



GOVERNMENT
OF
MEGHALAYA

BUDGET SPEECH

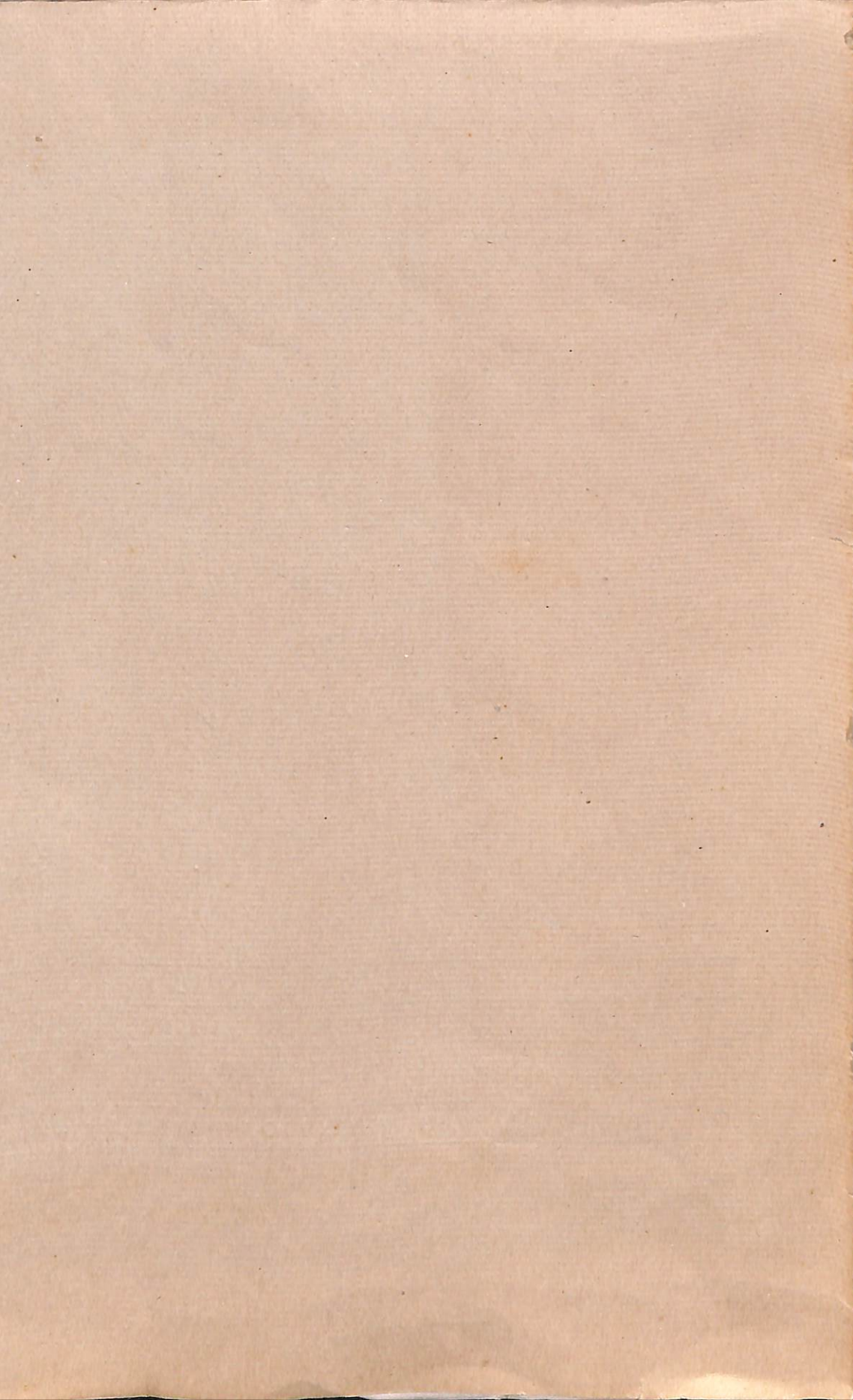
1970-71

21st SEPTEMBER
1970

By

Shri Brington Buhai Lyngdoh

Finance Minister
Meghalaya



MR. SPEAKER, SIR,

I rise to present the annual financial statement of the new State of Meghalaya for the year 1970-71.

This year is of a historic significance to us and a notable land-mark in the struggle of our people for a rightful place in the political set up of the country. On the 2nd of April this year the new State of Meghalaya was born—a State not fully separated, and still having certain links with the parent State of Assam. It is a new experiment in the political structure of India which demands the greatest goodwill and a high degree of statesmanship on both sides for its successful working. These qualities, I regret to say, have not been forthcoming so far. Nevertheless the creation of the State has opened up wide opportunities for us to assess ourselves and fulfil our own needs and aspirations and to formulate a budget in conformity with our own requirements.

