

# Tamil Arasu

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*Hon'ble Chief Minister, Puratchi Thalaivi Dr. J. Jayalalitha along with Hon'ble Ministers paid floral tributes at the Anna Samadhi on the death anniversary of Perarignar Anna on 3.2.'96.*



## Tamil Arasu

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## CHIEF MINISTER RECEIVES INTERNATIONAL WOMAN OF THE YEAR AWARD

**H**on'ble Chief Minister Puratchi Thalaivi Dr. J. Jayalalitha received the International Woman of the Year (1995) Award, instituted by the US based South Asian Family Services from Illinois State Senator Thiru Howard W Carroll on 2.2.96 at Madras.

At a function organised by the World Federation of Tamil Youth Inc., the Chief Minister received honours commending her services to the society. The occasion was the international symposium on "Dr.J.Jayalalitha's inspiring leadership and dynamic achievements".

Inaugurating the symposium, Thiru Carroll extended an invitation to the Chief Minister to the National Democratic Party Convention to be held in Chicago in August 1996. This convention was to nominate the Democrat's candidate to the 1996 US

Presidential election.

Dr. Kathleen Lembrecht, Chancellor of the World Peace Academy said all Governments of the World should follow the Tamil Nadu Government's example of introducing social welfare measures such as all women police stations and cradle baby schemes. She also announced that a wax replica of Chief Minister Dr. J. Jayalalitha would be put on exhibit at the famed Madame Tussaud's wax museum in London.

Dr. Tom Snyder, Chairman of the International American Friendship Society announced that the Friendship Gardens at the Lamb of God Ministries would be renamed Dr.J.Jayalalitha Friendship Gardens on February 24, 1996, her 48th birthday. A part of Devon avenue in

Chicago would also be renamed after the Chief Minister.

Tmt. Alberta Day, a native American Indian Leader, honoured the Chief Minister with a native American name *MAA-STHA-MA-NI-GA* that means 'she who walks mighty'. This is the highest traditional honour bestowed by the American Indian Tribe.

Dr. Vijay Prabhakar in his presidential address said that the Chief Minister's 48th Birthday would be celebrated in 48 countries. He also announced that Dr. Jayalalitha's birthday on February 24 will be celebrated as the World Day for Children, in recognition of her contribution to Child Welfare in Tamil Nadu.

Ms. Ela Shah of the National Association of Women Artists, New Jersey and



Wisconsin State Senator Rodney Moen released a book - "A tribute to the living legend - Puratchi Thalaivi Dr. J. Jayalalitha." This book which was compiled by the President of the World Federation of Tamil Youth, Dr. Vijay Prabhakar was received by Thiru Zulfiquar Ali Khan, Chairman of Bahadur Ali Jung International Research Institute, USA.

Thiru Keerthi Kumar Ravoōri, Secretary General of the Indo-American Democratic Organisation participated in the function.

Thiru Louis Mitra, President of the US International Development Alliance welcomed the gathering. Later, Thiru Parthiban Shanmugam, Secretary of the World Federation of Tamil Youth, Inc., proposed a vote of thanks.

## CHIEF MINISTER RECEIVES INTERNATIONAL AWARDS AND HONOURS

**“These honours shall spur me to greater efforts to provide a life of dignity for the downtrodden”**

—Hon'ble Chief Minister Puratchi Thalaivi Dr. J. Jayalalitha at the “International Symposium on Puratchi Thalaivi Dr. J. Jayalalitha's inspiring leadership and dynamic achievements” held on 2.2.96 at Madras.

It is a pleasure indeed to be here today to participate in a function where so many honours are being conferred on me.

I am indeed overwhelmed by the wealth of warmth and avalanche of affection that has prompted the people of a distant land to shower upon me such lavish praise and so many awards, for what I would like to think is my modest contribution to public life.

To one who is perforce always in the public eye, by reason of public service, of course, public honours and awards are not infrequent, but one is more often than not dodging a public brickbat

or ducking some public mud-slinging. However, I suppose, as John Wolcot said in his address to the Royal Academicians:

***“What rage for fame attends both great and small, Better be damned than mentioned not at all.”***

I would, however, not be human, if I did not confess to a feeling of a warm glow of happiness at being presented with the international Woman of the Year Award today.

