

White Paper
On
The Budgets—1970-71
And
The Development Programmes—1970-71
For
The New Provinces
Of
(i) The Panjab
(ii) Sind
(iii) N.W.F. and
(iv) Baluchistan

Released at Lahore, on June 30, 1970.

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INTRODUCTION

This White Paper is being published simultaneously with the budgets and Annual Development Programmes of the four new provinces of the Punjab, Sind, North-West Frontier and Baluchistan for the financial year 1970-71. It is intended to provide a commentary on the finances and development programmes of the new provinces in concise and simple narrative.

LAHORE

Dated the 30th June, 1970

I. A. IMTIAZI, S.Q.A., C.S.P.,

*Secretary to Government of West Pakistan
Finance Department.*

CHAPTER 1
BUDGETS AT A GLANCE

BUDGETS AT A GLANCE

PART I

The Budget Estimates of the Government of West Pakistan for the final year of its existence may be seen from the following table:

REVENUE BUDGET		(Rs. in thousands)	
Revenue Receipts		Revised Estimates 1969-70	Budget Estimates 1969-70
Customs	.. ..	—	—
Central Excise Duties	.. ..	12,68,00	12,78,00
Corporation Tax	.. ..	5,71,82	6,21,32
Taxes on income other than	.. ..	18,65,71	20,64,60
Corporation Tax (inclusive of receipts collected under Martial Law Regulation No. 43)	.. ..	5,38,20	
Sales Tax	.. ..	18,97,67	22,36,00
Land Revenue (Gross)	.. ..	16,69,71	17,84,00
Provincial Excise	.. ..	4,55,35	4,31,64
Stamps	.. ..	8,00,00	7,52,10
Forests	.. ..	5,39,01	5,19,01
Receipts under Motor vehicles Acts	.. ..	7,46,98	7,12,47
Other Taxes and Duties	.. ..	15,63,29	17,26,05
Railways (Net Receipts)	.. ..	2,83,81	2,83,80
Irrigation (Net Receipts)	.. ..	15,15,32	17,53,34
Debt Services	.. ..	31,36,18	30,66,41
Civil Administration	.. ..	3,24,80	2,61,56
Beneficent Departments	.. ..	11,59,53	13,85,69
Civil Works and Miscellaneous Public Improvements	.. ..	1,44,87	1,02,42
Miscellaneous	.. ..	5,82,44	5,31,78
Contribution and Miscellaneous adjustments between Central and Provincial Governments	.. ..	18,77,72	15,36,14
Extraordinary items	.. ..	5,69,10	7,27,63
Other Heads	.. ..	77,69	73,95
Total Revenue Receipts	.. ..	2,15,87,20	2,18,47,91

BUDGETS AT A GLANCE—Contd.

(Rs. in thousands)

Revenue Expenditure	Revised Estimates 1969-70	Budget Estimates 1969-70
Direct Demands on the Revenue	8,36,68	8,44,86
Irrigation (excluding interest)	91,48	83,45
Debt Service (inclusive of interest on Capital Outlay of Commercial Departments)	4,9,96,90	54,99,94
General Administration	7,65,74	7,69,02
Police	13,56,67	13,84,93
Frontier Regions	2,43,74	2,57,14
Education	36,80,22	37,18,66
Health Services	8,75,32	9,13,65
Agriculture	6,60,03	6,69,91
Veterinary	1,72,68	1,76,20
Industries	99,08	1,09,52
Development Expenditure	49,62,78	40,63,90
Establishment Relating to Development Expenditure	80,62	84,34
Civil Works and Miscellaneous Public Improvements	8,26,70	8,10,35
Miscellaneous	10,44,04	9,81,93
Contingency Item	1,64,00	3,00,00
Other Heads	8,41,05	8,67,92
Total expenditure	2,16,97,73	2,15,35,72
Surplus	-1,10,53	3,12,19

CAPITAL BUDGET

Development Expenditure

(a) Capital Outlay (Gross but excluding Establishment charges)

Salt Works	1,00	1,00
Pakistan Western Railway (excluding Provincial investment and Foreign Loans)	5,99,69	6,24,38
Irrigation (excluding suspense)	6,74,03	7,89,34
Improvement of Public Health	2,11,04	2,66,44
Agricultural Improvement and Research	1,16,47	1,23,96
Industrial Development	10,36,58	8,87,07
Town Development	88,35	97,25
Communication (Excluding Suspense)	14,37,16	17,42,30
Civil Works (Excluding Suspense)	17,39,63	19,79,40
Miscellaneous Provincial Investments	7,52,38	7,02,18
Contingency (Developmental)	Nil	60,00

BUDGETS AT A GLANCE—Contd.

		(Rs. in thousands)	
Development Expenditure		Revised	Budget
		Estimates	Estimates
		1969-70	1969-70
(b) Loans and Advances by the Provincial Government			
WAPDA	.. ..	52,18,12	48,49,92
Karachi Milk Board	.. ..	—	—
Lahore Milk Board	.. ..	244	244
Pakistan Western Railway	.. ..	6,85,68	11,20,05
Agricultural Development Corporation	.. ..	3,95,42	3,81,42
Karachi Development Authority	.. ..	2,40,80	2,40,80
West Pakistan Small Industries Corporation	.. ..	34,16	34,16
Cooperative Development Board	.. ..	6,00	6,00
Local Bodies	.. ..	92,29	1,13,29
Improvement Trusts	.. ..	2,55,00	1,90,00
Other Development Loans	6,78,72	5,00
Total Development Expenditure		1,42,64,96	1,42,16,40
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Add Non-Development Expenditure	14,66,30	8,40,32
Add Establishment Charges relating to Capital Account	3,47,60	3,90,68
Add Contingency Item	.. ..	5,64,00	7,40,00
Add Suspense for Irrigation, Communication and Civil Works	.. ..	4,76,85	45,24
Less Likely shortfall in expenditure on Development	—	(—)6,00,00
Total Disbursements		1,61,66,01	1,56,32,64
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Financing			
Financed by			
Surplus on Revenue Accounts	(—)1,10,53	3,12,19
Permanent Debt (Net)	9,19,32	—32,05
Floating Debt (Net)	.. ..	Nil	Nil
Debt Raised Abroad (net)	.. ..	Nil	(—)21,79
Loans from the Central Government (net)	.. ..	1,56,68,61	1,17,38,24
Recoveries of Loans and Advances	.. ..	
(i) Agriculture Loans	.. ..	86,87	87,63
(ii) WAPDA (including Foreign Loans)	.. ..	4,26,62	3,37,90
(iii) Road Transport Corporation (Foreign Loans)	.. ..	10,00	10,00

BUDGETS AT A GLANCE—Contd.

(Rs. in thousands)

	Revised Estimates 1969-70	Budget Estimates 1969-70
(iv) Pakistan Western Railways (Foreign Loans) ..	3,33,00	3,63,33
(v) Thal Development Authority	92,63	93,02
(vi) Other Debtors	9,54,89	1,76,26
Deposits and Remittances (net)	3,41,83	11,70,69
Receipts and Recoveries on Capital	8,79,33	9,49,11
Account other than Central Government grants } ..		
Grants from and investments by the Central Government	5,07,03	6,10,00
Unfunded Debt (net)	3,32,00	3,40,60
Cash balance utilisation	(—)42,75,59	(—)5,02,49
Total Resources ..	1,61,66,01	1,56,32,64

BUDGETS AT A GLANCE

PART II

The abstract of the Budgets of the four new Provinces for the year 1970-71 may be seen from the following table:

REVENUE BUDGET		(Rs. in thousands)			
Revenue Receipts	Budget Estimates for Punjab 1970-71	Budget Estimates for Sind 1970-71	Budget Estimates for N.W.F.P. 1970-71	Budget Estimates for Baluchistan 1970-71	
Customs	—	—	—	—	
Central Excise Duties	7,74,05	3,21,95	2,12,35	61,65	
Corporation Tax	3,98,51	1,65,75	1,09,33	31,74	
Taxes on income other than Corporation tax (inclusive of receipts collected under Material Law Regulation No. 32	13,76,70	5,72,40	3,67,87	1,06,59	
Sales Tax	11,27,60	4,69,00	3,09,35	89,81	
Land Revenue (Gross)	14,34,69	5,25,55	69,38	35,94	
Provincial Excise	2,36,82	2,04,84	22,46	9,88	
Stamps	5,31,49	2,72,26	40,24	6,01	
Forests	3,52,04	80,46	1,40,78	8,77	
Receipts under Motor Vehicles Acts	4,26,27	2,36,26	1,03,62	16,91	
Other Taxes and Duties	8,50,20	6,94,29	69,45	23,89	
Irrigation (net Receipts)	8,12,55	5,85,33	—12,63	—11,57	
Debt Services	1,75,89	92,97	33,77	8,62	
Civil Administration	1,32,10	98,45	41,47	16,24	
Beneficent Departments	8,78,60	3,71,68	2,20,27	30,16	
Civil Works and Miscellaneous Public Improvements	71,36	14,56	9,94	9,09	
Miscellaneous	3,81,44	1,33,24	1,20,67	51,32	
Contribution and Miscellaneous adjustments between Central and Provincial Governments	2,18,56	1,93,79	2,07,07	95,86	
Extraordinary items	4,00,25	3,68,07	4,50	—	
Other Heads	47,09	30,08	3,34	—	
Total Receipts	1,06,26,21	54,30,93	20,73,23	5,90,91	

BUDGETS AT A GLANCE—Contd.

(Rs. in thousands)

Revenue Expenditure	Budget Estimates for Punjab 1970-71	Budget Estimates for Sind 1970-71	Budget Estimates for N.W.F.P. 1970-71	Budget Estimates for Baluchistan 1970-71
Direct Demands on the Revenue	4,85,37	1,88,55	1,26,38	40,45
Irrigation (excluding interest)	30,30	21,86	26,59	9,35
Debt services (inclusive of interest on Capital Outlay of				
Commercial Departments	16,17,42	9,65,13	3,21,34	1,51,33
General Administration	4,14,84	2,01,97	1,20,41	1,08,40
Police	5,84,77	4,03,99	1,68,89	1,55,34
Frontier Regions	—	—	94,86	—
Education	20,78,13	10,67,48	6,02,41	1,59,73
Health Services	4,72,11	2,65,61	1,16,04	83,77
Agriculture	3,50,32	1,32,94	91,82	61,11
Veterinary	1,10,27	24,40	21,89	21,29
Industries	70,95	20,96	6,86	5,63
Development Expenditure	25,09,30	8,64,69	8,14,91	1,91,10
Establishment Relating to				
Development Expenditure	54,66	10,40	1,43	9,62
Civil Works and Miscellaneous				
Public Improvements	3,94,19	1,52,67	1,18,44	1,98,34
Miscellaneous	8,95,48	5,60,75	3,59,52	2,19,27
Contingency Item	7,75,00	4,00,00	2,25,00	1,00,00
Other Heads	4,99,45	2,28,84	98,84	44,64
Total Expenditure	1,13,42,56	55,10,24	33,15,63	15,59,37
Surplus	-7,16,35	-79,31	-12,42,40	-9,68,46

CAPITAL BUDGET

Development Expenditure

(a) Capital Outlay (Gross but

Excluding Establishment Charges)

Irrigation (Excluding suspense)	3,44,28	3,08,07	66,32	72,34
Improvement of Public Health	2,39,34	1,19,99	6,75	45,36
Agricultural Improvement and Research	89,40	55,50	5,28	5,48

BUDGETS AT A GLANCE—Contd.

(Rs. in thousands)

Development Expenditure	Budget Estimates for Punjab 1970-71	Budget Estimates for Sind 1970-71	Budget Estimates for N.W.F.P. 1970-71	Budget Estimates for Baluchistan 1970-71
Industrial Development	—	—	—	—
Town Development	1,39,05	1,97,50	—	—
Communicatins (Excluding suspense)	13,97,69	3,36,87	1,59,04	1,47,21
Civil Works (Excluding Suspense)	10,24,50	5,29,59	2,31,97	1,67,87
Contingency (Developmental)	—	—	5,00,00	1,71,30
(b) Loans and Advances by the Provincial Government				
Karachi Milk Board	—	3,56	—	—
Lahore Milk Board	3,56	—	—	—
Karachi Development Authority	—	2,11,39	—	—
Co-operative Development Board	22,75	5,39	3,82	25
Local Bodies	1,09,49	57,05	2,50	6,10
Improvement Trusts	4,34,00	—	—	—
Other Development Loans	13,00	64,70	5,00	—
Total Development Expenditure	38,17,06	18,89,61	9,80,68	6,15,91
Add Non-Development Expenditure	9,90,95	(—)4,33,16	(—)2,69,80	29,60
Add Establishment charges relating to Capital Account	1,74,87	77,11	37,65	33,24
Contingency Item	5,50,00	2,25,00	1,50,00	75,00
Less Suspense for Irrigation, Communication and Civil Works	(—)20,75	—56,26	(—)6,25	(—)7,71
Less likely shortfall in expenditure on Development	(—)9,69,00	(—)4,30,50	(—)2,84,58	(—)1,28,18
Total Disbursements	45,43,13	12,71,80	6,07,70	6,17,86

BUDGETS AT A GLANCE—Contd.

Financing	(Rs. In thousands)			
	Budget Estimates for Punjab 1970-71	Budget Estimates for Sind 1970-71	Budget Estimates for N.W.F.P. 1970-71	Budget Estimates for Baluchistan 1970-71
Financed by				
Surplus on Revenue Accounts	(—)7,16,35	(—)79,31	(—)12,42,40	(—)9,68,46
Permanent Debt (net)	(—)8,82	(—)9,55	—	—
Floating Debt (net)	—	—	—	—
Debt Raised Abroad (net)	(—)57,20	(—)11,70	(—)5,10	(—)3,87
Loans from the Central Government (net)	25,60,04	11,97,48	19,95,57	14,43,64
Recoveries of Loans and Advances				
(i) Agriculture Loans	36,39	21,53	11,37	17,76
(ii) Road Transport Corporation (Foreign Loans)	9,20	10	70	—
(iii) Thal Development Authority	92,63	—	—	—
(iv) Other Debtors	1,14,12	1,26,78	19,12	5,48
Receipts and recoveries on Capital Account Other than Central Government Grants	2,56,00	1,23,88	10,13	11,11
Grants from and investments by the Central Government	5,05,26	57,11	—	—
Unfunded Debt (net)	2,44,66	38,37	29,00	6,80
Deposits and Remittances Heads (net)	4,09,41	2,04,32	73,59	43,66
Cash Balance Utilisation	10,97,79	(—)3,97,22	(—)2,84,28	61,74
Total	45,43,13	12,71,80	6,07,70	6,17,86

CHAPTER II
RESOURCES ON REVENUE AND
CAPITAL ACCOUNTS
FOR FINANCING
CURRENT AND DEVELOPMENT EXPENDITURES

RESOURCES

The resources of the Government of West Pakistan, as budgeted, comprise:

- A. Non-Development Receipts on Revenue Account.
- B. Development Receipts on Revenue and Capital Account.
- C. Non-Development Receipts on Capital Account.

A. NON-DEVELOPMENT RECEIPTS ON REVENUE ACCOUNT

Non-Development Receipts on Revenue Account are drawn from four sources:—

- 1. Central Tax Assignments.
- 2. Provincial Taxes.
- 3. Provincial Other Receipts.
- 4. Non-Development Grants from the Central Government.

The contribution of each of the four sources mentioned above to the Provincial, Consolidated Fund during the years 1960-61 to 1969-70 may be seen at Table I.

I. Central Tax Assignments

The share of the Government of West Pakistan in Central Tax Assignments has been governed by the Raisman Award (1952-53) for the period, 14-10-1955 to 30-6-1962, by the Distribution of Revenues Order, 1962 for the period 1-7-62 to 30-6-65 and by the Distribution of Revenues Order-1965 from 1-7-65 onwards. Details regarding share of East Pakistan and West Pakistan in each of the shared taxes under the three Orders cited above may be seen at Table No. 2.

TABLE NO. 1

NON-DEVELOPMENT RECEIPTS ON THE REVENUE ACCOUNT

(Figures in crore)

Particulars	Accounts										Revised Estimates 1969-70
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	
Central Tax Assignments	23.12	24.12	35.25	44.70	46.05	52.80	59.29	54.55	56.75	61.14	
Provincial Tax Receipts	34.79	35.79	36.89	38.82	40.99	48.03	48.09	51.87	61.31	68.40	
Provincial Other Receipts	24.44	24.32	40.56	51.72	72.59	58.24	59.85	65.75	57.51	67.55	
Non-Development Grants from Central Government	2.28	2.27	2.80	3.85	3.59	3.28	3.44	11.68	3.63	3.63	
Total	84.63	86.50	115.50	139.09	163.22	162.35	169.67	183.85	179.20	200.72	

TABLE NO. 2
PROVINCIAL GOVERNMENTS' SHARE IN CENTRAL DIVISIBLE TAXES

Particulars	Under the Raisman Award for the period 14-10-55 to 30-6-61		Under the Distribution of Revenues Order, 1962 for the period 1-7-62 to 30-6-65		Under the Distribution of Revenues Order, 1965 for the period 1-7-65 onwards	
	East Pakistan	West Pakistan	East Pakistan	West Pakistan	East Pakistan	West Pakistan
	Percent	Percent	Percent	Percent	Percent	Percent
1. Income Tax other than Corporation Tax	22.5	27.5	27	23	35.1	29.9
2. Corporation Tax	—	—	27	23	35.1	29.9
3. Excise Duties on Tea, Tobacco and Betel Nuts	22.5	27.5	32.4	27.6	35.1	29.9
4. Export Duties on						
(a) Jute	62.5	—	62.5	—	35.1	29.9
	of basic duty		of basic duty		(exempted from Export duty	65
	10.0 of additional		10.0 of additional		since December 67)	
(b) Cotton	—	—	—	100	100	ditto
5. Sales Tax	50 of collections in East Pakistan	50 of collections in West Pakistan	22.7 plus a share of 18% proportionate to the collection in East Pakistan	19.3 plus a share of 18% proportionate to the collection in West Pakistan	24.6 plus a share of 19.5% proportionate to the collection in East Pakistan	20.9 plus a share of 19.5% proportionate to the collection in West Pakistan
6. Estate and Succession duty in respect of agricultural land	—	—	54	46	35.1	29.9
7. Tax on capital value of immovable property	—	—	54	46	35.1	29.9

The relevant portion of the order now in force is as follows:

"Out of the net proceeds of the following taxes and duties, 65 percent shall be assigned to the Provinces and 35 percent retained by the Centre:

- (i) Taxes on income, including Corporation Tax but not including tax on income consisting of remuneration paid out of the Central Consolidated Fund.
- (ii) Sales Tax
- (iii) Excise duty on Tea, Tobacco and Betel Nuts.
- (iv) Export duty on Jute and Cotton (abolished in December, 1967).

The basis for distribution between the two provinces of the sums so assigned to them to continue as at present i.e. in the case of taxes on income, excise duty and export duty, East Pakistan shall receive 54 percent and West Pakistan 46 percent, while in the case of sales tax, 30 percent shall be distributed on the basis of collections in each province and the balance in the same ratio as other taxes."

The amounts received by the Provincial Government on account of Central Tax Assignments during the years 1960-61 to 1969-70 may be seen at Table No. 3.

TABLE NO. 3

CENTRAL TAX ASSIGNMENTS

((Figure in crore)

Particulars	(Figure in crore)										Revised Estimates 1969-70
	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	
1. Customs	—	—	4.10	3.77	2.14	1.04	1.23	0.70	—	—	—
2. Central Excise Duties	3.10	2.54	4.34	5.17	5.89	7.36	10.26	11.27	11.72	12.68	12.68
3. Corporation Tax	—	—	2.28	3.65	3.87	4.77	5.70	5.83	5.77	5.72	5.72
4. Taxes on income other than Corporation Tax	3.06	3.98	7.59	9.57	10.60	14.37	15.99	17.49	18.76	18.11	18.11
5. Sales Tax	16.86	17.53	16.77	22.02	23.46	24.35	25.61	18.86	20.27	18.98	18.98
6. Taxes realised under Martial Law Regulation	0.10	0.07	0.12	0.07	0.09	0.12	0.01	0.01	0.01	0.01	5.38
7. Wealth Tax	—	—	—	0.41	—	0.02	0.40	0.31	0.05	0.04	0.04
8. Estate Duty	—	—	0.05	0.04	—	0.17	0.09	0.08	0.17	0.23	0.23
Total	23.12	24.12	35.25	44.77	46.05	52.80	59.29	54.55	56.75	61.14	61.14

The sharp fall in receipts from Customs during 1967-68 and nil receipts from this source thereafter is on account of the fact that export duty on raw cotton and raw jute was abolished in 1967-68. The sharp fall in receipts from sales tax during 1967-68 from the level prevailing during 1966-67 is accounted for by the fact that sales tax on cotton yarn was converted into excise duty in December, 1967 which excise duty is not sharable. The loss suffered by the provincial government on account of the policy changes mentioned above was compensated by the central government, but only partly and only once through grant-in-aid amounting to Rs. 814.00 lacs during 1967-68. No compensation for aforesaid loss has, however, been given during the years 1968-69 and 1969-70.

