due to the following changes in receipts and expenditure of the Provincial Government :—

(Rupees in crore)

A—Increase in General Revenue Receipts :

(a) Increase in Provincial share of the Federal divisible taxes due mainly to the new taxation measures introduced by the Federal Government ..	80.58
(b) Increase in land revenue receipts due to non-introduction of Ushr ..	5.02
(c) Improvement in Provincial tax receipts due to increase in economic activity and better control of collection ..	18.38
(d) 25 per cent increase in Abiana rates ..	4.68
(e) Increase in Provincial non-tax receipts ..	4.67
(f) Increase in Federal Grants ..	4.65
(g) Decrease in receipts from electricity duty due to late revision of tariff by WAPDA ..	(—)2.96
Total (A) ..	<u>115.02</u>

B—Increase in Non-Development Revenue Expenditure :

(a) Grant of additional dearness allowance and increase in conveyance allowance of Government servants ..	14.12
(b) Increase in pensions ..	12.20
(c) Increase in electricity, telephone and P.O.L. charges ..	6.81
(d) Other minor increases in expenditure ..	1.78
(e) Less saving in interest charges ..	(—)3.02
Total (B) ..	<u>31.89</u>

C—Increase in net capital receipts .. 0.97

D—Decrease in transfer from Deposit Account for Town Development Schemes .. (—)0.25

Total Improvement in Provincial Contribution (A—B+C—D) .. 83.85

Budget Estimates 1981-82 show a surplus of Rs. 148.07 crore in the Non-Development Account. Another amount of Rs. 7.17 crore will be available from the Deposit Account of Town Development Schemes. The Provincial contribution for financing the Annual Development Programme 1981-82 would thus be Rs. 1,55.24 crore. The Federal Government has allocated resources amounting to Rs. 1,64.57 crore raising the total resource availability for financing the Provincial Government's Annual Development Programme for 1981-82 to Rs. 319.81 crore. The details are given in Table 31.

TABLE 31

Financing of Annual Development Programme 1981-82

(Rupees in crore)

A—Provincial Contribution :	
Revenue Surplus	.. 140·38
Net Capital Receipts	.. 7·69
Transfer from Deposit Account of Town Development Schemes	.. 7·17
	.. 155·24
B—Federal Assistance :	
Cash Grants	.. 55·81
Cash Development Loan	.. 78·50
	.. 134·31
C—Foreign Assistance :	
Counterpart Fund Grants	.. 4·50
Foreign Exchange Loans	.. 25·44
World Food Programme Project Aid	.. 0·32
	.. 30·26
	.. 319·81

Against this, a Programme of the size of Rs. 335 crore has been formulated. The gap between the available resources 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.

CHAPTER VIII

ANNUAL DEVELOPMENT PROGRAMME 1980-81

An explained in Chapter VII, the revised size of the Annual Development Programme of 1980-81 has been fixed at the level of the resource availability of Rs. 265.90 crore against the original gross size of Rs. 280 crore which was backed by resources aggregating Rs. 265.20 crore only. Table 32 contains a comparison of the sector-wise allocations in the original and the revised Annual Development Programme. This is followed by a brief reviews of the Programme.

TABLE 32

SECTORAL ALLOCATIONS IN ANNUAL DEVELOPMENT PROGRAMME 1980-81

	(Rupees in crore)		
	Budget 1980-81	Revised 1980-81	Percentage Increase/ Decrease
Agriculture—			
Agriculture and Agricultural Credit ..	58.94	44.22	(—) 25
Animal Husbandry ..	7.85	7.28	(—) 7
Forestry ..	5.88	6.46	10
Fisheries ..	1.13	0.75	(—) 34
Co-operative and Rural Credit ..	0.33	0.32	(—) 3
Food Storage ..	6.53	7.68	18
Sub-total Agriculture ..	80.66	66.71	(—) 17
Rural Development Programme ..	14.00	15.09	8
Industries and Minerals ..	5.50	4.75	(—) 14
Water ..	17.23	18.48	7
Communications ..	25.82	30.37	18
Physical Planning and Housing—			
Town Planning and Research ..	0.17	0.14	(—) 18
Low Income Housing ..	7.00	7.39	6
Rural Water Supply ..	10.44	11.06	6
Urban Water Supply ..	5.23	5.94	12
Government Servants Housing ..	4.95	5.95	20
Government Buildings and Offices ..	5.12	5.89	15
Urban Development ..	35.28	30.35	(—) 14
Sub-total Physical Planning and Housing ..	68.24	66.72	(—) 2