Mr. Speaker, Sir, I have the privilege now to present the first budget of Meghalaya and I take this opportunity to congratulate the people of Meghalaya, of Assam and of the whole country for the goodwill with which the New State has come into being.

At the same time Sir, I would like to remind us all that with this opportunity comes also the heavy responsibility carrying on our own shoulders the difficult tasks of organising, steering and speeding up the political, economic and administrative machinery of the State for purposes of good administration and service to the people. It is particularly to this end that the Government had devoted and concentrated its energies in these first few months after the creation of the State. To obtain the required number of qualified officers and staff to man our various Departments presents tremendous difficulties, yet a good deal has been done in the setting up of the basic administrative structure. It will take a few months more for the Government to be in a position to lift the administration off the ground so that it is in a position to perform its duty and render service to the people in all the various fields of Agriculture, Industry, Education, Trade and Commerce.

Authorised
Expenditure,
1970-71.

The House is aware that in accordance with the provisions of Section 57 of the Assam Reorganisation (Meghalaya) Act, 1969, an authorisation from the Governor for incurring expenditure during the initial period was obtained. This was notified under Government Notification No.G-20017/1/70-Fin. (B), dated 6th April, 1970 read with subsequent corrigendum issued under notification of even number, dated 10th April, 1970. The amount authorised was Rs.14,14,29,100 for a period of six months with effect from 2nd April 1970, to defray charges in respect of different Departments.

This amount was also inclusive of the provision for Plan expenditure to the extent of Rs.3,42,49,000 towards State Plan schemes and the Centrally Sponsored Schemes and a cushion provision of Rs.6,18,18,000 to enable Government to defray charges for debt repayment in the event of any Ways and Means advance or Loan from the Reserve Bank of India being necessary to maintain the minimum cash balance with the said Banker as per Banking procedures and rules.

I would like to add that no such debt has yet been incurred.

Later, a further authorisation of Rs.3,18,816 was obtained to meet urgent expenditure of the Government and the total authorisation thus comes to Rs.14,17,47,916.

Provisional
Estimates.

In order to obtain the authorisation from the Governor under the different grants and the Heads of Accounts, provisional estimates were worked out in respect of various Departments for the whole financial year 1970-71 and the amount authorised by the Governor was to the extent of half of these provisional estimates. These provisional estimates were, however, worked out before the appointed day by the Finance Department of the Government of Assam on the basis of certain principles evolved, as we had no administrative set up at that time. The figures for these provisional estimates were carved out mostly at 2/11th of the estimates of the composite

State of Assam in respect of State level expenditures and the entire estimates of the Districts now forming Meghalaya were included. Naturally, these provisional estimates could not be realistic and accurate for a comprehensive Budget of the new State. We have, therefore, tried to get fresh estimates from the Departments, taking into account the needs of the newly created administrative set up and various activities we want to have in our State. Based on this data, we formulated the Budget for 1970-71 which I am presenting to the House today. I would like also to clarify that the estimates in the Budget now presented for the whole year also include the expenditure authorised by the Governor with such modification as is called for where expenditure is either not necessary or not incurred.

District Budgets.

The draft District Budgets prepared on these provisional estimates and the estimates received earlier from the Districts were submitted to the respective District Councils of Garo Hills, Khasi Hills and Jowai for discussion. We have received the synopsis of discussions from the District Councils. We share the anxieties expressed by the Hon'ble Members of the District Councils while discussing the Budget proposals for adequate provisions on subjects deserving priority as well as greater attention. Government would continue to give attention to this matter. In the current year's Budget, as the Hon'ble Members would notice, the district level expenditure out of the total Budget provision of Rs. 1582.56 lakhs for the State as a whole, comes to Rs. 11,70.12 lakhs. The District Budgets do not, however, include the expenditure on State level organisations, as the same is not attributable to any District in particular.

Difficulties in Budget formulation.

Sir, before I present the financial position of the State, I would like to briefly mention the difficulties we have had while formulating the Budget proposals. The past trends are a valuable guide for formulating the Budget Estimates for the ensuing year. But for an entirely new State like ours, past estimates or actuals are not available to have any worthwhile comparison with past trends. And again, a new State is bound to embark on activities suited to its own needs

and aspiration. Therefore, Sir, a proximity of the estimates with the actual expenditure would not accurately be achieved in the beginning.

Financial
Position.

