



SPEECH OF

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FINANCE MINISTER OF MIZORAM

INTRODUCING THE BUDGET FOR 1974-75

OF THE GOVT. OF MIZORAM

IN THE

LEGISLATIVE ASSEMBLY OF MIZORAM

ON THURSDAY, THE 21ST MARCH, 1974.

Mr. Speaker, Sir,

I rise to present before the House the Annual Financial Statement for the year 1974-75 of the Union Territory of Mizoram as approved by the President and recommended by the Administrator. As you are aware, the Financial Statement for the year will indicate the channels in which the Administration proposes to carry out its activities for the betterment of the people.

2. As we are all aware, the general law and order situation in Mizoram did not show any marked improvement during the past year. There was an attempt by some gunmen on the 10th of March this year on the life of the Administrator, the Lt. Governor of Mizoram. We deplore such act of violence and wish complete recovery of Shri S.P. Mukherjee, the Administrator, from the wound inflicted on him, and also the Security Officer who sustained injuries. Peace and restoration of normalcy in law and order situation is a condition for the economic development of this area. Those who wish well of the people of Mizoram for the rapid development for providing food and shelter to the poorer section of our people in particular, are to refrain from any act of violence and help the Administration in its effort to bring about peaceful condition.

3. We are now at the fag end of the last year of the Fourth Five Year Plan and are now entering upon the first year of the Fifth Plan. As the present status of Union Territory was attained only towards the end of

the Fourth Plan period and as it took some time to set up and properly organise various Departments, we could not make much progress during the last two years. I am confident that we will be able to make better progress in development during the Fifth Plan period which is just beginning.

4. While presenting the Budget for 1973-74 last year I mentioned about the acute shortage of food supply in general and the poor harvest caused by untimely drought in particular that year. This year, too, the harvest was not too good and hardly better than last year's. This fact only reminds us of the need and urgency to make all-out efforts to improve our system of cultivation and to educate the people in the right direction. Our development efforts and activities have been greatly affected by the disturbed condition.

5. During the past year, the whole country was faced with serious financial crisis mostly as a result of abnormal rise in prices. The Government of India had to impose drastic cuts in the budget provisions and adopt various economic measures. The international situation, the Middle East war and the oil crisis also affected our economy. We require much more foreign exchange to import petroleum products and also food stuff and this affected the internal economy. In spite of this, the Government of India continued to give us due consideration. There was no cut in our Plan Budget in the Revised Estimates.

6. It is heartening to know that the Government of India would undertake measures to contain prices and made price stabilisation one of its first aims. This general price rise in the country naturally affects the price

level in Mizoram. This is mainly due to the economic situation prevailing in the country. But the problems brought about by this situation can be overcome if we all cooperate to observe austerity, avoid all unproductive expenditure, work unitedly to control price rise, increase production and maintain constant and effective vigilance against profiteers to ensure equitable distribution. The Government of India has also accepted import substitutions including substitution of imported liquid fuels with indigenous fuels as its basic strategy even before the oil crisis came. The measures already initiated by the Government of India to meet the oil crisis include further rising of the targets for coal production fixed in the Plan, acceleration of import substitution of liquid fuels, reduction of petrol consumption, intensification of oil exploration in the country. Consumption of petrol in the country has been greatly reduced in recent months by 25 to 27 percent.

7. The Honourable Members may be aware that from the Financial Year 1974-75, a new system of accounts classification and Budget Heads have been introduced. The Budget Estimates for 1974-75 and the Revised Estimates for 1973-74 have been prepared and are being presented under the new system. I may mention that the new system is being introduced on the basis of the report of an Expert Committee appointed by the Government of India. The existing budget and accounts classification is largely designed to secure the basic objective of ensuring control over the appropriation made by the Legislature to the Executive and allotments made by the Departments to the subordinate authorities. The new system is introduced for more meaningful classification and presentation of Government operations in terms of functions, programmes and activities. The new system will thus give an over-all picture of allocation among

various sectors such as General services, Social and Community Services, Economic Services etc. The outlay under each sector are again allocated among a number of major heads which will give an idea of the distribution of expenditure among functions which represent major divisions of the Government such as Agriculture, Education etc. There are further classifications which I may not explain at this stage. The new classification, on the whole, will also facilitate better control over expenditure.