It is certainly a proud moment in my life to receive Citations from the States of Wisconsin and Illinois, the proclamations from the Governor of the State of Illinois and the Mayor of the City of

Chicago; the Honour Plaque from the Bahadur Ali Jung Research Institute; and congratulatory messages from President Clinton and Vice President Gore.

May I be permitted to strike a personal note on this occasion? When I was honoured with a doctorate by the University of Madras, I reminded myself that I had never been to college and here was one of the highest awards an academic institution could give being conferred upon me! I would like to think that one is not disqualified merely by the lack of a formal University education in accepting such an academic distinction because, in public life, one goes through a school of struggle for what is right; a college of crusading for the underprivileged and downtrodden, at the University of adversity.

The inspiration for public service and the entire basis of my conceptualising many



of the path breaking welfare measures for women and children in Tamil Nadu has come from a close and hard look at the schisms in our society. I consider that the index of civilisation in any society is the position accorded to its women by that society.

I believe that when it comes to gender discrimination, there is little to choose between an advanced industrial society, even like the United States of America, and a developing still strongly rural agrarian society like India. After all, the socially retrograde phenomenon of wife - beating or child abuse is as well known in the West as dowry-based deaths or female infanticide are in our country. It is a tragedy of our times that in the face of this incontrovert-

ible truth, the exploitation of women is a universal, brutal reality, whether the country is rich or poor; whether the people are white, black or brown. With the 21st century about to dawn, It is still very much a man's world !

Recognising the importance of according their rightful status to women in our society and the need to launch a frontal assault on the centuries old practice of female infanticide, that scars some parts of Tamil-Nadu to this day, I launched the 15 Point Programme for Child Welfare and a unique scheme called the Cradle Baby Scheme. The focus of this programme is to achieve enhanced nutritional, health and educational status for children by specific State interventions in these areas for nursing mothers and in-

fants in an integrated manner. It aims at the provision of safe drinking water, elimination of micronutrient deficiencies in infants and saturation coverage in immunisation.

The Cradle Baby Scheme introduced by me ensures the survival of girl children by a variety of actions in awareness creation and social mobilisation to eliminate social evils like dowry; promotion of institutional deliveries; and adoption of infant girls by the State in all high-risk blocks. A scheme to combine nutrition, health, education and social awareness in a synergistic manner to combat the problem at both physical and sociological levels has been launched for the first time.

Ruby Manikan has rightly observed that "If you

educate a man, you educate a person; but if you educate a woman, you educate a family". It is my firm belief that the key to the elimination of a host of social evils lies in women's education. I am not advancing this before you as another familiar, feminist, flail of the fist but as a serious argument to be deliberated upon in a symposium of this kind.

I have been told today that the Friendship Gardens in West Bend, Wisconsin, and a part of Devon Avenue in Chicago are to bear my name. I thank the International American Friendship Society and the City of Chicago for this heartwarming gesture. To have my name associated with two cities of America and with the spirit of friendship of the American people is indeed a rare honour. I also gratefully accept the Peace Pipe offered to me by the native American people. I thank you, Mrs. Alberta Day of the Ho Chunk Nation for the Red Indian, or native American Indian name given to me. This will, I am sure, forge a close bond of friendship between Indians of two great nations.

I was also pleasantly surprised to learn today that a replica of mine is proposed to be put up at Madame Tus-

saud's Wax Works in London.

Sharing the pedestals of Madame Tussaud's with the internationally famous and eminent personalities of the world indeed invokes mixed emotions in me! I began my career in the celluloid world, so I suppose I shall be no stranger to Madame Tussaud's Wax Works! I may, however, hasten to add that in reality, I am made of sterner stuff; and in my public life, I would prefer to show that I am a woman of steel!

So, it is in all humility, that I accept today, all the honours that have been so kindly conferred upon me, by the South Asian Family Services; by the World Federation of Tamil Youth; by the Bahadur Ali Jung International Research Institute; and by the States of Wisconsin and Illinois. If these awards are indeed well deserved, I humbly thank you all for considering it to be so. For me, the motivating force of my life is only a burning desire to serve my people, to struggle for the poor and the needy.

