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অসম চৰকাৰী ছপাশালত মুদ্রিত  
গুৱাহাটী-৭৮১০২১



सत्यमेव जयते

# BUDGET SPEECH

1995-96

March 22, 1995

Shri JIBA KANTA GOGOI

FINANCE MINISTER, ASSAM



OFFICE OF THE  
SECRETARY  
GOVERNMENT OF ASSAM  
DISSENTS

Mr. Speaker, Sir,

I rise to present the budget estimates of the Government of Assam for the financial year 1995-96 before this august House.

2. When the present Government assumed office in June, 1991, our State was passing through many grave problems. There was no peace and security in the State. Its economy was in shambles. The welfare and developmental activities had come to a standstill. Investment climate within the state was murky. Prices were soaring. Job potential was hardly in sight. It was a situation of gloom and despair. At the national level, the economy was also in a very critical condition. The credit-worthiness of Government was abysmally low. The crisis faced by the national economy has been successfully tackled by the Government of India under the able leadership of our Prime Minister, Shri P.V. Narasimha Rao and the national economy has been rehabilitated. It is making steady and long

strides and is now entering the world economy with confidence. The national economy has been opening up brightly. In our State, on assumption of office, our Government paid their best attention to the restoration of peace, which was the crying need of the hour. Peace and order is essential for any worthwhile economic development. People of the State have positively responded to our efforts. We also devoted our energy, how to restore the financial stability of the State Government. Over the years since the beginning of assumption of office, our Government have been making steady progress. I have pleasure to inform this august House that we have succeeded in achieving financial stability of our State Government, greatly and substantially. During the current financial year, the pace of implementation of the developmental activities has picked up momentum, despite occasional odds, here and there and anxious moments, at times. This recovery from a situation of unprecedented crisis in our State to one of hope and prosperity would not have been possible but for the able leadership of our Chief Minister, Shri Hiteswar Saikia.

3. Since assumption of the office, the present Government have been making

strenuous efforts for the retrieval of the financial health of the State Government. I am glad to mention that in course of the current financial year, the retrieval has been very significant. During this period, while the State Government have discharged all their debt servicing obligations, they have generated a high pace of various developmental activities for welfare of the people of the State. There has been a steady improvement in the fields of agriculture, industry, education, health and rural development.

#### State Income

4. According to quick estimates, the Net State Domestic Product (NSDP) for the State of Assam in 1993-94 have been worked out at Rs. 14,034 crores at current prices and Rs. 5,116 crores at constant (base year 1980-81) prices. The corresponding provisional estimates for the year 1992-93 were Rs. 12,325 crores and Rs. 4,684 crores respectively. Thus, during 1993-94, the NSDP of the State showed an increase of 13.9% at current prices and 9.2% at constant prices over that of 1992-93, while the corresponding percentage changes were 18.2% and 9.3% respectively in 1992-93 over that in 1991-92. The per capita income for the year 1993-94 has been estimated at Rs. 5,916 at current prices and Rs. 2,157 at constant (base

year 1980-81) prices as against corresponding estimates of Rs. 5,310 and Rs. 2,018 in the preceding financial year (1992-93). The corresponding figures were Rs. 4,594 at current prices and Rs. 1,887 at constant (base year 1980-81) prices in the year 1991-92. In percentage terms, during 1993-94, the per capita income increased by 11.4% at current prices and 6.9% at constant prices over that of 1992-93, while the corresponding increases were 15.6% at current prices and 6.9% at constant (base year 1980-81) prices over that of 1992-93, while the corresponding increases were 15.6% at current prices and 6.9% at constant (base year 1980-81) prices in 1992-93 over that in 1991-92.

## Prices

5. The rising trend of prices within the State continued in 1994 as is evident from the movement of indices of both whole-sale and retail prices. The average whole-sale price index during the first nine months of 1994 increased by 10.5% over the same period of the previous year. Similarly, the consumer price index for working class (base year 1949) also showed a rise of 10.9% within the State during the first eight months of 1994 compared to that of the same period of 1993. This august House is aware of the prevailing trend of inflation in

the country which is now about 11%. Although the proposed increase of Railways freight rate by 7% on all commodities except foodgrains for public distribution, sugar and chemical manures as per the recently announced Railways Budget of the Centre and the proposed increase of Central Excise Duty by 5% on tyres as per the Union Budget, presented to the Parliament are likely to accentuate the inflationary trend, when these increases come into effect, there would be definitely a significant *sobering effect on the same* due to the *reduction in the Central Excise Duty* on many mass consumption items, as announced in the recent Union Budget. These would naturally influence the price situation within our State. Increase in production and productivity is the answer to the problem of price rise. In so far as our State is concerned, we aim at the same and it is reflected in our budget. The State Government would continue their efforts for strengthening the Public Distribution System in the availability of essential commodities with a view to giving relief to the common people. The supply of rice at subsidised rate of Rs. 2/- per Kg. to the people below poverty line is proposed to be increased during the ensuing financial year.

#### Employment

6.1. According to the Live Register of



Employment Exchanges, the number of job-seekers in the State which was 13.84 lakhs at the end of September, 1993 slightly decreased and was 13.56 lakhs at the end of September, 1994 and of these total job-seekers upto September, 1994, the educated job-seekers' number is 8.13 lakhs and accounted for 66.8% of the total job-seekers. As per data available from the Employment Market Information Programme, the number of persons employed in organised economic activities in the State, comprising both public and private sectors increased to 10.69 lakhs at the end of March, 1994, compared to 10.51 lakhs at the end of December, 1993. The employment in the public sector increased nominally and by 0.2%, while in the private sector, the increase was 5.2% in the above mentioned period. The number of women employees at the end of March, 1994 was 3.16 lakhs, constituting about 29.6% of the total employees. We are conscious that the Live Register of the Employment Exchanges gives a partial picture of the total number of Job-seekers, since, not all of them register themselves in the Employment Exchanges. However, the available information from the Live Registers during the current year shows the trend, compared to the position in the preceding year.