8. We have a Consolidated Fund for Mizoram to which the Grants and the Loans from the Central Government and our domestic Revenue Receipts are credited. At the end of 1972-73 we had a minus balance of Rs. 250 lakhs which is a very unhappy state of affairs. The major portion, say approximately Rs. 197 lakhs, was accounted for by the short fall in the recovery in time on the State Trading Account and a huge quantity of commodities lying as stock in trade at the end of Financial Year. About Rs. 27 lakhs was accounted for by the short fall in the domestic Revenue Receipts and the rest was the result of excess expenditure by some Departments over the budget provisions. At the initial stage of the setting up of a new government it was, perhaps, due to non-receipt of information in time or due to the failure of the spending Departments to follow the principles of financial control over expenditure. The position has to be improved by all the Departments of the Government. The need to take more serious measures in collection and realisation of Revenues and to be more prudent and to limit expenditure within the funds appropriated should realised by all the Departments.

REVISED ESTIMATES 1973 – 74

9. In the Revised Estimates for the current year there is an over-all excess of Rs. 554 lakhs approximately over the Budget Estimate. There are also decreases in the Demand for grants in respect of some Departments. The increase is mainly due to inclusion of the expenditure incurred by the BRTF for Border Roads in this Territory. In accordance with the existing procedure the expenditure on Border Roads is required to be reflected in the Budget of concerned State/Territory for adjustment of the expenditure by the Accountant General. The decreases are for lesser demand for funds by some Departments.

10. The gross budget provision under State Trading (Supply Department) was reduced from Rs. 596 lakhs to Rs.388 lakhs due to less demand by the Department. Similarly, the budget provision in Budget Estimate under Agriculture Loan was reduced Rs. 40 lakhs from original Rs. 80 lakhs due to less demand by the Department. There was also a cut of about Rs. 7 lakhs under Loans due to economy measures enforced by the Government of India. On the Non-Plan Revenue account there is a net increase of Rs. 62.00 lakhs. This is attributable mainly to the Central Interim Relief, Tools and Plans and Stock suspense of P.W.D.

11. The original Plan allocation for 1973-74 was Rs. 5.00 crores. As a result of further discussion by our Chief Minister with the Planning Commission, additional sum of Rs. 1.00 crore was allotted thus making the total Plan provision to Rs. 6.00 crores. There is no cut in the Revised Estimates as the Departments assure that they can spend the entire Plan

provision during the year. There are, however, some inter-sectoral adjustments within the over-all Rs. 6.00 crores.

FIFTH PLAN :

12. This Administration submitted to the Planning Commission a proposal involving more than Rs. 110.00 crores for the Fifth Five Year Plan. The Planning Commission have given a tentative allotment of Rs. 40.00 crores only. The matter was taken up with the Planning Commission and we were given to understand that an Outlay of the Fifth Plan for Mizoram has been tentatively fixed at Rs. 45.59 crores subject to revision towards the upward side. To begin with, in the first year of the Fifth Plan 1974-75 we have been allotted Rs. 6.90 crores. The quantum of fund to be made available in subsequent years will largely depend on Our Capacity to execute Our plan Schemes and the final size of the Fifth Plan would therefore be fixed accordingly.

BUDGET ESTIMATES 1974-75

13. The broad picture of Budget Estimates for 1974-75 may be seen as follows :

(in crores)

Revised Budget
Estimate Estimate

<u>NON-PLAN</u>	<u>1973-74</u>	<u>1974-75</u>
Revenue Accounts.	11.05	12.46
Capital Accounts.	<u>5.11</u>	<u>4.44</u>
Total :	16.16	16.90
 <u>PLAN :</u>		
Revenue Accounts.	9.52	9.61
Capital Accounts.	<u>2.52</u>	<u>2.25</u>
Total :	12.04	11.86

There are some Centrally Sponsored Schemes which cannot be incorporated in the Budget Estimates for 1974-75 due to non-receipt of sanctions from Ministries concerned.

AGRICULTURE :

14. In the field of Agriculture, the policy of the Government is to help the people to take up more permanent cultivation and to give up gradually the system of shifting cultivation. The unsatisfactory food production and the unsettled condition of living in the grouped villages have hampered Agricultural Programmes. For more scientific and intensive cultivation it shall be required that the farmers stay in the farms or nearby areas.