For purposes of the budgets for 1970-71 and without prejudice to the claim of each new province before the National Finance Committee constituted already by the President, and purely on ad-hoc and provisional basis and subject to subsequent adjustment in the light of the National Finance Committee's Award, the One Unit (Re-organisation) Committee decided on 4th June, 1970, that the new provinces will share West Pakistan's share of the Central Tax Assignments during 1970-71 in the following ratio:

The Punjab	56.5%
Sind	23.5%
NWFP	15.5%
Baluchistan	4.5%
	<hr/>
Total	100%

The share of West Pakistan as a whole in Central Tax Assignments during 1970-71 is estimated at Rs. 64.67 crores, which amount, when divided in the ratios indicated above gives to each new province, the following share:

	Rs. in crore
The Punjab	36.54
Sind	15.20
NWFP	10.02
Baluchistan	2.91
	<hr/>
Total	64.67

The details regarding the share of each province in each of the shared taxes on the basis of the formula indicated above may be seen at table No. 4.

TABLE NO. 4
SHARE OF PROVINCES IN CENTRAL TAX ASSIGNMENTS FOR 1970-71

(Figures in thousands of rupees)

Name of province	Central Excise duties	Corpora- tion Tax	Taxes on income other than Corpora- tion Tax	Sales Tax	Taxes under MLR No. 32	Taxes under MLR No. 43	Wealth Tax	Estate duty	Total
The Punjab	7,74,05	3,98,51	12,70,70	11,27,60	67,57	—	12,82	2,54	36,53,79
Sind	3,21,95	1,65,75	5,28,52	4,69,00	28,11	—	5,33	1,06	15,19,72
N-W.F.P.	2,12,35	1,09,33	3,48,60	3,09,35	18,54	—	3,50	0,70	10,02,37
Baluchistan	61,65	31,74	1,01,21	89,81	5,38	—	1,02	0,20	2,91,01
Total	13,70,00	7,05,33	22,49,03	19,95,76	1,19,60	—	22,67	4,50	64,66,89

2. Provincial Taxes

The principal provincial taxes are:—

- (i) Land Revenue;
- (ii) Receipts under the Motor Vehicles Acts;
- (iii) Stamps;
- (iv) Provincial excise duty;
- (v) Entertainment duty; and
- (vi) Urban immovable property tax.

These six taxes together with the collection on account of water rate which is actually a service charge, provide over 90% of the total provincial tax revenues. The balance 10% is accounted for by a number of other minor taxes, cesses, duties, and levies. Full details of the revenues realized from these sources for the years 1960-61 to 1969-70 may be seen at Table No. 5.

TABLE NO. 5

RECEIPTS FROM PROVINCIAL TAXES AND WATER RATES

(Figures in crores of rupee)

Particulars	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70 (RE)
Land Revenue (Gross)	16.14	14.42	14.56	15.30	15.14	16.05	15.13	16.38	17.00	16.70
Agricultural Income-tax	0.40	0.32	0.30	0.30	0.30	0.35	0.33	0.57	0.55	0.55
Provincial Excise Duty	2.35	3.13	3.55	3.69	4.00	3.99	4.19	4.02	4.39	4.55
Stamp Duty	2.59	3.53	4.46	4.83	5.14	5.50	6.55	7.66	7.44	8.00
Registration Fee	0.25	0.32	0.41	0.43	0.46	0.42	0.53	0.51	0.60	0.62
Receipts under the Motor Vehicles Acts	2.36	3.09	3.10	3.98	4.93	6.35	6.61	6.17	7.67	7.47
Entertainment Duty	1.59	1.63	2.96	3.55	3.50	3.27	3.65	4.19	4.83	4.83
Urban immovable Property Tax	1.20	1.30	1.63	2.86	2.85	3.69	3.48	3.73	13.44	5.03
Other Taxes and duties	0.10	1.40	0.89	0.22	1.23	1.83	1.88	1.83	1.88	5.50
Irrigation receipts (Net)*	7.81	6.65	5.03	3.66	3.44	6.58	5.74	6.81	10.22	15.15
Total	34.79	35.79	36.89	38.82	40.99	48.03	48.09	51.87	61.31	68.40

Annual increase in terms of

(a) Absolute amounts 1.00 1.10 1.93 2.17 2.17 7.04 .06 3.78 9.44 7.09

(b) Percentage 2.87 3.07 5.23 5.58 17.17 0.12 7.86 17.63 12.27

*Irrigation Receipts (Net)=Irrigation Receipts (Gross) minus Working Expenses.

Most of the provincial taxes are inelastic to both income and price changes. The growth in the provincial revenues during the period 1960-61 to 1969-70 is largely accounted for by increases in the rates of provincial taxes. The additional taxation measures adopted during the last ten years are detailed below:—

- (i) Revision and enhancement of excise fees and duties in 1962 which led to initial additional revenue of Rs. 100 lacs per annum.
- (ii) Imposition of surcharge on Railway fares and freight with effect from 1st July, 1962, which led to initial additional revenue of Rs. 44 lacs per annum.
- (iii) Enhancement of the rate of development cess from 25% to 35% with effect from 1st July, 1963 which led to initial additional revenue of Rs. 64 lacs per annum.
- (iv) Enhancement of water rate by 10% in 1963 which led to initial additional revenue of Rs. 115 lacs per annum.
- (v) Levy of Sugarcane development cess at the rate of 12 paise per maund of sugarcane with effect from 1st July, 1964, which led to initial additional revenue of Rs. 114 lacs per annum.
- (vi) Levy of electricity duty at the rate of one paise per unit for residential, office and commercial purposes, and one paise per four units for Industrial undertakings, with effect from 1st July, 1964, which led to initial additional revenue of Rs. 80 lacs per annum.
- (vii) Enhancement of water rate by an additional 10% with effect from 1st July, 1965 which led to initial additional revenue of Rs. 187 lacs per annum.
- (viii) Levy of tax on hotels with effect from 1st July, 1965, which led to initial additional revenue of Rs. 11 lacs per annum.
- (ix) Levy of additional stamp duty with effect from 1st July, 1965 which led to initial additional revenue of Rs. 40 lacs per annum.
- (x) Enhancement of tax on motor vehicles with effect from 1st July, 1965 which led to initial additional revenue of Rs. 68 lacs per annum.
- (xi) Enhancement in the rate of fees for arms licences with effect from 1st July, 1965 which led to initial additional revenue of Rs. 8 lacs per annum.
- (xii) Enhancement of water rates by an additional 20% from Kharif 1968 which led to initial additional revenue of Rs. 470 lacs per annum.

- (xiii) Revision of the basis of collecting entertainment duty from the cinema houses from 1st July, 1969, expected to yield additional Rs. 50 lacs during 1969-70.
- (xiv) Enhancement in the rate of betting tax during 1969-70 expected to yield additional Revenue of Rs. 50 lacs.
- (xv) Replacement of the Pakistan Day Memorial Cess by a Welfare Cess during 1969-70 expected to yield Rs. 80 lacs during 1969-70.
- (vxi) Enhancement in the rates of electricity duty during 1969-70 expected to yield an additional Rs. 130 lacs per annum.
- (xvii) Revision and enhancement in the rates of stamp duties expected to yield an additional Rs. 67 lacs per annum.
- (xviii) Enhancement of the water rate by an additional 15% with effect from Kharif 1969 expected to yield an additional Rs. 200 lacs during 1969-70
- (xix) Enhancement in the rates for cinema licences and renewal fees expected to yield an additional Rs. 35 lacs per annum.

It will thus be seen that additional taxation measures account for Rs. 19.13 crore out of Rs. 33.61 crore of the increase in receipts from Provincial Taxes during the period 1960-61 to 1969-70. Only Rs. 14.48 crore of the increase is accounted for by normal growth in receipts from the provincial taxes. These figures indicate that the normal growth potential of Provincial Taxes is only 1.47% compound per annum.

During 1970-71, receipts from Provincial Taxes for West Pakistan as a whole are estimated at Rs. 72.90 crore which figure represents an increase of Rs. 4.50 crore or 6.81% over the revised estimates for 1969-70. The province-wise break-up of the aforesaid figure of Rs. 72.64 crore is as follows:—

	(Rs. in crore)
The Punjab	43.47
Sind	25.47
N.W.F.P.	2.91
Baluchistan	0.79

The details may be seen at Table No. 6

TABLE NO. 6
PROVINCIAL TAX RECEIPTS 1970-71

(In crores of rupees)

Particulars	Budget Estimate for Punjab 1970-71	Budget Estimate for Sind 1970-71	Budget Estimate for N.-W.F.P. 1970-71	Budget Estimate for Baluchistan 1970-71
Land Revenue	14.35	5.26	0.69	0.36
Agricultural Income Tax	0.38	0.16	.0073	—
Provincial Excise	2.37	2.05	0.22	0.10
Stamps	5.31	2.72	0.40	0.06
Registration	0.32	0.30	0.03	—
Receipts under Motor Vehicles Acts	4.26	2.36	1.04	0.17
Entertainment Duty	2.93	1.78	0.22	0.06
Property Tax	2.66	2.23	0.19	0.06
Other taxes and duties	2.76	2.76	0.24	-0.10
Water rates (Net)*	8.13	5.85	-0.13	(-)0.12
Total.	43.47	25.47	2.91	0.79

*Water Rates (Net)=Gross Receipts minus Working Expenses.

Receipts from all Provincial Taxes have been assigned/apportioned on the basis of incidence with the exception of the surcharge on Railway fares. This surcharge has, in accordance with the decision taken by the One Unit (Re-organization) Committee at its meeting on 3rd-4th June, 1970, been apportioned in the ratios, derived from the average of:

- (i) routemiles;
- (ii) passengers booked;
- (iii) tonnage booked;
- (iv) gross ton-miles; and
- (v) train miles.

in the territory of each province, These ratios are:

The Punjab	54.5%
Sind	35.3%
N.W.F.P.	3.2%
Baluchistan	7.0%

The absolute amount of Rs. 45 lacs when divided in the ratios indicated above gives to each province the following share:

The Punjab	Rs. 24.52 lakhs
Sind	Rs. 15.89 lakhs
N.W.F.P.	Rs. 1.44 lakhs
Baluchistan	Rs. 3.15 lakhs

The budgeted targets for collection of Provincial Taxes are ambitious. The anticipated increase is based largely, if not wholly on the presumption that the new provincial governments will be able to realize large amounts of outstanding arrears of previous years. Of course this will require a determined effort on the part of the new provincial governments.

During 1969-70, the West Pakistan Finance Department prepared a comprehensive and ambitious Action Plan for the Recovery of Arrears. This Action Plan was designed to recover Rs. 10 crore from arrears over and above the budgeted target of Rs. 2 crores, in order to off-set (in part) the expected net deficit of Rs. 17 crores in the provincial budget for 1969-70. Figures collected upto the end of April, 1970 indicate that the Action Plan had succeeded in substantial measure. Total amount realized from arrears by end of April, 1970 stands at Rs. 10.41 crore. For 1970-71, it may be worthwhile to prepare and execute similar action plans. In this connection the following points would be relevant:—

- (i) The Action Plans should be prepared as early as possible in the financial year to which they relate.
- (ii) The targets should be set month-wise/quarter-wise/division-wise/district-wise. At each level specified officers should be made directly responsible for the achievement of their respective targets.
- (iii) The implementation of the Action Plan should be closely watched on a division-wise/district-wise basis through monthly review meetings with the administrative departments concerned.

The desirability of showing under each head of receipt separately the arrears due, the arrears expected to be recovered and the current demand estimated to accrue, may also be examined. This appears necessary so that the trends of the current demand growth/decline, etc. may be watched more meaningfully.

3. Provincial other Receipts

Provincial Other Receipts consist mainly, of:—

- (i) Receipts from General Administration and Beneficent Departments;
- (ii) Interest and returns on government loans and investment;

- (iii) Income from state forests;
- (iv) Receipts on account of Civil Works and Miscellaneous public improvements;
- (v) Extraordinary Items (largely drawn from sale of state land); and
- (vi) Miscellaneous.

The revenue accruing to the provincial government from Provincial Other Receipts has increased from Rs. 24.44 crores in 1960-61 to about Rs. 64.71 crore estimated for 1969-70.

The main factors that have led to this increase are:—

- (a) Increase in the number of educational institutions operated by the provincial government with attendant increase in the number of students enrolled in such institutions and consequent increase in the amount of educational fees realised.
- (b) Increased sale of state land.
- (c) Increased receipts from agriculture, especially on account of cotton fees.
- (d) Higher prices for forest products coupled with increased production-for-sale of aforesaid forest products.
- (e) Increase in the debt servicing charges realised by the Provincial Government consequent upon the steady increase in loans and investments made by the provincial government to the autonomous bodies, Improvement Trusts, Milk Boards, cultivators, etc.

The details of revenue realised from Provincial Other Receipts during the period 1960-61 to 1969-70 may be seen in Table No. 7.

TABLE NO. 7

PROVINCIAL OTHER RECEIPTS

(In crores of rupee)

ACCOUNTS

Particulars	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70 R.E.
1. Opium	0.15	0.16	0.14	0.16	0.15	0.15	0.16	0.18	0.16	0.16
2. Forest	2.75	2.75	3.05	3.30	3.69	4.40	4.72	5.27	5.24	5.39
3. Debt services including Provincial Governments investment in P.W.R.	4.56	4.81	9.47	14.91	15.41	18.02	20.09	35.47	25.46	34.20
4. Civil Administration	1.56	1.68	1.61	2.08	1.96	2.10	2.09	2.51	2.41	3.25
5. Beneficent Departments	4.61	4.66	5.10	5.06	4.89	6.64	7.17	9.31	10.86	11.59
6. Civil Works and Miscellaneous public improvement	1.75	1.04	1.11	1.12	0.69	1.10	0.96	0.81	1.10	1.45
7. Miscellaneous	3.83	3.26	3.67	3.90	3.45	7.11	3.99	5.77	5.48	5.82
8. Extraordinary Items e.g. sale of state land	5.23	5.96	16.41	21.19	42.35	18.72	19.66	6.43	6.80	5.69
Total	24.44	24.32	40.56	51.72	72.59	58.24	59.85	65.75	57.51	67.55

Annual increase in terms of:

(a) Absolute amounts	1.12	16.24	11.16	20.87	14.35	1.61	5.90	8.24	10.04
(b) Percentage	4.49	66.77	27.51	4.03	19.76	2.18	9.80	12.00	17.40

Receipts on account of sale of state land appear to be in the nature of capital receipts as these are realized on account of permanent disposal of government assets viz. state land. This is a thought which the new provincial governments may like to pursue.

The Budget Estimate 1970-71 for Provincial Other Receipts for West Pakistan as a whole is Rs. 42.57 crore. This figure is not comparable with the corresponding figure for 1969-70 because interest receipts and returns on the provincial government's loans and investments in the undivided autonomous bodies are not included in the figure for 1970-71. Aforesaid interest receipts and returns on investment, amounting to Rs. 28.91 crore in all, will accrue to the President for and on behalf of the new provinces and the Centrally Administered Areas during 1970-71.

Province-wise break-up of the Budget Estimates, 1970-71 for Provincial Other Receipts are as follows:—

	(Rupees in crore)
The Punjab	24.04
Sind	11.58
N.W.F.P.	5.71
Baluchistan	1.24

Province-wise details in respect of expected revenues from Provincial Other Receipts are given at Table No. 8.

TABLE NO. 8
PROVINCIAL OTHER RECEIPTS 1970-71

Particulars	(In crores of rupees)			
	Budget Estimates 1970-71 Punjab	Budget Estimates 1970-71 Sind	Budget Estimates 1970-71 N-W.F.P.	Budget Estimates 1970-71 Baluchistan
1. Opium .. .. .	.15	—	—	—
2. Forest	3.52	.80	1.41	.09
3. Debt Services	1.76	.93	.34	.09
4. Civil Administration	1.32	.98	.41	.16
5. Beneficent Departments	8.77	3.71	2.20	.30
6. Civil Works and Miscellaneous Public Improvements .. .. .	.71	.15	.10	.09
7. Miscellaneous	3.81	1.33	1.21	.51
8. Extraordinary Items e.g. sale of State land	4.00	3.68	.04	—
Total	24.04	11.58	5.71	1.24

As in the case of Provincial Taxes, the budgeted targets for Provincial Other Receipts include substantial amounts on account of arrears. It would be necessary for the new provincial governments to take appropriate measures including preparation of action plans early next financial year for ensuring recovery of budgeted arrears.

In the case of NWFP no credit has been taken for income from forest and other receipts from Dir, Swat and Chitral, receipts from the working of the Swat Emerald Mines and miscellaneous receipts from the Kalam Area, because receipts from these sources cannot under the existing laws/arrangements accrue to the Provincial Consolidated Fund. Once normal laws have been extended to cover these sources, Provincial Other Receipts in NWFP would register sizeable increase in the neighbourhood of Rs. one crore or so.

4. Non-Development Grants from the Central Government

Non-Development Grants from the Central Government include:—

- (i) Subvention paid to the former N.W.F.P., (Rs. 125.00 lacs per annum).
- (ii) Subvention in lieu of deficit of Frontier Region (Rs. 102 lacs per annum).
- (iii) Subvention for the maintenance of roads in tribal areas (Rs. 72.00 lacs per annum).
- (iv) Grants for financing departments, institutions etc transferred from the centre to the provinces (Rs. 64.31 lacs per annum).
- (v) Miscellaneous grants received from time to time for specified purposes/reasons;

Receipts accruing from the five resources mentioned above during the period 1960-61 to 1969-70 may be seen from the following table:—

Year	Amount in crore of Rupees
1960-61	2.28
1961-62	2.27
1962-63	2.80
1963-64	3.85
1964-65	3.59
1965-66	3.28
1966-67	3.44
1967-68	11.68
1968-69	3.63
1969-70 (Revised Estimates)	3.63

The sharp increase in 1967-68 is accounted for by the grant (of Rs. 8.14 crore) made by the Central Government in that year to compensate the provincial government for the losses suffered by the latter in consequence of the conversion of the sales tax on cotton yarn into non-shareable excise duty on cotton yarn.

At its meeting on 3rd and 4th June, 1970 the One Unit (Re-organization) Committee took the following decisions in respect of apportionment of these grants between the new Provinces and the Central Government:—

- (i) Subvention paid to the former N-W.F.P. (Rs. 125 lacs per annum) should revert to the new N-W.F.P.
- (ii) Out of the subvention of Rs. 102 lacs per annum in lieu of deficit in the Frontier Regions, Rs. 60.54 lacs relates to the area that will fall under the new Baluchistan province and should consequently be assigned to that province. The remaining Rs. 41.46 lacs relates to tribal areas that will fall partly under the new N-W.F. Province and partly under the Government of Pakistan. This amount should, therefore, be apportioned between the new N-W.F. Province and the Government of Pakistan in the ratio derived from the estimated population of the tribal areas that will fall under the control of these two Governments (as per 1961 Census figures).
- (iii) Grant for financing departments, institutions, etc, transferred to the provinces (Rs. 64.31 lacs per annum) should be apportioned on the basis of the location of the offices and the institutions for which this grant was originally given. A small amount of Rs. 3.79 lacs relating to the secretariat functions which cannot be apportioned on the basis of location should be distributed between the four new provinces in the ratio derived from the estimated expenditure on the secretariats of the four new provinces during the year 1970-71 (as per budget estimates prepared by the Provincial Finance Department).
- (iv) Subvention for maintenance of roads in tribal areas should be apportioned in the ratio derived from mileage of strategic roads (for which this grant is meant) in the territories of the new provinces of Baluchistan and N-W.F.P. and the Government of Pakistan (with respect to Centrally Administered Tribal Areas).

The absolute amount of grants expected during 1970-71 when divided in the

manner indicated above, gives to each new province and the Central Government the following shares:—

(Amounts in crore of rupees)

Name of Government	Subvention for former N-W.F.P.	Subvention for frontier Regions	Grant for financing Departments transferred from the Centre	Subvention for roads in Tribal Areas	Total
The Punjab	—	—	0.18	—	0.18
Sind	—	—	0.20	—	0.20
N-W.F.P.	1.25	0.19	0.25	0.11	1.80
Baluchistan	—	0.61	0.01	0.31	0.93
Government of Pakistan	—	0.22	—	0.30	0.52
Total	1.25	1.02	0.64	0.72	3.63

B. DEVELOPMENT RECEIPTS ON THE REVENUE AND CAPITAL ACCOUNTS

Development Receipts on the revenue and capital accounts consist of :

- (i) Development grants on revenue account.
- (ii) Development grants on capital account.
- (iii) Borrowings from the Market, Central Government and Foreign Governments/Agencies.
- (iv) Recoveries of loans and advances.
- (v) Disinvestment of industrial undertakings.
- (vi) Unfunded debt (net)
- (vii) Miscellaneous receipts

1. Development Grants on the Revenue Account

Development grants on the revenue account fall into the following categories:

- (i) Rupee grants from the central government for specific development schemes e.g. fertilizer subsidy, Family Planning Programme, Malaria Eradication Programme, Agricultural Development Estates, etc.
- (ii) Counterpart fund rupee grants from Australia, Canada and USA (channelled through the Central Government) for specific development projects e.g. rural works programme, family planning programme, etc.
- (iii) Foreign non-rupee grants, mainly in the form of equipment and material for specific development projects e.g. Sukkur Thermal Power Station, etc.

