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2ND SITTING ON MONDAY MARCH, 1993 (THURSDAY) AT 10:30 AM

PRESENT

PU ROKAMLOVA, Speaker at the chair, Chief Minister, 11 Minister, Deputy Speaker and 20 members were present.

PRESENTATION OF BUDGET

1. PU J.LALSANGZUALA, Finance Minister to present to the House-

- (1) Supplementary Demands for Grants for 1992-93.
- (2) Annual Statement of Budget for 1993-94 and Allied Papers.

S P E A K E R : Allama rilru dik tak putute chung a chakzia tilang turin khawvel zawng zawngah LALPA mit chu a leng ruai ruai thin a ni.

II Chronicles 16:19.

Tun tum Session, kan inkoh khawm chhan ber chu kan hriat theuh angin Budget Session, Budget a ni a. Chutah chuan Supplementary Demands for Grants for 1992-93 leh Annual Statement of Budget for 1993-94 and Allied Papers present tur a awm a. Chu chu kan Finance Minister Pu J.Lalsangzuala, present turin i lo sawm ang u.

PU VANLALNGHAKA : Pu Speaker, kan dan Rules of Procedure and Conduct of Business Bung 20-na ah Financial Business ah Budget present dan tur tih lan a ni a. Chuta a sawidan chuan "The Annual Financial Statement for the Statement of the Estimated Receipts and Expenditure of the Government of the State of Mizoram in respect of every financial year (hereinafter referred to as "the Budget") shall be presented to the House on such day as the Governor may appoint", tih a ni a Governor in a rawn appoint naah hian No.205 " I Paty Ripple Kyndiah, Governor of Mizoram recommend for making Additional Demands for 1992-93 in the Legislative Assembly of the State of Mizoram for Rs.1,06,81,79,000/- (Rupees one hundred six crores, eighty one lakhs, seventy nine thousand) only as per detaile in the Supplementary Demands

as required under Article 205(1) of the Constitution of India". a ti a. Tin, hetihian a rawn ti leh a. No.203. " I Paty Ripple Kyndiah, Governor of Mizoram recommends for making Demands for Grants 1993-94 in the Legislative Assembly of Mizoram for Rs.5,54,40,19,000 (Rupees five hundred fifty crores, forty lakhs nineteen thousand) only as per details given in the Annual Financial Statement as required under Articles 203(3) of the Constitution of India". hetah hian (Pu P.C.Zoramanglian - khawi ami nge i neih, engati nge i chhiar?) Member zawng zawngin kan neih chu chhiar a thiang a lawm. An hmuh loh chuan thudang, kei chuan ka hmu tlat si a lawm. (Speaker - An sem lova, i lo hmu a ni) Governor in Finance Minister in Budget a present ni tur hi a ruat tur a ni a. A ruatna ni hi kan hmu tlat lo ka thina a ni.

S P E A K E R : A tawke, dan hi a awm a. Dan tha tak kan neih hi tha taka min kai-hruaitu tur a ni a. Tunah hian Budget Session kan neih hnukung tur a ni a. A date tih khan Budget pumpul a huap a, chuang chuan BAC thuin kan tifel vek tawh a. Kan pawm tawh a, Governor phal vekna hnuaiah, a ni bik zawng zawng te kan lo pass tawh a. Tin, tunah hian thindan danglam kan neih leh chu, tunah hian Budget chiah a ni a. Vawlinah hei chiah hi khelang kan ti a. Chu chu inlungualna leh inhmangaihna dan a ni a. Khatiang zawng kha chuan sawitur midang pawhin an nei ang. Mahse, in lungualna leh hmangaihna dan in hihruai che u ka tum a ni. Ka sawm tawh a. Zahawmtakin, inhmangaihna leh in lungualna dan a ni. Pu J.Lalsangzuala ka sawm e.

PU J.LALSANGZUALA : Mr. Speaker Sir, I now rise, with FINANCE MINISTER your permission, to present the Mizoram Budget for the Financial Year 1993-94.