STATE TRANSPORT :

15. Assam Transport Corporation with two or three Buses. This Administration, I am glad to mention, have in a short period of two years organised Passenger Road Transport System which now serves various parts of the State. Passenger Bus Services have been introduced between Aizawl and Champhai, between Aizawl and Lunglei and in other places also. The Road Transport section has acquired a fleet of about 20 Buses. The Bus services in the town of Aizawl have also improved and extended to surrounding villages for the people who have to cover more distances in their daily work. It is hoped that the Government will open up Railway Out Agency at Aizawl in the very near future which will facilitate transportation of goods from outside to Mizoram and from Mizoram to outside. The improvement in the Road Transport System has also added to the Revenue Receipt of this Administration. Revenue Receipt from road transport is expected to go up to Rs. 4.5 lakhs in the current year, and the estimated receipt for next year is Rs. 10.00 lakhs.

INDUSTRIES :

16. During 1973-74, three Units of Saw Mill and five Units of mechanised Carpentry Workshop have been established with the assistance from the Government. Knitting and Tailoring Centres have been established in 25 villages 30 Sugarcane Crushers have been distributed and 5 Units of khansari Machines, complete with power operated crushers will also be distributed. Industrial loans are distributed to selected Industrialists both in cash and in the form of hire purchase of machineries. The Government

took steps to get a feasibility study for setting up Paper and Paper Pulp Mill in Mizoram. The Planning Commission have approved such a study which is being undertaken by a reputed consultancy firm approved by the Government of India.

17. Schemes for setting up Saw Mills, barbed wire and wire nails manufacturing units are also being taken up by local entrepreneurs. It is proposed to establish a farm for cultivation of Cintronella and a plan for extraction of its oil. It is also proposed to establish during 1974-75 three Small Scale Units in manufacturing Mizo Hats and other cane and bamboo articles. It is proposed to create a Consultancy Bureau which will provide expertise for the entrepreneurs in various fields.

POWER :

18. Under the provision of the NEAR Act, 1971, the Assam State Electricity Board was to continue to take up Generation and supply of Electric Power for 2 years from the date Mizoram became Union Territory. This term has been extended by another year i.e. upto the 21st January, 1975 after which date the Mizoram Govt. will take over the work. The 66 K.V. Line to be drawn from the Umiam Project source to Aizawl was scheduled to be completed in April, 1974. The A.S.E.B. did not make satisfactory progress mainly due to difficulties to procure sufficient quantity of materials. The tempo of execution of this Scheme is expected to be faster during 1974-75. During the past years the Assam State Electricity Board made some improvements by increasing the capacity of the existing power supply sets in Aizawl, Lunglei and Kolasib. Apart from the Scheme to bring the 66 K.V. Transmission Line to Aizawl, the A.S.E.B. is also

expected to take up some new Schemes to give Power Supply in a few other places in Mizoram.

ROAD COMMUNICATION :

19. During the past year the Government took up Road Construction works in various parts of the State. Considerable progress was made in Road Construction, particularly in Khawzawl-Lungdar Section and Aizawl-Thenzawl Section. The Department has been given a sum of Rs. 25 lakhs in addition to Rs. 182 lakhs in the Plan under Road Construction for 1973-74. The tempo will be kept up with the allotment of about Rs.2 Crores during 1974-75. Attempts are being made to make the beginning towards construction of bridges over some rivers so that the roads may be used all the year round. In addition to Road Construction Schemes under this Government, proposals were also sent for taking up construction of some sections of road in the north and north-western areas of Mizoram under N.E.C. Schemes.

COMMUNITY DEVELOPMENT:

20. Mizoram was covered by 9 Community Development Blocks in the past. The Administration with the approval of the Government of India decided to organise them into 20 Community Development Blocks. But decisions on the patterns of the Blocks and financial implications thereof took a long time. Therefore, the 20 Community Development Blocks as Stage I Blocks were recently inaugurated in January, 1974. Appointments and posting of Officers and other staff are being processed.

21. The Annual Plan outlay during the year is Rs. 21.20 lakhs, of which Rs. 19.21 lakhs is proposed for a few selected feasible simple Schemes like (a) purchase of Jeeps and Office Equipments, Power Tillers, Pigs and Birds, roofing materials for Community Halls (b) Construction of Agricultural Godowns, approach roads, Inter-Village paths, bridges and water tanks and (c) Land reclamation for Wet Rice Cultivation. In view of shortage of time normal Plan Schemes cannot, at the moment, be attempted.

22. For the next financial year, (1974-75) Plan financial outlay under Community Development Programme is Rs. 22.00 lakhs for which detailed break-up is yet to be finalised.

23. Government of Mizoram have decided in principle to amalgamate Junior and Senior Gram Sevaks with Agricultural Demonstrators and Assistant Agriculture Inspectors respectively so that Gram Sevak with Agricultural Training and minimum period of services may now have scope of future promotion in Agriculture Department which they never had so long.

