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অসম চৰকাৰী ছপাশালত মুদ্ৰিত



সত্যমেব জয়তে

BUDGET SPEECH

PART - "A"

1992-93

MARCH 16, 1992

Shri HITESWAR SAIKIA
CHIEF MINISTER, ASSAM.



PART - A

Mr. Speaker, Sir,

I have great pleasure in presenting before this august House the Budget estimates for 1992-93.

2. As the Hon'ble Members are aware, the present Ministry had to concern itself for the first few months primarily with the task of ensuring the people's security particularly in the wake of the hostage crisis and the spate of killings and kidnappings by the militants. As there was no let up in the situation and the police forces too could not fully match up to the task, the Army had to be called out at one stage to assist the civil authorities. Ultimately, however, the stress given by the people and Government on bringing back peace was responded to by the United Liberation Front of Assam. The ULFA not only released the hostages still in captivity but also expressed its willingness to solve the issues through negotiations. The cessation of the organisation's violent activities, absolutely in keeping with the popular desire for peace, has naturally helped the State regain its normal life to a considerable extent. It also goes to the credit of the organisation's good sense and pragmatism that possibilities of a negotiated settlement of the burning issue have brightened up

despite attempts by certain forces to scuttle the peace moves and the process of talks by whipping up tension and inciting violence. The Government sincerely hopes that, other militant organisations too will fully honour the people's desire for peace and help in generating a conducive atmosphere for settlement of all issues through constitutional means. A number of isolated violent incident notwithstanding, the Bodo Land activists too appear to be gradually coming round and we have reasons to hope that things will further improve on that front as well. The demand for an autonomous State, raised by the ASDC and KSA was referred to a two member Committee comprising of the Minister for Hill Areas and the Chief Executive Member of the Karbi Anglong District Council to finalise modalities for meaningful negotiation. The Committee's report has been forwarded to the Government of India with suggestions for holding of tripartite talks.

Natural
calamities

3. The floods, as the Hon'ble Members are aware, have become a chronic problem which tells upon the economic growth of the State. During the current year too, the State had to experience devastating floods. Measures undertaken by the State Government in the sphere of control of floods include construction of embankments, anti-erosion devises, drainage channels and sluice gates. The magnitude of the problem, however, calls for long term solution. The Government of India have also recognised the problem as a national one and has constituted the Brahmaputra Board. A master plan for the Brahmaputra and the Barak basins, prepared by the Board, is now under examination of the Government of India. Based on this report Government of India have already agreed to take up pre-construction work of Tipaimukh dam project

on the Barak river. The State Government will endeavour to prevail upon the Central Government for speedy implementation of the master plan on a priority basis.

**Economy of
the State**

4. Despite these constraints, the tempo of growth generated in the country during the Seventh Plan period as well as the Annual Plan, 1990-91, however, has been carried forward in the state during the year 1991-92. The overall performance of the state's economy now enables us to launch the state's Eighth Five Year Plan on an optimistic note.

5. The quick estimate of the State's Net Domestic Product (NSDP) for 1990-91 has been worked out at Rs. 8492.3 crores at current prices and Rs 4104.7 crores at constant (1980-81) prices. The corresponding provisional estimates for the year 1989-90 were Rs. 7741.0 crores and Rs. 3817.3 crores, respectively. During 1990-91 the NSDP has increased by 9.7 per cent at current prices and 7.5 per cent at constant prices over 1989-90 while the corresponding percentage changes were 17.9 per cent and 6.3 per cent, respectively, in 1989-90 over 1988-89. The per capita NSDP for 1990-91 at current prices is estimated at Rs. 3427 as against Rs. 3196 for 1989-90, an increase of 7.2 percent. The corresponding increase in the previous year was 15.3 percent. On the other hand, the per capita NSDP for 1990-91 at constant prices increased by 5.1 percent to Rs. 1656 from Rs.1576 in 1989-90. The increase in 1989-90 was 4 percent

Prices

6. The upward trend of prices witnessed in the earlier years persisted and at times intensified during the current year. The average Wholesale Price Index during the period from January to May, 1991 increased by 11.1 percent over the Index for the

same period in 1990. The increase was as high as 10.9 percent in the year 1990 as a whole and the Consumer Price Index during the period from January to October, 1991 registered a still higher increase of 13 percent over the index in the corresponding period of 1990.

**Annual Plan
1991-92**

7. The outlay for the Annual Plan, 1991-92 was Rs. 805 crores. The outlays under the State sector of the Hill Plan, the Tribal Sub-Plan and the Schedule Castes Component Plan were Rs. 56.48 crores, Rs. 79.79 crores and Rs. 48.21 crores respectively.