As Gordon Banks has so beautifully put it:

*"I live for those who love me, for those*

*who know me true;*

*For the heaven that smiles above me,*

*and awaits my spirit too;*

*For the cause that lacks assistance,*

*For the wrong that needs resistance,*

*For the future in the distance, and the good*

*that I can do."*

May I now take this opportunity to thank Dr. Vijay Prabhakar, President of the World Federation of Tamil Youth, that has so graciously conferred this award upon me? He is a dynamic young man who has involved himself wholeheartedly in the promotion of Tamil culture in the United States of America. I would once again like to thank Dr. Vijay Prabhakar and Mr. Parthiban Shanmugam for all the painstaking efforts they have taken to organise this symposium and to bring together so many distinguished personalities. Certainly they deserve my personal gratitude.

On such a happy occasion one should not use the word regret in any context whatsoever. However, today I



must confess to a feeling of regret, the only regret that I experienced today is that my beloved mother is not alive to see all these honours that you have so kindly bestowed on me. However, I am compensated by the fact that so many hundreds of millions of my beloved people in Tamil Nadu consider me their mother and called me Amma. All the honours that have been bestowed on me today, I dedicate to my beloved people of Tamil Nadu who have put me where I am today.

These honours and awards will ever be a source of inspiration to me and shall spur me on to greater efforts to serve just causes like women's rights, a

brighter future for our children and a life of dignity for the downtrodden in our class and caste ridden society.

There is much in our society that is wrong and amidst all these paeans of praise, and awards of approbation, I am deeply aware of the tasks before me, much in the manner of what Marie Curie, the Nobel Laureate wrote, as far back as in 1894:

*"One never notices what has been done; one can only see what remains to be done."*

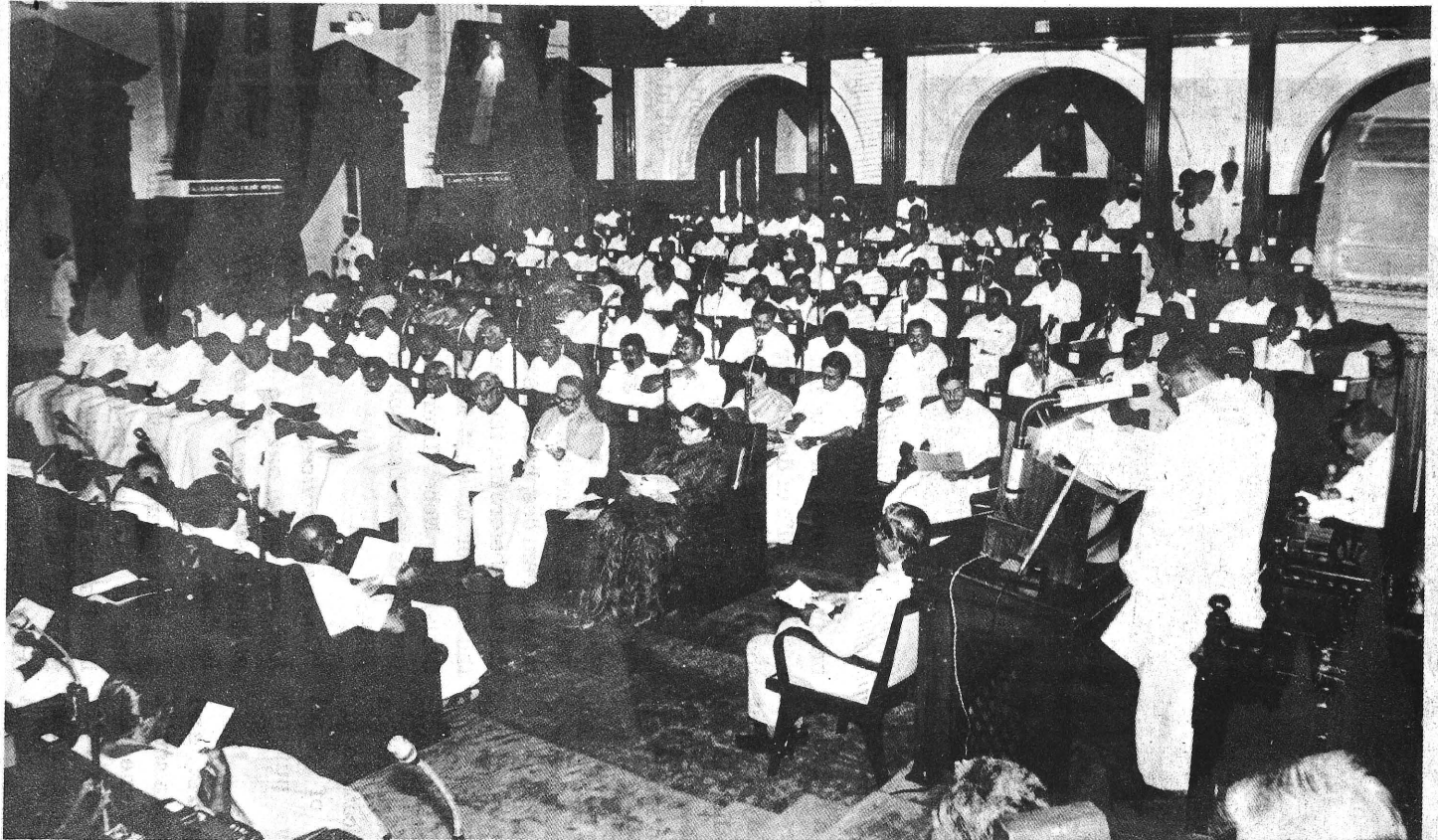
I can assure you that so long as I remain in public life, I shall always struggle for what remains to be done. Only then will I consider that