Receipts accruing from the three sources mentioned above during the period 1960-61 to 1969-70 may be seen from the following table:—

Year	Rupee grants from the central government	Counterpart Fund rupee grants	Foreign non-rupee grants	Total
1960-61	—	*0.09	—	0.09
1961-62	—	*21.85	—	21.85
1962-63	1.93	*17.50	—	19.43
1963-64	1.82	*17.45	—	19.27
1964-65	4.55	13.19	2.13	17.87
1965-66	4.64	10.96	0.41	16.01
1966-67	5.92	4.01	1.66	11.59
1967-68	7.61	2.86	1.09	11.56
1968-69	5.68	4.14	1.23	11.05
1969-70 (R.E.)	10.56	3.26	2.71	16.53

The budget estimate 1970-71, for development grants on the revenue account for West Pakistan as a whole is Rs. 4.79 crores. Province-wise details of this figure may be seen from the following table:

*The bifurcation between rupee and non-rupee foreign grants for the years 1960-61 to 1963-64 are not available in the Finance Accounts.

Development Grants on the Revenue Account

(Amount in crore of rupees)

Name of the Province	Rupee grants from central government	Counterpart Fund rupee grants	Foreign non-rupee grants	Total
The Punjab	1.38	0.74	0.60	2.72
Sind	0.47	0.62	0.67	1.74
N.-W.F.P.	0.26	0.01	0.01	0.28
Baluchistan	0.02	0.01	0.01	0.04
Total	2.13	1.38	1.29	4.78

(ii) Development Grants on the Capital Account

Development grants on the capital account include grants from the Central Road Fund and Fund for Roads of National Importance. The procedure prescribed by the Government of Pakistan for release of moneys from these funds in that 50% is released on approval by the Government of Pakistan of the scheme(s) for which the amount is meant, 40% is released on the completion of aforesaid scheme(s) and the balance 10% on furnishing of completion report and audit certificate in respect of actual expenditure incurred.

The receipts accruing to the provincial government from the above-mentioned funds during the period 1960-61 to 1969-70 may be seen from the following table:

Year	Rs. in crores
1960-61	0.31
1961-62	0.18
1962-63	0.16
1963-64	0.34
1964-65	0.52
1965-66	2.42
1966-67	5.44
1967-68	1.77
1968-69	3.44
1969-70 (R.E.)	0.91

The budget estimates, 1970-71, for receipts from the above-mentioned funds is Rs. 5.10 crore including Rs. 5.00 crores from the Central Road Fund and Rs. 0.10 crore from the Fund for Roads of National Importance. The province-wise break up of

above-mentioned amount is based on the location of the schemes for which the releases will be made. The province-wise position on the basis of the above formula emerges as given below:—

(Figures in crores of Rupees)

Punjab	4.53
Sind	0.57
N.-W.F.P.	—
Baluchistan	—

(iii) Borrowings

The borrowings of the provincial government fall into the following categories:—

1. Market Loans.
2. Cash Development Loans from the Central Government.
3. Counterpart Fund Loans from Germany and USA (which are routed through Central Government).
4. Foreign non-rupee loans, mainly in the form of material and equipment, which are also routed through the Central Government.

The borrowings made by the provincial government during the period 1960-61 to 1969-70 from each of the four sources specified above may be seen from the following table:—

Year	Figure in crores of Rupees				Total
	Market loans	Central Government rupee Loans	Counterpart Fund loans	Foreign loans (in kind)	
1960-61	4.39	*80.43	4.44	5.01	94.27
1961-62	3.13	31.68	2.45	19.50	86.66
1962-63	7.10	80.83	6.84	0.94	95.71
1963-64	8.16	75.63	9.54	5.91	99.24
1964-65	8.44	54.73	7.20	3.47	73.84
1965-66	15.20	14.44	6.85	3.95	41.44
1966-67	14.55	26.32	13.09	59.61	113.57
1967-68	4.43	51.19	17.01	49.46	122.09
1968-69	8.53	81.72	8.00	8.53	106.78
1969-70 (R.E.)	14.09	166.78	4.50	24.31	209.68

*Consolidated Debt

The Budget Estimates 1970-71, for Borrowings for West Pakistan as a whole are Rs. 80.52 crore including Rs. 73.71 crore on account of cash development loans from the Central Government, and Rs. 6.81 crore on account of foreign project aid loans. The province-wise break up of the aforesaid amount of Rs. 80.52 crore is given below:—

Name of the Province	(Rs. in crore)		Total
	Cash Development Loans	Foreign Project Aid Loans	
The Punjab	24.97	5.17	30.14
Sind	13.31	1.51	14.82
N.W.F.P.	20.66	0.08	20.74
Baluchistan	14.87	0.05	14.92

(iv) Recoveries of Loans and Advance

The debtors of the provincial government includes:—

- (i) West Pakistan Water and Power Development Authority.
- (ii) Pakistan Western Railways.
- (iii) West Pakistan Agricultural Development Corporation.
- (iv) West Pakistan Industrial Development Corporation.
- (v) West Pakistan Small Industries Corporation.
- (vi) West Pakistan Road Transport Corporation.
- (vii) Thal Development Authority.
- (viii) Improvement Trusts.
- (ix) Municipalities.
- (x) Government Servants.
- (ix) Cultivators.
- (xii) Others.

Receipts accruing to the provincial government, on account of the repayment of the principal on loans advanced by the provincial government, during the period 1960-61 to 1969-70 may be seen from the following table:—

Year	Amount in crore of Rupees
1960-61	0.80
1961-62	2.24
1962-63	1.69
1963-64	5.77
1964-65	5.98
1965-66	6.73
1966-67	7.10
1967-68	17.71
1968-69	7.74
1969-70 (R.E.)	19.04

The budget estimates, 1970-71, for West Pakistan as a whole for recovery of loans and advances are Rs. 4.55 crore. This figure is not comparable with the corresponding figure for 1969-70 because recoveries on account of principal repayments by the undivided autonomous bodies are not reflected in the figures for 1970-71. Aforesaid recoveries will be made by the President for and on behalf of the new provinces and Centrally Administered Areas. Province-wise break-up of the above-mentioned figure of Rs. 4.55 crore may be seen from the following table.

	(Rupees in crore)
The Punjab	2.53
Sind	1.48
N-W.F.P.	0.31
Baluchistan	0.23
Total	4.55

v. Disinvestment of Industrial Undertakings

Receipts from this source consist mainly of the sale proceeds realised through disinvestment of the assets of the West Pakistan Industrial Development Corporation. Receipts accruing to the provincial government during the period 1960-61 to 1969-70 may be seen from the following table:—

Year	(Rupees in crore)
1960-61 (R.E.)	1.15
1961-62 "	0.20
1962-63 "	5.89
1963-64 "	3.27
1964-65 "	3.11
1965-66 "	(—) 1.06
1966-67 "	0.99
1967-68 "	2.00
1968-69 "	—
1969-70 "	—

(vi) **Unfunded debt (net)**

Net receipts from unfunded debt mean the excess of payments into the General Provident Funds over withdrawals therefrom. The trend of receipts from this source during the period 1960-61 to 1969-70 is given below :—

	(Rs. in crore)
1960-61	1.44
1961-62	1.73
1962-63	2.00
1963-64	2.28
1964-65	2.47
1965-66	3.32
1966-67	2.62
1967-68	2.96
1968-69	3.55
1969-70 (R.E.)	3.32

Province-wise budget estimates for 1970-71 are given below :—

	(Rs. in crore)
The Punjab	2.45
Sind	0.38
NWFP	0.29
Baluchistan	0.07

(vii) **Miscellaneous Receipts**

Miscellaneous Receipts include :—

- Receipts and Recoveries on capital account other than grants from Central Government e.g. payments by local bodies for works executed on their behalf, sale proceeds of town sites, etc.
- Other deposits accounts (net) e.g. net receipts from reserve funds, benevolent fund, police clothing fund, etc.

Province-wise budget estimates for 1970-71 are given below :

	(Rs. in crore)		
	Receipt and Recoveries on Capital Account	Other Deposit Accounts (Net)	Total
The Punjab	2.56	4.09	6.65
Sind	1.24	2.04	3.28
NWFP	0.10	0.74	0.84
Baluchistan	0.11	0.44	0.55

C. NON-DEVELOPMENT RECEIPTS ON CAPITAL ACCOUNT

Non-Development Receipts on the Capital Account include:

- (i) Receipts under various minor funds, suspense accounts, etc.
- (ii) Net receipts from the provincial schemes of state trading especially food transactions.
- (iii) Floating debt (net) viz. advances from commercial banks for financing food transactions, and ways and means advances from the State Bank.

There are a number of minor funds, suspense accounts, etc. receipts from which are not taken into account for purposes of financing the annual development programmes because aforesaid receipts do not follow any fixed pattern and cannot, therefore, be relied upon.

Similarly, net receipts on account of the commercial undertakings of the provincial government especially receipts from food transactions, are not available for financing the annual development programme. Province-wise estimates, 1970-71 for receipts in respect of the provincial schemes of state trading may be seen from the following table:—

Budget Estimates 1970-71 for Provincial Schemes of State Trading

Name of Province	Gross Receipts	Gross Expenditure	Net Receipts
The Punjab	61.13	69.30	(—)8.17
Sind	34.35	29.06	5.29
N.W.F.P.	17.01	13.53	3.48
Baluchistan	11.16	11.16	—

Finally, receipts through change in the level of floating debt (net) are not a reliable, source for financing the development programme as they consist of temporary ways and means advances from the State Bank of Pakistan, and loans from commercial banks for financing of food transactions, and are therefore ignored for purposes of financing the annual development programmes.

CHAPTER III
NON-DEVELOPMENT EXPENDITURE

NON-DEVELOPMENT EXPENDITURE

All expenditure is developmental which meets any of the following three criteria:—

- (i) is designed to keep intact, to enlarge and to improve the physical resources of the country;
- (ii) contributes to improvement in the knowledge, skill and productivity of the people; and
- (iii) leads to more efficient use of available resources.

All expenditure that does not meet any of the three criteria mentioned above is non-developmental. Thus defined, non-development expenditure cuts across the traditional budgetary classification of Revenue and Capital accounts. All Revenue expenditure is non-developmental with the exception of expenditure classified under the head "63-B-Development" (although a small amount of expenditure on the establishment under this head is also non-developmental).

All Capital expenditure is developmental with the exception of expenditure on:—

- (a) Repayment of loans under the head "Public Debt Discharged;"
- (b) Payment of commuted value of pensions;
- (c) Provincial schemes of state trading; and
- (d) Loans and advances to government servants and to agriculturists.

A. NON-DEVELOPMENT EXPENDITURE ON REVENUE ACCOUNT:

Non-development expenditure on Revenue Account consists of expenditure on:

- (i) Revenue collecting departments.
- (ii) Civil administration.
- (iii) Beneficent departments.
- (iv) Miscellaneous.
- (v) Debt servicing.

Expenditure incurred on the first four categories mentioned above during the period 1960-61 to 1969-70 is given at Table No. 9.

TABLE NO. 9
NON-DEVELOPMENT EXPENDITURE ON REVENUE ACCOUNT
(Excluding Debt Servicing)

Figures in Crores of Rupees

Particulars	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70 (R. E.)
1. Direct demands on revenue	4.62	5.20	6.86	6.13	6.45	6.49	6.81	7.14	7.70	8.37
2. Civil administration	16.71	19.86	21.99	24.24	26.28	26.46	26.05	28.23	29.72	30.47
3. Development departments										
(i) Irrigation expenditure	2.30	1.51	1.89	1.30	1.25	2.07	1.36	1.91	2.38	0.91
(ii) Civil works and miscellaneous public improvements	4.94	5.46	6.37	6.69	8.60	6.37	9.84	9.61	9.61	8.27
(iii) Education	12.16	15.57	20.34	22.91	26.45	28.20	29.78	31.79	34.13	36.80
(iv) Health services	4.49	5.75	7.04	6.95	7.46	7.09	7.39	7.86	8.49	8.75
(v) Agriculture	4.60	3.30	4.10	3.42	3.61	4.87	5.65	6.07	6.59	6.60
(vi) Other beneficent departments	2.87	2.73	2.84	3.04	3.11	3.56	3.67	4.13	4.13	4.32
Sub-total	31.36	34.32	42.58	44.31	50.48	52.16	57.69	61.37	65.33	65.65
4. Miscellaneous	5.94	7.66	7.12	6.13	8.63	13.25	8.12	9.02	9.20	10.44
5. Contingency Item	..	..	..	..	..	..	..	..	..	1.64
Total revenue expenditure (excluding debt servicing liability)	58.63	67.04	78.55	80.81	91.84	98.36	98.67	105.76	111.95	116.57
Annual increase in terms of										
(i) Absolute amounts	..	8.41	11.51	2.26	11.03	6.52	0.31	7.09	6.19	4.62
(ii) Percentage terms		14%	17%	3%	14%	7%	0.3%	7%	6%	4%

It will be seen that the annual increases both in absolute and in percentage terms have been very small. Normal and desirable growth in non-development expenditure has been deliberately squeezed during the period 1960-61 to 1969-70 in order to generate as large resources as possible for financing the Annual Development Programmes. This 'squeeze' has had a number of undesirable and unfortunate results.

In the first place, sufficient provision has not been made for the normal maintenance requirements of the schools, hospitals, buildings, roads, canals, drains, etc. Hospital buildings have been constructed but remain continually short of medicines. School buildings have been constructed but remain short of books and teachers. Roads and buildings have been constructed but decline rapidly because there is insufficient provision for repairs.

Secondly, inadequate provision for normal maintenance requirements has led to a gradual erosion of budgetary and financial discipline. There is a limit beyond which the non-developmental expenditure cannot be squeezed. Faced with totally inadequate budget provisions for maintenance requirements, administrative departments have tended to incur unauthorized expenditure.

The need to allow adequate annual increases in the non-developmental expenditure on a realistic basis is now recognized generally. It has been agreed that during the Fourth Plan period, expenditure on the administrative departments should be allowed to increase @ 6% per annum compound, and expenditure on the development departments @ 15% per annum compound. The budget estimates for 1970-71 reflect the greater emphasis on essential non-developmental expenditure.

The province-wise budget estimates 1970-71, for non-developmental expenditure including the provision for "the Contingency Item" but excluding the debt servicing liability are given below:—

	(Figures in crore of Rupees)
The Punjab	71.61
Sind	36.70
N-W.F.P.	21.78
Baluchistan	12.07

Province-wise details of the above-mentioned expenditure may be seen at table No. 10.

TABLE NO. 10
NON-DEVELOPMENT EXPENDITURE ON REVENUE ACCOUNT
(Excluding Debt Servicing) 1970-71

Particulars	(Figures in crore of Rupees)			
	The Punjab	Sind	N.-W.F.P.	Baluchistan
1. Direct demands on revenue	4.85	1.88	1.26	0.40
2. Civil administration	14.01	8.07	4.63	2.95
3. Development departments				
(i) Irrigation expenditure	0.30	0.22	0.27	0.09
(ii) Civil works and miscellaneous public improvements	3.94	1.53	1.18	1.98
(iii) Education	20.78	10.67	6.02	1.60
(iv) Health services	4.72	2.66	1.16	0.84
(v) Agriculture	3.50	1.33	0.92	0.61
(vi) Other beneficent departments	2.80	0.73	0.49	0.41
Sub-total	36.04	17.14	10.04	5.53
4. Miscellaneous	8.96	5.61	3.60	2.19
5. Contingency	7.75	4.00	2.25	1.00
Grand Total	71.61	36.70	21.78	12.07

The following features of the province-wise budget estimates deserve special mention:—

- (i) Provision has been made for payment of 11 months salaries only because the payment of salaries for the month of June, 1970 has been made by the Government of West Pakistan before dissolution. The annual wage and salary bill of the provincial government is Rs 66 crores approximately. This means that an additional amount of Rs. 5.50 crores approximately should be added to the aggregate total of the province-wise figures in order to arrive at the correct figure for the volume of non-development expenditure to be incurred during 1970-71;
- (ii) The extra cost of implementing the new Educational Policy has been taken into account under head "37-Education."
- (iii) The cost of the wheat subsidy has been shown, for the first time, as part of the non-developmental expenditure on Revenue Account under the

head "57-Miscellaneous". Hitherto, the cost of the wheat subsidy was disguised in the figures for expenditure and receipts under the head "85-A-Capital Outlay on Provincial Schemes of State Trading", and could not be separately and distinctly identified. Since the wheat subsidy does not create any capital asset and since money spent thereon is used for financing current consumption, it has been considered appropriate to transfer this cost to the Revenue Account in order to give a more accurate picture of the level of non-development expenditure by a provincial government.

- (iv) The total provision under the contingency item for the four new provinces adds up to Rs. 15.00 crore. The province-wise break-up of the above-mentioned figure of Rs. 15.00 crore is given below:—

The Punjab	Rs. 7.75 crores
Sind	Rs. 4.00 crores
N.-W.F.P.	Rs. 2.25 crores
Baluchistan	Rs. 1.00 crore
Total	Rs. 15.00 crores

The provision under the contingency item would appear to be sizeably higher than usual. This is because it is meant to accommodate, apart from the usual unforeseen expenditures of emergent nature, the following yet indeterminate and unquantifiable items:—

- (a) Possible wage increase consequent on the recommendations of the Pay Commission;
- (b) Possible expense on police reorganization consequent on the recommendations of the Police Commission.
- (c) Possible expense connected with the One-Unit Dissolution

Debt Servicing

(v) Province-wise budget estimates for expenditure on debt servicing 1970-71 are given below:

	(Rs. in crore)
The Punjab	16.17
Sind	9.65
N.-W.F.P.	3.21
Baluchistan	1.51
Total	30.54

Expenditure on meeting the debt servicing liability is analysed in detail in the chapter on public debt.

B. NON-DEVELOPMENTAL EXPENDITURE ON THE CAPITAL ACCOUNT

(i) Repayment of Loans

This item of expenditure is discussed in detail in the chapter on public debt. The province-wise budget estimates, 1970-71 are given below:—

	(Rs. in crore)
The Punjab	4.54
Sind	2.85
N.-W.F.P.	0.78
Baluchistan	0.48

(ii) Payment of Commuted Value of Pensions

Province-wise budget estimates, 1970-71, are given below:—

	(Rs. in crore)
The Punjab	1.13
Sind	0.49
N.-W.F.P.	0.45
Baluchistan	0.07

The above figures are based on an exact calculation of the liability of each new provincial government by the audit offices.

(iii) Provincial Schemes of State Trading

The net effect on the resource position of provincial schemes of state trading has been discussed already in the chapter on resources. The province-wise budget estimates for 1970-71 are given below:—

Name of Province	Gross Expenditure	Receipts	Net Expenditure
The Punjab	69.29	61.13	8.16
Sind	29.06	34.35	(—)5.29
N.-W.F.P.	13.53	17.01	(—)3.48
Baluchistan	11.16	11.16	—

(iv) Non-Development Loans And Advances

These include loans to government servants, and loans to cultivators under the

Land Improvement Loans Act, 1883, and the Agriculturists Loans, Act, 1958. Province-wise budget estimates for 1970-71 are given below:—

	(Rs. in crores)
The Punjab	0.61
Sind	0.47
N-W.F.P.	0.32
Baluchistan	0.23

(v) Contingency Item

For 1970-71, substantial provision has been made for Contingency Item on the Capital Account. Province-wise budget estimates are given below:—

	(Rs. in crore)
The Punjab	5.50
Sind	2.25
N-W.F.P.	6.50
Baluchistan	2.46

In the case of N-W.F.P., the budget provision for the Contingency Item includes Rs. 5.00 crore (out of Rs. 6.00 crore) of the block allocation in the annual development programme of this province. Similarly, in the case of Baluchistan, the budget provision of Rs. 2.46 crore includes the block allocation of Rs. 1.71 crore in the provincial annual development programme. The provisions relating to the block allocations in the annual development programme of these two provinces are backed by resources. The balance of Rs. 1.40 crore in the case of N-W.F.P. and Rs. 0.75 crore in the case of Baluchistan, and the provisions for Sind and the Punjab are not backed by resources. The reason why provision has been made for Contingency Item on Capital Account without the resources to back the same is to allow the provincial governments sufficient flexibility to transfer funds from one scheme to another during the course of the next financial year by means of the Contingency Item in cases where the rules regarding re-appropriation do not permit such transfers.

CHAPTER IV
PUBLIC DEBT.

PUBLIC DEBT

A. ECONOMIC AND FINANCIAL IMPLICATIONS

The provincial government has had to rely heavily on public borrowings for the purpose of financing development. This has led to a steady rise in public debt. The total debt liability outstanding (after accounting for repayments) at the end of each financial year since 1959-60 shows the following increase:—

On	(Rs. in crores)
30th June, 1960	225.74
30th June, 1961	129.92
30th June, 1962	165.69
30th June, 1963	258.69
30th June, 1964	339.58
30th June, 1965	425.16
30th June, 1966	481.17
30th June, 1967	592.39
30th June, 1968	643.64
30th June, 1969	781.17
30th June, 1970	946.70

The sudden decrease in 1960-61 was on account of the fact that in that year, the Central Government agreed to write down the outstanding rupee loans by 50%. The written down loans were merged into one consolidated debt repayable in equated instalments over a period of 25 years. This consolidated debt bears interest @ 3.5% per annum.