Education and Training	..	27.02	26.55	(—) 2
Information, Culture and Tourism	..	0.40	0.30	(—) 25
Health	..	32.07	33.06	3
Social Welfare	..	2.17	1.87	(—) 14
Manpower Training	..	2.37	2.00	(—) 16
Block Allocation for Governor/MLA's Directives	..	4.25	..	..
Cholistan Development Authority	..	0.22	..	..
Total	..	280.00	265.90	(—) 5
<i>Less</i> —Operational Shortfall	..	(—) 14.80	..	..
Net	..	265.20	265.90	0.26

Agriculture and Agricultural Credit :

The original allocation of Rs. 58.94 crore came down to Rs. 44.22 crore due mainly to under-utilization of the allocation for farm-to-market roads as considerable time was consumed in making preliminary arrangements for the implementation of the project.

Subsidy of Rs. 2 crore has been distributed among farmers for sinking of 1100 Diesel Tubewells. In addition 100 pumping sets and 2500 hand sprayers were supplied to the farmers. It is expected that 200 miles of rural roads will be completed by the end of 1980-81 and 6000 pacca naccas will be installed. The Revised Estimates include a provision of Rs. 3 crore for tubewell-cum-village electrification. About 8.09 lac maunds of improved seeds of various major crops have been procured and distributed among farmers. These measures, combined with the credit facilities afforded to farmers by different agencies, contributed a lot to the enhanced production of wheat crop of about 83 lac tons and record production of 9.65 lac tons of Basmati Rice.

Livestock and Dairy Development :

In this sub-sector the activities aim at providing veterinary health coverage and increasing livestock and poultry production in the Province. Targets achieved during the year 1980-81 are treatment of two crore animals for various diseases, vaccination of 3.30 crore animals and artificial insemination of 2.50 lac animals. In addition 75 lac broilers and 65 crore eggs have been produced during the year.

Forestry :

The major emphasis under this sub-sector is on augmenting tree growth in the Province in order to alleviate shortage of forest products. The major physical targets achieved during the current year are afforestation of 9000 acres under compact plantation, linear plantation of 1894 avenue miles besides raising of nurseries over 353 acres and 35 lac potted plants.

Fisheries :

In this sub-sector, attention has been focussed on creation of facilities like fish hatcheries and nurseries where mass scale production of quality fish seeds is being undertaken. In this connection about 60 lac fish seed has been produced in the public and private waters.

Co-operative and Rural Credit :

3709 new co-operative societies have been organised during the year 1980-81. The major increase is in the agriculture societies.

Rural Development Programme :

The allocation under this sector has been utilised on the construction of 220 miles of metalled and soled roads, completion of 15,000 small village level schemes, running of adult education centres and construction of Markaz Office complexes.

Industries and Minerals :

The funds allocated to this sector are utilised by the Punjab Small Industries Corporation, Punjab Mineral Development Corporation, Directorate of Industries and Punjab Industrial Development Board. The Punjab Small Industries Corporation continued development work on Small Industrial Estates at Jhelum, Faisalabad, Gujranwala, Sargodha, Mianwali and Mini-industrial Estates at Chakwal and Gujar Khan. 78 carpet weaving centres trained about 2000 weavers. The Punjab Mineral Development Corporation continued work on development of coal mines during the year.