there will be a meaning to my life.

I would like to end with Longfellow's immortal lines from the Cobbler of Hagenau:

*"Our ingress into the world  
Was naked and bare;  
Our progress through the world  
Is trouble and care;  
Our egress from the world  
Will be nobody knows where;  
But if we do well here  
We shall do well there."*

I thank you once again most humbly.



ADDRESS BY

**Dr. M. CHANNA REDDY**

GOVERNOR OF TAMIL NADU

TO

**THE TAMIL NADU LEGISLATIVE ASSEMBLY**

14th February 1996

## Honourable Members of the Legislative Assembly,

I have great pleasure in addressing you at the commencement of the first session of the Tamil Nadu Legislative Assembly for the year 1996. I extend my warm greetings to all of you.

2. This is the last Session of the 10th Legislative Assembly and this Government is set to complete its full term of five years. Looking back over the five year period, we find that the State has progressed on all fronts. The Annual Plan outlays have been consistently exceeded in each of the years since 1991-92. A comprehensive Social Safety Net has been provided for the poor and the down-trodden. Law and order which is the foundation for growth in all areas has been well maintained. We can look back with pride on this splendid record, and I hope that the State will maintain similar progress in the future as well.

3. Hon'ble Members of the House will recall the difficult situation following the assassination of Thiru Rajiv Gandhi, the Hon'ble former Prime Minister, when this Government took office. The danger posed by foreign militants and terrorists was dealt with firmly and in a concerted manner and the situation brought under control within a few weeks of this Government taking office. Thereafter, even when the country as a whole was rocked by violent incidents following the demolition of the Babri Masjid at Ayodhya, Tamil Nadu remained a model of communal amity. Attempts by left wing extremists and religious fundamentalists to achieve their nefarious ends by the use of explosives were countered with firm and deterrent action. A crack investigation

team was formed to investigate the various explosions in the State and the bomb blasts were ended. The recent incidents of violence in the Southern districts have been brought under control quickly. The personal intervention of the Hon'ble Chief Minister Dr. J.Jayalalitha, who visited the area, instilled a sense of confidence in the public and ensured that the officials on the spot took prompt and firm action. As a result of these measures, calm has returned to the Southern districts.