The steady and continuous increase in the public debt of the provincial government has placed a heavy strain on the provincial finances for the following reasons:—

- (i) A sizeable proportion of the loans has been used for financing development not directly remunerative e.g. on projects for providing physical infrastructure or social overheads.
- (ii) Substantial percentages of loans received in each year have been passed on to autonomous bodies @ interest less than those payable by the provincial government to the Central Government. In the case of the Agricul-

tural Development Corporation, for example, loans have been advanced on interest-free terms for financing projects that do not generate any direct income such as Feasibility Studies, General Surveys and Investigations, etc.

- (iii) Substantial percentages of the loans received each year have been passed on to the autonomous bodies especially to P.W.R. by way of investment. The rate of return on aforesaid investment is less than the rate of interest payable by the provincial government to the Central Government. In addition, there is no repayment of principal on the amounts invested by the provincial government.

The factors noted above have led to a growing gap between the interest and return realized by the provincial government and the interest paid by the provincial government in respect of central government loans and market loans. The size of the gap on account of both interest and principal may be seen separately for each year for the period 1964-65 to 1969-70 at Table No. 10 and Table No. 11.

TABLE NO. 10

(Rupees in crores)

Year	Interest Paid on Market Loans	Interest paid on Central Government Loans	Total of Col. 2 and Col. 3	Interest receipts of the provincial Government	Return on investment in Railways	Total of Col. 5 and Col. 6	Difference between Columns 4 and 7
1	2	3	4	5	6	7	8
1964-65	2.12	18.02	20.14	15.41	—	15.41	(—) 4.73
1965-66	2.17	26.61	28.78	18.02	—	18.02	(—) 10.76
1966-67	2.68	30.58	33.26	20.09	1.29	21.38	(—) 11.88
1967-68	2.33	28.83	32.16	23.48	1.98	25.46	(—) 6.70
1968-69	3.37	33.13	36.50	28.72	2.43	31.15	(—) 5.35
1969-70 (R.E.)	3.78	41.82	45.60	31.36	2.84	34.20	(—) 11.40

TABLE NO. 11

(Rupees in crores)

Year	Repayment of Central Government Loans	Recoveries of loans and Advances	Difference between columns 2 and 3
1	2	3	4
1964-65	2.97	5.98	(—) 3.01
1965-66	6.28	6.73	(—) 0.45
1966-67	6.21	7.10	(—) 0.89
1967-68	6.62	17.64	(—) 11.02
1968-69 (R.E.)	10.87	8.60	(—) 2.27
1969-70 (R.E.)	16.14	19.04	(+) 2.90

For the year 1970-71, the budgeted figures for interest receipts and payments and principal receipts and repayments on Central government and market loans for West Pakistan as a whole are as follows:—

	(Rs. in crores):
(i) Interest receipts including return on investment in Railways.	35.77
(ii) Interest payment on Central government Loans and Market Loans.	55.13
(iii) Receipts on account of recoveries of Loans and advances.	14.16
(iv) Principal repayments on Central Government Loans.	18.79

The above figures would indicate that the gap shown by the figures at Table No. 10 and Table No. 11 is now beginning to widen at an alarming rate. This is also borne out by the Resource Projections for the Fourth Plan period which suggest that in 1974-75, interest receipts will be Rs. 55.25 crores only against interest payments on Central Government Loans and Market Loans of Rs. 74.31 crores—a gap of Rs. 19.06 crores.

Similarly, recoveries of loans and advances in 1974-75 are estimated at Rs. 15.92 crores as against principal repayments of Rs. 27.94 crores—a gap of Rs. 12.02 crores.

The above facts underline the urgent need for securing Central Government's agreement to writing down the outstanding rupee loans as on 30th June, 1970 by at least 50%.

B. APPORTIONMENT OF GOVERNMENT OF WEST PAKISTAN'S DEBT LIABILITY

The public debt of the province as on 30-6-1970 consists of:—

- (a) Loans from the open market.
- (b) Loans from the Central Government including:—
 - (i) Rupee Loans;
 - (ii) Counter-part Fund Rupee Loans, and
 - (iii) Foreign Exchange Loans.

(a) Market Loans

The outstanding liability of the provincial government in respect of market loans

as on 30-6-1970 is estimated at Rs. 78.79 crores. The break-up of this figure is given below:—

Name of Loan	Date of Issue	Date of Maturity	(Rs. in crores) Balance as on 30-6-1970
Discharged loans—			
Provincial Loans which matured for repayment between 1948-1968.			0.82
Current Loans			
4½ per cent West Pakistan Loan	1963	17.9.70	8.16
4½ per cent West Pakistan Loan 1971.	1964	29.8.71	8.44
5½ per cent West Pakistan Loan 1972.	1965	12.8.72	15.19
5½ per cent West Pakistan Loan 1973.	1966	27.8.73	19.13
5½ per cent West Pakistan Loan 1976.	1966	14.9.76	4.43
5½ per cent West Pakistan Loan 1977.	1968	28.8.77	8.53
5½ per cent West Pakistan Loan 1978.	1969	12.9.78	14.09
Sub-total:			77.97
	Grand Total:		78.79

The decision of the one Unit (Re-organisation) Committee in respect of Market Loans is that liability in respect of pre-integration market loans which have matured and of which a small amount remains unpaid shall be assumed by the successor province concerned. Liability for repaying and servicing market loans floated by the Government of West Pakistan shall be assumed and discharged by the President for and on behalf of the new Provinces and the Centrally Administered Areas, as the case may be. The new provinces and the Central Government shall reimburse the President to the extent of the liability so discharged by him in the ratio derived from the gross development expenditure in the territories of the four new provinces and Centrally

Administered Areas during the period 1960-61 to 1969-70 excluding development expenditure of P.W.R. and self-financed development expenditure of Karachi Development Authority and the Improvement Trusts. Since, however, firm development expenditure figures for 1969-70 are not available, the market loans repayment and servicing liability may be shared by the new provinces and the Central Government provisionally and subject to subsequent adjustment, in the ratio of the gross development expenditure (as defined earlier) during the period 1960-61 to 1968-69.

The ratios worked out on the basis of the aforesaid decision are as follows:—

	(Rs. in crores)	
	Development Expenditure 1960-61 to 1968-69	Percentage
The Punjab	529.45	53.77
Sind	303.29	30.80
N.-W.F.P.	100.95	10.25
Baluchistan	47.21	4.80
Centrally Administered Areas	3.74	0.38
Total:	984.64	100.00

The Market Loans maturing for repayment during 1970-71 would be of the amount of Rs. 8.16 crore; the interest charges payable to the President on the market loans taken over by the President for the new provinces and Centrally Administered Areas would amount to Rs. 3.90 crore during 1970-71. These repayments and interest charges will be shared by the new Provinces according to ratios given above, in the following manner:—

	(Rupees in crores)	
	Principal Repayment	Interest Payment
The Punjab	4.39	2.10
Sind	2.51	1.20
N.-W.F.P.	0.84	0.40
Baluchistan	0.39	0.19
Centrally Administered Areas	0.03	0.01
Total:	8.16	3.90

b. Loans From The Central Government

(i) Rupee Loans

Details of the estimated liability of the provincial government as on 30-6-70 on account of rupee loans are as follows:—

Name of Loan	(Rupees in crore)
1. Consolidated debt	59.07
2. Development loan 1961-62	28.61
3. Development loan 1962-63	40.30
4. Development loan 1963-64	66.11
5. Development loan 1964-65	53.98
6. Development loan 1965-66	15.44
7. Development loan 1966-67	26.32
8. Loan for construction of Lahore Stadium	0.06
9. Loan on account of WPIDC assets converted into development loan	35.23
10. Loan for WPIDC projects transferred to WAPDA	5.63
11. Flood Relief loan for Hyderabad storm	0.15
12. Development loan 1967-68	51.19
13. Development loan 1968-69	81.72
14. Development loan 1969-70	103.35
15. Special loan for adjustment of Food Advances	21.09
16. Special Loan for clearance of debit balance with State Bank	40.00
Total:—	<u>628.25</u>

Out of the above-mentioned amount of Rs. 628.25 crores, the balance on account of loans passed on to and utilized by the undivided autonomous bodies is Rs. 468.80 crores and the balance on account of loans utilized by the Government of West Pakistan, either through its departments or through autonomous bodies other than the undivided autonomous bodies, is Rs. 159.45 crores. Loan-wise distribution of the balance amount between the undivided autonomous bodies and the Government of West Pakistan may be seen at Table No. 12.

TABLE NO. 12

**LOAN-WISE DISTRIBUTION OF OUTSTANDING DEBT LIABILITY ON ACCOUNT OF RUPEE LOANS FROM
CENTRAL GOVERNMENT AS ON 30-6-70**

Name of Loan	Outstanding amount as on 30-6-1970	Liability attributable to undivided autonomous bodies						Total un-divided autonomous bodies	Government of West. Pakistan
		P.W.R.	WAPDA	WPIDC	WPAIDC	WPSIC	AC(GOWP)		
Upto 1960-61	59.07	—	38.67	—	—	0.10	—	38.77	20.30
Development 1961-62	28.61	—	16.00	—	4.28	0.63	—	20.91	7.70
Development Loan 1962-63	40.30	4.00	20.56	10.61	5.24	0.77	—	41.18	(-)0.88
WPIDC Assets converted into loan	35.23	—	—	35.23	—	—	—	35.23	—
Development Loan 1963-64	66.11	3.94	17.45	2.19	4.41	1.00	—	28.99	37.12
WPIDC Assets transferred to WAPDA	5.63	—	5.63	—	—	—	—	5.63	—
Development Loan 1964-65	53.98	9.47	27.82	3.00	5.63	0.28	—	46.19	7.79
Development Loan 1965-66	15.44	11.79	19.83	1.99	4.19	0.16	0.50	38.47	(-)23.03
Development Loan 1966-67	26.32	13.95	28.32	4.69	6.38	0.35	0.32	54.01	(-)27.69
Development Loan 1967-68	51.19	8.65	25.03	2.47	3.29	0.41	0.51	40.36	10.83
Development Loan 1968-69	81.72	7.79	37.94	5.56	7.95	0.27	1.22	60.73	20.99
Development Loan 1969-70 (R.E.)	103.35	7.52	39.02	6.74	3.85	0.34	0.86	58.33	45.02
Special Loan for adjustment of food advances	21.09	—	—	—	—	—	—	—	21.09
Special Loan for clearance of debit balance with State Bank	40.00	—	—	—	—	—	—	—	40.00
Special Loan for Hyderabad Floods	0.15	—	—	—	—	—	—	—	0.15
Loan for Lahore Stadium	0.06	—	—	—	—	—	—	—	0.06
Total	628.25	67.41	276.27	72.48	45.22	4.31	3.41	468.80	159.45

The decisions of the One Unit (Reorganization) Committee on how the Government of West Pakistan's liability to repay and service the above noted loans will be borne by each of the four new provinces and the Government of Pakistan, in respect of the Centrally Administered Areas, are as follows:—

1. Liability in respect of loans utilized by Government of West Pakistan viz. Rs. 159.45 crore to be apportioned—

- (a) On the basis of location of the project for which the loans were used provided the project is located exclusively within one new province or within the Centrally Administered Areas;
- (b) Where a project covers more than one new province, in the ratio/ratios derived from gross development expenditure on that project in each new province or Centrally Administered Area during 1960-61 to 1969-70 (for 1970-71 budget, however, only 1960-61 to 1968-69 period relevant).
- (c) Where the linkage between a specific loan and a specific project not possible to establish, in the ratio/ratios derived from the gross developmental expenditure in each new province or Centrally Administered Area, during 1960-61 to 1969-70 (for 1970-71 budget, however, only 1960-61 to 1968-69 period relevant), exclusive of the development outlay by P.W.R. and self-financed development outlay by Karachi Development Authority and Improvements Trusts.

2. Liability in respect of loans utilized by P.W.R. viz. Rs. 67.11 crore.—To be assumed by the President on behalf of the new Provinces.

3. Liability in respect of loans utilized by:—

	(Rs. in crore)
WAPDA	276.28
WPADC	45.22
WPIDC	72.48
WPSIC	4.31
AC(GOWP)	3.41

To be assumed by the President for and on behalf of the new provinces and the Central Government, as the case may be. The difference between—

the amount receivable by the president from a body on account of the loans passed on to and utilized by that body, AND the amount payable by the President to the Central Government on account of the loans thus passed on and utilized by that body;

to be shared by each new province Central Government as the case may be, in the ratio/ratios derive from the gross development expenditure of that body in

the territory of each new province and the Centrally Administered Areas during the period 1960-61 to 1969-70 (for 1970-71 budget, however, only 1960-61 to 1968-69 period relevant).

Working on the basis of the above quoted decisions, the liability of each government for the loans utilized by Government of West Pakistan may be seen at Table No. 13.

The loan-wise details of the liability that the President will assume on behalf of all four provinces in respect of loans utilized by P.W.R. may be seen from Table No. 14.

TABLE NO. 14

(Rs. in crore)

Name of Loan	Liability on account of Principal	Principal repayment 1970-71	Interest payments 1970-71
Cash Development Loan 1962-63	4.00	0.15	0.19
Cash Development Loan 1963-64	3.94	0.13	0.18
Cash Development Loan 1964-65	9.47	0.29	0.44
Cash Development Loan 1965-66	11.79	—	0.62
Cash Development Loan 1966-67	13.95	—	0.87
Cash Development Loan 1967-68	8.65	—	0.52
Cash Development Loan 1968-69	7.79	—	0.49
Cash Development Loan 1969-70 (R.E.)	7.52	—	0.39
Sub-Total	67.11	0.57	3.70
For 1970-71, Add			
(i) Interest on loans to be utilized by P.W.R. during 1970-71	—	—	0.23
(ii) Interest on balances in G.P. Fund and Reserve Funds of P.W.R.	—	—	1.65
(iii) Return on Central Government's investment in P.W.R.	—	—	5.16
Grand Total	67.11	0.57	10.74

DISTRIBUTION OF DEBT SERVICING LIABILITY BETWEEN T

Name of loan	The Punjab				
	Total liability on account of principal	Repayment of principal during 1970-71	Interest payments during 1970-71	Total liability on account of principal	Repayment of principal during 1970-71
Cash Development loan 1960-61	1092.00	51.88	74.49	625.00	29.71
Cash Development loan 1961-62	414.00	16.24	19.36	237.00	9.30
Cash Development loan 1962-63	(—)47.00	(—)1.72	(—)2.20	(—)027.00	(—)0.98
Cash Development loan 1963-64	1996.00	66.26	94.39	1143.00	37.95
Cash Development loan 1964-65	419.00	12.86	19.62	240.00	7.37
Cash Development loan 1965-66	(—)1238.00	—	(—)65.02	(—)709.00	—
Cash Development loan 1966-67	(—)1489.00	—	(—)93.04	(—)853.00	—
Cash Development loan 1967-68	582.00	—	34.95	334.00	—
Cash Development loan 1968-69	1129.00	—	70.55	646.00	—
Loan for the adjustment of food advances	1067.00	118.58	51.86	643.00	71.44
Loan for clearance of debit balance	2151.00	—	134.42	1232.00	—
Loan for Hyderabad flood	—	—	—	15.00	15.00
Loan for Lahore Stadium	6.00	0.62	0.27	—	—
Cash Development Loan 1969-70	2421.00	—	193.16	1387.00	—
Cash Development Loan 1970-71	—	—	52.44	—	—
Total	8497.00	264.72	584.25	4898.00	169.79

THE PROVINCIAL GOVERNMENTS & CENTRAL GOVERNMENT

Sind	(Rupees in lacs)								
	N.-W.F.P.			Baluchistan			Centrally Administered Areas		
Interest payments during 1970-71	Total liability on account of principal	Repayment of principal during 1970-71	Interest payments during 1970-71	Total liability on account of principal	Repayment of principal during 1970-71	Interest payments during 1970-71	Total liability on account of principal	Repayment of principal during 1970-71	Interest payments during 1970-71
42.67	208.00	9.89	14.20	97.00	4.63	6.65	8.00	0.37	0.53
11.09	079.00	3.10	3.69	37.00	1.45	1.73	3.00	0.12	0.14
-1.26	(-)009.00	(-)0.33	(-)42	(-)4.00	(-)1.05	(-)0.20	(-)1.00	(-)0.01	(-)0.02
53.49	381.00	12.63	17.80	178.00	5.92	8.34	14.00	0.47	0.66
11.25	80.00	2.45	3.74	37.00	1.15	1.75	3.00	0.09	0.14
-37.24	(-)236.00	—	(-)12.39	(-)111.00	—	(-)5.81	(-)9.00	—	(-)0.46
-53.30	(-)284.00	—	(-)17.73	(-)133.00	—	(-)8.31	(-)10.00	—	(-)0.66
20.02	111.00	—	6.66	52.00	—	3.12	4.00	—	0.25
40.41	215.00	—	13.45	101.00	—	6.30	8.00	—	0.50
31.25	240.00	26.64	11.65	159.00	17.64	7.72	—	—	—
77.00	410.00	—	25.63	192.00	—	12.00	15.00	—	0.95
0.38	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
110.64	461.00	—	36.82	216.00	—	17.24	17.00	—	1.37
31.03	—	—	41.73	—	—	29.94	—	—	—
337.43	1656.00	54.38	146.83	821.00	30.64	80.47	052.00	1.04	3.40

Name of Loan	WAPDA			WPIDC	
	Liability on account of Principal	Principal repayments 1970-71	Interest payments 1970-71	Liability on account of Principal	Principal repayments 1970-71
Loans Upto 1960-61	38.67	1.84	2.64	—	—
Cash Development Loan 1961-62	16.00	0.63	0.75	—	—
Cash Development Loan 1962-63	20.56	0.75	0.96	10.61	0.39
WPIDC Loan	—	—	—	35.23	1.27
Cash Development Loan 1963-64	17.45	0.58	0.82	2.19	0.07
WPIDC Proj.cts transferred to WAPDA	5.63	0.34	0.21	—	—
Cash Development Loan 1964-65	27.82	0.85	1.31	3.00	0.09
Cash Development Loan 1965-66	19.83	—	1.04	1.99	—
Cash Development Loan 1966-67	28.32	—	1.77	4.69	—
Cash Development Loan 1967-68	25.03	—	1.50	2.47	—
Cash Development Loan 1968-69	37.94	—	2.37	5.56	—
Cash Development Loan 1969-70	39.02	—	2.02	6.74	—
Total	276.27	4.99	15.39	72.48	1.82
For 1970-71 Add—					
Interest on Loan/Investments	—	—	1.45	—	—
Interest on ADC Debentures and AC (GOWP) Loan	—	—	—	—	—
Grand Total	276.27	4.99	16.84	72.48	1.82

SERVICING LIABILITY
AUTONOMOUS BODIES

(Rs. in crore)									
WPADC			WPSIC			AC (GOWP)			
Interest payments 1970-71	Liability on account of Principal	Principal repayments 1970-71	Interest payments 1970-71	Liability on account of Principal	Principal repayments 1970-71	Interest payments 1970-71	Liability on account of Principal	Principal repayments 1970-71	Interest payments 1970-71
—	—	—	—	0.10	0.01	0.01	—	—	—
—	4.28	0.17	0.20	0.63	0.02	0.03	—	—	—
0.50	5.24	0.19	0.24	0.77	0.03	0.04	—	—	—
1.65	—	—	—	—	—	—	—	—	—
0.10	4.41	0.15	0.21	1.00	0.03	0.05	—	—	—
—	—	—	—	—	—	—	—	—	—
0.14	5.63	0.17	0.26	0.28	0.01	0.01	—	—	—
0.10	4.19	—	0.22	0.16	—	0.01	0.50	—	0.03
0.29	6.38	—	0.40	0.35	—	0.02	0.32	—	0.02
0.15	3.29	—	0.20	0.41	—	0.02	0.51	—	0.03
0.35	7.95	—	0.50	0.27	—	0.01	1.22	—	0.08
0.35	3.85	—	0.20	0.34	—	0.02	0.86	—	0.04
3.63	45.22	0.68	2.43	4.31	0.10	0.22	3.41	—	0.20
0.20	—	—	0.15	—	—	0.01	—	—	0.04
—	—	—	0.55	—	—	—	—	0.18	0.01
3.83	45.22	0.68	3.13	4.31	0.10	0.23	3.41	0.18	0.25

Loan-wise and body-wise details in respect of liability to be assumed by the President on behalf of the new provinces and Central Government on account of loans passed on to and utilized by WAPDA, WPIDC, WPADC, WPSIC and AC(GOWP) may be seen at Table No. 15.

The amounts that are payable to Central Government in respect of principal and interest on account of loans utilized by the undivided autonomous bodies other than the P.W.R. (as detailed at Table No. 15) differ from the amounts receivable from these bodies because part of these loans have been passed on to aforesaid bodies by way of investment and part by way of loans at rates of interest different from those payable by the Government of West Pakistan to the Government of Pakistan.