6.2. The unemployment problem of the State cannot be solved by creating jobs in the Government offices or in the public sector. Employment opportunities have to be created essentially through self-employment and in the private sectors. In our economic activities, promotion of employment opportunities has been given a top priority. Our Government would be fostering the spirit of entrepreneurship among the younger generations, encouraging them to take up economic activities for gainful self-employment. In the implementation of various schemes in the rural areas, agriculture and allied sectors, industries, sericulture, weaving, fisheries, etc. the promotion of self-employment is the main target, fixed by our Government. The basic thrust in the implementation of IRDP, PMRY, establishment of SSI Units (registered), assistance to the SC/ST families, JRY and Employment Assurance Programme aims at providing gainful employment to the people and substantial provisions have been made for all these programmes during the ensuing financial year. For improving the employment prospects, provision has been made in the budget of the next financial year for various training programmes such as TRYSEM, artisan trainings in sericulture & weaving, entrepreneurship

training concerning PMRY and Entrepreneurship Programme concerning Special Employment Programme for rehabilitation of misguided youths.

6.3. Creation of adequate job potential for our youth has been at the top of our agenda of commitment to our people. During these years since assumption of office by our Government, we have fulfilled the same.

#### **Institutional Finance**

7.1. The institutional finance of the banks and other financial institutions has an important role in the development of the State. Compared to all India average, Assam continues to have less number of bank branches. As on the end of September, 1994, the State has 1293 bank branches, which works out to the coverage of 18,740 persons on an average per bank branch as against all India average of 12,000 persons per bank branch. The volume of deposits in the banks recorded a rise from Rs. 2720 crores in June, 1993 to Rs. 3129 crores in June, 1994. Similarly, the deployment of credit also increased from Rs. 1288 crores in June, 1993 to Rs. 1323 crores in June, 1994. The corresponding credit deposit ratio in Assam works out to 42.3% in June, 1994 as against the all India average of 54% in the same period. How to improve the credit deposit ratio

is a matter of concern to the State Government. For promoting investment of higher institutional finance in the State, the Government have taken up various measures for facilitating formulation of realistic and viable schemes, timely availability of the assistance to the beneficiaries in cash or in kind or both from the financial institutions, proper coordination between the authorities of the banks and other financial institutions and the authorities of various concerned Departments of the State Government at all levels, particularly at the field level. The State Government have also taken suitable measures for improving the recovery of the bank loan dues.

7.2 We are grateful to the Centre for announcing the setting up of a new North Eastern Development Bank (NEDB) in the North Eastern Region to finance creation, expansion and modernisation of industrial enterprises and infrastructure projects in the region as announced in the recent Union Budget, presented to the Parliament. We hope, this would facilitate accelerating industrial and infrastructural growth in our State.

**Small Savings** 8. As the august House is aware, 75% of the net collection of Small Savings made in the State are received by the State Government

from the Centre as loan assistance. During the current financial year (1994-95), the State Government have made a spectacular achievement in the areas of mobilisation of Small Savings. During 1993-94, the State Government received Rs. 98 crores as Small Savings loan from the Centre. As against this position, the State has already received the Small Savings loan of Rs. 388 crores during the current financial year 1994-95 upto the end of February, 1995 and more is anticipated by the end of March, 1995. This has been possible because of the commendable success of our Government in the mobilisation of Small Savings within the State during this financial year. The State Government have geared up the arrangement for mobilising effort in every district in the State for promotion of Small Savings in the best interest of both saver and the State Government. The State Government would continue to put more efforts for mobilisation of adequate Small savings within the State during the next financial year.

**Annual Plan  
Outlay**

9.1. The originally approved outlay for the Annual Plan of the State of Assam for 1994-95 was fixed by the Planning Commission of the Government of India at Rs. 1051 crores, consisting of Rs. 978.83 crores for the General

Areas and Rs. 72.17 crores for the Hill Areas. The General Areas Plan outlay included an amount of Rs. 109.75 crores for the Tribal Sub-Plan and Rs. 73.33 crores for the Scheduled Caste Component Plan. In addition to these State Plan outlays, there is Special Central Assistance to supplement the same in respect of the Hill Areas Sub Plan, Tribal Sub Plan and the Scheduled Caste Component Plan at Rs. 42.05 crores, Rs. 12.40 crores and Rs. 3.04 crores respectively. Subsequently, the original State Plan outlay has been revised by the Planning Commission to Rs. 1054.68 crores with corresponding increase in the net Central Plan Assistance from the original level of Rs. 860.21 crores to Rs. 863.89 crores. As against this, the revised Annual Plan outlay for 1994-95 as recently proposed by the State Government for approval of the Planning Commission is Rs. 997.20 crores and the corresponding revised proposed Hill Areas Sub Plan is Rs. 72.17 crores . The corresponding proposed revised outlay in the Tribal Sub Plan and that for the Scheduled Caste Component Plan have been kept at the original level. Out of the proposed revised State Plan outlay, the fund earmarked under the State Plan to the Bodoland Autonomous Council during the current financial year 1994-95 is Rs. 31.52 crores from

out of the General Areas Plan, Rs. 30.74 crores from out of the Tribal Sub Plan and Rs. 2.54 crores from out of the Scheduled Caste Component Plan, totalling Rs. 64.80 crores.

9.2. As regards the Annual Plan outlay for the State for 1995-96. I am happy to inform the august House that the Planning Commission of the Government of India has fixed it at Rs. 1418 crores, as had been proposed by the State Government, showing 34.45% increase over the approved outlay of Rs. 1054.68 crores for 1994-95. Out of this, the State Plan outlay for Hill Areas Sub-Plan is Rs. 91.60 crores, that for the Tribal Sub Plan is Rs. 147.00 crores and that for Scheduled Caste Component Plan is Rs. 98.20 crores. Provision has been made in the next year's budget for Special Central Assistance of Rs. 42.05 crores, Rs. 14.88 crores and Rs. 3.65 crores to supplement the State Plan provision for the Hill Areas Sub Plan, Tribal Sub Plan and Scheduled Caste Component Plan respectively. The earmarked provision out of the State Plan outlay in the budget of 1995-96 for the Bodoland Autonomous Council is Rs. 89.11 crores (viz. Rs. 44.49 crores from General Areas, Rs. 41.40 crores from the T.S.P. and Rs. 3.22 crores from the S.C. Component Plan, totalling Rs. 89.11 crores). In terms of