4. This Government, over the last five years, has through a series of measures transformed the State Police into a modern, professional and humane force, imbuing it with a new vision and direction. A total sum of Rs.50 crores has been spent on modernising the Police Force, providing it with the latest communication equipment, modern arms and ammunition and up-to-date facilities for investigation and information retrieval. Against the State's requirement of Rs.80.45 crores, the Government of India released only Rs.10 crores for the modernisation of Police. Undeterred by this, the State has ensured adequate provision of funds from its own budgetary resources. Each of the 1172 Police Stations in the State is now equipped with a vehicle, a telephone and a wireless set. With a view to improving the policing in the Madras Metropolitan Area, 5 Police Stations in the suburbs have been added to the jurisdiction of the Commissioner of Police, Madras in the first phase with increased man power and equipment with effect from 9th February, 1996. The total strength of the Police Force has been increased from 68,638 in 1991 to 78,428 in 1996. Hon'ble Members are aware of the pioneering role of the Hon'ble Chief Minister Dr. J.Jayalalitha in setting up 57 All Women Police Stations to combat crime against women. This initiative has been greatly welcomed

by the people and widely appreciated even at the international level. All Police Districts in the State now have fully functional All Women Police Stations. Tamil Nadu is the first State in the country to establish a Victims Assistance Fund to rehabilitate the victims of violent crime and their families. In order to preserve the morale of the Police Force, a number of welfare measures for policemen including group insurance schemes, a health fund scheme, provision of subsidised rations and provision of adequate housing have been taken up. To ensure that quality training is imparted to the police officers and men, a Police Academy at Veerapuram is being set up at a cost of Rs.20 crores.

5. Recognising that "justice delayed is justice denied", a number of new courts have been set up for speedier disposal of cases. 44 Judicial Magistrates Courts are being converted into District Munsif-cum-Judicial Magistrate Courts. 6 Family Courts including three at Madras and one each at Madurai, Salem and Coimbatore have been set up, of which 5 have women as presiding officers. 4 new Chief Judicial Magistrate Courts including an additional court at Krishnagiri and 3 new courts at Tuticorin, Nagapattinam and Thiruvannamalai have been set up. 9 new Sub-Courts and 7 new District Munsif courts including additional Munsif courts have been sanctioned. An additional District Court at Krishnagiri has also been sanctioned. A total number of 84 courts have been set up since 1991-92, which is unprecedented in the period since Independence. The courts of the Chief Judicial Magistrates in all districts have been upgraded as Additional Sessions Courts and have been designated as Human Rights Courts and empowered to try all cases relating to human rights violations. Steps have been taken

to enhance the pecuniary jurisdiction of various civil courts which will ensure expeditious disposal of cases at low cost. So far, 80 schemes at a total cost of Rs.35.17 crores have been sanctioned in the period from 1993-94 for the construction of court buildings and judicial officers' quarters. A Directorate of Government Litigation and a Directorate of Prosecution have been formed to ensure quicker disposal of cases. The benefits to advocates under the Advocates' Welfare Fund have been enhanced substantially to Rs.1 lakh in the event of death and Rs.50,000 on retirement.

6. Tamil Nadu is reeling under the impact of a severe drought. As against the normal rainfall level of 461 mm during the North East monsoon, the State received only 259 mm during 1995, a shortfall of 44%. The Government has declared 15 districts viz., Chidambaranar, Kanyakumari, Ramanathapuram, Kamarajar, Tirunelveli-Kattabomman, Coimbatore, Pudukottai, Thanjavur, Tiruchirapalli-Perumbidugu Mutharayar, Karur-Dheeran Chinnamalai Gounder, Perambalur-Thiruvalluvar, Pasumpon-Muthuramalinga Thevar, Madurai, Dindigul-Anna and Nagapattinam Quaid-e-Milleth as drought affected. In addition, 10 taluks in South Arcot Vallalar, Salem, Villupuram Ramasamy Padaiyatchiar and Tiruvannamalai Sambuvarayar districts have also been declared as drought affected. Immediate measures to combat drinking water scarcity, rural unemployment and non-availability of fodder and water for cattle have been undertaken. An expenditure of Rs.70 crores towards provision of drinking water, generation of rural employment and other relief measures was initially sanctioned. This included a sum of Rs.26.94 crores for providing a total number of 3753 borewells. The