As the Hon'ble Members will appreciate, our internal financial resources in the initial stages will be insignificant compared to the huge fiscal burden on a new State both for the running of its day-to-day administration as well as for its development activities. We will, therefore, initially have to depend largely on the statutory grants, the plan allocations as well as on other Central assistance. But we are determined to take all steps and measures to augment our own internal resources so as to do away with dependence on Central assistance as soon as possible. Unfortunately the State of Meghalaya had to start with an opening debit balance of Rs.98,77,790 which came as a share from the accounts of the composite State of Assam. Government of India gave us a Ways and Means Advance of Rs. 1 crore in the month of April this year. In accordance with the provision of subsection (1) of Section 56 of the Assam Reorganisation (Meghalaya) Act the President of India passed the Distribution of Revenue order on 2nd April 1970, whereby the distribution of shares of Central taxes and duties as well as grants-in-aid under the substantive provision of Article 275(1) of the Constitution in relation to the financial year 1970-71 was made. By this order, the share of Revenues between Assam and Meghalaya were laid down. In accordance with this Distribution Order, Meghalaya's share will be as below—

	Rs.
(i) Share of the net proceeds of Taxation Income.	46,15,803
(ii) Share of arrear of net proceed on Taxation Income due for 1968-69 and be paid in 1970-71.	9,17,477
(iii) Subvention (Substantive portion) for 1970-71.	3,00,00,000
(iv) Share of Union Excise duties, 1970-71	69,40,750
(v) Share of additional duties on Excise during 1970-71.	9,23,030
(vi) Share of Estate duties for 1970-71 ...	1,15,060
Total	4,35,12,120

Besides this, another amount of Rs. 20 lakhs is likely to be the share of Meghalaya out of the grants-in-aid under Article 275(1)(a) of the Constitution. Government of India have now been releasing the share of Meghalaya in such number of instalments as are prescribed for release of these statutory grants.

Speaking of our own resources, I may mention that the over-all receipts under different Taxation Laws are somewhat difficult to correctly estimate at this stage. Collection of sales tax and other taxes can commence after the Assam Taxation Laws (Meghalaya) Modifications Order is issued by the Government of India under Section 55(3) of the Assam Reorganisation (Meghalaya) Act. This order is likely to be issued soon.

The tax laws relating to levy and collection of other taxes, *viz.*, Amusement and Betting Act, Tax on Passengers and Goods, Agricultural Income Tax and Profession Tax in the Khasi Hills are being adapted. Administration and collection of Profession tax in Garo Hills and Jowai is, however, done by the District Councils.

Most of the goods of mass consumption are taxed in Assam at the first point before their retail distribution in Meghalaya with the result that sales taxes on goods which are consumed in Meghalaya are collected in Assam. To compensate this loss to Meghalaya, Section 55(2) of the Reorganisation Act provides for sharing between Assam and Meghalaya of the first point sales taxes. We have accordingly provided in the Budget Meghalaya's share on this account at Rs. 58.69 lakhs as calculated on population basis.

The bulk of the Receipts under the Motor Vehicles Taxation Act would, however, go to the District Councils and, therefore, there would not accrue substantial receipts to Government on this account ; so also on minerals.

Collection of taxes relating to Amusements, etc., is meagre as there are only a few cinema halls in Meghalaya. There is, however, some scope for opening a few more cinema halls and in that case revenue from this source may further increase. Similarly, revenue

under Excise is not substantial. There are only two licensed Country Spirit Shops, one at Jowai and one at Tura. Moreover, there is only one retailer's license for India made foreign liquor at Tura.

On the organisational set up also, except on matters of Excise, Registration and Stamps over which the Deputy Commissioners exercise direct control, the machinery is yet to be placed on a proper footing.

The Hon'ble members would thus appreciate that our own resources may not be of any appreciable size. We have on a rough estimate put our normal receipts at Rs.130.99 lakhs in this year's Budget.

The Fourth
Plan.

Our Fourth Five-Year Plan in fact will be a plan of four years only because one year of this plan period had passed before Meghalaya came into being. The share of the plan outlay as carved out from the Integrated Hill Plan of Assam stood at Rs. 38 crores for the entire plan period including the year 1969-70. But as we are a new State and naturally the developmental activities, particularly in an under-developed region like ours, will be much more, we formulated plan proposal for over Rs. 71 crores for the Fourth plan and we have submitted the same to the Planning Commission. Besides, an outlay of Rs. 7.15 crores for the Centrally Sponsored Schemes on various subjects have been proposed. I hope, the Planning Commission of India will give due consideration in fixing the plan outlay for this under-developed area.

Our aim has been to reach the all-India level of *per capita* income by about 1981. In formulating our schemes, priority has been given to Communications, Agriculture, Water Supply, Education, Health, Tourism and Border Area Programme.

Annual Plan
of 1970-71.

On the basis of the outlay for the Fourth Plan, the Planning Commission gave us to understand that the Annual Plan for the year 1970-71 will be fixed at Rs. 7.25 crores. The representatives of the Planning Commission held discussions on our plan proposals very recently and indicated that it might not be possible to increase the allocation from Rs. 7.25 crores earlier fixed for this year. We have also proposed

an outlay of Rs. 138.53 lakhs for Centrally Sponsored Schemes. If our resources permit, we can take up more schemes from our own State resources in addition to the above approved outlay.