Body-wise details in respect of the difference may be seen at Table No. 16. The figures in this table have been calculated after taking into account liability in respect of foreign loans and Counterpart Fund rupee loans.

TABLE NO. 16

Name of Body	(Rupees in crore)					
	Receivable from		Payable on account of		Difference	
	Repayment	Interest	Repayment	Interest	Repayment	Interest
WAPDA	4.67	15.63	6.01	19.04	(-)1.34	(-)3.41
WPADC	1.82	0.76	0.68	3.13	1.14	(-)2.37
WPIDC	0.32	4.17	2.15	4.33	(-)1.83	(-)0.16
WPSIC	0.38	0.29	0.10	0.25	0.28	0.04
AC (GOWP)	—	—	0.18	0.44	(-)0.18	(-)0.44

(ii) **Counterpart Fund Rupee Loans Viz. Rs.—80.35 Crore.**

Details of the estimated liability of the provincial government as on 30th June, 1970, on account of Counterpart Fund Loans are as follows:—

		(Rs. in crore)
Sl. No.	Name of Loan	
U.S. Counterpart Fund Loan:—		
1.	AID-391-G-009	2.94
2.	AID-391-G-026	6.72
3.	AID-391-G-028	0.01
4.	AID-391-G-040	3.68
5.	AID-391-G-047	3.07
6.	AID-391-G-065	18.78
7.	AID-391-G-120	13.22
8.	AID-391-G-122	5.90
9.	AID-391-G-132	9.45
10.	AID-391-G-133	1.25
11.	(1969-70)	0.50
Sub-Total		65.52

German Counterpart Fund Loans:—

12.	1964-65	0.20
13.	1965-66	2.63
14.	1966-67	2.00
15.	1967-68	2.00
16.	1968-69	4.00
17.	1969-70	4.00
	Sub-total	14.83
	Grand Total	80.35

The decisions of the One Unit (Re-organization) Committee on how the Government of West Pakistan's liability to repay and service the above noted loans will be borne by each of the four new provinces, and by the Government of Pakistan in respect of the Centrally Administered Areas, are identical with their decisions in respect of apportionment of rupee loans.

Out of the total outstanding amount of Rs. 80.35 crore, the outstanding balance in respect of the loans passed on to and utilized by the undivided autonomous bodies is Rs. 53.34 crore and the outstanding balance in respect of loans utilized by the provincial government either through its departments or through bodies other than the undivided autonomous bodies is Rs. 27.01 crore. Loan-wise details of the outstanding balances as on 30th June, 1970 attributable to the Government of West Pakistan and the undivided autonomous bodies may be seen at Table No. 17.

TABLE NO. 17

Sl. No.	Name of Loan	Outstanding amount as on 30th June, 1970	Liability attributable to provincial government	(Rs. in crore)		
				Liability attributable to undivided autonomous bodies		
US AID LOANS				WAPDA	P.W.R.	WPIDC
1.	US AID-391-G-009	2.94	—	2.94	—	—
2.	US AID-391-G-026	6.72	—	6.72	—	—
3.	UA AID-391-G-028	0.01	—	—	0.01	—
4.	US AID-391-G-040	3.68	—	2.21	1.47	—
5.	US AID-391-G-047	3.07	—	2.44	0.63	—
6.	US AID-391-G-065	18.78	0.74	18.04	—	—
7.	US AID-391-G-120	13.22	9.17	4.05	—	—
8.	US AID-391-G-122	5.90	5.90	—	—	—
9.	US AID-391-G-132	9.45	9.45	—	—	—
10.	US AID-391-G-133	1.25	1.25	—	—	—
11.	Loan 1969-70	0.50	0.50	—	—	—
	Sub-total US Aid Loans	65.52	27.01	36.40	2.11	—

German Counterpart Fund Loans				(Rs. in crore)	
12. 1964-65	0.20	—	0.20	—	—
13. 1965-66	2.63	—	2.33	—	0.30
14. 1966-67	2.00	—	1.40	—	0.60
15. 1967-68	2.00	—	1.56	—	0.44
16. 1968-69	4.00	—	2.48	—	1.52
17. 1969-70	4.00	—	2.80	—	1.20
Sub-total German Counterpart Fund Loans	14.83	—	10.77	—	4.06
Grand Total	80.35	27.01	47.17	2.11	4.06

Out of the outstanding amount of Rs. 27.01 crore attributable to the provincial government, liability in respect of Rs. 6.31 crore is attributable to the Malaria Eradication programme, Rs. 1.37 crore to the Family Planning Programme, Rs. 0.18 crore to the programmes of the Public Health Engineering Department, Rs. 12.09 crore to the Rural Works Programme and Rs. 6.90 crore to budgetary support for the Government of West Pakistan.

Liability in respect of outstanding balances of loans attributable to the Malaria Eradication Programme, Family Planning Programme and Rural Works Programme has been apportioned between the four provinces and Centrally Administered Areas in the ratio/ratios derived from the gross development expenditure in the area of each new province and Centrally Administered Territories during the period 1960-61 to 1968-69. These expenditures and ratios may be seen at Table No. 18.

Liability in respect of outstanding balances of loans attributable to the Public Health Engineering Department has been apportioned on the basis of the location of the projects for which these loans have been utilized. Liability in respect of outstanding balances of loans utilized for general budgetary support has been apportioned in the ratios derived from gross development expenditure during 1960-61 to 1968-69 exclusive of expenditure incurred by P.W.R. and self-financed expenditure of K.D.A. and Improvement Trusts.

On the above basis, loan-wise details of liability attributable to each province on account of capital, principal repayments and interest charges works out as given in Table No. 19.

Liability in respect of outstanding balances of loans utilized by the undivided autonomous bodies has been assigned to the President for and on behalf of the new provinces and Central Government. Loan-wise details may be seen at Table No. 20.

TABLE NO. 18
(Figures in Rupees)

Sl. No.	Name of Programme Year	The Punjab		Sind		N-W.F.P.		Baluchistan		Cetnre		
		Develop-ment expenditure	Ratio	Develop-ment expenditure	Ratio	Develop-ment expenditure	Ratio	Develop-ment expenditure	Ratio	Develop-ment expenditure	Ratio	
1.	Malaria Eradication Programme	1966-67	1,46,28,285	72.7%	38,33,373	19.0%	14,18,379	7.0%	—	—	2,57,640	1.3%
		1967-68	1,19,83,864	63.9%	48,17,656	25.7%	15,37,469	8.2%	—	—	4,19,846	2.2%
		1968-69	2,16,95,824	56.5%	99,53,621	25.9%	53,44,510	13.9%	4,71,531	1.2%	9,39,094	2.5%
2.	Family Planning	1965-66	73,76,340	71.9%	26,49,156	25.8%	2,39,232	2.3%	—	—	—	—
		1966-67	1,12,71,353	68.0%	29,70,612	18.0%	21,57,746	13.0%	1,71,533	1.0%	—	—
3.	Rural Works Programme	1966-67	2,49,18,520	52.5%	78,64,470	16.5%	1,05,21,730	22.2%	41,95,280	8.8%	—	—
		1967-68	3,64,08,705	50.9%	1,24,51,045	17.4%	1,52,11,480	21.2%	75,28,770	10.5%	—	—
		1968-69	5,35,00,600	60.1%	1,87,00,800	21.0%	1,02,10,750	11.5%	65,71,300	7.4%	—	—

TABLE N

Sl. No.	Name of Loan	Outstand- ing Liability as on 30-6-70	The Punjab			Sind	
			Capital	Principal repayment 1970-71	Interest payment 1970-71	Capital	Principal repayment 1970-71
1.	US AID-391-G-065	74.00	57.00	2.19	0.40	15.00	0.54
2.	US AID-391-G-120	917.00	570.00	—	5.69	186.00	—
3.	US AID-391-G-122	590.00	317.00	—	3.17	137.00	—
4.	US AID-391-G-132	945.00	515.00	—	10.30	226.00	—
5.	US AID-391-G-133	125.00	76.00	—	1.53	27.00	—
6.	US AID Loan 1969-70	50.00	30.00	—	—	11.00	—
Total		27,01.00	15,65.00	2.19	21.09	602.00	0.54

(Rupees in lacs)

Interest payment 1970-71	N.-W.F.P.			Baluchistan			Centre		
	Capital	Principal repayment 1970-71	Interest payment 1970-71	Capital	Principal repayment 1970-71	Interest payment 1970-71	Capital	Principal repayment 1970-71	Interest payment 1970-71
0.10	2.00	0.10	0.02	—	—	—	—	—	—
1.86	120.00	—	1.20	35.00	—	0.34	6.00	—	0.06
1.37	92.00	—	0.92	42.00	—	0.42	2.00	—	0.02
4.53	136.00	—	2.72	64.00	—	1.28	4.00	—	0.08
0.55	14.00	—	0.27	7.00	—	0.15	1.00	—	0.01
—	6.00	—	—	3.00	—	—	—	—	—
8.41	370.00	0.10	5.13	151.00	—	2.19	13.00	—	0.17

TABLE NO. 20

LOAN LIABILITY ATTRIBUTABLE TO UNDIVIDED AUTONOMOUS BODIES

(Rupees in lacs)

NAME OF LOANS	Outstanding amount on 3-6-70	P.W.R.			WAPDA			WPIDC		
		Capital	Principal Repayment 1970-71	Interest payment 1970-71	Capital	Principal Repayment 1970-71	Interest payment 1970-71	Capital	Principal Repayment 1970-71	Interest payment 1970-71
1. US AID-391-G-009	2,94.00	—	—	—	2,94.00	2.30	10.33	—	—	—
2. US AID-391-G-026	6,72.00	—	—	—	6,72.00	6.37	26.80	—	—	—
3. US AID-391-G-028	1.00	1.00	0.01	0.02	—	—	—	—	—	—
4. US-AID-391-G-040	3,68.00	1,47.00	1.05	5.88	2,21.00	1.58	8.83	—	—	—
5. US AID 391-G-047	3,07.00	63.00	0.40	2.52	2,44.00	1.55	9.75	—	—	—
6. US AID-391-G-065	18,04.00	—	—	—	18,04.00	73.70	13.42	—	—	—
7. US AID-391-G-120	4,05.00	—	—	—	4,05.00	—	4.05	—	—	—
Sub-total US AID Loans	38,51.00	211.00	1.46	8.42	36,40.00	85.50	73.18	—	—	—
German Counterpart Fund:—										
Loans										
8. 1964-65	20.00	—	—	—	20.00	—	0.94	—	—	—
9. 1965-66	2,63.00	—	—	—	2,33.00	—	12.23	30.00	—	1.57
10. 1966-67	2,00.00	—	—	—	1,40.00	—	8.75	60.00	—	3.75
11. 1967-68	2,00.00	—	—	—	1,56.00	—	9.36	44.00	—	2.64
12. 1968-69	4,00.00	—	—	—	2,48.00	—	15.50	1,52.00	—	9.50
13. 1969-70	4,00.00	—	—	—	2,80.00	—	17.50	1,20.00	—	7.50
14. Add 1970-71 loan	—	—	—	—	—	—	5.47	—	—	3.12
Sub-Total German Loan	14,83.00	—	—	—	10,77.00	—	69.75	4,06.00	—	28.08
Grand Total	53,34.00	2,11.00	1.46	8.42	47,17.00	85.50	1,42.93	4,06.00	—	28.08

The amounts payable by the undivided autonomous bodies on account of Counterpart Fund rupee loans passed on to and utilized by them are not the same as the amounts payable by the provincial government to the Central Government in respect of aforesaid loans. The difference in respect of undivided bodies other than P.W.R. may be seen at Table No. 16. The figures given in this table include the difference on account of Foreign Exchange Loans and rupee loans from the Central Government.

(iii) Foreign Exchange Loans

Details of the estimated liability of the provincial government as on 30th June, 1970 on account of foreign exchange loans which have been utilized by the undivided autonomous bodies are as follows:

Sl. No.	Particulars of Loans/Project	(Rupees in crore)
		Balance outstanding on 30-6-1970
P.W.R.		
1.	IBRD-241-Pak for PWR	0.91
2.	IBRD-180-Pak for PWR	3.46
3.	IBRD-320-Pak for PWR	7.05
4.	IBRD-496-Pak Improvement of Railways	6.18
5.	Eximbank-1984-A for PWR	0.87
6.	DLF-105 for PWR	5.17
7.	IDA-57-Pak for PWR	8.04
8.	US AID 391-H-045 for PWR	8.08
9.	US AID 391-H-070 for PWR	6.62
10.	US AID 391-H-085 for PWR Improvement of Railways	2.89
11.	US AID 391-H-106 for PWR	2.29
12.	8th U.K. Credit for Improvement of Railways	2.76
13.	9th U.K. Credit for PWR	0.06
14.	11th U.K. Credit for PWR	0.06

15.	13th U.K. Credit for PWR	Free	6.46
16.	14th U.K. Credit for		0.02
17.	GMN-AL-137 for Improvement of Railways		2.80
18.	GMN-AL-51 for PWR		1.59
19.	GMN-AL-88 for Improvement of Railways		4.33
20.	GMN-F-25 for PWR		0.35
21.	US AID-391-H-129-PWR		0.89

Sub-total PWR	<u>70.88</u>
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WPSIC

22.	IDA-Credit 30-Pak for Small Industrial Estates		2.49
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Sub-total WPSIC	<u>2.49</u>
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WPIDC

23.	4th Yen Credit—Degari Mines		0.38
24.	4th Yen Credit—Daudkhel Fertilizer Factory		0.63
25.	Swiss Credit—Pak Machinery Tools Factory		1.71
26.	N.I. Bank 1st Loan Multan Fert. Factory		0.27
27.	N.I. Bank 2nd Loan—Karachi Shipyard		0.19
28.	N.I. Bank 3rd Loan—Karachi Shipyard		0.06
29.	AL-462—Karachi Shipyard		0.18
30.	China Loan for Heavy Mechanical Complex, Taxila		1.62

Sub-total WPIDC	<u>5.04</u>
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WAPDA

31.	IDA-22-Pak-Scarp Khairpur Area		8.80
32.	AID-391-H-055-Chaj Doab Scarp 2-A		4.49
33.	AID-391-H-087-Chaj Doab Scarp 2-B		2.47
34.	AID-391-H-069—General Investigation etc.		2.66

35.	AID-391-H-107-General Investigation Etc.	2.77
36.	AID-391-H-072-M.P.O.	2.23
37.	AID-391-H-088-M.P.O.	2.82
38.	AID-391-H-083-Thermal Power Station Lyallpur	7.66
39.	AID-391-H-090-Power Distribution	5.44
40.	AID-391-H-102-N.Z. Transmission Lines, Mangla	3.57
41.	AID-391-H-126 Second Mangla Dam Transmission Lines	1.27
42.	5th U.K. Credit—M.P.O.	0.60
43.	6th U.K. Credit—Hyderabad Thermal Power Station	1.04
44.	GMN-AL-170—Multan-Lyallpur 2nd Circuit	0.75
45.	GMN-AL-182-Scarp-3 Lower Thal	1.60
46.	5th Yen Credit—Mangla Power (Hydro) Generation	0.95
47.	Swiss Credit—Switch Gear for Mangla Hydro Extension Unit IV	0.11
48.	German Loan AL-495—for 32 Grid Stations and Switch Gear Sets	0.95
49.	Foreign Loans in the form of equipment received upto 1961-62 for Shadiwal Project etc.	0.45
50.	Foreign Loans in the form of equipment received in 1962-63	0.90
Sub-Total WAPDA:		<u>51.53</u>

AC (GOWP)

51.	5th Yen Credit-Cement Factories Wah and Rohri	0.57
52.	6th Yen Credit Cement Factories Wah and Rohri	2.53
53.	8th Yen Credit do	0.19
Sub-total AC (GOWP)		<u>3.29</u>

Total undivided autonomous bodies

133.23

Details of the estimated liability of the provincial government as on 30th June, 1970, on account of foreign loans which have been utilized by the provincial government itself (and not by the undivided autonomous bodies) are as follows:—

		(Rs. in crore)
Sl. No.	Particulars of Loans/Projects	Balance on 30-6-70
1.	54-Pak—Construction of W.P. Highway Project	7.38
2.	S-I-Pak—Lahore-Lyallpur-Sheikhupura Khushab Section	0.32
3.	578-Pak—Second W.P. Highway Project	0.24
4.	AID-391-H-103—Lahore-Multan Road	0.26
Sub-total Highway Department		8.20
5.	5th U.K. Credit-Buses for West Pakistan	0.91
Sub-total WPRTC		0.91
6.	IDA-50-Pak-Technical Education Project	1.49
Sub-total Education		1.49
7.	AID-391-H-060-Scarp-I-Rechna Doab	0.27
Sub-total L. and W.D. Board		0.27
8.	IDA-106-Pak-L.I.T.	0.65
9.	Swedish-106-Pak-L.I.T.	0.66
Sub-total L.I.T.		1.31
10.	AID-391-H-079-Urban Water Supplies	0.76
Sub-total PHED		0.76
11.	AID-391-H-084-MEP	1.98

12. AID-391-H-128-MEP	0.71
13. US AID-391-H-135-MEP	0.64
sub-total M.E.P.	3.33
Debt Raised Abroad	
14. DLF-25-Scarp-I (Borrower Wapda)	2.34
15. Russian (Guaranteed) Loan-260 Bulldozers for W.P. Agriculture Department	1.94
16. Italian (Guaranteed) Loan-440 Bulldozers for W.P. Agriculture Department	2.20
sub-total Debt-Raised Abroad	6.48
17. Foreign Loans in the form of equipments for Shadiwal Hydrel Project etc. upto 1961-62	3.31
18. Foreign Loans in the form of equipments 1962-63	0.01
sub-total	3.32
Total	26.07

The decisions of the One Unit (Re-organization) Committee on how Government of West Pakistan's liability to repay and service the above noted loans will be borne by each of the four new provinces and the Central Government are identical with their decisions in respect of apportionment of rupee loans.

Liability in respect of outstanding balances of Foreign Exchange Loans which have been utilized by the Government of West Pakistan has been apportioned between the four new provinces and the Central Government, in respect of Centrally Administered Areas, on the basis of the location of the projects/schemes for which the loans were utilized. Loan-wise details in respect of this apportionment may be seen at Table No. 21.

Liability in respect of outstanding balances utilized by the undivided autonomous bodies has been assigned to the President for and on behalf of the new provinces and Centrally Administered Areas. Total principal repayments on account of these loans during 1970-71 are estimated at Rs. 2.99 crore and total interest payments at Rs. 2.97 crore.

The Punjab

Sl. No.	Name of loan	Outstanding amount as on 30th June 1970	Capital	Principal repayment 1970-71	Interest payment 1970-71
1.	5th U.K. WPRTC	91.00	84.00	4.27	4.42
2.	AID-391-H-060 (L and W.D.B.)	27.00	27.00	—	0.21
3.	IDA-50-Pak Education	1,49.00	1,45.00	—	2.00
4.	IDA Credit (under negotiation) Education	—	—	—	0.01
5.	AID-391-H-079 (PHED)	76.00	57.00	—	0.50
6.	AID-391-H-103-Highway	26.00	26.00	—	0.27
7.	IDA-S-I-Pak-Highway	32.00	32.00	6.00	0.25
8.	IDA-54-Pak-Highway	7,38.00	2,62.00	—	1.93
9.	IDA-578-Pak-Highway	24.00	21.00	—	40.15
10.	AID-391-H-084 (MEP)	1,98.00	1,57.00	—	2.46
11.	AID-391-H-128 (MEP)	71.00	40.00	—	0.88
12.	AID-391-H-135 (MEP)	64.00	38.00	—	1.12
13.	IDA-106-Pak (L.I.T.)	65.00	65.00	—	0.57
14.	Swedish-106-Pak (L.I.T.)	66.00	66.00	—	1.20
15.	IDA Loan under negotiation (L.I.T.)	—	—	—	0.06
16.	Swedish Loan under negotiation (L.I.T.)	—	—	—	0.06
17.	DLF-25 (Borrower Wapda)	2,34.00	2,34.00	22.56	8.00
18.	Russian Credit (Agriculture Department)	1,94.00	1,34.00	20.01	5.17
19.	Italian Credit (Agriculture Department)	220.00	122.00	14.63	6.78
20.	Foreign Loan in the shape of equipment for Shadiwal Hydel Project received upto 1961-62	3,31.00	3,31.00	15.21	11.59
21.	Foreign Loan in the shape of equipment received in 1962-63	1.00	1.00	0.03	0.04
Total		26,07.00	18,42.00	82.71	87.67

TABLE NO. 21

(Rupees in lacs)

Sind			N.W.F.P.			Baluchistan		
Capital	Principal repayment 1970-71	Interest payment 1970-71	Capital	Principal repayment 1970-71	Interest payment 1970-71	Capital	Principal repayment 1970-71	Interest payment 1970-71
1.00	0.05	0.05	6.00	0.32	0.33	—	—	—
—	—	—	—	—	—	—	—	—
4.00	—	0.06	—	—	—	—	—	—
—	—	0.01	—	—	—	—	—	—
19.00	—	0.16	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
76.00	—	3.50	—	—	—	—	—	—
3.00	—	4.85	—	—	—	—	—	—
32.00	—	0.51	9.00	—	0.13	—	—	—
18.00	—	0.40	12.00	—	0.25	1.00	—	0.02
11.00	—	0.42	11.00	—	0.28	4.00	—	0.08
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
60.00	8.99	2.32	—	—	—	—	—	—
23.00	2.71	1.26	43.00	5.10	2.37	32.00	3.87	1.79
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
47.00	11.75	13.54	81.00	5.42	3.36	37.00	3.87	1.89

As in the case of rupee loans from Central Government and Counterpart Fund rupee loans from foreign governments, the amounts receiveable from the undivided autonomous bodies on account of foreign exchange loans utilized by them are not the same as the amounts payable by the Government of West Pakistan to the Government of Pakistan in respect of such loans. The difference in respect of each undivided body other than PWR may be seen at Table No. 16. The figures given in this table include also the differences on account of the rupee loans from Central Government and Counterpart Fund rupee loans from foreign governments/agencies.