outlay within the Annual Plan of 1995-96, the Social Services Sector with an allocation of Rs. 581.69 crores, representing 41% of the total outlay has been accorded the highest priority. It is Rs. 198.59 crores higher than the originally approved outlay of Rs. 383.10 crores for the Social Services Sector in the Annual Plan of 1994-95, showing a rise of 51.8%. Next comes the Power Sector with a provision of Rs. 202.95 crores, which is 14.3% of the total State Plan outlay of 1995-96. The proposed outlay for Agriculture and Allied Sectors follows next with an allocation of Rs. 166 crores, representing 11.71% of the total State Plan outlay for 1995-96. Towards the financing of the Annual Plan outlay of Rs. 1418 crores of the State for 1995-96, total Central support will be Rs. 1320.17 crores and the contribution from the State's own resources will be Rs. 97.83 crores. Out of the above mentioned Central support amount, the net Central Plan Assistance to the State during 1995-96 will be Rs. 946.36 crores.

### **Agriculture**

10. Agriculture constitutes the single most major plank of our economy. It continues to be mostly rainfed. Many parts of the State continue to be ravaged by flood every year, although during 1994-95 the incidence of the



flood was less. The basic strategy in the field of agriculture is to increase production by increasing productivity by higher crop intensity per unit area through the use of fertilizers, HYV seeds, improved agricultural practices through mechanised farming, etc., provision of credit and by making maximum use of the irrigation facility, wherever it exists. Total foodgrains production during 1994-95 is anticipated to be 37 lakhs tonnes as against 35.4 lakhs tonnes during 1993-94. During 1994-95, although there was an increase in the production of autumn rice (Ahu), compared to that in the previous year, the total production of winter rice (Sali) during 1994-95 is estimated to be a bit less than the previous years' production due to erratic rain and summer rice (Boro) production during 1994-95 remained at the same level as last years'. The production of jute, a major cash crop in the State during 1994-95 is estimated to be 9.2 lakh bales which are 36.81% higher than the last year's production. During 1995-96, the implementation of a comprehensive World Bank Aided Project viz. The Assam Rural Infrastructure and Agricultural Services Project with a total financial outlay of Rs. 480 crores will commence and its period of implementation is 8 years. Total financial outlay under the State Plan on Agriculture has been

proposed at Rs. 83.70 crores during 1995-96 showing 16.4% increase over the outlay on the same during 1994-95. Over and above this, sizeable amount has also been proposed in the next year's budget, covering the ongoing various Central Sector and Centrally Sponsored Schemes in this sector. During next financial year, it has been envisaged to give a further boost to the functioning of the existing 20,000 Pathar Parichalana Samities in the plains districts of the State, a strategy, which is an informal but effective and innovative, involving local farmers of the areas for accelerating all round agricultural development in the concerned areas in the plains district of the State. Achieving self-sufficiency in the total foodgrain production in the State would continue to be a major objective in our effort during the next financial year.

## Power

11.1. Power being a basic infrastructural input for industrial development of the State, the Government are committed to continue adequate allocation for this vital sector. An outlay of Rs. 202.95 crores has been proposed during 1995-96 as against the originally approved outlay of Rs. 191.69 crores during 1994-95 for the ASEB in the Power sector. The institutional finance for the ASEB during

1995-96 has been envisaged at Rs. 26.74 crores (Rs. 9.84 crores from the LIC, Rs. 12.64 crores from the Rural Electrification Corporation of India and Rs. 4.26 crores from the IDBI) and in the State Government budget, a provision of Rs. 133.28 crores has been proposed for the ASEB, the remaining amount out of the next financial year's outlay for the ASEB coming from their own resources. The activities concerning the ASEB during 1995-96 would consist of the maximisation of the utilisation of its existing installed capacity, minimisation of the losses, expeditious execution of the on-going generation and transmission & distribution projects and ensuring for its consumers, a steady, regular and efficient flow of power, as available to it from its own generation and imported from other neighbouring sources. As this august House is aware, suitable private sector investment and participations have been reached with regard to a number of power generation projects within the State. This is in line with the liberalisation policy, followed by the Centre to encourage private investment in the power generation to supplement the public sector resources in meeting the required huge financial resources for the Power sector within the country. All these private sector investment participations

in our State have asked for guarantees by the State Government and in some cases, counter guarantees by the Central Government which would assure them that they will be paid for the power, they generate within the State. The State Government on their part have given these guarantees. Since, regular availability of steady and required power is fundamental to the development of industries and other economic activities in the State, the State Government would continue to make all out efforts in involving both the ASEB and private sectors to meet the power requirements in the State.

11.2. Presently, the revenue earned by the ASEB by sale of energy is far below its cost of generation and distribution. It is not possible to continue this. While all measures, as feasible will have to be taken by the ASEB for economising the cost of its own generation and the cost of its transmission and distribution of all available energy, we must appreciate that energy consumed must be paid for.

11.3. During 1995-96, the ASEB will continue its Rural Electrification Programme with a new vigour. For this purpose, an outlay of Rs. 30 crores has been proposed during 1995-96. A provision has also been made for

implementing Kulir Jyoti Programme, which envisages providing single point free electricity connection to each of the dwelling houses of families below the poverty line, constructed under Indira Awas Yojana. The target under this programme for next financial year is one lakh houses.

### Industries

12.1. During the next financial year, the State Government will continue the existing policy of liberalisation of economy and pursue the steps for promotion, creation and rapid growth of industrial environment with a view to efficiency and competitiveness in the industrial sector of the State. Creation of adequate employment opportunities will continue to be a prime objective in our policies in the industrial sector. As this august House is aware, the State Government have been encouraging private sector participation not only for the setting up of new industries in the State but also for the revival and sustained management of our existing sick public sector undertakings within the State. During the current financial year, the State Government have signed MOUs with private parties for the revival of Jogighopa Unit of Ashok Paper Mills (Assam) Limited and Cachar Sugar Mills Limited. In so far as Ashok Paper Mills (Assam) Limited is concerned, it is a

milestone towards fulfilling the commitment under Assam Accord. Another Public Sector Unit viz. Assam Textile Corporation Limited is functioning, at present, under the management of a suitable private party. Although some set backs have been experienced with regard to some public sector units, which were transferred to the management of the private sectors, the State Government would continue their efforts for removing the bottlenecks with a view to obtaining the viability and commercial functioning of these industrial units.