Pattern of
Plan assist-
tance.

As the Hon'ble members are aware, the pattern of Central assistance for the Fourth Plan period had changed. The Central Sector Schemes will be financed wholly by the Government of India. For the State Sector Schemes also, the Central assistance will be in the form of block loan and block grant. For the Hills Development Plan, the Central assistance is in the form of 90 per cent grant and 10 per cent loan. For our State Plan in Meghalaya also Central assistance will be to the extent of 90 per cent grant and 10 per cent loan.

In addition to the schemes accommodated within the plan allocation fixed for this year, I would like to make mention of the following schemes which we are taking up with the Government of India—

1. Border Area Programme.
2. Scheme for Regrouping of villages of Garo Hills.
3. Road Projects of Economic and Strategic Importance, namely—
 - (i) Shillong-Nongstoin-Tura Road ;
 - (ii) Paikan-Bajengdoba-Tura-Dalu-Baghmara Road and (iii) Mankachar-Kalaicherra-Dalu-Baghmara-Maheshkhola-Sonapur Road.
4. Water Supply for Greater Shillong.
5. Improvement of market facilities in Shillong.

These schemes alone involve an outlay of nearly Rs. 25 crores and we hope that Government of India would give very sympathetic consideration to these schemes in view of their great importance from the economic, strategic and administrative points of view. Further, the Damra-Darugiri-Nangal Bibra-Baghmara

Road will be taken up under the Border Road Programme and this will approximately cost Rs. 5 crores which will be outside our Plan. The above programme would certainly go a long way towards the development of the economy of this State.

Review of
Economic
condition.

We do not have yet the indicators of the economic situation for the State of Meghalaya separately for a precise review. Some rough idea may, however, be formed with the statistics of the composite State of Assam. The *per capita* income in 1968-69 at current prices in the composite State of Assam was Rs.556 which is slightly lower than that in the previous year (Rs.558). In terms of 1948-49 prices, the *per capita* income of the composite Assam was only Rs.282 during 1968-69 with a very nominal rise over the preceding year. In Assam roughly half of the State income comes from agriculture and the allied sectors. In Meghalaya, excluding Shillong, practically the entire State is dependent upon agriculture. Because of the absence of industries and other developed sectors, the *per capita* income figures of Meghalaya would be much lower than those of composite Assam.

The production of rice in Meghalaya during 1968-69 was put at 112 thousand tonnes compared to 108 thousand tonnes of 1969-70. During 1968-69, Garo Hills also produced 1,260 tonnes of oil seeds and 41,610 bales of jute. In the year 1969-70, however, the production was 2,275 tonnes and 49,032 bales respectively. The output of potatoes in the State has considerably dropped to only 68.5 thousand tonnes in 1969-70 from 117 thousand tonnes in 1968-69. The figures, therefore, suggest that agricultural production in general needs to be stabilised and food production increased.

Meghalaya had only about 50 factory establishments according to the Annual Survey of Industries which covers factories employing 50 or more workers with power and 100 or more workers without power. With the establishment of the Cement Factory at Cherrapunji extraction of lime stone has started rising; from 30,400 tonnes in 1966 it has gone up to 86,000 tonnes in 1969. Production of Sillimanite has,

however, progressively declined over the recent years. Meghalaya suffered very badly in the coal business as a result of the 1965 Indo-Pakistan conflict. There has also been energy rationalisation by consumers like the railways, factories, etc., in which coal is being gradually replaced by diesel oil and other forms of energy. Because of these factors, the production of coal in Meghalaya has come down from 2.2 lakhs tonnes in 1961 to only 40,000 tonnes by 1967 and further to 19,000 tonnes in 1968. If alternative uses of coal are not found, it will take many years to make up the loss.

Between 1965 and 1968, the general price index in Assam rose by more than 50%. With a fall by 8% in 1969, the index tended to go up and by June this year it was 4% higher than in June last year. This pressure was felt in the Meghalaya area as well and in a large number of commodities excepting its surplus products, the price ruling was always higher in Meghalaya than the rest of Assam. Even in the case of Cherra Cements, the price by the consumers in this State was higher than at Gauhati due to the price being calculated from the railhead.

The cost of living index compiled by the Central Statistical Organisation for non-manual workers of Shillong has been persistently rising throughout this decade. Between 1961 and 1968, the index has risen by nearly 60%. After a further rise till August 1969, it has come down gradually to about the 1968 level.

On the employment front, the employment in the public sector (*i. e.*, by Assam Government, N. E. F. A., Central Government and Semi-Government establishments) in Meghalaya increased by about 9 per cent between 1965 and 1968. On 31st March, 1968, public sector employment in this area, including the Shillong Municipality area, stood at 37,350 and then rose to 41,444 in March, 1969. The concentration of different Government and Semi-Government offices at Shillong obviously account for this position. The rate of growth of employment has been only about 2 per cent per annum. This rate of growth is very insufficient considering the growth of population (2.7% per annum) in both urban and rural areas,

the rapid progress of education, absence of other employment oriented sectors in the State as well as the increasing back log of educated unemployed.