8. The implementation of the Annual Plan, 1991-92 was taken up in right earnest and despite the difficult law and order situation which prevailed in the State during a major part of the current year and the ravages of floods, our performance in different sectors has been satisfactory.

Agriculture

9. The agriculture sector which is the mainstay of our economy has recorded good progress during 1991-92. The overall achievement in Kharif and Rabi crops is expected to be better than that of the previous year. The production of rice is likely to be around 33.35 lakh tonnes against the target of 33.75 lakh tonnes. The productions of wheat, maize, grains, pulses, jute, mustard etc. are also likely to be higher than in the previous year. There is, however, greater scope for increasing the agricultural production through more efficient farming practices and the Government has already initiated several measures including promotion of multiple cropping, enhancement of cropping intensity, extensive use of HYV seeds, fertilizers, tractors, power tillers and other modern tools.

Irrigation

10. The State Government have placed great emphasis on providing extensive irrigation to the farmers as irrigation constitutes an important input for agricultural development. The revised outlay for the general areas in 1991-92 under the major and medium irrigation sectors was Rs.3673.00 lakhs while the outlay for the minor irrigation sector was Rs.4645.00 lakhs. In addition, under the Command Area Development, a provision of Rs. 310 lakhs was made as the State's share, apart from the central share of Rs. 260.00 lakhs. Emphasis has been laid particularly on speedy completion of the ongoing projects and in ensuring better and maximum utilisation of the facilities already created.

Dairy Development

11. Dairy development programmes which can help generate higher supplemental income in the rural areas are naturally getting adequate priority. The development activities in the sector primarily aim at higher milk production while other programmes include setting up of Milk Chilling Plants, Dairy and Feed Plants, Rural creameries and promotion of Cooperative Milk Unions. The outlay for Dairy Development in 1991-92 was Rs. 421 lakhs for the General Areas and Rs. 18 lakhs for the Hill Areas. An outlay of Rs. 85 lakhs has also been provided under the Tribal Sub-Plan and Rs.103 lakhs under the Schedule Castes Component Plan.

Rural Development Programme

12. We have attached a very high priority to faster uplift of the rural people below the poverty line. The Department of Panchayat and Rural Development has been implementing two major anti poverty programmes i.e. the Integrated Rural Development programme and the Jawahar Rozgar Yojana. The IRDP is intended to assist target

group of families through institutional credit supported by substantial amount of Government subsidy. The number of families so assisted under IRDP till December, 1991 is 19254 against the target of 45,249 for the year 1991-92. Under the Jawahar Rozgar Yojana programme employment generated upto December, 1991 is 41.55 lakh mandays against the year's target of 114.99 lakh mandays. In 1991-92 the approved State plan allocation for this purpose was Rs. 1180 lakhs under IRDP, Rs.1300 lakhs under Jawahar Rozgar Yojana and Rs. 70 lakhs under IREP, which add up to Rs.2550 lakhs. The approved allocations for 1992-93 are Rs. 1300 lakhs under IRDP, Rs. 65 lakhs under IREP and Rs. 1450 lakhs under Jawahar Rozgar Yojana.

13. Other rural development programmes include generation of self employment for rural youth, income generating programmes for women, housing facilities for SC/ST, facilities for rural sanitation and programmes for rural energy. Distribution of improved chullahs, providing street lights in addition to energy plantation have also been taken up under IREP. To promote the nonconventional energy sources in the rural areas, a target of setting up 1000 biogas plants has been fixed for the current year.

14. More development blocks have been created in the state to bring the development administration nearer to the people. New 3 tier Panchayati Raj bodies have been formed through general elections to ensure decentralisation of power down to the grass-root level. The State Government have also provincialised the services of 4556 Gaon Panchayat employees.

Welfare of
SC/ST Other
Backward
Classes

15. Special and constant attention is being paid to the social and economic uplift of the people belonging to the Schedule Castes and the Schedule Tribes as well as members of other Backward classes including Tea and Ex-Tea Garden Tribes. Under the Tribal Sub-Plan, a provision of Rs. 79.79 crores was made for 1991-92 while the provision made for the schedule Caste component Plan was Rs. 48.21 crores. These allocations were further supplemented through special central assistance of Rs. 10.26 crores for the Tribal Sub-Plan and Rs.2.41 crores for the Schedule Castes Component Plan.

Food & Civil
Supplies

16. Government have spared no efforts in properly maintaining the supply position and the price line. There was no scarcity of any essential commodity in the State, and the increases in the price level too was not abnormal as compared to the rest of the country.

