

THIRD SITTING ON THURSDAY, THE
19TH MARCH, 1998

PRESENT

PU VAIVENGA, Speaker at the Chair, Chief Minister, Fifteenth Ministers, Deputy Speaker and Twenty four Members were present.

PRESENTATION OF BUDGET

1. PU J.LALSANGZUALA to present to the House -

- (i) The Supplementary Demands for Grants for 1997-1998;
- (ii) The Annual Budget of the Government of Mizoram for the year 1998-1999;
- (iii) Vote on Account of 1998-1999 and the Allied Papers.

S P E A K E R : "Retheite ngaihtuah mi chu a eng a thawl e, Mangan ni chuan Lalpan a ni chu a chhanhim ang.

(Sam 41:1-2)

Vawina kan tih tur hi Budget Presentation a ni a. Mi dange kan tih ang bawkin, ursun deuh in ti ila kan ti a. Zawhna pawh vawiinni-ah hian kan neilo anga, Budget Presentation kha kan ti hrih dawn a ni.

Awle, Pu J.Lalsangzuala, 1998-1999
Budget present turin i sawm ang u.

Sir,

I rise to present this august House the Budget of Mizoram for the year 1998-99.

Hon'ble Members are well aware that our budget is heavily dependent on the flow of resources from the Centre. Almost the entire provision of our budget is sustained by the Central support. Because of the General Elections held in February/March, 1998 in the country, the Central Government has not finalised the size of State Plans 1998-99. Therefore, there is no clear picture about the magnitude of funds flowing from the centre. The Planning Commission is yet to decide the Central support including Central Assistance for State Plans for 1998-99. Under the circumstances, it is not possible to project expenditure level for the next year in a realistic manner. Therefore, I am constrained to seek "Vote on Account" for four months.

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The year 1997-98 has been a year of significant achievement for the State. The Planning Commission sanctioned the Annual Plan 1997-98 at Rs. 290 crore. After fixing the plan size, an additional Central Assistance to the tune of Rs. 28.21 crore has been sanctioned by the Planning Commission. This has been possible through the efforts made by Government of Mizoram. The Additional Central Assistant provided during the year consists of Rs. 20.92 crore for Lengpui Airport, Rs. 5 crore for Road Construction (Champhai-Tiau) under Indo-Mayanmar Border Trade, Rs. 2.21 crore under State Capital Project and Rs. 8 lakhs for Project Formulation for Mar Valley. I may apprise this august House that for the first time, Government of Mizoram got Rs. 4 crore for development of Indo-Mayanmar Border area. The investment of this magnitude will certainly add to the development in this area.

I am also happy to inform the august House that the efforts of the State Government have resulted in securing Rs. 5 crore additional Life Insurance Corporation (LIC) Loan for construction of houses for Government employees. We also hope to get additional Rs. 6.33 crore loan from National Bank for Agriculture and Rural Development (NABARD) during 1997-98.

Though much headway has not been made regarding implementation of various schemes and projects relating to Mizoram covered under Prime Minister's 'New Initiatives' for North Eastern Region, I would like to highlight the latest position of each Project.

For Tuirial Hydro Electric Project, Loan agreement was signed with Overseas Economic Cooperation Fund (OECF). The project is being taken up by North Eastern Electric Power Corporation Ltd. (NEEPCO). Global tenders were floated and terms of reference have been sent to all the short listed Consultants for submission of bids. With regard to state Referral Hospital, an Expert Team from Ministry of Health & Family Welfare has held discussions at Aizawl with the State Government Officials. The project is estimated to cost Rs. 40 crore. So far an amount of Rs. 8.50 crore has been provided in the Ninth Plan.

Integrated Project of Aizawl comprising of various schemes such as Aizawl Water Supply Scheme Phase-II, Aizawl Sewerage Scheme Phase-I, Aizawl Storm Drainage Scheme Phase-I, Aizawl Solid Waste Management Scheme (feasibility survey) and Water Quality Monitoring and Public Health Education etc. estimated to cost Rs. 176.55 crore was prepared by the Public Health Engineering Department. Government of India, Ministry of Urban Development Department has accepted the Project and issued technical clearance in August, 1997. Cost of this Project will be shared between the Central Government and the State Government at the ratio of 75:25. The Project is expected to be completed within the Ninth Plan. With the exception of some areas within Guwahati, Aizawl is the first town in the entire North Eastern Region which will have sewerage facility.