Water (Irrigation) :

The provision under this sector was utilised on earth and masonry works for irrigation and flood restoration programme. The earth work target of 3748 lac cft. included 2630 lac cft. for drainage, 974 lac cft. for irrigation and 89 lac cft for flood works. 622 masonry works for irrigation and 298 masonry works for drainage were also undertaken during the year.

Communications :

The allocation of Rs. 25.82 crore has been revised to Rs. 30.37 crore for this sector. In physical terms the targets included construction of 130 miles of new roads, widening and improvement of 100 miles of existing roads and completion/improvement of 6 bridges during the year 1980-81.

Low Income Housing :

Under this sub-sector the revised allocation of Rs. 7 crore has been spent on completion of 18 area development schemes which would provide 5,000 developed plots for allotment to the public.

Rural Water Supply:

The revised allocation of Rs. 11.06 crore was utilised on 96 water supply, sewerage and drainage schemes in the rural areas out of which 53 water supply schemes and 5 sewerage/drainage schemes have been completed during the year 1980-81 which will benefit an additional population of 4.51 lac and 0.32 lac people, respectively.

Urban Water Supply:

The provision of Rs. 5.91 crore in the Revised Estimates 1980-81 has been spent on execution of 47 Urban Water Supply, Sewerage and Drainage Schemes out of which 9 Water Supply schemes and 5 Sewerage/Drainage Schemes have been completed which will benefit an additional population of 1.80 lac and 1.75 lac peoples, respectively.

Urban Development:

The allocation of Rs. 30.35 crore has been made in the Revised Estimates 1980-81 which was spent on rehabilitation of Kachi Abadies, construction of 55 miles of branch sewer, 12 miles of main sewer and 25 miles of water supply lines in Lahore. Similarly, work on improvement of water supply and sewerage facilities at Multan and Faisalabad continued in full swing.

Education and Training:

The revised allocation under this sector is Rs. 26.55 crore. The sub-sector-wise comparison with the original allocation of Rs. 27.02 crore is given below in Table 33.

TABLE 33

SUB-SECTORAL ALLOCATIONS UNDER EDUCATION IN ANNUAL DEVELOPMENT PROGRAMME 1980-81

	(Rupees in crore)	
	Original allocation 1980-81	Revised allocation 1980-81
Primary Education	8.62	9.06
Secondary Education	7.48	7.37
Teachers Training	1.19	0.50
Technical Education	1.91	1.74
College Education	1.34	1.82
Scholarships	1.87	1.87
Miscellaneous	4.61	4.19
Total	27.02	26.55

The major targets achieved under this sector are opening of 926 Primary Schools, improvement of 600 existing Primary Schools, improvement of 229 Secondary Education Institutions and establishment of 10 commercial and 5 vocational institutes. Similarly, improvement work on 14 existing colleges has been completed. A sum of Rs. 1.87 crore has been spent for grant of scholarships to talented students at different levels.

Health:

The revised allocation of Rs. 33.06 crore is meant for construction of 252 Basic Health Units, 23 Rural Health Centres, 14 Tehsil Headquarters Hospitals, up-gradation of 4 District Headquarters Hospitals and providing building and equipment facilities to various Medical Education Institutions. This includes an amount of Rs. 1.15 crore for stipends and scholarships.

CHAPTER IX

OUTLINE OF THE ANNUAL DEVELOPMENT PROGRAMME 1981-82

The Annual Development Programme 1981-82, as usual, places main emphasis on Agriculture, Education and Health. These three sectors account for Rs. 179 crore or 53 per cent of the total Programme of Rs. 335 crore. Main priorities within the different important sectors of the Programme are as under:—