17. Meanwhile, extension of Public Distribution System to the remote and inaccessible areas of the State has been taken up very seriously. For this purpose 69 Development Blocks, 55 ITDP Blocks and 14 Blocks in the Hill Districts, have been identified for special attention. An ambitious scheme of distributing rice at Rs. 2/- per k.g. to the people living below the poverty line has been introduced, initially covering 1,31,159 families. The entire eligible population is expected to be covered under this scheme during the next year.

18. Efforts for enforcement of the provisions of the Essential Commodities Act and other control orders have been further intensified through the formation of Vigilance committee at Sub-divisional, Gaon Panchayat Samabai Samiti

and Fair Price Shop levels in both urban and rural areas. A drive for detection of fake ration cards has been launched throughout the State.

19. Government have also initiated steps for setting up of a Civil Supplies Corporation.

**Health &
Family
Welfare**

20. In the Health and Family Welfare sector, the outlays provided include Rs.2650.00 lakhs (revised) under State Plan, Rs. 1654.87 lakhs under cent percent Centrally Sponsored Schemes for Family Welfare and Rs. 100.00 lakhs as assistance from NEC for the year 1991-92. As against this during 1992-93, the allocation under State Plan is Rs. 3700.00 lakhs. We have proposed an amount of Rs.2955.57 lakhs under the Centrally Sponsored Family Welfare Programmes. During the current year, significant improvement has been made in the rural health services. Besides this, in other spheres also progress has been good, including development of the B. Barua Cancer Institute, expansion of Blood Bank and Transfusion services and facilities for AIDS screening in the Guwahati Medical College Hospital. The number of cataract operations carried out also increased from 9,355 in 1990-91 to 17000 in 1991-92. In the case of child immunisation, a high coverage level was maintained during the year. The initiation of salt monitoring for Goitre control also deserves mention. During the next year, the Drug Testing Facilities will be expanded to a nationally acceptable level. The Goitre Control measures will be improved further with significant UNICEF assistance. A very prestigious project of child survival and safe motherhood will also be launched. The Government will provide Blood Banking and HIV screening facilities besides expanding the Oncology Departments in both

Silchar and the Assam Medical Colleges. We are expecting that the World Bank will be coming forward to help in funding of the much needed area Project for improving Rural Health Services in the State.

21. The district hospital at Diphu has been strengthened by creating 96 posts during the year. Administrative approval has been accorded for buildings to convert the 30 bedded Maibong Hospital to 100 bedded hospital. Construction works for converting the Haflong Civil Hospital from 100 bedded to 200 bedded hospital was also approved during the year.

Education

22. Education continues to remain one of the major thrust areas of the State Government. We have achieved significant success not only in extending the educational facilities to every corner but also in improving the standard and quality of education. During 1991-92 a large number of Primary Schools, M. E. Schools and High Schools were provincialised and almost 40,000 new posts of teachers were created. A number of High Schools were also upgraded as Higher Secondary Schools.

23. Encouraging progress has been achieved in higher education. Apart from the proposed Central University at Silchar, the Government of India have decided, in principle, to set up another Central University at Tezpur. The Site Selection committee, chaired by the Vice-Chairman, U.G.C. , has already started functioning.

24. Satisfactory progress has been made in setting up of the Indian Institute of Technology at North Guwahati. Most of the required land for the purpose has already been taken over and land acquisition proceedings have been finalised. Survey

work too at the site has already begun and the Board of Governors constituted. The work on setting up of both the Central Universities and the I.I.T. are expected to make greater headway during the coming year.

Transport

25. The Government has initiated different steps not only to improve the transport services but also to ensure greater road safety. Apart from the road transport services offered by the private operators and ASTC, IWT too has been strengthened to provide facilities to the passengers particularly of the rural areas. Seven new ferry services have been started in different parts of the State and thirteen more are proposed for the next year.

**Labour &
Employment**

26. As per information from the Employment Market Information Programme, the number of employees in organised economic activities in the state, comprising both public and private sectors, increased by 2.7 percent to 10.51 lakhs at the end of quarter ending March, 1991, from 10.23 lakhs at the end of the corresponding quarter of the previous year. The increase in employment in the public sector was 3.2 percent, while it was 2.2 percent in the private sector. Women employees numbering about 3.20 lakhs constituted about 30.5 percent of the total employment at the end of March, 1991.