Thus it would appear that while on the one hand Meghalaya is an under-developed State industrially and otherwise it is a high cost economy on the other. This underlines the need for a big developmental push now and a sustained effort over a period of years in order to correct this disequilibrium in the economy. I hope the various developmental programmes we are taking up now under the Plan, though by no means adequate, would nevertheless be the pace setters for the development of this new State.

I would like also to give a brief account of the activities and development in some important Departments, before I go into the Budget proposals.

Communi-
cation.

As I have mentioned earlier, communications will receive first priority, for on the development of communications depends the building up of an infrastructure for other developmental activities. The Public Works Department of Meghalaya are going to give more attention for early completion of roads and bridges in progress, development of an all weather Trunk Road from Shillong to Tura *via* Nongstoin, improvement of existing lowgrade roads and construction of new roads essential for the development of the rural and industrial areas of the State. The draft Fourth Plan Programme includes construction of 840 Kilometres of new roads, widening, metalling and surfacing of 670 Kilometres of the existing roads and construction of nearly 2,900 Metres of bridges and culverts. During the current financial year itself most of these works will have to be taken up within the plan allocation available for the year.

In respect of roads taken up under the Indo-Pak Programme under which non-plan schemes are financed by Government of India, the Department has taken steps to complete most of the remaining works on the Balat-Maheshkhola-Baghmara Road by the end of March 1971. The major bridges over Maheshkhola, Jadukata and Umngi are, however, expected to be completed during the year 1971-72.

Water Supply.

The Public Health Engineering Wing has taken up a number of new water supply schemes in the 4th Five-Year Plan period besides 15 continuing schemes. The nine new schemes include some major scheme like Mawlai, Rymbai, Muktapur, Wahsier and Baghmara Water Supply, with a target expenditure of Rs. 44.00 lakhs during 1970-71 in this sector.

The progress of works has however been not upto the expectation mainly due to want of essential materials and bottle-necks created by inadequate communications.

The Department also propose to implement the Greater Shillong Water Supply Scheme for the Shillong Municipal area and suburbs like Pynthorumkrah, Nongthymmai, Upper Shillong and rural areas *en route*. Here, however, the constitution of the Committee for Shillong as required under the Assam Reorganisation Act has to be awaited.

Agriculture.

Agriculture is the main-stay of the people in Meghalaya. The potential areas under food crops (paddy, maize, millets, etc.) and other agricultural cash crops (fruits, vegetables, etc.) is about 10 lakh acres. The total cropped area in Meghalaya is about 7.8 lakh acres.

So far about 50 tonnes of high yielding paddy seeds, 50 lakh numbers of pine apple suckers of improved variety and about 90,000 numbers of standard apple grafts brought from outside the State have been put under plantation.

In the field of plant protection measure, a total area of 42,000 acres is the target during the year. The target for land reclamation by means of bull-dozers and tractors is 2,500 acres during the year.

The total plan allocation during 1970-71 under the Fourth Five-Year Plan is Rs. 57 lakhs.

The main programme that will be taken up during the year and in future will be the intensification in the use of fertilisers and also to introduce a potato which while being resistant to disease is also of high yielding

capacity. Introduction of high yielding paddy and maize and vegetables seeds has already been made during the year and will continue during the plan period.

The Horticultural programme for the introduction and expansion of cultivation of stone fruit will also be taken up alongside with the expansion of the cultivation of pine apple and other cash crops. The total coverage under the high yielding variety programme by the end of the year 1970-71 is expected to be 12,000 acres.

This year the Government is also preparing schemes for the introduction of a small Farmers Development Agency and a Marginal Farmers Agricultural Labourers Agency with the approval of the Government of India. These schemes will go a long way in helping the small and marginal farmers of the State.

Minor Irrigation.

To meet the demand for more food, the Government is examining the possibilities of improving the practice of jhumming by more sensible measures like increasing the fertility of the good land and devising new methods of increasing production by agronomic measures which essentially would mean providing for adequate water for irrigation. Since there is scope for lift irrigation even in narrow river valleys and high table land, the Government is actively considering the question of providing lift irrigation with the help of electric power. For the year 1970-71, a provision of Rs.19 lakhs has been earmarked for this purpose.

Soil Conservation.

Indiscriminate jhumming has again resulted in deforestation, more specially on the fertile hill slopes and ridges. This in turn has accounted for loss of fertility and erosion and uneven supply of water. During the Fourth Plan period it is proposed to initiate a Soil Conservation Programme by taking up various measures. The main works in this programme will be (i) land development by providing for terracing, reclamation, contour bunding, etc., to cultivable land, (ii) Conservation irrigation to provide channel type gravity irrigation wherever facilities exist and (iii) afforestation to protect degraded hill slopes. The Soil

Conservation Department has a number of cash crop demonstration and production centres and nurseries for encouraging cultivation of non-perishable cash crops like coffee, black pepper, arecanut, rubber, etc.