- (i) **Agriculture**—Farm-to-market roads, tubewell-*cum*-village electrification provision of inputs like seed, water, etc. at subsidized rates, improvement of water courses, reduction of culturable wastes through the Land Utilization projects, etc.
- (ii) **Livestock and Fisheries**—Improvement of breeds through artificial insemination, development of hatcheries to increase fish output and facilities for development of poultry.
- (iii) **Forestry**—Improved and intensive management of the existing forests, development of commercial woods, road side and block afforestation.
- (iv) **Food Storage**—Regular annual programme of creating one lac ton storage capacity is considered adequate for Punjab's requirements.
- (v) **Rural Development**—Development of focal points in each Union Council and each Markaz, small village level schemes, link roads, etc.
- (vi) **Rural Water Supply**—Emphasis on stand-post water supply with low maintenance costs.
- (vii) **Education**—Priority to school education with shift of emphasis from expansion to upgradation and consolidation.
- (viii) **Health**—Emphasis on rural health facilities through dispensaries, basic health units and rural health centres. Priority to para-medical training.

A comparison of sectoral allocations included in the Revised Annual Development Programme of 1980-81 and Annual Development Programme 1981-82 is given in Table 34 followed by a brief account of the salient features and major targets of different sectors and sub-sectors.

TABLE 34
SECTORAL ALLOCATIONS IN ANNUAL DEVELOPMENT PROGRAMMES
OF 1980-81 AND 1981-82

		(Rupees in crore)		
		Revised 1980-81	Budget 1981-82	Percentage Increase/ Decrease
Agriculture :				
Agriculture and Agricultural Credit	..	44.22	80.06	81
Animal Husbandry	..	7.28	8.60	18
Forestry	..	6.46	6.14	(—) 5
Fisheries	..	0.75	2.76	268
Co-operative and Rural Credit	..	0.32	0.26	(—) 19
Food Storage	..	7.68	6.53	(—) 15
Sub-Total Agriculture	..	66.71	104.35	56
Rural Development Programme	..	15.09	29.49	95
Industries and Minerals	..	4.75	4.68	(—) 2
Water	..	18.48	20.33	10
Communications	..	30.37	27.17	(—) 11
Physical Planning and Housing :				
Town Planning and Research	..	0.14	0.11	(—) 21
Low Income Housing	..	7.39	7.17	(—) 3
Rural Water Supply	..	11.06	10.09	(—) 9
Urban Water Supply	..	5.94	5.56	(—) 6
Government Servants Housing	..	5.95	5.34	(—) 10
Government Offices and Buildings	..	5.89	6.96	18
Urban Development	..	30.35	34.91	15
Sub-Total Physical Planning and Housing	..	66.72	70.14	5
Education and Training	..	26.55	33.47	26
Information, Culture and Tourism	..	0.30	0.70	133
Health	..	33.06	32.18	(—) 3
Social Welfare	..	1.87	2.20	18
Manpower Training	..	2.00	3.23	62
Planning and Development	..	..	0.50	..
Block Allocation for Kohistan and D.G. Khan	..	..	0.25	..
Block Allocation for Governor/ MLA, Directives for flood emergency works and carried over un-funded schemes	..	..	6.31	..
Total	..	265.90	335.00	26
Less Operational Short-fall	..	..	(—) 15.19	..
Net Total	..	265.90	319.81	20

Agriculture and Agricultural Credit :

The highest priority has been assigned to this sub-sector with an allocation of Rs. 80.06 crore as against Rs. 44.22 crore in the Revised Annual Development Programme 1980-81. The main activities under this sector are farm-to-market roads for which Rs. 30 crore have been earmarked, improvement of more than 15,000 water courses, electrification of tubewells for which Rs. 15 crore have been ear-marked, development of barani areas and subsidy on diesel tubewells, seeds, sprayers, lift irrigation and supervised credit. The total provision of subsidies is Rs. 5.50 crore

Livestock and Dairy Development :

The total allocation for Livestock sub-sector including Fisheries has been increased from Rs. 8.03 crore in the Revised Annual Development Programme 1980-81 to Rs. 11.36 crore in the Annual Development Programme 1981-82. Priority in this sector has been accorded to artificial insemination programme, control of parasitic diseases and livestock research. The development of hatcheries and expansion of research facilities in Fisheries sub-sector would be geared to encouragement of private sector. Government has appointed a High Powered Committee to prepare an action plan to activate Livestock sector and to encourage private initiative. The Committee's recommendations may cause re-adjustment of strategies in this sub-sector.