2. During the last year and a half, the Country has witnessed perhaps the most dramatic changes on the economic front in the post-independence era. The process of economic reforms with twin pillars of liberalisation and globalisation, initiated in June 1991, made substantial progress. The considerable advance made in bringing about fiscal correction is reflected in deceleration in inflation in the course of the Year. The rate of inflation declined from 17 per cent in Aug. 1991 to mere 7 per cent by 1992 end. The fiscal deficit which ruled at 8.4 per cent of Gross Domestic Product in 1990-91 was brought down to 5 per cent only in 1992-93. Further, the growth of GDP is expected to exceed 4 per cent in 1992-93 as against 1.2 per cent only in 1991-92. But there is no cause for complacency. A great deal remains to be done. However, this task cannot be accomplished by the

Centre alone. The Economic Survey presented in the Parliament sometime back has implored the State Governments to supplement the Centre's efforts by reducing their budgetary deficits. An expert scrutiny of States' fiscal policy has also been recommended in the Survey.

3. It is with this in the background that I have framed my Budget. Drawing lessons from the changes in the national scene, we have to do our mite so as to gradually reduce our heavy dependence on the Central support. The need of the hour is self-improvement by refashioning our methods of functioning and mode of thinking. I, as Finance Minister, have quite a thankless job while translating these in practice. I hope the Hon'ble Members would appreciate the unenviable position I am placed in and while evaluating my Budget in this light extend their full cooperation. The only alternative to fiscal discipline is fiscal disaster and we must do our best to avert the same.

PLAN EXPENDITURE :

4. The size of the Eight Five Year Plan (1992-97) of Mizoram has been fixed at Rs.763.00 crores. This is about treble of the original size (Rs.260.00 crores) and more than double of the expenditure of Rs.370.00 crores incurred on State's Seventh Plan (1985-90). For the first of the Eight Plan (1992-93), the size of the State's Annual Plan was fixed at Rs.166.00 crores, including additional Rs.5.00 crores for Serlui 'B' Power Project and Rs.1.00 crore for restoration of landslide damages at Hlmen. We also expect to get loans of Rs.10.00 crores in the current year from Power Finance Corporation to accelerate tempo of some projects. On present indications, our performance may be more or less in the neighbourhood of the targetted allocations.

5. For the next year (1993-94), an outlay of Rs.185.00 crores has been approved by the Planning Commission for the State's Annual Plan. The Centre has undertaken to provide an assistance of Rs.174.48 crores for this Plan. The balance of Rs.10.52 crores is assigned for State's own contribution including Rs.5.00 crores by way of market loan. It is for the first time that Planning Commission has allowed the State Govt. to tap this instrument of Plan funding. This marks another step towards our joining the mainstream with other States.

6. In our plan for the next year, Agriculture and allied sector continue to get the top-most priority with about one-third of the Outlay allocated to it. New Land Use Policy with an outlay of Rs.27.73 crores occupies the prime of place. A special provision of Rs.3.00 crores has been made for strengthening of Mizoram Agricultural Marketing Corporation. The Sectors of Power & Communications have been accorded the second and third priorities with allocations of Rs.28.21 crores and Rs.23.97 crores respectively. The Serlui 'B' Hydel Project in which Rs.5.00 crores is expected to be spent in the current year would have a further allocation of Rs.5.00 crores in 1993-94. Social Services have been given

high priority. Both Education and Water Supply and Sanitation have been allotted over Rs.13.00 crores each. The distributions system of Lunglei Water Supply Schemes is proposed to be completed. An allocation of Rs.7.00 crores has been made for the District Councils.

7. Apart from the outlay of Rs.185.00 crores on the State Plan, a provision of Rs.7.85 crores has been made for N.E.C. Schemes. It is also proposed to incur an additional expenditure of Rs.3.28 crores for acceleration of progress of selected power schemes to be funded by loans from Power Finance Corporation. As regards Centrally Sponsored Schemes. Only token provisions have been made in the absence of clear indications available at present from the various sponsoring agencies.