For Border Area Development Programme, a tentative provision of Rs. 6.73 crore was made and the entire provision is expected to be released during 1997-98. Industrial Growth Central has already been approved, first instalment of Central Assistance of Rs. 50 lakhs has been released. With regard to widening of NH 54, reconnaissance survey from 2.90 Km to 151.90 Km has been completed. Sanction for 44.30 Km to 70 Km has been accorded for Rs. 344.66 lakh. Widening works from 0.24 Km to 31.11 Km under Director General of Border Roads (DGBR) is in progress.

In pursuance of the Prime Minister's announcement, a High Level Commission was appointed by the Planning Commission on 20th November, 1996 under the Chairmanship of Shri S.P. Shukla, Member, Planning Commission to critically examine backlog in respect of Basic Minimum Services (BMS) and identify the gaps in infrastructure sectors for the development of the States in the North Eastern Region. The Commission submitted its Report on 7th April, 1997. Later on it was decided by the Planning Commission that a Team under the Chairmanship of Shri K.B. Saxena, the then Principal Adviser, Planning Commission will visit all the North Eastern States in order to recommend Operationalisation of the recommendations of the Commission. The Team visited Mizoram last year and submitted the recommendations to the Government.

One very important aspect of the Prime Minister's Package relates to earmarking funds by all the Central Ministries for spending in the North Eastern Region. As part of the New Initiatives, most of the Central Ministries/Departments have initiated action for earmarking atleast 10% of their Budget for specific programmes in the North Eastern States.

Seven BMS were identified in a Conference of State Chief Ministers held under the Chairmanship of the Hon'ble Prime Minister in July, 1996. The Planning Commission provided Additional Central Assistance for implementing the schemes under seven BMS for which our share was Rs. 36.85 crore. The august House may be interested to know the BMS being under implementation in the State. These are as follows:-

- i) 100% provision of safe drinking water in all rural and urban areas;
- ii) 100% coverage of primary health service facilities in all rural and urban areas;
- iii) Universalisation of primary education;
- iv) Extension of the mid-day meal programme in primary schools to all rural blocks, urban slums and other disadvantaged sections;
- v) Provision of public housing assistance to all shelterless families;

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- vi) Provision of connectivity to all unconnected villages and habitations; and
vii) Streamlining of the public distribution system with focus on the poor.

REVISED ESTIMATES FOR 1997 - 98

The Hon'ble Members might be eager to know the Revised Budget Estimates for 1997-98. On the basis of revised estimates of 1997-98, it is expected to closed the year with a deficit of Rs.85.77 crore. Our efforts for additional resource mobilization have not been to the desired extent, as the Government could not introduce Sales Tax. Moreover, water rates and power tariff could not be revised till today. Had these steps brought down further. I may tell you that the Planning Commission has allowed the Government to utilise upto 20% of Central Assistance for the Annual Plan 1997-98 (Rs.58.87 crore in case of Mizoram) to meet Non-Plan Revenue Gap. However, in the interest of development activities, the State Government proposed to utilise only Rs.13.49 crore for the purpose. Had we been in a position to utilise the entire amount of Rs.58.87 crore for meeting the Non-Plan Revenue Gap, the budget deficit could have been further brought down. Incidentally, on this occasion, I may apprise the august House that our main source of income from Lottery is likely to decline in the near future due to uncertainty of lottery market in the whole of the country and banning of sale of lotteries by some State Governments.