12.2. Towards the State Government's equity share capital participation in Numaligarh Refinery Project, the State Government subscribed earlier Rs. 471 lakhs and have recently sanctioned the payment of another amount of Rs. 600 lakhs during this financial year 1994-95 towards this purpose. The State Government would continue their efforts for expeditious implementation of this important project. As this august House is aware, a new industrial chapter in the State has started with the signing of MOU by the big industrial private sector giant M/S Reliance Industries Limited with the State Government for setting up of Rs. 3400 crore Assam Gas Cracker Complex within the State, for which the Government of

India have already sanctioned one time capital subsidy of Rs. 377 crores for the Project and also committed to supply the required gas at a concessional price of Rs. 600 per thousand MMSCMD for a period of 15 years from the start of the Project. This industrial project, when implemented would open up large direct and indirect employment within the State. Further, it would contribute very substantially to the economy of the State, while simultaneously adding to Government revenues. Our State Government is pursuing with M/S Reliance Industries Limited for expeditious implementation of this vital Project. The State Government gratefully appreciate the benign gesture of the Centre towards the State concerning this Project.

12.3. As the august House is aware, small and cottage industries have a high employment potential, compared to the capital investment involved vis-a-vis major and medium industries. In view of this, the State Government would continue to promote village and small industries in the next financial year. Entrepreneurship Development Programme is an important facet of our industrial policy. Adequate provision has been made for organising entrepreneurship development

programme, both within the State and outside. In his recent budget proposal, presented to the Parliament, the Union Finance Minister has proposed in respect of some labour intensive industries (most of which are in the un-organised sectors), a total exemption from Central Excise Duty. We hope, advantage will be taken of this concession and there will be not only establishment of new industrial units but also expansion of the existing industrial units of these categories in our State.

12.4. During 1995-96, a financial outlay of Rs. 34.60 crores has been proposed for village and small industries, showing a 19.3% increase over the originally approved outlay for this Sector during 1994-95. As regards industries other than village and small industries are concerned, provision has been made for an amount of Rs. 41.88 crores during 1995-96 which are 14.7% higher than the originally approved outlay of 1994-95.

## Education

13.1. Education has a key role in human resource development. The State Government will continue to give a high priority to this sector during the next financial year. A total amount of Rs. 336.85 crores has been proposed for this sector during 1995-96 as compared to Rs. 227.70 crores as originally approved outlay



in 1994-95 for this sector, showing a step up of 47.9%. The total State Plan outlay in the Education sector for 1995-96 constitutes 23.8% of the total size of the Annual Plan of Rs. 1418 crores. It is significant to mention that substantial amounts under various Centrally Sponsored Schemes and Central Sector Schemes have been provided in the budget of 1995-96 in the Education sector over and above the State Plan provision. Moreover, the funds under the District Primary Education Project, a World Bank aided project, the fund from the Government of India will flow directly to the implementing authorities within the State, as at present.

13.2. As per our commitment to implement the ***Programme of Education For All***, we will continue to give high emphasis on both elementary education and adult education, so that we achieve the goal by the turn of the century.

13.3. Many of our primary schools are single-teacher schools. During the current financial year, 8153 posts of primary school teachers have been sanctioned under the Centrally Sponsored Scheme of Operation Black Board to provide second teacher in all such schools in the State as per the last survey of

1986. The Union Finance Minister in his recent budget proposals, presented to the Parliament has highlighted the priority attention of the Government of India to the cause of primary education and the implementation of the Centrally Sponsored Scheme of Operation Black Board. The State Government will continue to implement this vital programme with the resources, provided by the Government of India to the State Government during the next financial year. Steps will continue for further *consolidation* and strengthening of the primary schools with emphasis on *more enrolment* and reduction of drop-outs. The *training of teachers* in the primary schools has remained an important activity of the State Government. Now, 11 District Institutes of Education & Training (DIETs) in 11 districts, one in each district have been operationalised for providing training to the primary school teachers with a view to maintaining proper standard of the primary education. During 1995-96, it is proposed to operationalise 7 DIETs in 7 more districts in this connection.

13.4. The total Literacy Campaign aims at making literate, everyone between the age group of 14 years and 35 years. This has been taken up in 14 districts of the State during

1994-95. While this will continue during the next financial year, it is proposed to cover the remaining districts under this campaign. Presently, the District Primary Education Project, a World Bank funded project, is under implementation in the districts of Dhubri, Darrang, Morigaon and Karbi Anglong. It is expected that the implementation of the project will pick up momentum during the next financial year.

13.5. During 1994-95, Navodaya Vidyalayas have been sanctioned by the Government of India for 8 districts, thereby bringing the upto date total number of such Vidyalayas to 14. It is proposed to move the Government of India for the sanction of Navodaya Vidyalayas for the remaining districts in the State during 1995-96.

13.6. Provision has been made in the budget of 1995-96 for improving the facilities for girls' education in the State.

13.7. Provincialisation of High Schools and Junior Colleges and bringing in some more colleges under the deficit-grant-in-aid system has been envisaged during 1995-96. During 1995-96, a financial outlay of Rs. 28.20 crores has been proposed for University and College

education as against the originally approved outlay of Rs. 18.85 crores during 1994-95 for the same under the State Plan.