Difference between receipts and payments regarding debt servicing liability in respect of undivided autonomous bodies.

As already stated in previous paras, details in respect of the difference between the amounts receiveable from autonomous bodies on account of repayment and interest on loans passed on to and utilized by these bodies, and the amounts payable by the provincial government to the Central Government on account of the loans thus passed on, are given at Table No. 16. The four new provinces and the Central Government will share the difference in respect of each body in the ratio/ratios derived from gross development expenditure of each body in the territories of the four provinces and Centrally Administered Areas during 1960-61 to 1968-69. These ratios are given at Table No. 22.

Applying the ratios given in Table No. 22 to the differences on account of loan repayments and on account of interest payments, the province-wise/body-wise position works out as at Table No. 23.

Summary

Government-wise figures for debt servicing liability during 1970-71 both on account of principal repayments and interest payments is given in a summary form at Table No. 24.

TABLE NO. 24

Name of Province	Interest payments on account of			Principal repayments on account of		
	Loans attributable to each government	Gap relating to autonomous bodies	Total	Loans attributable to each government	Gap relating to autonomous Bodies	Total
1. Punjab	9.24	3.14	12.38	7.88	1.61*	9.49
2. Sind	4.96	2.72	7.68	4.33	1.14*	5.47
3. N.-W.F.P.	1.96	0.41	2.37	1.44	0.28	1.67
4. Baluchistan	1.04	0.10	1.14	0.74	0.18	0.92
5. Centrally Administered Areas	0.05	0.01	0.06	0.04	0.01	0.05

*These figures do not include the gap in respect of A.C. (GOWP), which has been distributed under "Permanent Debt (Other than Market Loans)".

Body-wise figures for debt servicing liability, during 1970-71 on account of both interest and principal is given at Table No. 25.

TABLE NO. 25

(Rupees in crore)

(a) Payments to Central Government:—

Name of body	Principal	Interest
1. P.W.R.	3.58	13.10
2. WAPDA	4.67	15.63
3. WPIDC	0.32	4.17
4. WPADIC	0.68	0.21
5. WPSIC	0.10	0.25
6. A.C. (GOWP)	—	—

(b) Payments to provincial governments:—

Name of Body	The Punjab		Sind		N-W.F.P.		Baluchistan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1. PWR	—	—	—	—	—	—	—	—
2. WAPDA	—	—	—	—	—	—	—	—
3. WPIDC	—	—	—	—	—	—	—	—
4. WAPDA	0.35	—	0.75	—	0.04	—	0.01	—
5. WPSIC	0.15	0.02	0.08	0.01	0.03	0.004	0.02	0.003
6. A.C. (GOWP)	—	—	—	—	—	—	—	—

G. MISCELLANEOUS DEBT SERVICING CHARGES

In addition to the debt servicing liability relating to the Market Loans and the loans from Central Government, there are a number of other debt servicing charges that impinge upon the resources of the provincial government. These are:—

- (i) Interest on Land Compensation Bonds and expenditure on repayment/redemption thereof.
- (ii) Interest on debentures floated by the A.D.C.
- (iii) Return payable to the Central Government on their investment in the P.W.R.
- (iv) Interest on unfunded debt.
- (v) Interest on other floating loans.
- (vi) Expenditure on the management of debt.
- (vii) Interest on other obligations.
- (viii) Expenditure connected with issue of new loans.
- (ix) Interest on Irrigation Works for which Capital Accounts are kept.
- (x) Appropriation for reduction or avoidance of debt.

The treatment of the items listed above is detailed below:—

- (i) **Interest on Land Compensation Bonds and expenditure on repayment/redemption thereof.**

The West Pakistan Land Commission issued bonds to land-owners, who surrendered land as a result of the Land Reforms introduced by the government. Interest payments and expenditure on redemption of these bonds is the liability of the Land Commission but payment is routed through the provincial account. The Commission credits in advance the provincial account with an amount equal to the value of bonds ordered to be redeemed from time to time. Province-wise figures for expenditure on this account during 1970-71 are as follows:—

Name of Province	(Rupees in lacs)
The Punjab	1.50
Sind	1.25
N.-W.F.P.	0.25
Baluchistan	—

(ii) Interest on debentures floated by the A.D.C.

Liability on this account will be discharged by the President for and on behalf of the new Provinces and the Centrally Administered Areas. Expenditure to be incurred during 1970-71 has been shown in the Budget for the autonomous bodies.

(iii) Return payable to the Central Government on their investment in P.W.R.

The return paid by P.W.R. to the Central Government on account of the latter's investment in the said Railway was routed through the provincial government. During 1970-71 the said return will be realized directly by the President for and on behalf of the Central Government.

(iv) Interest on unfunded debt.

The province-wise budget estimates for 1970-71 are as follows:—

Name of Province	(Rs. in crore)
The Punjab	1.09
Sind	0.36
N.-W.F.P.	0.27
Baluchistan	0.04

(v) Interest on other floating loans

This consists of interest paid on ways and means advances and interest paid on loans and advances from commercial banks for financing food transactions. The former is a charge on the Non-food account and the latter is initially charged to the non-food account but subsequently adjusted against the food account. Province-wise budget estimates for 1970-71 are as follows:—

Name of Province	Interest on ways and means advances	Interest on Food advances
The Punjab	0.25	1.14
Sind	0.17	0.64
N.-W.F.P.	0.05	0.29
Baluchistan	0.02	0.28

(vi) Expenditure on management of debt

Province-wise budget estimates for 1970-71 are as follows:—

Name of Province	(Rs. in lacs)
The Punjab	0.76
Sind	0.52
N.-W.F.P.	0.15
Baluchistan	0.07

This represents interest on the balances of the three Reserve Funds of P.W. Railway and has been shown in the budget for the autonomous bodies.

(viii) Expenditure connected with issue of new loans

Province-wise budget estimates are as follows:—

Name of Province	(Rupees in crore)
The Punjab	0.01
Sind	0.01
N.-W.F.P.	0.01
Baluchistan	0.01

(ix) Interest on Irrigation Works for which Capital Accounts are kept

Province-wise budget estimates for 1970-71 are as follows:—

Name of Province	(Rupees in crore)
The Punjab	6.67
Sind	5.23
N.-W.F.P.	1.24
Baluchistan	0.42

(x) Appropriation for reduction or avoidance of debt

Expenditure on this account includes appropriation to Depreciation Fund of market loans and other appropriations. Other appropriations are equal to the gap between the recoveries of loans and advances and principal repayments. This item of expenditure does not affect the overall resources picture because it is counted as part of receipts under the Capital Account. Province-wise budget estimates for 1970-71 are as follows:—

Name of Province	(Rupees in crore)
The Punjab	3.49
Sind	1.97
N.-W.F.P.	0.69
Baluchistan	0.39

D. BORROWINGS DURING 1970-71

I. Market Loans

Necessary provision has been made in the budget estimates of the four new Provinces for 1970-71 for fresh floatation of market loans to the extent of the payment made by each province to the President of Pakistan for meeting the liability discharged by him in respect of principal repayments of market loans. Province-wise figures for

fresh flotations together with interest charges that will be payable by each province on aforesaid flotation are as follows:—

Name of Province	Fresh flotations	(Rupees in crore).
		Interest Payments
The Punjab	4.39	0.12
Sind	2.51	0.07
N-W.F.P.	0.84	0.02
Baluchistan	0.39	0.01

2. Loans from the Central Government

The Province-wise budget estimates, 1970-71, for loans from the Central Government are as follows:—

Name of Province	Rupee Loans	(Rupees in crore).
		Foreign Exchange Loans
The Punjab	24.97	5.17
Sind	13.31	1.51
N-W.F.P.	20.66	0.08
Baluchistan	14.87	0.05

The interest that will be payable by each province on the above-mentioned loans is given below:—

Name of Province	Interest on rupee loan	(Rupees in lacs)
		Interest on foreign exchange loans
The Punjab	52.00	11.00
Sind	31.00	3.00
N-W.F.P.	41.00	0.08
Baluchistan	30.00	0.05

CHAPTER V
SIZE AND FINANCING
OF
THE ANNUAL DEVELOPMENT PROGRAMMES

SIZE AND FINANCING OF THE ANNUAL DEVELOPMENT PROGRAMMES

A—Size of the Programme

The size of the successive annual development programmes of the Government of West Pakistan has increased rapidly as shown by the following figures:—

(Rs. in crore)		
1960-61	76.00	Budget Estimate
	67.05	Revised Estimate
1961-62	78.20	Budget Estimate
	83.86	Revised Estimate
1962-63	1,53.26	Budget Estimate
	1,35.45	Revised Estimate
1963-64	1,81.67	Budget Estimate
	1,48.92	Revised Estimate
1964-65	2,10.45	Budget Estimate
	1,76.60	Revised Estimate
1965-66	2,18.55	Budget Estimate
	1,41.74	Revised Estimate
1966-67	1,90.37	Budget Estimate
	1,54.68	Revised Estimate
1967-68	2,17.78	Budget Estimate
	1,77.57	Revised Estimate
1968-69	2,38.57	Budget Estimate
	1,85.92	Revised Estimate
1969-70	1,96.00	Budget Estimate
	2,03.36	Revised Estimate
1970-71	2,37.40	Budget Estimate

In eleven years, the size of the annual development programme has increased from Rs. 76.00 crore in 1960-61 to Rs. 237.40 crore in 1970-71—an increase of almost 239 per cent.

The break up of the total programme of Rs. 237.40 crore for 1970-71 between the four new provinces and the undivided autonomous bodies is as follows:—

(Rs. in crore)	
The Punjab	61.84
Sind	27.03
N.-W.F.P.	17.90
Baluchistan	7.99
Sub-total	114.76
Undivided autonomous bodies—	
P.W.R.	27.50
WPIDC	7.81
WAPDA	67.45
WPADC	17.06
WPSIC	1.50
A.C. (GOWP)	1.32
Sub-total	122.64
Total annual development programme (gross)	237.40

B—Financing of the Annual Development Programme 1969-70

Originally estimated at Rs. 196.00 crore, the programme for 1969-70 is now anticipated to be of the order of Rs. 203.36 crore. The financing of the revised programme is given in the table on the following pages.

	(Rs. in crore)
I Provincial Contribution	37.36
(a) Revenue Surplus	33.37
(b) Railway Reserves (net)	3.81
(c) Unfunded Debt (net)	3.32
(d) Other Capital Receipts (net)	(—)5.38
(e) Self-financing by Railway from their three Funds.	4.46
(f) Self-financing by WAPDA	4.00
(g) Less of Subsidy on Wheat	(—) 6.22
II—Central Assistance	1,23.99
A—Loans	1,07.53
(i) Internal Cash Loans	1,03.03
(ii) Counterpart Fund Loans	4.50
(a) U.S.—AID	0.50
(b) German	4.00
B—Grants	16.46
(i) Central Road Fund	3.66
(ii) Roads of National Importance	0.05
(iii) Subsidy on fertilizers	7.83
(iv) Counterpart Funds	2.20
(a) Canadian	2.20
(b) Australian	NIL
(c) U.S.—AID	NIL
(v) Family Planning	2.62
(vi) Agricultural Development Estates	0.10

		(Rs. in crore)
III—Foreign Assistance (Foreign Exchange)		42.01
A—Loans	39.30	
B—Grants	2.71	
		<hr/>
Total		203.36
		<hr/>

The mode of investment of Rs. 203.36 crore is as follows:

A --Within the Provincial Budget		166.33
(1) Revenue Account (63-B-Development)		49.63
(2) Capital Outlay		60.62
(a) Salt Works	0.01	
(b) Pakistan Western Railway	7.52	
(c) Construction of Irrigation Works	6.73	
(d) Improvement of Public Health	2.11	
(e) Schemes of Agricultural Improvement	1.16	
(f) Industrial Development	10.37	
(g) Town Development Schemes	0.88	
(h) Civil Works outside the Revenue Account	17.39	
(i) Communications	14.37	
(j) Other Miscellaneous Investments	0.08	
(3) Loans and Advances		70.46
(a) WAPDA	52.18	
(b) ADC	3.95	
(c) KDA	2.41	
(d) Small Industries Corporation	0.34	
(e) Co-operative Development Board	0.06	
(f) Pakistan Western Railway	6.86	
(g) Milk Boards	0.02	

(h) Miscellaneous Development Loans	2.09	
(i) Improvement Trusts	2.55	
Deduct—Transfer to Railway Budget		(—)14.38
(a) Capital Programme	7.52	
(b) Foreign Aid Loans	6.86	
B—Within the Railway Budget (including Foreign Loans obtained direct)		20.38
(a) Capital Programme	12.41	
(b) Replacement Programme	7.97	
C—Outside the budget		16.65
(i) Rupee Expenditure— WAPDA	4.00	
(ii) Foreign Loans obtained direct— (a) WAPDA	11.02	4.00
(b) ADC	0.54	12.65
(c) WPIDC	1.09	
	Total	2,03.36

C—Financing of the Annual Development Programmes, 1970-71

The gross size of the development programmes for 1970-71 is Rs. 237.40 crore. The net size is estimated at Rs. 207.02 crore because of financial and operational shortfalls. The distribution of the net-programme among the new provinces and the undivided autonomous bodies, and financing thereof, is given below :—

	(Rs. in crore)					
	The Punjab	Sind	N.-W.F.P.	Balu-chistan	Un-divided autonomous bodies	Total
Net size of the A.D.P.	52.15	22.73	15.06	6.70	110.38	207.02
Financed by:—						
I. Provincial Contribution						
(a) Revenue Surplus	15.92	6.11	(—)4.55	(—)6.81	(—)4.46	6.21
(b) Unfunded Debt (net)	2.45	0.38	0.29	0.07	0.12	3.31
(c) Other capital receipts (net)	(—)3.76	(—)1.02	(—)1.37	(—)0.49	0.25	(—)6.39
(d) Self-financing by WAPDA	—	—	—	—	5.12	5.12

	Punjab	Sind	N.-W.F.P.	Balu-chistan	Un-divided Autonomous bodies	Total
(c) Self financing by P.W.R.	—	—	—	—	6.68	6.68
Total Provincial Contribution	14.61	5.47	(—)5.63	(—)7.23	7.71	14.93
II—Central Assistance						
A—Loans						
(i) Internal*	25.48	13.56	20.34	13.84	66.14	139.36
(ii) Counterpart Funds						
(a) US AID	—	—	—	—	—	—
(b) German	—	—	—	—	2.75	2.75
Sub-total Counterpart	—	—	—	—	2.75	2.75
Total Loans	25.48	13.56	20.34	13.84	68.89	142.11
B—Grants						
(i) Central Road Fund	4.47	0.53	—	—	—	5.00
(ii) Roads of National Importance	0.06	0.04	—	—	—	0.10
(iii) Subsidy on Fertilizers	—	—	—	—	4.90	4.90
(iv) Family Planning	1.38	0.47	0.26	0.02	—	2.13
(v) Agricultural Development Estates	—	—	—	—	0.19	0.19
(vi) Counterpart Funds						
(a) Canadian	0.50	0.60	—	—	—	1.10
(b) Australian	0.24	0.02	0.01	0.01	—	0.28
Sub-total Counterpart Funds	0.74	0.62	0.01	0.01	—	1.38
Total Grants	6.65	1.66	0.27	0.03	5.09	13.70
Total Central Assistance	32.13	15.22	20.61	13.87	73.98	155.81

	(Rs. in crore)					
	The Punjab	Sind	N.W.F.P.	Balu- chistan	Un- divided autono- mous bodies	Total
III—Foreign Assistance (Foreign Exchange)						
A—Loans	4.88	1.43	0.07	0.05	28.69	35.12
B—Grants*	0.53	0.61	0.01	0.01	—	1.16
Total Foreign Assistance	5.41	2.04	0.08	0.06	28.69	36.28
Grand Total	52.15	22.73	15.06	6.70	110.38	207.02

*These figures are different from those printed in the budget documents because of changes intimated by the central government after the budget documents had been finalized.

The outlay proposed in the programme will be spent as follows :—

A—Within the Provincial Budget

(1) Revenue Account (63-B- Development)	25.04	8.65	8.15	1.91	—	43.75
(2) Capital Outlay						
(a) Provincial Miscellaneous Investment (Railway)	—	—	—	—	—	—
(b) Construction of Irrigation Works	3.26	3.05	0.65	0.73	—	7.69
(c) Improvement of Public Health	2.28	1.17	0.05	0.43	—	3.93
(d) Schemes of Agricultural Improvement	0.89	0.55	0.05	0.06	—	1.55
(e) Industrial Development Schemes	—	—	—	—	—	—
(f) Town Development Schemes	1.39	1.97	—	—	—	3.36
(g) Civil Works outside the revenue account	10.26	5.29	2.32	1.68	—	19.55
(h) Communications	13.98	3.37	1.59	1.47	—	20.41
(i) Lump sum provision	—	—	5.00	1.71	—	6.71

	(Rs. in crore)					Total
	The Punjab	Sind	N.-W.F.P.	Balu- chistan	Un- divided autono- mous bodies	
(3) Loans and Advances						
(a) Improvement Trusts	4.34	—	—	—	—	4.34
(b) Milk Boards	0.04	0.04	—	—	—	0.08
(c) Co-operative Development Boards	0.23	0.05	0.04	—	—	0.32
(d) Industrial Estates	0.13	0.15	0.05	—	—	0.33
(e) Karachi Municipal Corporation	—	0.50	—	—	—	0.50
(f) Karachi Development Authority	—	2.11	—	—	—	2.11
Total Provincial Government Budgets	61.84	26.90	17.90	7.99	—	114.63

B.—Within the Budgets of the Undivided Autonomous Bodies to be administered by the President

(1) Loans and Advances						
(a) WAPDA	—	—	—	—	54.14	54.14
(b) PWR	—	—	—	—	10.56	10.56
(c) WPIDC	—	—	—	—	0.45	0.45
(d) WPADC	—	—	—	—	4.64	4.64
(e) WPSIC	—	—	—	—	0.19	0.19
(f) AC (GOWP)	—	—	—	—	—	—
2) Investments and Grants						
(a) PWR	—	—	—	—	7.23	7.23
(b) WPIDC	—	—	—	—	6.71	6.71
(c) WPADC	—	—	—	—	12.38	12.38
(d) WPSIC	—	—	—	—	1.31	1.31
(e) AC (GOWP)	—	—	—	—	1.32	1.32

	(Rs. in crore)					
	The Punjab	Sind	N.-W.F.P.	Balu-chistan	Un-divided Autonomous bodies	Total
Deduct Transfer to Railway Budget						
(a) Capital Programme	—	—	—	—	(—)7.23	(—)7.23
(b) Foreign Aid/Loans	—	—	—	—	(—)10.56	(—)10.56
Total of autonomous bodies Budgets	—	—	—	—	81.14	81.14
C—Within the Railway Budget						
(a) Capital Programme	—	—	—	—	11.25	11.25
(b) Replacement Programme	—	—	—	—	16.25	16.25
Total Railway Budget	—	—	—	—	27.50	27.50
D—Outside the Budget						
(1) Rupee Expenditure by WAPDA	—	—	—	—	5.12	5.12
(2) Foreign Loans obtained direct						
WAPDA	—	—	—	—	8.19	8.19
WPADC	—	—	—	—	0.04	0.04
WPIDC	—	—	—	—	0.65	0.65
KDA	—	0.13	—	—	—	0.13
Sub-total outside the Budget	—	—	—	—	14.00	14.13
Total development programme (gross)	61.84	27.03	17.90	7.99	122.64	237.40

CHAPTER VI
INTRODUCTION
TO THE
ANNUAL DEVELOPMENT PROGRAMMES
1970-71

INTRODUCTION TO THE ANNUAL DEVELOPMENT PROGRAMMES, 1970-71

At its meeting on 2nd June, 1970, the National Economic Council approved the size of the Fourth Plan at Rs. 7500 crore. The approved allocations for the public and private sectors in East and West Pakistan are given below:—

(Rupees in crore):

Name of Province	Public Sector	Private Sector	Total
West Pakistan	1960	1600	3560
East Pakistan	2940	1000	3940
Total	4900	2600	7500

The allocation of Rs. 4900 crore for the public sector includes Rs. 300 crore for the Tarbela Dam in West Pakistan and Rs. 150 crore for the Flood Control Works in East Pakistan.