Forestry :

A sum of Rs. 6.14 crore has been earmarked for this sub-sector in the Annual Development Programme 1981-82. The major emphasis will be on increase in the output of commercial timber, pulp and willow in the public sector, encouragement of fast growing species, intensive management of forest resources, block plantation in the areas reserved in Cholistan and water shed management.

Rural Development Programme :

The allocation in this sector has been increased by 95 per cent from 15.09 crore in the Revised Annual Development Programme 1980-81 to 29.49 crore in the Annual Development Programme 1981-82. In addition to the on-going programme for construction of link roads, Markaz complexes and Adult Education programme, a beginning will be made to develop focal points in each Union Council and Markaz. An amount of Rs. 7 crore has been allocated for the growth of such focal points by providing physical and social infrastructure. Besides an allocation of Rs. 4 crore has been kept to provide matching grants to Zila Councils/Union Councils which will mobilise maximum local resources.

Industries :

Under the Public Sector development programme of Industries sector, major emphasis has been given to small industries and development of minerals. Out of total sectoral allocation of Rs. 4.68 crore, Rs. 1.46 crore will be given to Mineral Development Corporation and Rs. 2.22 crore to Small Industries Corporation. The Corporation will concentrate on industrial estates and improvement of Wood-work Centre, Gujrat.

Water (Irrigation) :

This sector has been given Rs. 20.33 crore as compared to Rs. 18.48 crore in the Revised Annual Development Programme 1980-81. Major emphasis will be on drainage and small dams programme. About 270 miles of new drains would be constructed and 240 miles of existing drains would be improved. Most important drainage project is the Khairwala drain which will provide relief from water logging and salinity to an area of about 1350 square kilometers in the districts of Faisalabad and Jhang. Other important projects under this sector would be remodelling 70 miles of existing distributories and minors, reconditioning of 110 miles of branch canals, distributories and minors, re boring of 50 tubewells, construction of 14 miles of new irrigation channels and replacement of 106 turbine pumps in SCARP Projects.

Communications :

The main programme of Highways Department relates to widening and improvement of existing roads and construction of new roads and bridges. A sum of Rs. 11.92 crore has been allocated for construction of 155 miles of new roads and a sum of Rs. 8.17 crore for widening and improvement of 70 miles of existing roads. This is in addition to Rural Roads Programme. For the construction of bridges an allocation of Rs. 2.31 crore has been provided and Rs. 2.19 crore have been earmarked for flood restoration works while Rs. 2.58 crore will be spent on purchase of machinery and road research activities.

Low Income Housing :

An allocation of Rs. 7.17 crore has been made for various area development schemes for housing purposes in the Province. These schemes will be financed from the Deposit Account created out of the sale-proceeds of plots in schemes completed in the previous years. Housing and Physical Planning Department is expected to complete five such schemes at Lahore Township, Gujrat, Gujar Khan, Sahiwal and Rahimyar Khan which will make available 7,500 developed plots for allotment to the public.

Rural Water Supply :

In accordance with the Government policy to provide clean and hygienic water to the rural population, an allocation of Rs. 10.09 crore has been made which will be spent on 56 on-going and 50 new schemes. Out of these 64 water supply and 15 sewerage/drainage schemes are likely to be completed for the benefit of 320,000 and 94,000 people respectively

Urban Water Supply :

An allocation of Rs. 5.56 crore has been made which will be spent on 37 Urban Water Supply Schemes. It is expected that 7 water supply schemes and 11

sewerage/drainage schemes in different towns will be completed which will serve population of 3.50 lac and 3.09 people respectively.