**Health & Family  
Welfare**

14.1. Health and Family Welfare is a core area within the Social Services sector. While emphasis will continue with regard to primary health care and the rural health services, priority attention is also being given to medical education and the improvement of services in the medical college hospitals of the State. Adequate provision of fund has been made for expeditious completion of the construction of various Primary Health Centres, Sub-Centers, Community Health Centers and the District/ Sub-divisional level hospitals in the State. Various public health programmes viz., NMEP, National T.B. Control Programme, National Leprosy Eradication Programme, National Programme for Prevention & Control of Blindness, Goitre Control Programme, etc. will continue to be implemented vigorously. Apart from the Allopathy, other systems of medicine viz., Ayurveda and Homoeopathy will continue to be promoted. The critical importance of Family Welfare Programme needs hardly any emphasis. The welfare and improvement of the quality of life in the family is the very essence of this programme. Its implication at the national level

lies in the stabilisation of the population of the country. This comprehensive programme with the delivery of services for mother and child and immunisation will be implemented more vigorously. Family welfare programme can succeed only by the whole-hearted support of the society. I urge upon the Hon'ble Members to contribute their mite to the cause of this vital programme.

14.2. The implementation of the Family Welfare Programme within the State will receive a boost by the World Bank aided Assam Area Project IPP-IX, which has commenced during 1994-95. The State Government intend to implement this project through an autonomous registered society. The implementation of this programme will pick up momentum during 1995-96. In the State Plan under Health & Family Welfare sector, an outlay of Rs. 65.50 crores has been proposed during 1995-96 as against the originally approved outlay of Rs. 45.20 crores during 1994-95, showing 45% rise in the allocation.

14.3. As the Hon'ble members are aware, Mother Teresa has been kind enough to have decided to establish a centre at Guwahati for treatment of AIDS victims. Recently, the Planning commission, Government of India has

released to the State Government an amount of Rs. 1 crore as additional State Plan assistance for the establishment of such a centre. We propose to make over this amount to Mother Teresa for this purpose.

**Water Supply  
and Sanitation**

15.1. Water Supply and sanitation is the other important area under the Social Services sector. During the next financial year, emphasis will be on ensuring operation and maintenance of the completed water supply schemes in both rural and urban areas, expeditious completion of all on-going water supply schemes in both rural and urban areas. Coverage of existing "No potable water source" villages in the difficult and remote areas has been included in the next year's programme. To tackle the excess iron problem, commonly experienced in many parts of the plains districts of the State, concerted efforts will be made to instal iron removal plants in the existing water supply schemes in these areas.

15.2. During the next financial year, the implementation of Rural Sanitation Programme, a Centrally Sponsored Scheme, with matching involvement of the Centre, the State Government and the beneficiary will be taken up for the benefit of families below the poverty line. Under this scheme, it is envisaged to

construct sanitary latrines for the beneficiary families.

15.3. During 1995-96 in respect of Rural Water Supply and Sanitation under the State Plan, an outlay of Rs. 68.28 crores has been proposed as against the originally approved outlay of Rs. 48.16 crores during 1994-95, showing a rise by 41.8%.

**Rural  
Development**

16. About 89% of our State's population live in the rural areas. Rural development with the creation of infrastructure and improvement in the quality of life of the rural poor will continue to be a very important developmental priority of our State Government. As this august House is aware, commendable progress has been achieved during the current financial year in the field of rural development in our State and we will keep up this momentum during the next financial year. All our important rural development programmes viz. IRDP, JRY, TRYSEM, Employment Assurance Programme, DWCRA, etc. will continue to be implement as Centrally Sponsored Schemes during next financial year, as at present. The State's matching shares in the implementation of these rural development programmes have been proposed in the next year's budget of our State Government and an

amount of Rs. 96 crores towards the matching share has been proposed under the State Plan budget of the State during 1995-96.

### Roads and Bridges

17. Road communication is a basic infrastructure for the economic development of an area. During the next financial year, it is proposed to emphasise the expeditious completion of all on-going road and bridge construction schemes and maintain efficiently the existing ones with the available resources. During 1995-96, under the State Plan for the State as a whole, a considerable step up of allocation has been proposed and it is Rs. 101.02 crores as against the originally approved outlay of Rs. 62 crores for this sector during 1994-95, showing a rise by 63%. Over and above this amount, substantial provision has been proposed under various CSS/ NEC Schemes and National High Way Schemes in the budget of 1995-96 for the road and bridges sector.

### Welfare of Backward Classes

18. The State Government have been implementing various socio-economic development schemes under the Tribal Sub-Plan and the Scheduled Caste Component Plan for the welfare of the Scheduled Tribes (Plains) and the Scheduled Castes respectively within the State. Emphasis is given on health,



education, drinking water supply, road communication, agriculture, fishery and other economic development schemes for promoting self-employment. During 1995-96 under the State Plan, an amount of Rs. 147.00 crores for the Tribal Sub Plan and an amount of Rs. 98.20 crores for the Scheduled Caste Component Plan have been proposed. Over and above these amounts, an amount of Rs. 14.88 crores for the Tribal Sub Plan and an amount of Rs. 3.65 crores for the Scheduled Caste Component Plan have been proposed as Special Central Assistance as Additives to these Sub Plans during 1995-96. Provision has been made for implementing various welfare schemes with emphasis on education and self-employment for the welfare of the Other Backward Classes, tea garden and ex-tea garden tribes in the budget of 1995-96.

**Bodoland  
Autonomous  
Council**

19. During 1994-95, substantial amounts have been earmarked for the Bodoland Autonomous Council as recommended by the Tapan Lal Barua Committee. The amounts earmarked are Rs. 31.52 crores from the General Areas Plan, Rs. 30.74 crores from the Tribal Sub Plan and Rs. 2.54 crores from Scheduled Caste Component Plan totalling Rs. 64.80 crores under the State Plan during 1994-95. The corresponding proposed

earmarked amount for the Bodoland Autonomous Council during 1995-96 are Rs. 44.49 crores from the General Areas Plan, Rs. 41.40 crores from the Tribal Sub Plan and Rs. 3.22 crores from the Scheduled Caste Component Plan, totalling Rs. 89.11 crores.

#### Hill Areas

20. The State Government have been paying their special attention for the all round development of the Hill Areas of the State and the welfare of Scheduled Tribes (Hills) in these areas. Within the Social Services Sector, emphasis is on comprehensive health care, provision of drinking water facility and education. In the economic sector, emphasis is on development of road communication, forestry, agriculture, irrigation, sericulture, weaving, poultry and piggery and above all, enabling the tribal jhumia families to have settled mode of living in place of their existing dependence on jhum cultivation. During 1995-96 an outlay of Rs. 91.60 crores has been proposed under the State Plan for the Hill Areas Sub Plan. Further, Special Central Assistance of Rs. 42.05 crores as additive has been proposed during 1995-96.

