



GOVERNMENT OF MIZORAM

**PU ZORAMTHANGA
CHIEF MINISTER
IN-CHARGE OF FINANCE**

STATEMENT

on the

BUDGET

for

1999-2000

in the

MIZORAM LEGISLATIVE ASSEMBLY

on

Thursday, the 15th July, 1999

Mr. Speaker Sir,

I am happy to say that during the last session of this august House in March 1999, I had obtained 'Vote on Account' for expenditure requirements of the first four months of the current financial year April to July, 1999. Such 'Vote on Account' was necessitated by non-finalisation of the size of the Annual Plan outlay of the State by the Planning Commission. The annual Plan Budget was, therefore, prepared at the level of the last year allocation as advised by the Planning Commission. The Budget documents now supplied to the Hon'ble Members are the copies which were presented to Members on 22nd March 1999. However, a fresh Explanatory Memorandum on the budget for 1999-2000 is prepared and provided now along with the budget document.

2. The discussion on the Plan outlay for Mizoram for 1999-2000 was held in New Delhi in April 1999. The State Annual Plan for the current year was fixed at Rs. 360 crores. The sectoral allocation prepared by us is yet to be approved by the Planning Commission. The 'Vote on Account' approved

by this august House covers expenditure requirements upto July 1999 only and it is now expedient for this House to consider and approve the regular budget for the whole year 1999-2000.

3. I, therefore, wish to seek the formal approval of the current year plan budget by this House now at the last year level. For the increased amount of the current year Plan and for other additional allotments of funds to be received for this year, I will seek the approval of the House formally by way of Supplementary Demands in due course.

4. I had already mentioned in my last Budget Speech about the financial problem of the State and certain measures initiated by the Central Government to solve the problem in response to our persistent request. In fact, we relentlessly pursued the matter at the highest level in the Central Government. We could thus generate enough goodwill and positive response even at the level of the Hon'ble Prime Minister, Home Minister, Finance Minister and other Union Ministers. Due to the sympathetic attitude of the Central

Government towards our problem, we could so far avoid imposition of embargo on payment by the Reserve Bank of India. Apart from what has been released by the Central Government as additional financial assistance mentioned in my Budget Speech, further amount of Rs. 97.32 crores was sanctioned by the Govt. of India in the month of April 1999 on account of Share of Taxes, Normal Central Assistance and Ways and Means Advance to immediately tide over the cash balance problem. The Committee of Group of Officers constituted by the Ministry of Finance to look into our financial problem is expected to finalise their recommendations soon. We, therefore, look forward to a positive decision of the Government of India towards solving our present financial problem.

5. I am happy to inform this august House that the visit of the Hon'ble Prime Minister to Aizawl on 22nd May 1999 has produced very favourable results. As a package of assistance from the Prime Minister, we received an allocation of additional Central assistance amounting to Rs. 20 crores for taking up

various development schemes under Basic Minimum Services in the State. The Schemes which we propose to be taken up under this additional allocation will cover Rural Connectivity, Self Drinking Water, Primary Health Care, Universalisation of Primary Education, Rural Housing, Nutrition, Public Distribution System and Schemes under the 3 (three) district councils. The other positive result of the visit of the Prime Minister is release of Rs. 20 crores for drought and other financial relief.

6. I would also like to apprise the Hon'ble Members of this august House of the need for mobilisation of the State's own resources. The time has come to tighten our belts so as to improve our own resources. We are all aware that more than 90 per cent of the State's revenue receipts in a year comes from the Central Government and the contribution of our State is hardly 10 per cent.

7. In view of the fact that the State Government felt the need for improving fiscal management, certain concrete measures are being taken not only to

mobilise resources but also to cut down non-development expenditure. With this objective in view the Cabinet has decided to take some steps towards mobilisation of additional resources incidence of which will not fall hard on poorer section of the people. These measures will include re-introduction of Sale Tax on certain luxury items, upward revision of power tariff and water charges.

8. As I had already highlighted in my Budget Speech the Central Government and many other States have revised Pay of their employees which resulted in rises of prices of various commodities and caused financial hardship to our employees. In spite of acute difficult financial position being faced by the State, the Government is fully aware of its responsibility towards its employees and their welfare. Therefore, the Council of Ministers has decided to revise the pay and pension based on the Central Government pay scale effective from 1.1.96 notionally with cash benefit from 1.5.1999.

9. I would like to bring to the notice of the

Hon'ble Members of this House once again that this Ministry has accorded top priority on self sufficiency in Food production, followed by income earning activities, generation of more Power and Electricity and social reforms. It will, therefore, be our continued endeavour to take all necessary measures towards fulfilment of these set targets within the shortest time possible.

10. I take this opportunity to make a mention of the present crisis faced by the Nation due to the incidents in the Kargil Sector. We pay homage to those brave Soldiers who laid down their lives for the country. In this regard a fund raising Committee has already been formed for collection of fund for providing necessary assistance to the families of the victims. I appeal to all the Hon'ble Members of this august House and the people of Mizoram to contribute generously to this fund.

With these few words, I commend the Budget for 1999-2000 for consideration and approval of this House.

Thank you Sir.