CO-OPERATION :

24. Co-operative movement is assuming an important role in public distribution system as well as in other sectors of development programmes. During the current financial year, it is proposed to spend Rs. 7.00 lakhs for implementation of Plan Schemes in the form of grant-in-aid, loan etc. to 84 Co-operative Societies including One State Level Apex Marketing Co-operative and a Collective Farming Co-operative.

25. At present there is no organised Agency for Marketing of Agricultural produce. The Apex Marketing Co-operative will take up this important function besides supplying Agricultural inputs and essential requisites to the Agriculturists. The Collective Farming Co-operative will have to be organised yet which will usher a new era in the agrarian reforms of the Territory. The Mizo Wholesale Co-operative Stores Ltd., which started its business last year with a financial assistance of Rs. 3.60 lakhs has made considerable progress. A new branch is being opened at Lunglei shortly. Provision has been made to strengthen this Store during the year. To provide marketing and processing facilities to the Oil seed growers of South Western Region, an oil seed growers Co-operative has been organised.

26. During the Fifth Plan period, Co operative Sector will play an important role in development of national economy. The peculiar condition of Mizoram calls for greater involvement in Co-operative Sector to ensure economic development of weaker section of the community. During the year 1974-75, it is proposed to spend an amount of Rs. 20.00 lakhs for development of this important sector. At present there is no organised public Agency for helping to spread the Co-operative education in Mizoram. A State Co-operative Union is therefore proposed to be organised during the year to take up this important task. Besides this, one processing Unit, 2 Collective Farmings and 16 other types of societies are proposed to be organised. Altogether 104 Co-operative Societies are proposed to be assisted financially during the year. Success of Co-operatives depends largely upon supervision. With this end in view an adequate provision has been made for strengthening of its administration.

DISTRICT COUNCILS :

27. During the current financial year the Government have sanctioned Rs. 20 lakhs as Grant-in-aid to the three District Councils of Pawi, Lakher and Chakma as normal grants apart from Rs. 1.90 lakhs for urban Development and Rs. 3.08 lakhs for water supply Rs. 30 lakhs has been provided in the Fifth Five Year Plan for development programme in the District Council areas.

PUBLIC RELATIONS :

28. Two posts of district level Information and Public Relations Officer have been created by upgrading the two Sub-Divisional Information and Public Relations Offices at Lunglei and Saiha. The two District towns of Lunglei and Saiha have been provided with Fixed Loud Speaker Systems. Serchhip, Kolasib centres are being provided with the same facility during the current year. Champhai, Hnahthial, Mamit, Kawnpui, Lawngtlai and Demagiri are earmarked for fixed Loud Speaker system during the coming year. 131 community Listening Sets have been distributed to Grouped Centres and other important villages. More such Sets will be distributed during the year 1974-75. Establishment of three district level Mobile Information Units to be equipped with Mobile Van, Engine Projectors and P.A. Equipments are proposed to be established during 1974-75.

HEALTH :

29. The most serious problem in Health Services is dearth of qualified Doctors to serve in Mizoram. There is general reluctance on the part of doctors from outside the State to come and serve here and we have not got sufficient number of doctors from the Mizo community. In spite of this serious handicap, the Government have, during the past year, improved the Health Services to some extent. The Directorate of Health Services was strengthened, The Offices of Civil Surgeon, Lunglei and Sub-divisional Medical Officer, Saiha, were opened during the last year and the Officers have taken positions. The existing hospitals and dispensaries have been strengthened by adding altogether 104 beds during the past year. There was also improvement in the supply of Hospital equipments and medicines compared to the previous year.

30. There were 600 cases of fell-diseases like T.B. Leprosy, Cancer etc., and a grant-in-aid to the tune of Rs. 60,000/- was given to them. Under the Malaria Eradication programme, more than 50,000 houses and more than 3,000 cattle sheds were sprayed with D.D.T. during the year. Blood smear were collected from more than 46,000 persons and about 8,000 cases of Malaria were detected.

31. The Plan provision for 1974-75 has been increased to Rs. 40.00 lakhs. Besides strengthening the existing hospitals and dispensaries a number of new Schemes will be taken up.