The size of the public sector Annual Development Programme for the first year of the Fourth Five-Year Plan viz. 1970-71 has been fixed at Rs. 770 crore for the whole of Pakistan. Out of this, Rs. 415 crore have been allocated to East Pakistan and Rs. 355 crore to West Pakistan. The allocation of Rs. 355 crore for West Pakistan includes Rs. 50 crore for the Central Government's programme in West Pakistan and Rs. 70 crore for the Tarbela Dam, leaving a balance of Rs. 235 crore of which the undivided autonomous bodies take up Rs. 122.64 crore, divided body-wise as follows:—

(Rupees in crore)

1. P.W.R.	27.50
2. WAPDA	67.45
3. WPADC	17.06
4. WPIDC	7.81
5. WPSIC	1.50
6. AC (GOWP)	1.32
Total	122.64

The four new provinces are thus left with Rs. 112.36 crore only, against which gross programmes of Rs. 114.76 have been drawn up anticipating an operational short fall of Rs. 2.40 crore.* The province-wise allocation of the aforesaid Rs. 114.76 crore is as follows:—

Name of Province	Total allocation (Rupees in crore)	Percentage of total allocation %
The Punjab	61.84	53.9
Sind	27.03	23.5
N.-W.F.P.	17.90	15.7
Baluchistan	7.99	6.9

Out of the total allocation of Rs. 122.64 crore for the undivided autonomous bodies, Rs. 72.85 crore is unallocable province-wise. However, the balance of Rs. 49.78 crore can be notionally allocated province-wise as follows:—

	(Rupees in crore)
The Punjab	25.08
Sind	18.10
N.-W.F.P.	5.52
Baluchistan	1.08
Total	49.78

Taking account of the provincial government's annual development programmes and of the allocable annual development programmes of the undivided autonomous bodies, the province-wise position emerges as follows:—

Name of Province	Provincial annual development programmes	Autonomous bodies allo- cable annual development programmes	Total	Percentage share of total annual development programmes %
	(Rupees in crore)			
The Punjab	61.84	25.08	86.92	52.9
Sind	27.03	18.10	45.13	27.4
N.-W.F.P.	17.90	5.52	23.42	14.2
Baluchistan	7.99	1.08	9.07	5.5
Total	114.76	49.78	164.54	100.00

*This figure is slightly different from the operational short fall indicated in the printed documents because the gross size of the programme was increased from Rs. 230 crore to 235 crore after the printing of the budget documents.

In the provincial annual development programmes, high priority has been given to:—

1. Rupee cover for aided projects.
2. Social sector needs e.g., in education, health and physical planning and housing.
3. The special needs of the relatively backward areas.
4. Minimal needs of the on-going schemes especially in agriculture.

CHAPTER VII
ANNUAL DEVELOPMENT PROGRAMME
OF
THE PUNJAB
1970-71

THE PUNJAB

The size of the Annual Development Programme, 1970-71, for the Punjab has been fixed at Rs. 86.92 crore. Out of this amount, the allocation for programmes to be executed by the departments and other agencies of the new provincial government is Rs. 61.84 crore. The balance Rs. 25.08 crore relates to the allocable portion of the development programmes of the undivided autonomous bodies. The sector-wise distribution of the annual development programme may be seen from the following table:—

Sector	Provincial government's annual development programme (Rs. in crore)	Percentage share of provincial government's annual development programme %	Undivided autonomous bodies allocable annual development programme (Rs. in crore)	Total annual development programme (Rs. in crore)	Percentage share of total annual development programme %
1. Water	3.75	6.07	12.99	16.74	19.26
2. Agriculture	8.36	13.52	7.82	16.18	18.61
3. Physical Planning and Housing	9.08	14.68	—	9.08	10.45
4. Industry, Fuels and Minerals	0.57	0.92	4.27	4.84	5.57
5. Education	14.39	23.27	—	14.39	16.55
6. Health	8.36	13.52	—	8.36	9.62
7. Transport and Communications	14.05	22.72	—	14.05	16.16
8. Social Welfare and manpower	0.78	1.26	—	0.78	0.90
9. Rural Works Programme	2.50	4.04	—	2.50	2.88
Total	61.84	100.00	25.08	86.92	100.00

The body-wise distribution of the allocable annual development programme of the autonomous bodies is as follows:—

	(Rs. in crore)
1. WAPDA	12.67
2. WPADC	8.14
3. WPIDC	2.90
4. WPSIC	0.69
5. AC (GOWP)	0.68
Total	25.08

The details of the programme to be executed by the provincial government and its agencies are given below:—

Education (Allocation—Rs. 14.39 crore)

The allocation for the Education sector is 23.27 percent of the annual development programme for the Punjab. The larger allocation for Education both in absolute and percentage terms is reflective of government's policy for giving high priority to the needs of the social sectors. The main allocations within this sector are for:—

	(Rupees in crore)
1. Primary Education	2.80
2. Secondary Education	3.00
3. College Education	1.23
4. University Education	2.75
5. Technical Education	2.81
6. Scholarships	1.20
7. Teachers Education	0.38

In addition, a sum of Rs. 20.87 crores has been provided in the non-development budget for the Education sector. The rise in the wage and salary bill of the Education sector in consequence of revision in pay scales of the employees of the Education department has been provided for in the non-developmental allocation for Education.

Transport and Communications (Allocation—Rs. 14.05 crore)

The allocation for this sector is 22.72 % of the provincial government's annual development programme. Rs. 12.00 crores have been provided for 78 on-going schemes, Rs. 1.90 crores for 34 new schemes and Rs. 0.15 crore for Tools and Plants. Amongst the on-going schemes, the main allocations are for the Lahore-Lyallpur Highway (Rs. 300 lacs), the Sheikhpura-Sargodha Highway (Rs. 250 lacs), the high-level bridge over the river Chenab near Talibwala (Rs. 100 lacs) and the decking of

Sher Shah Bridge over the river Chenab between Multan and Muzaffargarh (Rs. 85 lacs). High priority has been given to the Sheikhpura-Sargodha Highway, the high-level Bridge over Chenab and the Lahore-Lyallpur highway as these three projects are being financed partly through foreign loans. It is imperative that adequate rupee cover is given to aided projects in order to utilize foreign aid to the maximum.

Physical Planning and Housing (Allocation—Rs. 9.08 crore)

The allocation for this sector is 14.68% of the provincial government's annual development programme. The main allocations are for:—

	(Rs. in crore)
1. Basic Development	0.19
2. Aid to Local Bodies	4.34
3. General Housing Schemes	1.39
4. Urban Water Supply Schemes	2.34
5. Government Servants Housing	0.27
6. Government Offices and Buildings	0.45

Under the aid to Local Bodies, a sum of Rs. 150 lacs has been provided for the 1600 acres Kacha Multan Road Scheme and Rs. 279 lacs for the Greater Lahore Water Supply, Sewerage and Drainage Scheme. The allocation of Rs. 139 lacs for general housing has been earmarked for 17 low-income and middle-income housing schemes in various parts of the Punjab. Aforesaid provision of Rs. 139 lacs includes Rs. 70 lacs for the Lahore Township scheme and Rs. 24.50 lacs by way of block allocation for low-income housing schemes. The allocation of Rs. 2.34 crore for Urban Water Supply Schemes has been earmarked for 18 on-going schemes and 21 new schemes in various parts of the Punjab. Substantial provision has been made for continuance and completion of work on the Gujranwala, Multan and Rawalpindi Water Supply Schemes.

Health (Allocation—Rs. 8.36 crore)

The allocation for this Sector is 13.52% of the provincial government's annual development programme.

The distribution of this allocation over the major programmes in the Health sector is as follows:—

	(Rs. in crore)
1. Malaria Eradication Programme	2.36
2. Family Planning	2.76
3. General Health Services	3.24

The main expenditure from the allocations for General Health Services will be on construction and establishment of 75 Rural Health Units in Sialkot, Gujranwala, Lyallpur and Sheikhupura districts (Rs. 75 lacs), improvement of Mayo Hospital, Lahore (Rs. 36 lacs), extension of K.E. Medical College (Rs. 21 lacs) and extension of Nishtar Hospital, Multan (Rs. 16 lacs).

Substantial provision has also been made for the B.C.G. campaign, the establishment of divisional blood transfusion units and for the small-pox eradication programme.

Agriculture (Allocation—Rs. 8.36 crore)

The allocation for the Agriculture sector is 13.52 percent of the provincial annual development programme. The main allocations within this sector are for:—

	(Rupees in crore)
1. Agriculture	4.92
2. Land Reforms	0.52
3. Co-operation	0.50
4. Animal Husbandry	1.23
5. Fisheries	0.06
6. Food Storage and	0.15
7. Forests	0.98

Under Agriculture the main expenditure will be on procurement of pesticide and spraying equipment (Rs. 172 lacs), mechanization schemes (Rs. 105 lacs), agricultural research (Rs. 41 lacs) and agriculture extension work (Rs. 28 lacs). The provision for mechanization schemes is for maintenance and operation of 526 bull dozers, 196 hand power plants, 93 tractors and 10 power rigs. Aforesaid equipment will be used during 1970-71 for reclamation of 1400 acres of land and for bringing 200 acres under contour ploughing and 900 acres under range improvement schemes.

The allocation of Rs. 52 lacs for land reforms is meant for consolidation work in respect of land holdings in as many as 19 districts of the Punjab. The allocation for cooperation covers 9 on-going schemes and 3 new schemes. The main emphasis during 1970-71 has been given to the establishment of cooperative consumers' societies and the scheme for reconstruction of rural credit and agriculture marketing. In the field of Animal Husbandry, work will be continued on 26 on-going schemes and 4 new schemes will be taken in hand. Amongst the new schemes, priority has been given to the artificial insemination project and the comprehensive scheme for live stock production. The allocation for forests includes provision for 14 on-going schemes and 2 new schemes. The main emphasis will be on afforestation of private lands, road side plantations along the P.W.D. and District Council roads, and canal-side plantations.

Water Sector (Allocation—Rs. 3.75 crore)

The allocation for this Sector is 6.07% of the provincial government's annual development programme. The allocation includes Rs. 305 lacs for 70 on-going schemes and Rs. 70 lacs for 21 new schemes. Amongst the on-going schemes priority has been given to the construction of head works and other works in Taunsa Barrage, construction of Satiana-Samundry drainage system, drainage facilities in Ramnagar area and construction of the Chak Bandi drainage system.

Rural Works Programme (Allocation—Rs. 2.50 crore)

The allocation for the Rural Works Programme is 4.04% of the provincial annual development programme. During the current financial year the formula for distribution of funds amongst the districts has been revised so that now 60 percent is shared amongst the districts equally and 40 percent on the basis of population instead of 50 percent equally and 50 percent on basis of population. The revised formula is designed to give a larger share to the under-developed districts of the Punjab.

Social Welfare and Man Power (Allocation—Rs. 0.78 crore)

The allocation for this sector is 1.26 % of the provincial government's annual development programme. The allocation includes Rs. 41 lacs for man-power and employment schemes and Rs. 37 lacs for social welfare schemes. In the field of man-power and employment the major emphasis has been given to the establishment and construction of technical training centres at Jhelum, Rahim Yar Khan and Lahore. In the field of social welfare, the main emphasis will be on the 30 pilot rural community development projects and 27 urban community development projects.

Industries, Fuels and Minerals (Allocation—Rs. 0.57 crore)

The relatively small allocation for this sector (0.92% of the provincial government's ADP) is earmarked for schemes like the reorganization of the Government Industrial Research Laboratory, the Industrial Estate at Multan and the Research and Development Unit for Electrical and Metal Industry.

CHAPTER VIII
ANNUAL DEVELOPMENT PROGRAMME
OF
THE SIND PROVINCE
1970-71

SIND

The size of the Annual Development Programme, 1970-71 for Sind has been fixed at Rs. 45.13 crores. Out of this amount, the allocation for the programmes to be executed by the departments and agencies of the new provincial government is Rs. 27.03 crores. The balance Rs. 18.10 crore relates to the allocable programme of the undivided autonomous bodies in the Sind area. Sector-wise distribution of the annual development programme for Sind may be seen from the following table:

Sector	provincial government programme	Percentage share of provincial government programme	Autonomous bodies allocable programme	Total annual development programme	Per-centage of total ADP
	Rs. in crore	%	Rs. in crore	Rs. in crore	%
Water	3.30	12.21	10.28	13.58	30.09
Agriculture	3.44	12.73	3.60	7.04	15.60
Physical Planning and Housing	7.12	26.34	3.42	10.54	23.35
Industries, Fuel and Minerals	0.21	0.78	0.80	1.01	2.24
Education	5.56	20.57	—	5.56	12.32
Health	2.68	9.91	—	2.68	5.94
Transport and Communications	3.40	12.58	—	3.40	7.53
Social Welfare and Manpower	0.32	1.18	—	0.32	0.71
Rural Works Programme	1.00	3.70	—	1.00	2.22
Total	27.03	100	18.10	45.13	100

The body-wise distribution of the allocable programme of the undivided autonomous bodies is as follows:

	(Rs. in crores)
WAPDA	7.01
WPADC	7.67
WPIDC	2.41
WPSIC	0.37
AC (GOWP)	0.64
Total	18.10

The sector-wise details of the development programme to be executed by the departments and agencies of the provincial government are given below:—

Physical Planning and Housing (Allocation—Rs. 7.12 crore)

The allocation for the Physical Planning and Housing Sector is 26.34% of the provincial government's annual development programme. The large allocation for this sector both in percentage and in absolute terms is reflective of government's policy of according higher priority to the needs of the social sectors. The main expenditure within this sector will be on:—

	(Rs. in crore)
1. Basic Development	0.22
2. Aid to Local Bodies	2.74
3. General Housing	1.97
4. Urban Water Supply Schemes	1.16
5. Government Servants Housing	0.87

The provision of Rs. 274 lacs for aid to local bodies includes Rs. 187 lacs for the Greater Karachi Bulk Water Supply Scheme and the Water Supply and Sewerage Renovation Scheme of the Karachi Municipal Corporation. The bulk provision for general housing has been ear-marked for the Greater Karachi Resettlement Scheme. A bulk provision of Rs. 70 lacs has also been kept for low-income housing schemes. The allocation of Rs. 116 lacs for the Urban Water Supply Schemes includes Rs. 106 lacs for 11 on-going schemes and Rs. 10 lacs for three new schemes. Amongst the on-going schemes priority has been given to drainage work at Hyderabad (Rs. 26 lacs) Hyderabad Water Supply Scheme (Rs. 25 lacs) and the Nawabshah Water Supply Scheme (Rs. 20 lacs).

Education (Allocation—Rs. 5.56 crore)

The allocation for the Education Sector is 20.75% of the provincial government's annual development programme. The large allocation for this sector is reflective of the government's declared policy to give relatively greater emphasis to the social sectors. The allocation for the Education sector will be spent mainly on:

	(Rs. in crore)
1. Primary Education	0.94
2. Secondary Education	1.32
3. College Education	0.58
4. University Education	0.95
5. Technical Education	1.17
6. Scholarships	0.40

In addition, a sum of Rs. 10.69 crore has been provided for education in the non-developmental budget to meet the current requirements of the education sector. The increase in the wage and salary bill of the employees of the Education department consequent upon revision of their pay scales has been accommodated in the budget provision on the non-developmental side.

Agriculture (Allocation—Rs. 3.44 crore)

The allocation for the Agriculture sector is 12.73% of the provincial government's annual development programme. The distribution of this allocation over the various sub-sectors in agriculture is given below:

	(Rupees in crore)
Agriculture	2.16
Cooperation	0.12
Animal Husbandry	0.54
Fisheries	0.03
Food Storage	0.28
Forest	0.31

Under agriculture, the main expenditure will be on procurement of pesticide and spraying equipment (Rs. 88 lacs), mechanisation schemes (Rs. 59 lacs) and subsidy on sinking of diesel tubewells (Rs. 15 lacs). An allocation of Rs. 13 lacs has also been made for the Agricultural Research Institute, Tandojam in order to expand and intensify research on new varieties of seeds.

During 1970-71, the development outlay for schemes under agriculture is expected to lead to installation of 500 tubewells and levelling of about 800 acres of land. In addition, agricultural production will be further encouraged through distribution of better seeds and protection against plant diseases and other pests.

Transport and Communications (Allocation—Rs. 3.40 crore)

The allocation for this sector which is equal to 12.58% of the provincial government's annual development programme, is ear-marked for 30 on-going schemes (Rs. 251 lacs), 10 new schemes (Rs. 76 lacs) and Tools and Plants (Rs. 13 lacs). Amongst the on-going schemes, priority has been given to the aided projects namely the Karachi-Hyderabad super-highway (Rs. 28 lacs), the Pilot Maintenance Scheme (Rs. 53 lacs) and General Highways Consultants (Rs. 20 lacs). Substantial provision has also been made for the Indus Highway Roads (Rs. 50 lacs).

Water (Allocation—Rs. 3.30 crore)

The allocation for the water sector, which is 12.21% of the provincial government's annual development programme, is ear-marked for 43 on-going schemes (Rs.

165 lacs) and 13 new schemes (Rs. 165 lacs). Amongst the on-going schemes priority is being given to construction of subsidiary regulator on the Rohri main canal (Rs. 31 lacs). Subsidiary Weir on the Nara Canal (Rs. 13 lacs) and other works on Rohri Canal (Rs. 12 lacs). Considerable flexibility has been kept in the allocation for the new schemes by keeping a bulk provision of Rs. 131 lacs for various small irrigation schemes in the Thar and Kohistan areas.

Health (Allocation—Rs. 2.68 crore)

The allocation for the Health Sector is 9.91% of the provincial government's annual development programme. The allocation for the main programmes in the health sector is as follows:—

	Rs. in crores
Malaria Eradication programme	0.38
Family Planning	0.93
General Health Services	1.37

The bulk of the allocation for General Health Services will be spent on Expansion of the Liaquat Medical College Hospital, Hyderabad (Rs. 17.69 lacs), the Expansion and Improvement of the Dow Medical College, Karachi (Rs. 10.44 lac) and construction of 27 Rural Health Units in Nawabshah and Hyderabad Districts (Rs. 27 lacs).

Rural Works Programme (Allocation—Rs. 1.00 crore)

The allocation for the Rural Works Programme is 3.70% of the provincial government's annual development programme. During 1970-71 a larger share of the allocation for the rural works programme will go to the under-developed districts of Sind because 60% of the funds will be distributed equally between the districts and only 40% on the basis of population, whereas previously, 50% of the funds were distributed equally among the districts and 50% on the basis of the population.

Social Welfare and Manpower (Allocation—0.32 crore)

The allocation for this sector is 1.18% of the provincial government's annual development programme. The allocation includes Rs. 9 lacs for manpower and employment schemes and Rs. 23 lacs for social welfare schemes. In the field of social welfare, necessary provision has been made for continuance of work on the 27 urban community projects/schemes and the 48 urban community development projects/schemes.

Industries, Fuel and Minerals (Allocation—Rs. 0.21 crore)

The allocation for this sector is 0.78% of the provincial government's Annual department programme and includes budget provision of Rs. 15 lacs for the Industrial Estate, Sukkur and bulk allocation of Rs. 5 lacs for Mineral Development Schemes.

CHAPTER IX
ANNUAL DEVELOPMENT PROGRAMME
OF
THE NORTH-WEST FRONTIER PROVINCE
1970-71

NORTH-WEST FRONTIER PROVINCE

The size of the Annual Development Programme, 1970-71, for the North-West Frontier Province has been fixed at Rs. 23.42 crores. Out of this amount, the allocation for programmes to be executed by the departments and agencies of the new provincial government is Rs. 17.90 crores. The balance of Rs. 5.52 crores relates to the allocable portion of the development programmes of the undivided autonomous bodies. The sector-wise distribution of the annual development programme may be seen from the following table:—

Sector	Provincial government's annual development programme	Percentage share of provincial government's annual development programme	Undivided autonomous bodies allocable annual development programme	Total annual development programme	Percentage share of total annual development programme
	(Rs. in crore)	%	(Rs. in crore)	(Rs. in crore)	%
Water	0.63	3.52	2.31	2.94	12.54
Agriculture	1.30	7.26	1.10	2.40	10.24
Physical Planning and Housing	0.32	1.84	—	0.32	1.41
Industries, Fuel and Minerals	0.05	0.28	2.11	2.16	9.22
Education	2.61	14.56	—	2.61	11.13
Health	3.19	17.86	—	3.19	13.65
Transport and Communications	1.01	5.64	—	1.01	4.31
Social Welfare and Manpower	0.06	0.33	—	0.06	0.26
Rural Works Programme	1.81	10.10	—	1.81	7.72
Frontier Regions	0.92	5.13	—	0.92	3.92
Block Allocation	6.00	33.48	—	6.00	25.60
Total	17.90	100.00	5.52	23.42	100.00

The body-wise distribution of the allocable programme of the undivided autonomous bodies is as follows:—

	(Rs. in crore)
WAPDA	2.20
WPADC	1.21
WPIDC	1.82
WPSIC	0.29
Total	<u>5.52</u>

Sector-wise details of the development programme to be executed/implemented by the departments and agencies of the provincial government are as follows:—

Health (Allocation—Rs. 3.19 crore)

The allocation for the Health sector is 17.86% of the provincial government's annual development programme. The high allocation for this sector both in absolute and percentage terms reflects government's declared policy of giving the highest possible importance to the Health sector. The absolute allocation for this sector will be still higher after the block allocation of Rs. 6.00 crores is distributed over the various sectors. The break-up of the allocation for this sector over the major programmes is as follows:—

	(Rs. in crore)
1. Malaria Eradication Programme	1.22
2. Family Planning	0.52
3. General Health Services	1.45

The main expenditure out of the allocation for General Health Services will be on the construction of 41 Rural Health Units in Bannu, D.I. Khan and Kohat Districts (Rs. 23 lacs) and improvement and development of the Khyber Medical College Hospital (Rs. 80 lacs).