Animal
Husbandry
and Dairy-
ing.

Our objectives in this sector have been to increase the supply of protective foods such as milk, milk products, meat and eggs to improve the output of animal products and at the same time to diversify the economy of small farmers by enabling them to undertake animal husbandry practices on scientific lines. The scheme for establishment of new Veterinary dispensaries and improvement of existing Veterinary dispensaries, establishment of Key village Block aid centres have been taken up in order to facilitate more veterinary aid to the rural areas of Meghalaya. One intensive cattle development project and reorganisation of the existing livestock farms have been undertaken. Provision have also been made for schemes for poultry development, piggery, sheep and goat development, etc.

Fisheries.

There is scope for development of fisheries in the State by improving the existing natural fisheries and by construction of artificial ponds for fish farming. The major programme in the current year and the future is the conservation and protection of river and natural fisheries. Important Acts like the Indian Fisheries Act, The Private Fisheries Protection Act, The Assam Private Fisheries Protection Act, The United Khasi and Jaintia Hills District Fisheries Act and the Garo Hills Fisheries Act are proposed to be adopted in this State.

Community
Develop-
ment.

Out of the 24 Development Blocks in Meghalaya 4 are in Stage I, 9 in Stage II and 11 are in post-Stage II at present. Though the Community Development Programme embraces all branches of development, utmost attention is being paid to the schemes under food production programme including irrigation facilities. To ensure more financial aid to Community Development Blocks, Government of India have introduced the Tribal Development Programme side by side with the Community Development Programme. Funds under Tribal Development programme are provided as grant from the Ministry of Social Welfare, Government of India and all the

24 Blocks are covered under this Programme. Besides, the Centrally Sponsored Scheme for Applied Nutrition Programme is now being implemented and Government propose to take up a programme for revitalising the activities of the Blocks and a Pilot Research Project in growth centre.

Co-operation.

The Co-operative movement, particularly in Meghalaya where most of the crops produce/are cash crops, must necessarily lay more emphasis on expanded credit facilities to the agriculturists and also for marketing and processing. The Assam Hills Co-operative Development Corporation has in the past granted short and medium term loans and also some trade advances. The question of having a separate Co-operative Development Corporation for the State and organisation of a State Co-operative Apex Bank are under active consideration of the Government. There has been a steady increase in the coverage in the membership of all types of Co-operative Societies. One main handicap is the lack of trained personnel and steps are being taken to see that the movement forges ahead. /d

Forest.

A large scale afforestation programme has become imperative in order to attain the desired level of forest area. The mountainous areas, which are liable to erosion, should have 60 per cent of geographical area under forests according to the National Forest Policy. The overall percentage for hills and plains area should never be less than $33\frac{1}{2}$ per cent of the land areas, but it is a sad state of affairs that the forest areas, inclusive of those under the District Councils of Meghalaya, form only 7.9 per cent of the total area. This calls for a long term policy of raising of plantations and acquisition of barren lands for converting them into Reserved forest areas. During the Fourth Plan period, it is proposed to spend Rs. 88 lakhs for raising of plantations, building of forest roads, protection of the wild life, etc., and in the current financial year Rs. 24 lakhs have been earmarked in the Plan besides the expenditures under the Normal Budget.

Industries.

In the industrial sphere also, setting up of both major and small industries has been engaging the attention of the Government. In the Assam Hill Plan

there was no provision for any major industry for the current year. We have now a proposal to set up the Meghalaya Industrial Development Corporation. This Corporation, when established, is expected to promote, establish, undertake and implement industrial programmes having good prospect of development in the region and also to render necessary assistance to industries in the private sector. In order to create a favourable industrial climate, Government also propose to provide grants-in-aid, industrial loans, transport subsidy, etc. One Industrial Estate each in Khasi Hills and the Garo Hills and a multi-purpose service workshop at Jowai are also among the schemes contemplated for this year. Government also are thinking of an industrial township at Burnihat to provide facilities of power, transport, machineries, etc., to intending industrialists. It is necessary to have a proper investigation and survey to find out the feasibility either of any major or of small scale industries. We have, therefore, made sufficient provision for a thorough survey of the industrial potentialities of the area.

Apart from the schemes now proposed to be taken up during the current year as well as in the Fourth Plan, there are some continuing schemes both plan and normal. Mention may be made of Ginger Dehydration Plant at Nayabungalow, Lime Making Plant, Carpentry, Black-smithy and Leather Production Centres, Bee-Keeping, Paper and Furniture Making Institute, Soap Making Centre, etc. If things go as planned, the scheme of Cinnamon Leaf Distillation may also be started this year.