**Unemploy-
ment**

27. Despite generation of additional opportunities over the years, the problem of growing unemployment in the state continues to cause serious concern. According to the Live Register of Employment Exchanges the number of job-seekers in the state increased from 10.30 lakhs at the end of September, 1990 to 13.15 lakhs at the end of September, 1991, recording an increase of 27.61

percent. Of the total job-seekers in September 1991, educated job-seekers numbered 7.8 lakhs and accounted for 59.3 percent of the total, which is obviously a matter of serious concern.

28. The State Government is taking all steps to provide employment to the unemployed youths. All the Government departments have been asked to fill up the vacant posts. We have also created about forty thousand posts of school teachers in 1991-92 which will not only extend the benefit of education to the far-flung backward areas of the state but also absorb a sizeable number of the educated unemployed youths.

29. The Government has initiated several measures with a view to create more self employment opportunities in various sectors of the economy such as trade, industry and services. In view of the greater employment generation potentials, stress has been laid on promotion of small industries. In the allocation of fund for the Small Scale and Cottage Industries sector vis-a-vis the Large and Medium Industries sector, the required structural adjustments have been made. The vocational training institutions in the state including the I.T.I.s are being strengthened by introducing new trades relevant to the time.

Industry

30. The State Government is committed to rapid industrialisation with greater emphasis on employment intensive small and tiny sectors. Industrialisation is a social process and the Government's strategy has to reconcile to the wider social context that demands channelisation of energies of the unemployed youths towards productive activities. Hence more than 25% of the outlay for Industry will be earmarked for promoting the small and tiny sector.

31. A review of performance in the small and tiny sectors till the end of the year 1991 reveals that 1585 SSI units and 1126 handicraft units were set up generating employment for more than 10,000 persons. Self employment has been made possible for about 3000 persons till January, 1992 under the SEEUY programmes. The implementation of these schemes will be continued with greater effectiveness and higher targets during 1992-93. For 1992-93 the target fixed is 4,000 SSI units and 3,000 handicraft units to provide employment for about 38,000 persons. The Government will simplify and rationalise procedures to make the concerned Government machinery not only more attractive to entrepreneurs but also accountable. Greater emphasis will be laid on training programmes to promote entrepreneurship among the youths.

32. In the large and medium sectors, greater attention will be given for speedy implementation of various projects to avoid time and cost overruns. Adequate provision has been made for the two mega projects viz. the Gas Cracker and the Accord Refinery, as also for attracting industry through creation of essential infrastructure and financial incentives. The various on-going projects in the public, joint and assisted sectors will receive due attention.

Public
Enterprise

33. Although the state Government has made large investments in the public enterprises it is a matter of great concern that most of them are languishing without adequate returns. In view of the mounting fiscal deficit it has become increasingly difficult for the Government to bear the burden of their losses. The public enterprises shall have to generate adequate surplus not only to

combat their deteriorating condition but also to contribute to the economy of the state as a whole.

Assam State
Electricity
Board

34. The financial performance of the State Electricity Board too has been far from satisfactory. Its default in payment of principal and interest on loans as well as the need for budgetary support to cover deficit invariably get reflected in the state budget. The working results of the Electricity Board show a gap of Rs. 137.38 crores in 1992-93 excluding the interest liability to the State Government and depreciation. After the recent tariff revision an additional yield of Rs. 50 crores will be generated. However, the remaining net gap of Rs. 87.38 crores will have to be met by the State Government.

35. Without undermining the need to improve its operational efficiency, it may be pointed out that the financial setbacks of the Electricity Board are partly due to the causes beyond its control. Higher fuel and replacement cost and wage hike together with factors like emphasis on rural electrification and energisation of pump sets as an imperative to fulfil accepted national goals have also impaired the profitability of the ASEB. While we continue to stress on the spread of rural electrification, the wide gap between the cost of power at the point of delivery to rural consumers and the actual rate charged has been causing concern. The claim for subsidy against operational losses sustained in rural electrification has been ignored by the Ninth Finance Commission. Nevertheless, there is some scope to improve the overall working efficiency of the Board, which will be adequately looked into.

36. The plan outlay of the Power Sector in 1991-92 was Rs. 198.17 crores against which the

outlay for the next year has been fixed at Rs. 225.10 crores. The outlay for 1992-93 will be financed through State Government loan of Rs. 124.20 crores and market borrowing and institutional finance of Rs. 100.90 crores.