Education (Allocation—Rs. 2.61 crore)

The allocation for the Education sector is equal to 14.56% of the provincial government's annual development programme. The absolute amount allocated to the Education sector will be still higher after the block allocation of Rs. 6.00 crores is distributed over the various sectors. The bulk of the allocation for this sector will be spent on:—

	(Rs. in crore)
(1) Primary Education	0.54
(2) Secondary Education	0.85
(3) College Education	0.31
(4) University Education	0.07
(5) Technical Education	0.44
(6) Scholarships	0.24

In addition Rs. 6.03 crore have been provided for the Education sector in the non-development budget. The increase in the wage and salary bill of the Education department consequent upon revision in the pay scales of the employees of the Education department has been taken into account in making the budget provision on the non-developmental side.

Rural Works Programme (Allocation—Rs. 1.81 crore)

The allocation for Rural Works Programme is equal to 10.10% of the provincial government's annual development programme. A larger share of the allocation for the Rural Works Programme will go to the under-developed districts of the North-West Frontier Province because, during 1970-71, 60% of the allocation will be distributed equally between the districts and 40% on the basis of population, whereas formerly 50% was distributed equally and 50% on the basis of population.

Agriculture (Allocation—Rs. 1.30 crore)

The allocation for the Agriculture sector is 7.26% of the provincial government's annual development programme. The distribution of this allocation over the various Sub-sectors of the Agriculture sector is given below:—

	(Rs. in crore)
(1) Agriculture	0.66
(2) Land Reforms	0.08
(3) Co-operation	0.04
(4) Animal Husbandry	0.06
(5) Food Storage	0.03
(6) Forests	0.43
Total	<u>1.30</u>

The allocation of Rs. 66 lacs for Agriculture includes Rs. 13 lacs for agricultural research, Rs. 32 lacs for procurement of pesticides and spraying equipment and Rs. 7 lacs for agricultural engineering works. In the Forest sub-sector, provision of Rs. 7 lacs has been made for the development of the Pakistan Forest Institute, Peshawar, and provision of Rs. 12 lacs for the Aerial Forest Inventory and Land Use Survey in the Northern Regions.

Transport and Communications (Allocation—Rs. 1.01 crore)

The allocation for this Sector is equal to 5.64% of the provincial governments Annual Development Programme. The entire provision has been earmarked for 13 on-going schemes. Priority is being given to improvement and widening of the Peshawar-Kohat Road (Rs. 11 lacs), improvement and widening of road from Dhanesar to Dera Ismail Khan (Rs. 13 lacs) and construction of road from Giloti to Chashma (Rs. 12 lacs).

Frontier Regions (Allocation—Rs. 0.92 crore)

The allocation of Rs. 0.92 crore for the Frontier Regions, which is 5.13% of the provincial government's annual development programme, relates only to those tribal areas that will fall under the administrative control of the North-West Frontier Province on dissolution of One-Unit. (The annual development programme for the Centrally Administered Tribal Areas amounting to Rs. 2.02 crores will be operated/implemented by the Government of Pakistan.)

Sector-wise break-up of the allocation for the Frontier Regions in North-West Frontier Province is given below:—

	(Rs. in lacs)
1. Water	3.97
2. Agriculture	14.97
3. Industries	0.21
4. Education	12.29
5. Health	1.88
6. Transport and Communications	58.46
Total	<u>91.78</u>

The bulk of the allocation for the Frontier Regions is pre-empted by the schemes of the communications sector. The major communication projects that will be taken up during 1970-71 are construction of the road from Chattar Plain to Hazara merged area (Rs. 13 lacs) and construction of road from Battagram to Thakot (Rs. 14.50 lacs). In the field of education, the main expenditure will be on award of scholarships to tribal students (Rs. 4 lacs) and construction of 300 primary schools (Rs. 3 lacs). In the field of agriculture, the main expenditure will be on reclamation and development of land (Rs. 5 lacs) and on construction of roads in the Dir and Chitral Forests (Rs. 6 lacs).

Water (Allocation—Rs. 0.63 crore)

The relatively small allocation of Rs. 63 lacs which is 3.52% of the provincial government's ADP, is ear-marked for 21 on-going schemes out of which two

schemes viz., Kurram Garhi Multi-purpose Project (Rs. 20 lacs) and Warsak High-level Canal (Rs. 20 lacs) pre-empt the bulk of the allocation.

Physical Planning and Housing (Allocation—Rs. 0.32 crore)

14. The allocation for this sector is 1.84% of the provincial government's annual development programme. The main expenditure within this Sector will be on :—

	(Rs. in lacs)
(1) Basic Development	1.80
(2) Urban Water Supply Schemes	5.00
(3) Government Servants Housing	8.74
(4) Government Offices and Buildings	17.01
Total	<u>32.55</u>

Social Welfare and Manpower (Allocation—Rs. 0.06)

15. The allocation for this sector is 0.33% of the provincial government's annual development programme. The bulk of expenditure in this Sector will be on continuance of 27 Urban Community Development Projects (Rs. 1.20 lacs) and establishment of 30 Pilot Rural Community Development Projects (Rs. 2.12 lacs). Provision has also been made for grant-in-aid to the University of Peshawar for the training of social workers (Rs. 0.84 lacs).

Industries, Fuel and Minerals (Allocation—Rs. 0.05 crore)

16. The allocation for this sector is equal to 0.28% of the provincial government's A.D.P. There are only two schemes in this Sector out of which the scheme for establishment of Industrial Estate at Peshawar pre-empts almost the entire allocation.

CHAPTER X
ANNUAL DEVELOPMENT PROGRAMME
OF
BALUCHISTAN
1970-71

BALUCHISTAN

The size of the Annual Development Programme 1970-71 for Baluchistan has been fixed at Rs. 9.07 crores. Out of this amount the allocation for the programme to be executed by the departments and agencies of the new provincial government is Rs. 7.99 crores. The balance Rs. 1.08 crores relates to the allocable programme of the undivided autonomous bodies in the territory of Baluchistan. Sector-wise distribution of the Annual Development Programme may be seen from the following table:—

Sector	Provincial government's programme (Rs. in crore)	Percentage share of provincial government's programme (%)	Autonomous bodies allocable programme (Rs. in crore)	Total annual development programme (Rs. in crore)	Percentage share of total annual development programme (%)
Water	1.03	12.89	0.21	1.24	13.67
Agriculture	0.90	11.27	0.03	0.93	10.26
Physical Planning and Housing	1.07	13.39	—	1.07	11.80
Industries, Fuel and Minerals	—	—	0.84	0.84	9.26
Education	0.73	9.14	—	0.73	8.05
Health	0.47	5.88	—	0.47	5.18
Transport and Communications	1.47	18.40	—	1.47	16.21
Social Welfare and Manpower	0.10	1.25	—	0.10	1.10
Rural Works Programme	0.51	6.38	—	0.51	5.62
Block Allocation	1.71	21.40	—	1.71	18.85
Total	7.99	100.00	1.08	9.07	100.00

The body-wise distribution of the allocable programme of the undivided autonomous bodies is as follows:—

	(Rs. in crore)
WAPDA	0.21
WPADC	0.03
WPIDC	0.69
WPSIC	0.15
Total	<u>1.08</u>

The sector-wise details of the development programme to be executed by the departments and agencies of the provincial government are given below:—

Transport and Communications (Allocation—Rs. 1.47 crore)

The allocation of Rs. 147 lacs for the Transport and Communications sector is 18.4% of the provincial government's annual development programme. The absolute amount allocated to this sector will be still higher after the block allocation of Rs. 1.71 crores is distributed over the various sectors. The high allocation for this sector both in absolute and in percentage terms is because of the urgent need to develop the physical infra-structure facilities especially communications, in this backward province. The allocation for this sector is for 11 on-going schemes out of which the bulk of the allocation is pre-empted by the R.C.D. Highway scheme (Rs. 100 lacs).

Physical Planning and Housing (Allocation—Rs. 1.07 crore)

The allocation for this sector is equal to 13.39% of the provincial government's annual development programme. The main expenditure during 1970-71 will be on:—

	(Rs. in lacs)
Basic Development	1.62
Rural Water Supply Schemes	31.00
Urban Water Supply Schemes	12.20
Government Servants Housing and Government Offices and Buildings	62.25

The provision for Rural Water Supply Schemes includes Rs.30 lacs for the Gawadar Water Supply Scheme and Rs. 1 lac for the Bagh Water Supply Scheme. The entire allocation for Urban Water Supply Schemes has been earmarked for Quetta city. The relatively high allocation for government servants housing and government offices and buildings is because of the necessity for constructing adequate accommodation, both office and residential, for the new provincial government.

Water (Allocation—Rs. 1.03 crore)

The relatively high allocation for this sector (12.89% of the provincial government's A.D.P.) underlines the necessity for arranging/establishing adequate water supply for the development of agriculture. Out of the total allocation of Rs. 103 lacs, Rs. 23 lacs has been earmarked for survey and investigations and Rs. 84 lacs for as many as 29 small irrigation, flood regulation and open canal schemes.

Agriculture (Allocation—Rs. 0.90 crore)

The allocation for this sector is 11.27% of the provincial government's A.D.P. The distribution of this allocation over the various sub-sectors of the Agriculture sector is given below:—

	(Rs. in lacs)
Agriculture	30.27
Cooperation	3.25
Animal Husbandry	8.09
Fisheries	12.51
Food Storage	31.30
Forest	4.50
Total	<hr/> 89.92 <hr/>

Under Agriculture, the main expenditure will be on procurement of pesticides and spraying equipment (Rs. 8 lacs), mechanization schemes (Rs. 7.48 lacs), agricultural research (Rs. 5.94 lacs) and seed multiplication and distribution (Rs. 5.23 lacs). It is expected that expenditure under the mechanization schemes will lead to installation of 100 tubewells and construction of 15 surface wells.

The relatively high allocation for food storage is because of the need for constructing adequate storage facilities for government food stocks especially wheat. Considerable flexibility has been kept in the programme of this sub-sector by making a block allocation of Rs. 30 lacs for new schemes.

Education (Allocation—Rs. 0.73 crore)

The allocation for this sector is equal to 9.14% of the provincial government's ADP. This allocation will be spent mainly on:—

	(Rs. in lacs)
1. Primary Education	15.20
2. Secondary Education	19.82
3. College Education	14.00
4. Technical Education	12.75
5. Scholarships	5.24

In addition, Rs. 160.38 lacs has been provided for the Education sector in the non-development budget. The increase in wage and salary bills of the employees of the Education department consequent upon revision of their pay scales has been taken into account in making the budget provision on the non-development side.

Rural Works Programme (Allocation—Rs. 0.51 crore)

The allocation for the Rural Works Programme is 6.36% of the provincial government's A.D.P. The revised policy whereby 60% of the funds are distributed equally between the districts and 40% on basis of population will, to some extent, give a larger share of the total allocation to the under-developed districts of Baluchistan Province.

Health (Allocation—Rs. 0.47 crore)

The allocation for this sector is equal to 5.88% of the provincial government's annual development programme. The allocation for the main programmes is as follows:—

	(Rs. in lacs)
Malaria Eradication Programme	10.19
Family Planning	4.00
General Health Services	32.77
Total	46.96

The bulk of the allocation for General Health Services will be spent on the Miss Fatima Jinnah T.B. Sanatorium (Rs. 8.45 lacs), T.B. Sanatorium Quetta (Rs. 5 lacs), and Expansion of Sandeman Civil Hospital (Rs. 3 lacs).

Social Welfare and Manpower (Allocation—Rs. 0.10 crore)

The allocation for this sector which is equal to 1.25% of the provincial government's ADP includes Rs. 5.12 lacs for the Central Mines Rescue Centre, Kalat, Rs. 2.76 lacs for establishment of 30 Pilot Rural Community Development Projects and Rs. 1.35 lacs for 48 Urban Community Development Projects.

CHAPTER XI
ANNUAL DEVELOPMENT PROGRAMMES
OF
THE UNDIVIDED AUTONOMOUS BODIES
1970-71

ANNUAL DEVELOPMENT PROGRAMMES OF THE UNDIVIDED AUTONOMOUS BODIES

(A) WATER AND POWER DEVELOPMENT AUTHORITY

The size of the Annual Development Programme 1970-71 for the Water and Power Development Authority has been fixed at Rs. 67.45 crore. This allocation includes Rs. 22.09 crore for the water sector and Rs. 45.35 crore for the power sector. It is not possible to allocate budgetary provision for WAPDA's power programme between the four provinces, either notionally or otherwise because the schemes/projects are basically indivisible. The budgetary provision for the water sector can, however, be notionally allocated between the four provinces as follows:—

	(Rs. in crore)
The Punjab	12.67
Sind	7.01
N.-W.F.P.	2.20
Baluchistan	0.21
Total	<u>22.09</u>

Power Sector

In the power sector, the main expenditure will be on:—

	(Rs. in crore)
1. Power Generation	15.31
2. Power Transmission	5.92
3. Power Distribution	24.04
4. Miscellaneous	0.08
Total	<u>45.35</u>

At the end of 1968-69 WAPDA's total generating capacity was 1213.5 megawatts. By the end of 1969-70 the generating capacity is expected to increase by an

additional 97.5 mega-watts to 1311.00 mega-watts through completion of the Hyderabad Thermal Extension Scheme, the additional Mobile Generator at Shahdara and the additional Mobile Generator at Kotri. During the year 1970-71 expenditure of Rs. 15.31 crore on power generation will enable WAPDA to increase its generating capacity by an additional 100.00 mega-watts.

In the field of power transmission, the bulk of the allocation of Rs. 5.92 crores will be spent on the Northern Zone Transmission Scheme (Rs. 249.14 lacs), the Northern Zone Transmission Extension Scheme (Rs. 211.91 lacs) and the Southern Zone Transmission (Rs. 106.00 lacs). In the field of power distribution, WAPDA has given during 1969-70, 65,350 new power connections including 60,000 general connections, 3,850 industrial connections and 1500 tubewell connections. During 1970-71, it is expected that 1,25,000 new power connections will be provided including 1,16,400 general connections, 6,000 industrial connections and 2,500 tubewell connections.

Water

The allocation of Rs. 22.09 crore for the water programmes of the WAPDA has been ear-marked for:—

	(Rs. in crore)
(1) Multi-purpose Development Projects	3.33
(2) Survey and Investigations	2.17
(3) Drainage, Reclamation and Tubewells	16.59
Total	<u>22.09</u>

The budgeted provision of Rs. 3.33 crore for Multi-purpose Development Projects includes Rs. 1.53 crores for the Karachi Irrigation Project in Sind, Rs. 1.30 crores for the Khanpur and Tanda Dam Projects in Hazara and Kohat districts of North-West Frontier Province and Rs. 0.50 crore for the Gomal Zam in Dera Ismail Khan district of N.-W.F. Province. The budgeted provision of Rs. 16.59 crore for Drainage, Reclamation and Tubewells includes Rs. 6.37 crore for SCARP (Chaj Doab), Rs. 3.40 crore for SCARP-III (Lower Thal) and Rs. 1.28 crore for SCARP-IV (Upper Rechna) in the Punjab; and Rs. 0.44 crore and Rs. 4.60 crore on SCARP-Khairpur and SCARP-Rohri North respectively in Sind. Amongst the new schemes, provision of Rs. 0.25 crore has been made for SCARP-VI (Bahawalpur), and Rs. 26 lacs for SCARP-V (Shorkot) in the Punjab.

(B) WEST PAKISTAN AGRICULTURAL DEVELOPMENT CORPORATION

The size of the Annual Development Programme 1970-71 of the West Pakistan

Agricultural Development Corporation has been fixed at Rs. 17.06 crore. The sector-wise break-up of this allocation is as follows:—

	(Rs. in crore)
1. Water	3.70
2. Agriculture	12.55
3. Physical Planning and Housing	0.01
4. Transport and Communications	0.80
Total	<u>17.06</u>

The notional break-up of this allocation between the four provinces is as follows:—

	(Rs. in crore)
1. The Punjab	8.14
2. Sind	7.67
3. N.-W.F.P.	1.22
4. Baluchistan	0.03
Total	<u>17.06</u>

Water

The bulk of the allocation of Rs. 3.70 crore for the water programmes of West Pakistan Agricultural Development Corporation is earmarked for G.M. Barrage Drainage Works (Rs. 100 lacs), the Guddu Barrage Projects (Rs. 72 lacs) and the G.M. Barrage projects (Rs. 72 lacs). The bulk of the allocation for water programmes will be spent in the new Sind province and the balance in the new Punjab and N.-W.F. provinces.

Agriculture

The main expenditure in this sector will be on:—

	(Rs. in crore)
1. Manure and fertilizer subsidy	9.80
2. Subsidy on seed distribution	0.30
3. Soan valley land improvement Project	0.30
4. Scheme for development of Kabuli and Nakabuli land in Guddu Barrage	0.47

The fertilizer subsidy will be paid on sale of 20 lac tons of fertilizer. Province-wise break-up of the fertilizer subsidy and province-wise figures for estimated sale of fertilizer are given below:—

Name of Province	Budgetary allocation (Rs. in crore)	Estimated sale (in lac tons)
The Punjab	6.83	14.10
Sind	1.85	3.76
N.-W.F.P.	1.08	2.10
Baluchistan	0.04	0.04
Total	9.80	20.00

The subsidy on seed will be paid on distribution of 11.70 lac maunds of seed. Province-wise break-up of expenditure on seed subsidy and estimated distribution of seed during 1970-71 is given below:—

Name of Province	Budgetary allocation (Rs. in lacs)	Distribution (in lac maunds)
The Punjab	21.19	8.00
Sind	7.39	3.03
N.-W.F.P.	1.24	0.60
Baluchistan	0.18	0.07
Total	30.00	11.70

Physical Planning and Housing

The entire provision of Rs. 0.01 crore will be spent on construction of drinking water tanks in the G.M. Barrage area.

Transport and Communications

The entire provision of Rs. 0.80 crore will be spent on construction of roads in the G.M. Barrage area (Rs. 45 lacs) and Guddu Barrage area (Rs. 35 lacs).

C. WEST PAKISTAN INDUSTRIAL DEVELOPMENT CORPORATION

The size of the Annual Development Programme, 1970-71 for the West Pakistan Industrial Development Corporation has been fixed at Rs. 7.81 crore. The notional province-wise break-up of this allocation is given below:—

	(Rs. in crore)
The Punjab	2.90
Sind	2.40
N.-W.F.P.	1.82
Baluchistan	0.69
Total	7.81

In the Punjab, the main expenditure will be on the Heavy Mechanical Complex at Rawalpindi (Rs. 225 lacs) the Heavy Electrical Complex, Taxila (Rs. 10 lacs) and the Central Foundry and Forge, Taxila (Rs. 20 lacs).

In Sind, the main expenditure will be on the Pakistan Machine Tools Factory (Rs. 208.40 lacs) and the Management Development programme (Rs. 20 lacs).

In the N.-W.F. Province, the main expenditure will be on the Forest Industries Complex (Rs. 109.00 lacs) and the Development of Swat-China Clay (Rs. 62 lacs).

In Baluchistan, a block provision of Rs. 20 lacs has been made for survey and investigations and Rs. 30 lacs have been earmarked for development of iron ore mines, Chilgazi. Another amount of Rs. 14 lacs has been provided for the development of the Degari Coal Mines.

D. WEST PAKISTAN SMALL INDUSTRIES CORPORATION

The size of the Annual Development Programme, 1970-71 for the West Pakistan Small Industries Corporation has been fixed at Rs. 1.50 crore. The notional province-wise break-up of this allocation is given below:—

	(Rs. in crore)
The Punjab	0.69
Sind	0.37
N.-W.F.P.	0.29
Baluchistan	0.15
Total	<u>1.50</u>

The allocation of Rs. 1.50 crores is spread thinly over 101 on-going schemes and 13 new schemes.

E. ASSOCIATED CEMENT (GOVERNMENT OF WEST PAKISTAN)

The size of the Annual Development Programme, 1970-71 of Associated Cement (G.O.W.P.) has been fixed at Rs. 1.32 crore. The notional Province-wise break-up of this allocation is given below:—

	(Rs. in crore)
The Punjab	0.68
Sind	0.64
Total	<u>1.32</u>

The allocation of Rs. 1.32 crores is earmarked for rehabilitation, modernization and balancing of Wah Cement Works and Extension of Rohri Cement Works in the Punjab and Sind respectively.