Sericulture
and Weaving.

In the field of Sericulture and Weaving, Meghalaya has an excellent climate for raising valuable strains of silk worm. In fact, a large part of the seed requirements of the rearers in Assam is met from the production of the farms in Meghalaya area. Thus we have an assured market. We therefore propose to take up schemes for increased production of seed and expand the existing farms beside other continuing schemes.

Mining and
Geology.

Some preliminary geological surveys carried out by the Geological Survey of India and also the Directorate of Mining and Geology, Assam, indicate that we have numerous deposits of workable coal, limestone as well as other deposits of pyrites, feldspar, quartz, glass, gypsum, kaolin, phosphates, copper, etc. and a thorough investigation is needed so that full benefits of these deposits can be derived and mineral based industries can be set up. A Directorate of Mineral Resources with a laboratory and analytical unit attached with the Directorate will take up intensive mineral investigation and organisation of matters relating to mineral resources in Meghalaya.

Rural Elec-
trification.

It is proposed to cover important areas both in the United Khasi and Jaintia Hills and Garo Hills Districts by a scheme of rural electrification with an outlay of Rs. 38 lakhs in the current year. The power needs of this region will also have to be assessed keeping in view the industrial development programmes.

Tourism.

Meghalaya commands vast potentials for tourist development and the Government intend to promote the development of tourist traffic in this region. Government propose to set up a Corporation which will take up all integrated development programmes of tourism. Plans to have an air port at Umroi are already under way and this will be an added advantage for the development of tourism in this region.

Road Trans-
port.

For development of road transport, a provision of Rs. 5 lakhs have been made in the current year's annual plan. Government of India have been moved for delegating the executive functions under the Motor Vehicles Act to the Government of Meghalaya. Necessary actions will be taken as soon as a decision from the Government of India is received.

General
Education.

Setting up of the Hill University has been a long felt need of the people. Government of Meghalaya is anxious to have a University in Meghalaya within the earliest possible time. As the Hon'ble Members are aware, a resolution to this effect has been adopted in the last session of the Assembly. The resolution

has been sent to the Government of India with a request that the Government of India will pass a legislation for setting up a Central University for the North-Eastern Region in Meghalaya. In the field of Secondary education also Government will continue to endeavour to improve Secondary education within the State. Government have also noticed the imbalance existing in the educational facilities available at the primary stage. For whereas in the urban areas primary schools are equipped with good teachers and facilities, in the rural areas these are lacking. Government, therefore, are taking steps for strengthening of primary schools in rural areas. Since the control of primary education has been undertaken by the District Councils, we will continue to give grants to the District Councils for the maintenance and control of primary education.

Technical
Education.

The work for strengthening and improving of the Shillong Polytechnic at Mawlai is receiving Government's attention. Government also propose to set up the Junior Technical School at Jowai as soon as possible.

District
Councils.

Government also propose to intensify the pace of development in the rural areas by extending financial assistance to the District Councils for their own plans.

Health.

We are facing the problem of getting qualified doctors to work in the outlying dispensaries and other health units. Government, therefore, propose to give some financial incentives to attract the services of qualified doctors for working in the remote areas. For this purpose, the Department is also taking steps to categorise the hospitals and dispensaries into three classes according to the degree of remoteness or unpopularity of the place of posting as mentioned above. The reluctance of doctors to go to outlying dispensaries may also be due to the fact that these dispensaries are ill equipped, and are without proper facilities. Government, therefore, propose to upgrade the outlying dispensaries in the remote areas to a desirable standard. While the Government is trying to improve, establish and set up hospitals and dispensaries, it has also been the aim of the Government to

see that the existing facilities available in the private hospitals and dispensaries are not hampered in any way. Government will appreciate and welcome any private enterprise in this field.

Government are also considering the feasibility of establishment of a Medical College and a Nursing College. There is heavy demand for trained pharmacists throughout the State and we feel that we should give priority in setting up a Pharmacist School in Meghalaya.

Social Welfare.

To co-ordinate various Social Welfare agencies throughout the State, Government propose to constitute a State Social Welfare Board. Necessary assistance to non-official organisations doing welfare work will also continue to be given. Government would also encourage non-official cultural organisations.

Civil Defence.

In regard to Civil Defence, we have already approached the Government of India for entrustment to this Government of the powers to be exercised under the Civil Defence Act, 1968. Decision of the Government of India is expected soon.

Relief and Rehabilitation.

Hon'ble Members are aware that the entire expenditure on this account is reimbursable by Government of India as the State Government function only as agent of the Government of India for executing the works. The matter is being taken up with the Government of India. Meanwhile, we have made a token provision in our Budget.

Relief Measures.