#### Highlight of some programmes

21. I have the pleasure to highlight some important proposals, contained in the budget of 1995-96, aiming at poverty alleviation

and providing relief to the weak. During 1995-96, the scope of the existing Scheme of supply of subsidised rice at Rs. 2 per kg to the families below poverty line will be enlarged to cover 15.33 lakh poor families, as against the existing 4 lakh families under the Scheme. A new Scheme has been adopted under the Central Sector on the provision of dwelling houses with work-sheds to the poor weavers of the State. A target of 25,000 weavers for the rural areas and 5,000 weavers for the urban areas is envisaged. During 1995-96, our Government propose to start the implementation of a scheme to provide mid day meals to the primary school children in the State with a view to having a beneficial impact not only on their nutrition but also their attendance. During 1995-96, there will be a special focus by way of extending regular monthly pension to old farmers, aged 65 years or above, having land of 3 bighas or less each. The scope of the existing Scheme of Payment of Unemployment Allowance will be widened to cover more unemployed educated youths during 1995-96. During 1995-96, it has been proposed to provide dwelling houses to 5987 poor families under Indira Awas Yojana. During 1995-96, adequate provision has been proposed in respect of various employment oriented

schemes viz. IRDP, SSI units (registered), assistance to poor SC/ ST families, JRY, Employment Assurance Programme, etc., with a job potential for more than 2 lakh unemployed job seekers. During 1995-96, it has been proposed to impart free training to 1000 youths in Computer Programming, keeping in view, better employment prospects, now-a-days available for such computer trained persons. During 1995-96, provision has been made for giving the poor rural farmers in the State, the benefit of utilising the services of power tillers at a very nominal rate. During 1995-96, under the ongoing *scheme of* providing assistance to poor women to open *Postal Savings Bank* Account under the Mahila Samridhhi Yojana, provision has been made for a target of 15 lakh beneficiaries with the assistance of Rs. 12 per beneficiary. During 1995-96, it has been proposed to give financial assistance to poor farmers for constructing their dwelling houses with a target of 13,280 beneficiaries at the rate of Rs. 2500/- per beneficiary.

**Welfare of the  
Freedom  
fighters**

22. Our Government is very much sympathetic to the freedom fighters, who have sacrificed a lot for the Nation to make our country independent. Many of them are in grave *financial* distress. We propose to provide relief

to those of them who are in absolute distress and fulfill certain norms.

**Welfare of the old widows**

23. How acute is the distress of the old widows is known to everyone. During 1995-96, there will be a special focus by way of regular monthly pension to the old widows, fulfilling certain norms.

**Assam Minority Development and Finance Corporation**

24. During 1995-96, it is proposed to set up Assam Minority Development & Finance Corporation with an authorised share capital of Rs. 5 crores for the welfare of the minorities in the State.

**Assam Finance Commission**

25. The Assam Finance Commission is proposed to be constituted to recommend the pattern of distribution of available State resources to the Panchayat and urban local bodies. A bill on this proposal is proposed to be introduced in the current session of the Assembly. Provision has been made in the budget of 1995-96 for meeting the establishment cost of this Commission.

**Externally Aided Projects**

26.1. Implementation of National Agricultural Extension Project (NAEP) within the State has come to an end. The World Bank aided project on technical education in the Education sector continues to be under implementation and the flow of fund for the

purpose from the Government of India is passing through the State Government budget. Provision for this during 1994-95 is Rs. 4.80 crores. This programme will continue during 1995-96, for which an amount of Rs. 5 crores has been proposed in the budget of 1995-96.

26.2. Implementation of Assam Area Project IPP-IX, a World Bank aided project in the Health and Family Welfare Sector has commenced during 1994-95. This project is intended to be implemented by an autonomous registered Society under the control of the State Government to which the assistance for the project from the Government of India is intended to flow directly. The implementation of this Project will pick up momentum during 1995-96.

26.3. The implementation of District Primary Education Project (DPEP), a World Bank aided project is under implementation by an autonomous registered society under the control of the State Government. The implementation of this project, which commenced during 1994-95 will continue vigorously during 1995-96. The assistance for the Project from the Government of India would flow directly to this registered society.

26.4. Out of the various projects, posed by the State Government to the Centre for external aid, only one project viz. The Assam Rural Infrastructure and Agricultural Services Project with a total financial outlay of Rs. 480 crores with the project implementation period of 8 years has materialised. The implementation of this project will commence during 1995-96. Total amount proposed in respect of this Project during 1995-96 is Rs. 44.64 crores. The break up of this is Agriculture- Rs. 12.68 crores, Fisheries- Rs. 5.49 crores, Veterinary- Rs. 9.57 crores, Irrigation - Rs. 4.42 crores, P.W.D (Rural Roads) - Rs. 11.01 crores, Revenue (Land Administration) - Rs. 1.47 crores, Total Rs. 44.64 crores. Provision has been made as stated above in the budget of concerned departments for 1995-96.

26.5. The project proposals in respect of Greater Guwahati Water Project (Rs. 154.20 crores), Greater Guwahati Drainage and Sewerage Project (Rs. 202.60 crores) and Greater Jorhat Water Supply Project (Rs. 21.10 crores) submitted by the State Government to the Government of India for external aid will be pursued vigorously, so that they materialise for external aid during 1995-96.

**Tenth Finance Commission**

27.1. As the august House is aware, the recommendations of the Tenth Finance Commission, submitted to the President of India on 26.11.94 and the decisions of the Government of India thereon were presented on 14th March, 1995 by the Union Finance Minister to the Parliament.

27.2. In course of 1995-96, necessary follow up actions will be taken by the State Government in pursuance of the award of the Tenth Finance Commission, as accepted by the Centre after the procedural requirements have been met.

**Assam Pay Commission, 1994**

28. The Assam Pay Commission, 1994 set up by the State Government in May 1994 has been functioning. Meanwhile, State Government have granted an Interim Relief of Rs. 100/- per month to every State Government employee and an Interim Relief of Rs. 50 per month to every State Government pensioner with effect from 1.6.1994.