EDUCATION :

32. There has been substantial increase in the enrolment figure of students at all stages. The pupil teacher ratio at Primary stage which was 46:1 has been brought to 41:1. A number of schools were brought under the deficit system of Grant-in-Aid. There was a serious set back in education due to disturbances. In some places buildings were destroyed and in many places schools have to function without having proper buildings as a result of grouping of villages. During the past one year substantial fund was released for construction of school buildings and the fund released have been used to the satisfaction of the education authorities. For the first time the UNICEF extended their assistance to Science education in Mizoram during the past year. The Government College at Aizawl has also started Science teaching in the Pre-University Classes from the present academic session. The quantum of grants from the Central Government for Post Matric Scholarship and Stipend was increased from Rs. 7.5 lakhs in the previous year to Rs. 11.5 lakhs during the current year. Technical education is yet to make a head-way and in this regard considerable progress is made to complete the construction of I.T.I. buildings

WATER SUPPLY :

33. The Aizawl Water Supply Scheme costing about Rs. 72 lakhs started by the Assam Government was completed in the past year. The Water Supply Scheme is yet too small to meet the requirement of water for the increased population in the town and during the dry season it is still necessary to supplement the water supply by other sources. In addition to this, the Government started water supply schemes in various places like

Kolasib, Kawnpui, Lungdai, Durtlang, Thingsulthliah and other places. This scheme together with additional new schemes will be followed up.

HOUSING :

34. Housing has been a serious problem particularly in the Aizawl town where the increase in population was very rapid. During the past year a number of houses were constructed on the loan assistance extended by the Government under the low and Middle Income Group Housing Loan Scheme. The scheme is being continued for next year also.

35. As Honourable Members are aware the shops and buildings in the main trade centre of Aizawl town was destroyed by fire during 1966. Through the effort made by the Government, Rehabilitation Loans have been arranged and reconstruction of houses and shops is in full progress.

LAND POLICY :

36. During the past year the Revenue Department made a study of land allotment made in the past. It was found that large portion of land all over the State are under passes held by individuals. In most cases such lands have not been utilised. After very careful consideration, the Government decided that such pass holders should be given One year time to develop and make use of the land allotted failing which the passes were to be cancelled. The decision was made in public interest and to encourage better utilisation of land. Individual cases will be examined from April 1974 with the help of the village councils concerned and the Government decision will be implemented after careful consideration for each individual case.

37. Though we have no Land Ceiling Law in Mizoram, the policy of the Government is not to allow individuals to hold lands more than they can utilise, Land Ceiling Law also may be considered premature as no land settlement is yet given in the State except in a few town areas. The Government will however, be ready to take up the question of having Land Ceiling Law as and when circumstances demand. A beginning has been made to survey and demarcate individual holdings in rural areas where permanent cultivation has been taken up. It is proposed to introduce Land Settlement giving right of Ownership and title to individuals in such places where permanent cultivation is in practice and after survey of the land.

PAY REVISION :

38. The Third Pay Commission set up by the Government of India in April, 1970 submitted its final report to the Government during the year now ending. The Central Government have accepted part of the recommendations. As the Honourable Members are aware, Mizoram was a part of Assam till 21.1.1972, and with the separation from Assam, the cases of many employees are yet to be decided in regard to final allocation as required under Section 64 of the NEAR Act.

39. The Govt.of India decided for the present,that we were to follow Assam pay structure. This is perhaps due to the fact that our organisation and staffing pattern is in line with Assam. However, we make it clear to the Central Pay Commission that we would like to reserve the right to exercise option between Central Pay Scales and Assam Pay Scales and accept whichever may be more advantageous. Accordingly, the Central Pay

Commission have not recommended any pay structures for Mizoram Union Territory employees; but left the matter to be taken up by a Committee appointed by the Home Ministry where we will also be represented and when the Assam Govt. finalise the question of Pay revision for their employees. Until then, in the opinion of the Pay Commission, no meaningful comparison can be made between Assam pay scales and Central pay scales. It may be noted that the Assam Pay Commission have already submitted their report and a final decision is expected soon. It is to be hoped, therefore, that the employees under Mizoram Government will soon have the chance to study the Assam pay scales and Central pay scales for making their choice and so that the Central Government can make a final decision. Meantime, the Central Government have allowed Interim Relief to the Mizoram Government employees and to others when their final allocation is decided.

40. This Budget Session is unique in the sense that it is the first Session of the Assembly after the merger of Mizo Union Party with the Congress Party and without an opposition party. With unity and co-operation, I am confident we shall be in a better position to achieve faster economic development of our land. I invite the co-operation of Honourable Members towards this end.

With these few words, Sir, I present the Revised Estimate for 1973-74 and the Budget Estimate for 1974-75.

JAI HIND.