completion of the 45 desalination plants in Ramanathapuram district at a total cost of Rs.65 crores has been taken up on a war footing although as against the originally promised Central assistance to the extent of 75% of the cost, the Government of India has now limited its assistance to the Rs.10.75 crores already released. The remaining cost will now have to be met by the State Government. The Government has also sanctioned the setting up of 155 additional smaller desalination plants at a total cost of Rs.28.33 crores. The Hon'ble Chief Minister Dr. J.Jayalalitha undertook an on the spot review of the situation at Ramanathapuram on 27th January, 1996, and announced a relief package of Rs.266 crores. This includes an additional provision of Rs.72 crores to immediately take up works to provide drinking water. Rs.35 crores will be allocated for urgent road improvement works. Rs.85 crores will be incurred on rural employment generation. Rs.5 crores has been provided as a grant to municipalities in Dindigul-Anna district to take up drinking water works. The State Government is preparing a Memorandum on the drought situation seeking a total assistance of Rs.630 crores from the National Fund for Calamity Relief. The State will request the Union Government to release adequate assistance to help the State to meet the unprecedented drought situation.

7. The drought situation following the failure of the North East monsoon has been further exacerbated by the failure of the Karnataka Government to release the quantum of water due to Tamil Nadu as per the Interim Order of the Cauvery Water Disputes Tribunal dated 25th June, 1991, which was gazetted by the Government of India on 10th December, 1991. Although the Karnataka Government had not implemented the Interim

Order of the Tribunal in earlier years, the bounty of nature had ensured that adequate quantity of water was received at the Mettur reservoir. The failure of the North-East monsoon in 1995 forced Tamil Nadu to approach the Supreme Court and the Cauvery Water Disputes Tribunal for directions to the Government of Karnataka for releasing water as per the Interim Order to save standing crops. Members of the House are aware of the subsequent developments including the Supreme Court's request to the Hon'ble Prime Minister to intervene and evolve a strategy to implement the Tribunal's interim order of 19th December, 1995, to release 11 tmc ft. of water to Tamil Nadu forthwith. The Hon'ble Prime Minister requested Karnataka to release provisionally 6 tmc ft. of water at the rate of 1 tmc ft. per day in addition to the monthly quantum prescribed by the Cauvery Water Disputes Tribunal and also appointed an Expert Group for an on the spot study of the status of the standing crops and the water requirement. The Supreme Court did not contemplate any alteration to the Tribunal's order of releasing 11 tmc ft. of water to Tamil Nadu. Further, when the Tribunal, a statutorily constituted adjudicatory body, has already gone into the question of release of water taking into account the position of the standing crops and water storage in both States, there appears to be no need to appoint an Expert Group. After convening an All Party meeting chaired by the Hon'ble Chief Minister, Tamil Nadu accepted the decision of the Hon'ble Prime Minister under protest on the presumption that the Hon'ble Prime Minister would ensure that the balance quantity of 5 tmc ft. of water would be released to the State subsequently. The Government of Tamil Nadu has now filed an application in the Supreme Court to direct Karnataka to release the balance quantum of 5 tmc ft.

of water to the State. In the National Water Resources Council meeting held in New Delhi on 6th February, 1996, the Hon'ble Chief Minister pointed out the futility of discussing the Draft Policy Guidelines for Water Allocation of Inter-State Rivers among States, when the immediate and emergent requirements of Tamil Nadu were not being met. She emphasized the urgency of releasing the remaining 5 tmc. ft. of water as per the interim order of the Tribunal. She also reiterated the request to the Government of India to frame a scheme and set up Monitoring and Implementation Committees as required under Section 6-A of the Inter-State Water Disputes Act, 1956, to ensure that the Interim Order of the Cauvery Water Disputes Tribunal gazetted by the Government of India as early as 10th December, 1991, is actually implemented. The total loss in terms of food production in the State on account of the non-release of water by Karnataka could be more than 10 lakh tonnes. To preserve the rule of law and ensure the smooth functioning of the constitutional framework, all parties have to abide by the directions and orders of the Supreme Court and duly constituted adjudicatory bodies like the Cauvery Water Disputes Tribunal. The Government of Karnataka should honour the orders of the Supreme Court and the Cauvery Water Disputes Tribunal in letter and in spirit.