**State Finances**

29.1. The State finances have been passing through very difficult problems during the last few years. The increase in the expenditures annually has been much higher than the increase annually of our receipts. As the Hon'ble Members are aware, our annual



expenditure on the Establishment including pensionary liabilities with the six monthly additionality by way of revised Dearness Allowance for the serving employees and the Dearness Relief for the pensioners constitutes a very big chunk of our Non-Plan expenditure. Further, the requirement for various measures for the maintenance of law and order and relief and rehabilitation has to be met. Over and above this, the demand on the State exchequer for the annual debt servicing by the State Government to the Government of India and other financial institutions has been quite substantial.

29.2. Since the assumption of office, our Government has been making sincere endeavours to effect utmost economy in various expenditures of the Government, particularly on the Non-Plan side, while meeting all obligatory and priority requirements for the maintenance of law and order, relief and rehabilitation and providing adequate resources for a good pace in the implementation of various welfare and developmental schemes within the State. Simultaneously, our Government have been making all-out efforts for the mobilisation of all feasible tax and non-tax revenues for the State. Besides, the Government have introduced and have succeeded to a great measure in bringing

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about financial discipline within the Administration upto the lowest level.

29.3. During the current financial year 1994-95, as per the revised estimates, which include supplementary demands, passed in the September, 1994 session and this session of this august House, the Non-Plan expenditure has been contained at the level of Rs. 3199 crores as against the budget estimates of Rs. 3110 crores. It is significant to mention that all debt servicing on all counts, both current and arrear and due for liquidation during 1994-95 has been provided for in the budget of 1994-95. At the end of 1994-95, the estimated amount of Public Debt against the State of Assam will stand at Rs. 4,798.41 crores. Out of this, the main debt obligation is towards the Centre.

29.4. As regards the mobilisation of more revenue during 1994-95, it is to be mentioned that the anticipated increase during this financial year, compared to the previous financial year is Rs. 36.88 crores in respect of Sales Tax, etc. collected by the Finance (Taxation) Department, Rs. 4.66 crores in respect of M.V. Tax, etc. and Rs. 2.31 crores in respect of Excise Duty of the State. Further, in the field of mobilisation of Small Savings during 1994-95, the achievement of the State

Government has been remarkable and as a result, the State Government have already received the Small Savings loan of Rs. 388 crores during the current financial year upto the end of February, 1995 and more is expected by the end of March, 1995 as against the B.E. of Rs. 125 crores for the current year in this respect. Further, compared to the B.E. figure of Rs. 131.62 crores of Market borrowing, an amount of Rs. 161.62 crores of borrowing has been mobilised during this financial year. The State Government did not spare any efforts in the mobilisation of institutional finance from all available sources.

29.5. The Government have also been making exertion for the maximum collection by all Departments of the State Government in respect of all current and arrear revenue dues of the Government. Further, the State Government have also been pursuing with the Government of India for the release of all arrear Central reimbursements, payable to the State Government on account of various Centrally Sponsored and Central Sector Schemes.

29.6. At the instance of the Prime Minister, a Committee, consisting of the Cabinet Secretary as its Chairman and the Secretary, Union Ministry of Petroleum, Chief Secretary to

the Government of Assam and the then Adviser to the Chief Minister, Gujarat as members went into the question of enhancement of the rate of royalty on petroleum crude for the block year 1993-96 (viz. from 1.4.93 to 31.3.96). As per the formula, evolved by this Committee, the royalty for the block year 1993-96 would be 20% of the weighted average of the cost of production of petroleum crude, a reasonable return during the three relevant production years viz. 1993-94, 1994-95 and 1995-96. Meanwhile, based on the data, available for the production year 1992-93, the rate of royalty for the block year 1993-96 was tentatively recommended at Rs. 528 per tonne. This formula has been accepted by the Government of India and the oil companies are making payment to the Government of Assam at the ad-hoc rate of Rs. 528 per tonne with effect from 1.4.93. The State Government expect that the application of this formula, based on the data for the already completed year 1993-94 would enable the State to get a provisional rate, higher than the existing ad-hoc rate of Rs. 528 per tonne. Our Chief Minister has already taken up with the Union Minister of State for petroleum for considering to issue suitable instruction to the oil companies for making payment of royalty at the enhanced provisional

rate as per the above mentioned accepted formula, by taking into account the cost of production of petroleum crude for the year 1993-94. Considering the fact that the average annual production of crude oil in our State is about 5 million tonnes, this enhancement in the provisional rate of royalty would fetch some additional revenue to the State Government. This has been taken in to account in the next year's estimates.

#### State Plan

30. The original State Plan outlay for 1994-95 was Rs. 1051 crores. It was raised to Rs. 1054.68 crores by the Planning Commission, Government of India. The State Plan outlay for 1994-95 includes an amount of Rs. 86.8 crores for Externally Aided Projects. The District Primary Education Project (DPEP), a World Bank aided project of the Education Department of the State Government and Assam Area Project IPP-IX, a World Bank aided project under the Health & Family Welfare Department of the State Government, which were originally envisaged to be funded as Externally Aided Projects within the State Plan during 1994-95 came to be funded separately by the Government of India and outside the State Plan outlay of the State Government for 1994-95. In view of this, the release of funds from the

Government of India under the State Plan to the State Government by way of external aid has been limited only to Rs. 10.8 crores during 1994-95. On an overall review of the matter, the revised State Plan outlay for 1994-95 has been proposed by the State Government at Rs. 997.20 crores for the approval of the Planning Commission. We are trying to keep up the State Plan outlay for 1994-95 at this level.

#### Taxation

31.1. Mr. Speaker, Sir, I do not propose to impose any fresh tax nor raise any existing tax rate.

31.2. I propose to introduce two bills namely :-

(a) The Assam General Sales Tax (Amendment) Bill, 1995 to remove certain obvious printing errors and to bring in certain specific provisions, which are missing from the existing provisions of this Act which was enacted in 1993 and enforced with effect from 1st July, 1993.