Urban Development :

An amount of Rs. 34.91 crore has been provided for Urban Development Programme to be executed by the three Development Authorities at Lahore, Multan and Faisalabad. Authority-wise allocations are indicated in Table 35.

TABLE 35
ALLOCATION FOR URBAN DEVELOPMENT IN A.D.P.1981-82

	(Rupees in crore)		
	Housing	Roads and Bridges	Water supply and Sewerage
Lahore Development Authority	0.10	2.45	9.56
Faisalabad Development Authority ..	0.40	1.27	13.72
Multan Development Authority ..	0.31	1.30	2.10
Lahore Municipal Corporation	..	..	0.50
Lump sum for Katchi Abadis ..	3.20	..	..
Total	4.01	5.02	25.88

About 74 per cent of the above allocation would be spent on schemes of water supply, sewerage and drainage. Schemes pertaining to the development of housing units in the three cities will be implemented by the Authorities out of their own resources or by borrowings from the financial institutions. The main targets of the three Authorities during the year 1981-82 are as under:—

- (a) **Lahore Development Authority** :—At the end of 1981-82 another one lac people will have the safe water supply, while 4.5 lac more people will have sewerage facility. Work on two new bridges at Garhi Shahu and Data Nagar would also be started. In addition, Rs. 2.00 crore have been provided for improvement of the walled city of Lahore.
- (b) **Faisalabad Development Authority** :—Work on Greater Water Supply, Sewerage and Drainage Project will be continued during 1981-82 with an allocation of Rs. 13.72 crore. Feasibility study for overhead bridge at Dijkot Road will be completed with an allocation of Rs 5 lac, while Rs. 50 lac have been provided for the installation of tubewells in Faisalabad city as an anti-waterlogging measure. Work on another overhead bridge on Shahkot Road will start.
- (c) **Multan Development Authority** :—Allocations have been provided for comprehensive Sewerage Project Phase-I, storm water drainage scheme, new roads, preparation of Master Plan, construction of M.D.A Hostel, etc.

Education and Training :

Allocation under this sector is Rs. 33.47 crore which indicates an increase of 26 per cent over the allocation of Rs. 26.55 crore made in the Revised A.D.P. 1980-81. Sub-sectoral allocations are given in Table 36.

TABLE 36.
SUB-SECTORAL ALLOCATIONS UNDER EDUCATION

Sub-Sector	(Rupees in crore)	
	Allocation for 1981-82	Percentage
Primary Education	11.45	34
Secondary Education	10.15	30
Teachers Training	0.21	1
Technical Education	3.48	10
College Education	1.71	5
Scholarships	1.88	6
Miscellaneous	4.59	14
Total	33.47	100

The main emphasis has been given to school education, which accounts for 64 per cent of the total allocation for the sector. The main objectives proposed to be achieved during 1981-82 are opening of 1350 new primary schools, 150 mosque schools, upgradation of 152 primary schools to middle level and 80 middle schools to high standard, provision of equipment in 5,300 primary schools, consolidation of 1000 primary schools and construction of class rooms in 138 mosque schools. A sum of Rs. 3.50 crore has been provided for special repairs to nationalised institutions and a sum of Rupees one crore has been allocated for the repair of college buildings. In order to improve the facilities for science teaching, the subject of Biology will be introduced in 170 High Schools and laboratories would be constructed in about 50 High Schools.

Health :

This sector has been given an allocation of Rs. 32.18 crore during 1981-82. The development programme under this sector envisages completion of 44 Rural Health Centres and 200 Basic Health Units adding 352 beds in rural areas. In addition to this, work on 23 Rural Health Centres and 280 Basic Health Units will be started in the year 1981-82. 950 students of Medical Colleges will be provided hostel accommodation and many Hospitals will be completed during 1981-82, which will provide 880 additional beds. Arrangement for para-medical training will be expanded.

Manpower Training :

In order to upgrade skills, an allocation of Rs. 3.23 crore has been made in the Annual Development Programme 1981-82 for four schemes which will help train 984 persons in various skills.