8. A booklet highlighting the performance in 1992-93 and programmes for 1993-94 of various departments have been circulated separately alongwith the Budget documents. I do not, therefore, propose to touch upon the same here.

RANGARAJAN COMMITTEE :

9. At the instance of NDC, the Planning Commission had constituted in April 1991 an Expert Committee to suggest durable solutions to the financial problems of the Special Category States, under the Chairmanship of Dr.C. Rangarajan, former Member of the Commission. The most important financial problem being faced by us and most of the other Special Category States related to the existence of Non-Plan gaps resulting in frequent overdrafts with the Reserve Bank. The problem emanated from the cessation by the Planning Commission from 1989-90 of the practice of taking into account the Non-Plan gap also while fixing the level of Central Assistance for the Plan and the unrealistic assessment of our requirements by the Ninth Finance Commission. Even the most legitimate committed liability in respect of Seventh Plan Schemes was not funded by that Commission.

10. The Committee which submitted its report in August last year is stated to have made the following recommendations :

- (a) the committed liability in respect of Seventh Plan may be treated as Plan expenditure in 1992-93;
- (b) upto 20 p.c. of the Plan assistance in 1992-93 may be diverted towards covering the Non-Plan gap;
- (c) upto 10 p.c. of the Plan assistance in 1992-93 may be given additional to meet Non-Plan gap, in six monthly instalments from October 1992 onwards, on the condition that the State had no overdraft even on a single day in the month preceding; and
- (d) the servicing liability due in 1992-93 on account of the U.T. period loans may be written off.

11. We had been looking at the outcome of this Committee's deliberations with great hope. However, with due regard to the Committee, I would submit that its recommendations were most disappointing. Sir, if you allow me, I would venture to go to the extent to say that the Committee has failed to fulfill the job assigned to it. They have not suggested any durable solution to our problems as required of them. All the four recommendations pertain to the current year and even for this year, much of the relief is illusory. For example, as the Hon'ble Members know, because of paucity of resources, our Seventh Plan committed liability was not transferred to Non-Plan account. It is already on Plan account. The second recommendation of the Committee also does not help us, as this would result in cutting the size of our Plan, which in any case was not practical.

12. The most surprising was the condition of 'no overdraft' attached to the release of additional assistance. The assistance was designed to relieve the State of overdraft and the absence of overdraft itself has been made a pre-condition for its release. It is most unfair and unjust. We are fighting for the waiver of this condition all-together.

13. I had in my last speech expressed hope, on the basis of what transpired at the Annual Plan meetings with Planning Commission, for write off of U.T. period loans. Sir, I am sorry to say that the Rangarajan Committee has disillusioned us totally. The relief afforded by it is a paltry sum of a little over Rs.8.00 crores against the outstanding dues of over Rs.51.00 crores. We are not at all in a position to meet this liability and have decided to continue our efforts, and more vigorously, for the total waiver of U.T. period loans.

REVISED ESTIMATES FOR 1992-93 :

14. In my speech last year, I had stated that the year 1991-92 was expected to close with an overall deficit of Rs.20.92 crores. However, according to the Reserve Bank's account, the actual deficit was somewhat larger at Rs.23.90 crores. This deterioration was mainly because of less receipt by way of Central Assistance to the extent of Rs.2.34 crores. We expect to get bulk of the cut restored on furnishing requisite data on the actual expenditure incurred on certain earmarked schemes.