Hon'ble Members are aware that the last drought followed by heavy flood has severely affected the State of Meghalaya. In the United Khasi and Jaintia Hills, the yield of crops, particularly potatoes was cut down to 25% of the normal produce because of drought. The drought was followed by excessive rains which caused extensive damage in certain areas. In the Garo Hills District, there was severe scarcity of food also due to drought. For immediate relief, Government sanctioned grants of Rs. 2 lakhs to the affected people. The extent of damage caused to the crops and loss sustained by the cultivators are being assessed for consideration of further relief measures.

In order to protect the interest of the tribal residents of Meghalaya against exploitation a legislation for some restriction on transfer of land is also under contemplation of the Government.

Relief of
Government
Employees.

Government also are anxious to ameliorate the felt needs of their employees—particularly in the matter of acute scarcity of housing accommodation and the rising cost of living. The employees serving in Meghalaya will continue to receive the Hill allowance like their counterparts serving in the Hills of Assam for a period up to 31st March, 1974. Due to the Government's not having any housing facilities the Government decided to grant House Rent Allowance at the rate of $7\frac{1}{2}$ per cent upto 31st March, 1971 to all categories of Government employees residing in the specified areas of Shillong, Tura and Jowai. I hope that Government's anxiety to provide adequate facilities to their employees will be matched by increased efficiency which is now most needed for bringing about the quickest possible development of the State.

Coming to the Budget proposals now, Sir, the Budget at a glance will be as below—

RECEIPTS

Items	Amount in lakhs of rupees
A. Receipts in the Consolidated Fund—	
(i) Statutory grant under Finance Commission Award	320.00
(ii) State's share of central taxes and duties under the Finance Commission Award.	135.13
(iii) Central assistance outside the Finance Commission Award for non-Plan expenditure—	
(a) Grants	0.50
(b) Loans	100.00
(iv) Grants from Ministry of Transport for construction and maintenance of Border Roads.	80.73
(v) Central assistance for Plan expenditure—	
(a) Grants	639.00
(b) Loans	71.00
(vi) Central assistance for centrally sponsored schemes	138.53
(vii) State's receipts	130.99
Total—A	1615.88
B. Surplus in the Public Account	5.00
C. Opening cash balance	(—) 98.78
Total—Resources (A + B + C)	1522.10

EXPENDITURE

Item	(In lakhs of rupees)		
	Plan	Non-Plan	Total
A.—Expenditure—			
1. Gross revenue expenditure	626.95	732.99	1359.94
Deduct—Recoveries	3.00	8.18	86.18
Net revenue expenditure	623.95	649.81	1273.76
2. Gross capital expenditure	245.58	76.32	321.90
Deduct—Recoveries	6.00	7.10	13.10
Net capital expenditure	239.58	69.22	308.80
Total—A	872.53	809.31	1681.84
	{ Gross		
	{ Net	19.03	1582.56
B.—Closing cash balance	(—) 60.46
Total—(A + B)	863.53	719.03	1522.10

It will thus appear that there will be a deficit gap of Rs. 60.46 lakhs. Our accounts started with an opening debit balance of Rs. 98.78 lakhs, which came as a share of Meghalaya from the accounts of the composite state of Assam. We received Rs. 1 crore as Ways and Means advance from the Government of India and we moved the Government of India to convert this to a grant. Government of India did not agree to this. We have now requested them to convert this amount to a loan. Therefore, we have shown this amount on the Receipt side. Otherwise the deficit would have been still higher.

Normally the deficit gap would have been met by the receipts under Finance Commission's Award. Since we are at present getting only a share of the award to the State of Assam on the basis of the composite state, we now propose to move Government of India to give us a grant to the extent of the deficit gap. We have also some measures in contemplation to augment the yields from our own resources.

In conclusion, Sir, I would like to say that the greatest task now confronting us today is to bring about the quickest possible development and economic growth of the new born State. More investment and employment opportunities will have to be created. Apart from whatever efforts Government will be putting in, a great deal of contribution towards the fulfilment of this task may be made by more productive deployment of resources by private initiatives and enterprises. The facilities now offered by the nationalised Banks for financial assistance in the field of industry and agriculture can not only be better availed of for the advantage of the development of the State, but also for generating self-employment, which need greater attention and emphasis in the context of the alarming unemployment situation even for the educated young people. Towards this end, education should also be made more job-oriented, rather than the type which in the existing circumstances is bound to lead to frustration only. These efforts in their entirety thus call for a sincere, constructive and responsible approach from all people of the State.

I hope, we shall get full co-operation of the Hon'ble members in this sacred task.

I would like to express my thanks to the officers and staff of the Finance Department for the hard work put in by them in formulating the Budget proposals. I am also thankful to officers and staff of the Government Press for their co-operation for arranging the timely printing of the Budget Documents.

Now, Sir, I beg your leave to present the Budget Estimates for the year 1970-71.

JAI HIND

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