**Assam State
Transport
Corporation**

37. The State Road Transport Corporation is yet another PSU whose financial instability has been a matter of serious concern to the State Government. The Corporation does not generate enough income to meet even their working expenses, not to speak of surpluses to provide for depreciation and interest charges to the State Government. The working plan of the Corporation for 1992-93 reveals a commercial loss of Rs. 25.99 crores. The net loss, excluding depreciation and interest charges, to the State Government works out to Rs. 16.10 crores. This net loss is proposed to be partially covered by the State Government through budgetary support of Rs. 11.82 crores. While the estimated operating revenue is Rs. 24 crores, the operating expenditure is Rs. 38 crores, resulting in an operating loss of Rs. 14 crores. Needless to say, there is an urgent need to improve the overall efficiency through fuller utilisation of capacity and bringing down operational costs with a view to reducing growing dependence on budgetary support.

38. The plan outlay of the Corporation for 1992-93 has been fixed at Rs. 7.50 crores. The outlay will be further supplemented by special central assistance of Rs. 24 lakhs for the Hill plan.

**Pay Comm-
ission**

39. The Hon'ble Members may recall that the State Government had accepted most of the recommendations of the Pay Commission which was appointed in 1988. Half of the arrears of the pay

and allowances due to the employees from 1st January 1989 to 31st July 1990, on the basis of the Pay Commission's report, was released last year. In the current year too, despite financial constraints, the balance of the arrears amounting to over Rs. 200 crores has been released.

Anomaly
Committee

40. The one Man Anomaly Committee constituted in February, 1991, to examine the perceived anomalies in the last Pay Commission's recommendations is expected to submit its full report in a couple of weeks. The recommendations of the Committee will be given due consideration.

Dearness
Allowance

41. Two instalments of Dearness Allowance to all the serving employees of the Government have been released during the current year. Similar benefit has been extended to the pensioners as well. The outgo on account of the payment of first instalment which was due on 1st January, 1991 is Rs. 84 crores. The second instalment due from 1st July, 1991 involved an expenditure of Rs. 48 crores during the current year. These reliefs have been granted in pursuance of our policy of looking after our employees and the ideals of a welfare state.

Medical
Allowance

42. In view of the increase in the cost of medical care, the monthly medical allowances due to Government employees has been raised from the existing Rs. 100 per month to Rs. 200 per month with effect from February, 1991. This involved an additional expenditure of Rs. 20 crores in the current year.

Ex-gratia
payment to
employees

43. Despite serious financial constraints, as a gesture of good will, it has been decided to grant an ex-gratia payment to the State Government employees. The payment will be made before the forthcoming Bihu.

Ex-gratia
payment to
victims of
disturbances

44. The State has, during the last several years, passed through serious social and political disturbances in which many valuable lives have been lost. After reviewing the financial position of the families affected in these disturbances, it was observed that the quantum of ex-gratia grant paid to the next of kin of the victims was extremely inadequate. The State Government, therefore, decided to enhance the ex-gratia payment to Rupees one lakh to the next of kin of each of the victims who lost their lives during the period since 1985.

Annual
Plan
1992-93

45. I take this opportunity to inform the august House that the Annual Plan outlay for 1992-93 has been fixed at Rs. 960 crores which is higher by 20 percent over the revised outlay for the current year. The outlay for the Hill plan has been raised from Rs. 56.48 crores in 1991-92 to Rs. 67.20 crores in 1992-93. Within the Plan outlay the amount quantified for Tribal Sub-Plan has been increased from Rs. 79.79 crores to Rs. 95.71 crores and that for Schedule Castes Component Plan from Rs. 48.21 crores to Rs. 57.85 crores. Besides, the Hill Plan, Tribal Sub-Plan and Schedule Castes Component Plan will be further supplemented by additive special central assistance. Pending finalisation, such outlays have been tentatively kept at Rs. 38.87 crores, Rs. 10.26 crores and Rs. 2.51 crores respectively.

Plan
Financing

46. The Plan outlay is proposed to be financed through Central assistance of Rs. 741.32 crores, Plan revenue grant of Rs. 61.21 crores awarded by the Ninth Finance Commission and the balance of Rs. 157.47 crores by State contribution. The State contribution is expected to be met out of borrowed funds received from our share of small savings collection, market borrowings and other institutional borrowings. The Planning Commission has been urged to augment Central assistance to make the entire outlay fully funded through Central Assistance and Plan revenue grant.

Plan
Priority

47. Within the State Plan the Social Services sector with an allocation of Rs. 263.11 crores representing 27.40 percent of the total outlay has been accorded the highest priority. The energy sector received the next priority with an allocation of Rs. 226 crores constituting 23.54 percent. The Agriculture and Allied services received the third priority with an allocation of Rs. 133.31 crores (13.89 percent) followed by Irrigation and Flood Control with an allocation of Rs. 114.55 crores (11.93 percent).