15. The Budget Estimates for 1992-93 presented by me last year revealed an overall surplus of Rs.7.94 crores. The surplus is now estimated at Rs.3.39 crores. This is mainly the net result of increase in Non-Plan expenditure resulting from the sanction of two instalments of D.A. effective from 1.1.1992 and 1.7.1992 involving a net liability of over Rs. 8 crores counter-balanced by additional assistance of Rs.5 crores under the recommendations of Rangarajan Committee. No provision for increases in D.A. was made in the Budget as mentioned in my last year's speech. While on this subject, I must thank our employees for the sacrifice made through impounding of additional dearness allowance arrears amounting to about Rs.5 crores.

16. On the basis of the Revised Estimates for the current year, the year is likely to close with a deficit of Rs.20.51 crores. Though the servicing liability due this year in respect of U.T. period loans has been waived. I have not provided for payment of accumulated arrears of Rs.25.16 crores, as our resources position does not permit me to do so. As mentioned earlier, we propose to take up the issue of write off of these loans again with the Union Government.

BUDGET ESTIMATES FOR 1993-94 :

17. After having presented surplus budgets for the last two years and, more important, maintaining the position in practice, I am this time constrained to come before this august House with a Budget which reveals an over-all deficit. Much against my wishes, I could not help it.

Sir, as you know, over 90 per cent of our budget is funded by the Centre. Of late, our requirements and commitments have been growing at a pace faster than that of the flow of Central support. The problem of 'Non-Plan gap' to which I made a reference earlier is posing a serious menace. In this context, I would request Hon'ble Members' unstinted cooperation in doing our best in mobilising additional resources and cutting down avoidable expenditures.

18. While on this subject, I would like to draw the attention of Hon'ble Members to an important development in the constitution by the President of India of the Tenth Finance Commission. This Commission is required to make its recommendations on taxsharing and grant-in-aid to States for the five years (1995-2000). This Commission is very vital to us, as the ultimate solution to our financial problems lies in their proper appreciation of our case. The Commission which is expected to submit its report by November this year has called for colossal amount of data on various aspects of State's finances and economy, apart from a memorandum containing State's views on its terms of reference. At this stage, we may only wish that the Commission makes a realistic evaluation of our requirements and recommends adequate develution of funds to not only pull the State out of the morass of Non-Plan gaps but to enable it to make reasonable contribution towards creation of necessary developmental infra-structure. From our side, I may only assure that the State would spare no effort to project its problems before the Commission in their true perspective.

19. Coming to the figures, the Budget Estimates place the revenue receipts at Rs.423.91 crores and revenue expenditures at Rs.364.88 crores, involving a surplus of Rs.59.03 crores on Revenue Account. Most of this is on Plan account. On Public Account also, estimates reveal a surplus of Rs.12.25 crores. The problem arises on Capital Account. Because of huge deficit of Rs.72.34 crores on this account, there is an overall deficit of Rs.1.06 crores in the Budget. With this, the deficit at the close of the year is estimated at Rs.21.57 crores.

20. I made a reference earlier to the U.T. period loans. For the reasons indicated already, we have not been paying the dues and have thus accumulated arrears of Rs.25.16 crores. Another amount of Rs.7.03 crores is due in 1993-94. I have not made provision for payment of these dues. We hope that the Government of India would agree to our request for write off of these dues. Another amount of Rs.7.03 crores is due in 1993-94. I have not made provision for payment of these dues. We hope that the Government of India would agree to our request for write off of these dues. Another contingent liability for which I have not made provision in my budget is the cost of implementing the recommendations of the Pay Commission which submitted its report in December last. These recommendations are under examination of the State Government. For payment of further dearness allowance also. I have not made any provision in the budget. I expect the departments to accommodate as much of the liability as possible within the Budget allocations made to them through vigorous efforts at economy in non-Plan expenditures.

21. For the present, I am not proposing any measures for additional resource mobilisation. During the course of the year, the Government may come forward with some such measures depending upon the needs of the situation. Efforts will also be made to effect better recovery of dues and to economise to the utmost on non-Plan expenditures apart from improving productivity and efficiency of Government functioning.