(b) The Assam Agricultural Income Tax (Amendment) Bill, 1995 which seeks not only to replace the Assam Agricultural Income Tax (Second Amendment) Ordinance, 1994 but also to make further amendment to the provisions of Subsection (3) and Subsection (4)

of Section 8 of the Assam Agricultural Income Tax Act, 1939 for smooth implementation of this Act.

31.3. I propose to augment the tax collection by the State Government by more effective enforcement of the existing tax laws and streamlining the Tax Administration system.

**Accounts  
1993-94**

32. In the budget estimates 1994-95, presented to the Assembly in March, 1994, the closing balance for 1993-94 (revised estimates) was estimated to be (-) Rs. 352.12 crores. However, I am happy to inform the Hon'ble Members that the year actually closed with a deficit of Rs. 258.29 crores as per the accounts, furnished by the Accountant General, Assam.

**Revised  
Estimates  
1994-95**

33. The Budget Estimates for the year 1994-95 showed an estimated deficit of Rs. 176.94 crores by taking into account, the opening balance of (-) Rs. 352.12 crores. The revised estimates for the year 1994-95 now show a deficit of Rs. 163.06 crores. I am happy to inform the Hon'ble Members that the management of finances of the State Government during this financial year 1994-95 contributed to the reduction of opening deficit and as a result, while this year started with an

opening deficit of Rs. 258.29 crores, it would be ending with a lesser deficit and it is estimated to be Rs. 163.06 crores, thereby improving the progressive and upto date position of the situation at the end of the current financial year by Rs. 95.23 crores.

**Budget  
1995-96**

34.1. The budget for 1995-96 envisages improvement in receipts to the extent of Rs. 543.15 crores over that of the revised estimates for 1994-95. On the expenditure side, however, there is an estimated increase of Rs. 720.84 crores over that of the revised estimates of 1994-95. This increase in the estimated expenditure is on account of (a) increase of Annual Plan outlay for 1995-96 over that of 1994-95, (b) additional outlay for wider coverage under the existing scheme for supply of Rupees Two per Kg of Rice during 1995-96, compared to that of 1994-95. (c) increase in expenditure on Public Account during 1995-96 over that in the revised estimates of 1994-95 and (d) annual increase in the Establishment cost, etc.

34.2. The anticipated transactions during 1995-96 would lead to an estimated deficit of Rs. 82.46 crores and with an anticipated opening balance of (-) Rs. 163.06 crores, the financial year 1995-96 is anticipated



to close with a deficit of Rs. 245.52 crores. An abstract of the transactions is stated at the ANNEXURE. The deficit during 1995-96 is envisaged to be met by better mobilisation of tax and non-tax revenue, economization in expenditures during the financial year and overall better financial management.

34.3. Mr. Speaker, Sir, we are now at a historic moment. We are now engaged in the economic reconstruction of our State, which has just emerged from the ravages of violence and terrorism. Peace can be sustained, not by force but only by durable efforts of welfare and development. Wounds of terrorism and violence will have to be healed not merely by compassion but by substantial work of economic development and social justice. Eradication of poverty and providing job opportunity are basic concerns of our people for which we all, cutting across party affiliation have to come together and put our mite for achieving the same in a reasonable time frame. History will not forgive us, our children and grand children will not excuse us, if we fail in performing our duty for their future. We have to do more for them than what our fathers did for us. It is only by doing so, that we shall be fulfilling our duty in the present day world.

34.4. Keeping abreast with the contemporary changes all around us, we are to move ahead doing best, what we can by making the fullest use of the rich potential, which God has so kindly given to our State. Years will come and pass but let this year be not an ordinary year. Let it be a momentous year, which would mark the establishment of the foundation of a vibrant economy, which would ensure job opportunity for those, who are in need of the same, amelioration for those, who are now in distress and good will for one and all. The country is watching us, how well we are able to meet the unprecedented challenges, faced by our State. I do hope that, with the good will of our people and with the cooperation of all my esteemed colleagues, the Hon'ble Members of this august House, we will be making solid steps in this nation building mission. Our budget is only a step in that direction.

35. With this, Mr. Speaker, Sir, I commend this budget to this august House for consideration.

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## ANNEXURE

### Abstract of Transactions

	Actuals 1993-94	Budget Estimates 1994-95	(In lakhs of Rupees)	
			Revised Estimates 1994-95	Budget Estimates 1995-96
<b>A. RECEIPTS :</b>				
<b>I. Consolidated Fund</b>				
Revenue Account	33,17,46	35,83,07	33,15,00	37,84,14
Capital Account	8,02,33	11,50,97	14,52,41	12,81,92
<b>Total</b>	<b>41,19,79</b>	<b>47,34,04</b>	<b>47,67,41</b>	<b>50,66,06</b>
<b>II. Contingency Fund Account</b>	1,48			
<b>III. Public Account</b>	19,23,65	16,91,50	16,91,50	19,36,00
<b>Total (I + II + III)</b>	<b>60,44,92</b>	<b>64,25,54</b>	<b>64,58,91</b>	<b>70,02,06</b>
<b>B. EXPENDITURE :</b>				
<b>I. Consolidated Fund</b>				
Revenue Account	29,01,18	31,41,78	32,41,88	37,17,16
Capital Account	14,53,25	14,67,97	14,81,19	14,82,76
<b>Total</b>	<b>43,54,43</b>	<b>46,09,75</b>	<b>47,23,07</b>	<b>51,99,92</b>
<b>II. Contingency Fund Account</b>	0,04			
<b>III. Public Account</b>	17,88,59	16,40,61	16,40,61	18,84,60
<b>Total (I + II + III)</b>	<b>61,43,06</b>	<b>62,50,36</b>	<b>63,63,68</b>	<b>70,84,52</b>
<b>C. TRANSACTIONS DURING THE YEAR :</b>				
Surplus (+)		1,75,18	95,23	
Deficit (-)	98,14			82,46
<b>D. OPENING BALANCE</b>				
Surplus (+)				
Deficit (-)	1,60,15	3,52,12	2,58,29	1,63,06
<b>E. CLOSING BALANCE</b>				
Surplus (+)				
Deficit (-)	2,58,29	1,76,94	1,63,06	2,45,52