The booklet highlighting Plan achievements during 1997-98 under various Departments has been prepared and circulated along with the budget documents. I may highlight now some important achievements during 1997-98. Vocational training in carpentry, handloom, shoe making, knitting and tailoring has been taken up at Central Jail, Aizawl for training of convict prisoners. Besides this, gardening and piggery farm was also made at Central Jail, Aizawl for earning revenue. The Department of Employment has trained 270 youth at Industrial Training Institute, Aizawl in 14 different trades. A Women Industrial Training Institute has also been set up at Aizawl in December, 1997. All efforts have been made to operationalise Lengpui Airport in early 1998. To expedite construction, even the instalment payable in 1999-2000 has been received with the sincere efforts of the State Government. The Government has been able to get additional Central Assistance of Rs.20.92 crore from Planning Commission. The literacy rate has gone up to 89.96% during 1997-98. Greater Serchhip Water Supply Scheme costing Rs.1120 lakh was commissioned on 19th December, 1997.

Cobalt Therapy Unit at Zembawk has been set up and started functioning from 4th February, 1998. Construction of De-addiction-cum-Rehabilitation Centre at Sethawn with a capacity of 300 beds has been completed and is expected to function in the near future. The monthly remuneration of Village Council members has been revised with an increase of more than 300 per cent from 1st October, 1997.

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BUDGET ESTIMATES FOR 1998-99

As already mentioned by me, the year 1998-99 is expected to open with a deficit of Rs.85.77 crore and estimated to close at a deficit of Rs.59.98 crore. The Central Assistance during 1998-99 has been assessed at the current year's level since the Plan size has not yet been finalised by the Planning Commission. As the august House is aware that normally there is increase in the Central Assistance every year.

The job of resolving the financial crisis being faced by the State Government is quite a difficult task. There has been no problem so far as plan funds are concerned. The Planning Commission has been quite understanding and helpful in providing plan fund to the State. There is good appreciation on the part of the Planning Commission, North Eastern Council (NEC) and other Central authorities regarding the utilisation of Plan funds by the Government of Mizoram. Our main problem is on the Non-Plan side. The quantum of Non-Plan fund for the State is fixed on certain criteria adopted by the Central Government as well as recommendation of the Finance Commission. The requirement of Non-Plan expenditure as assessed by the Finance Commission has been much less than our actual requirement. The revenue gap grant as per the Tenth Finance Commission recommendation is decreasing year by year. As for example, during 1996-97, the revenue gap grant was Rs.117.60 crore which has come down to Rs.48.79 crore during 1998-99. On the other hand, our requirement for Non-Plan expenditure is increasing year by year. As you are aware, Mizoram is following the Central pattern of Dearness Allowance (D.A.). During current year also, our employees have been granted additional D.A. effective from 1.1.1997. In this, I am happy to inform you that our Government received full cooperation from our employees who have agreed to impound their D.A. instalment to their G.P.F. Accounts.

Further, I may apprise this august House that Central Government has already implemented recommendations of Fifth Pay Commission for their employees. Our employees are also due for revised pay scales and the same is under consideration. Any grant of additional D.A. and implementation of revised pay scales will naturally further widen the deficit gap of the State Government.

During 1998-99, under Rural Housing (BMS), 5500 families will be assisted. Under IRDP, 1223 families with an outlay of Rs.98.17 lakh will be covered. During 1998-99, Kolisib and Saihs Water Supply Schemes are targetted to be commissioned. Integrated Project of Aizawl with an estimated cost of Rs.176.55 crore will be impleted from the Central Plan and State Plan contributions in the ratio 75:25.

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I would earnestly exhort this august House to appreciate the urgent need to mobilise more and more additional resources for development in the State. Development is a continuous process and depends upon resources and economy in expenditure. As required, the Annual Financial Statement 1998-99 has been laid before this august House. However, as already stated in the beginning, I am at this stage, seeking "Vote on Account" for the four months - April to July of the fiscal year 1998-99.

Sir, I would like to thank all the Members of the House for giving me a patient hearing. I also express my sincere appreciation to the Officers and staff of the Departments especially the Finance Department for helping me in the preparation of this budget. My thanks are also due to the Government Press and Mizoram Unit of National Informatics Centre for their valuable cooperation.

With these words, I commend the "Vote on Account" of the Budget for 1998-99 for consideration and approval of the House.

Thank you Sir.

S P E A K E R

: Vawinni a kan tih tur chu kan ze ta a, kan tin anga, naktuk ah dar 10:30A.M. ah kan kal khawm leh dawr nia.

Meeting adjourned at 10:55. A.M.