
Who's Nervous About The Budget Of \$2.5 Billion

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The Swindlers are in Their Element

As we know, the Government is to submit next year's draft budget to the National Assembly by October 1. According to the Prime Minister's statement, it will make up USD 2.5 billion. This means that the budget expenditure will make up AMD 850 billion.

For some reason, the whole community supporting the Armenian pan-National Movement is nervous about the above-mentioned fact.

Instead of being happy that together with the significant increase of the budget its expenditure will grow too and, hence, there will be more resources directed at meeting the social needs of the much-suffered people, they are trying their best to prove that this kind of budget increase is impossible.

Naturally, they "prove" it through distorting the facts and figures and resorting to the elementary fraud they are so keen on.

Leaving aside unnecessary emotions, let's look upon the real situation and estimate to what extent it is possible to have a budget of \$ 2.5 billion. And perhaps that time it will become clear is actually to learn "adding and subtracting a few figures".

That Armenia will have a budget of USD 2.5 billion next year is beyond doubt. That in terms of dollars this sum will be 8 times more than the budget of 1997 when R. Kochryan took up the post of Prime Minister is a simple arithmetic. But, for some reason, there are people who are trying to argue this.

Whereas, the reality is that Armenia's budget was really poor that year and especially during the years preceding it. In order to make it clear what we are speaking about, let's remind you, for instance, that Armenia's budget expenditure was AMD 125.5 billion or more than USD 309 billion as of 1995; in 1996 this sum was USD 17.5 billion.

That's to say, the budget expenditure increased by no more than AMD 2 billion. Moreover, if we consider that there was a devaluation of Dram during those years it will turn out that the 1995-1996 budget expenditures did not increase at all; on the contrary, the decreased by AMD 2 million.

And we emphasize on purpose that this was happening after the end the military operations, in peaceful conditions.

The reason was that the Government was unable to execute budgets that recorded almost no growth. They constantly remained under-fulfilled and were transferred from one year to another.

On the other hand, it is necessary to remind about the structure of the budgets of those years. For instance, the internal incomes of the 1995 State Budget were AMD 55.4, with budget expenditures making up AMD 125 million. The tax incomes of the 1996 Budget made up AMD 69 billion, the envisaged expenses being AMD 127.5 billion. That's to say, the official transfers which were nothing more than financial support provided by other countries and loan proceeds, had a predominant role in the State Budget. It isn't, perhaps,

accidental that Armenia's external debts were speedily increasing during those years.

Today those swindlers insist that R. Kocharyan received a budget of USD 420 million vs. 300 million. Well, the swindlers who have specialized in "adding and subtracting a few figures" have to be reminded of the reality.

The 1997 State Budget of Armenia had expenses of AMD 148 billion or around USD 300 million. The Budget was adopted in 1996 when R.

Kocharyan was not a Prime Minister yet. Let's remind you that he was appointed to the post in March 1997. In the meantime, the highest rates of income collection were recorded in Armenia during those years. The tax debits increased by around 33 per cent or AMD 33 million, having reached to AMD 102 billion instead of the former 69 billion. For comparison, let's mention that during the preceding year the tax income growth did not exceed AMD 13.7 billion.

It is not accidental that in 1998 the State Budget expenditures reached AMD 420 million at the expense of increasing the internal incomes. This was the first budget submitted to the National Assembly by Prime Minister R. Kocharyan.