22. Sir, before closing, I must heartily thank on behalf of this august House, the Hon'ble Union Finance Minister, for a bold proposal made by him in his speech while presenting the Central Budget in the Parliament, for the grant of tax-holiday for a period of five years to the industrial undertakings which may be set up in the North-East. I hope that people from the State and others would take advantage of this concession and help in the creation of developmental infrastructure in Mizoram.

23. In the end, I would like to thank all those involved in the preparation and printing of the Budget especially the officers and staff of the Finance Department and Printing and Stationery Department for the hard work put in by them so as to present the Budget before this august House well in time. May I also thank you Sir, and the Hon'ble Members for bearing with me. I earnestly request them to give me the benefit of their wise counsel for guidance.

24. With these words, Sir, I commend the State Budget for 1993-94 for the consideration and approval of this august House.

Thank you sir.

S P E A K E R : Kha Finance Minister-in Budget a present ta a. A copy kha han sem selangin a tha ang e.

PU TAWNLUIA : Pu Speaker, tuna member zahawm takina nichina, kumina kan pawisa hman zat tur Budget, a zat tur nen lama a han sawi thei kha, kan Budget hi leakage a awm a. Chuvancin kha kha thil dik lo lian-pui a ni tih a hriat theih a. Khawngaih takin House Leader-in kan zavaia lungdamna atan kha thila kha appology han siam sela tih ka han ngen a. Thil helaiha kan hre chawp veka, tuman kan Minister zahawm tak takte pawhin an la hriat hmam Member tuinemaw khatiang Budgetapawisa hman zat tur nen lam a han sawi theia kha thil mualpho thlak tak a ni a. Chuvancin kan zavaia min barakhaiha, khawngaih takin kan lungdamna turin House Leader-in appology han siam turin ka ngen e.

S P E A K E R : Ngawi rawh u aw, kan hrilhfiah lawk ange. Lo nghak ula lo thu teh u. Bulletin Issue kha ni 15 khan issued a ni a. Khami Issue-ah khan a tel a. Hmaw chhungah khan a then an thun a, thenkhat kha hetiang hian an lo pechhuak bawk si ni tur a ni a. Thurukha a ni hran lova, phalnaa sawi tura tiha kha, a dang Budget-a erawh kha chu sawi ve leh tih tur a ni a, tihseual palh awm chu Speaker-in secretariat hemi aiah hian appology ka siam e.

Vawin ni hi kan sawi tawh angin kan sawi ho hawh a. Nichinah pawh khan ka hrilhfiah duh lova member zahawm tak kha, sawi talh a tum a ka khap tho a. Midang pawh khan sawi loh rih atan ka duh vang a ni a. General Discussion ni hnih kan nei dawn, takhan re-act tur a awm chuan in la sawi dawn nia.

PU HIRAMMAWI : Pu Speaker, lehlam peka lehlam pek loh, Budget figure-a hi Secret ni lo chin a awm anga. Amaherawhchu secret chin a awm a ni. Scholarship provision hi studenteten engatinge Press Realease siamin budget provision Aizawl khawpuiha chanchinbuahte an pek theih a. Hei hi Budget a leak loh in engnge leak ang?. Kan Budget bu hi kan keu hman lova a figure a inmil ngat chuan Budget leak tih chu he House hian confirm a dik zawk lo maw?

S P E A K E R : General Discussion-ah in sawi dawn ania, ni hnih kan nei a in sawi dawn nia, a aia na deuh hlek pawh khan in duh chuan in sawi thei ang. Vawin atan chuan kan Budget kum dang lo angin hlim takin kan ti a, question hour pawh kan nei lova. Tin, Finance Minister pawhin Conference Hall-ah, hemi zawh hian kan zain min sawm a, chutah chuan kal pawh la tum ila, Vawin atan chuan Business dang kan nei lova, naktuk zing dar 10:30 ah in khawm leh turin i lo chawl ang u.

The sitting was adjourned till
10:30 AM on 16-3-93(Tuesday).