8. The vision, drive and enthusiasm of the Hon'ble Chief Minister Dr. J. Jayalalitha have established Madras as a major sports venue on the world map. The Seventh South Asian Federation Games, following on the heels of the Jawaharlal Nehru Gold Cup International Football Tournament and the International Invitational Athletic Meet, is the biggest sports event ever hosted in the city. The Games were inaugurated by the Hon'ble Prime

Minister Thiru P. V. Narasimha Rao on the 18th of December, 1995. A total number of 2500 sports persons including technical delegates from 7 SAARC countries took part in 14 disciplines and 2 demonstration events in the Games. In addition to the Jawaharlal Nehru Stadium, 5 new stadia viz. a hockey stadium with astroturf, a tennis stadium with synthetic surface, a modern aquatics complex, a fully air-conditioned multi-purpose indoor stadium and a shooting range of international standard were constructed at a total cost of Rs. 58 crores. In addition, top quality sports equipment worth Rs. 5 crores has been installed in different sporting venues. A self-contained Games village was constructed at a total cost of Rs. 101 crores. The incentive package announced by the Hon'ble Chief Minister Dr. J. Jayalalitha motivated Indian athletes to lead the medals tally winning 106 gold medals, 60 silver medals, and 19 bronze medals. The creation of international standard sports infrastructure in Madras will not only make it a favoured venue for other major international events in future, but will also produce more sportspersons from the State who would be able to perform with distinction at the national and international levels.

9. Hon'ble Members of the House are well aware of the special efforts taken by the Hon'ble Chief Minister Dr. J. Jayalalitha to obtain for the State large and consistent increases in the approved Annual Plan outlays ever since 1991-92. The State has also ensured that the approved outlays have been exceeded in actual implementation during the last 4 years. In this period, the per capita plan outlay of the State has been taken above the national average. This very significant achievement reflects the commitment of this

Government to the development of the State. The Union Planning Commission has commended the performance of the State which has been achieved in a context where a number of major States have been unable to perform their original approved Annual Plan outlays. In 1991-92, against an approved outlay of Rs.1605 crores, the outlay performed was Rs.1725.98 crores. In 1992-93, against the approved outlay of Rs.1766 crores, Tamil Nadu performed an outlay of Rs.1935.14 crores; and during 1993-94, against an approved outlay of Rs.2101 crores, the outlay performed was Rs.2234.79 crores. In 1994-95 even as the approved outlay was stepped up by 30.89% to Rs.2750 crores, the State rose to the occasion and ensured that the actual achievement was Rs.2845.70 crores. During 1995-96, against an approved outlay of Rs.3200 crores, a provision of Rs.3250.58 crores was made in the Budget Estimates and the State is confident of achieving the approved outlay. For the year 1996-97, the discussions with the Union Planning Commission to decide the overall size of the Annual Plan are yet to be completed. The tremendous performance in the first four years has ensured that even if the outlay for 1996-97 is fixed at the current year's level, the State will comfortably exceed the Eighth Plan outlay of Rs.10,200 crores in real terms.

10. Tamil Nadu has been ranked first in the country in the implementation of the Twenty Point Programme during 1993-94 and 1994-95. The State has recorded 100 percent achievement of all the physical targets. The Union Minister for Planning and Programme Implementation has commended the creditable performance of the State. All efforts are being made to maintain the same level of performance during 1995-96.

11. The policies pursued by this Government have ensured a strong economic performance by the State in the last five years. The annual rate of growth of Net State Domestic Product (NSDP) which was only 2.69% in 1991-92 has increased to 4.90% in 1994-95. It had been estimated that 1.59 lakh additional jobs would be created in the organised sector during the Eighth Plan period i.e. an average of 32,000 jobs every year. As against this, 1.29 lakh jobs have already been created in the first three years of the Eighth Plan period which is an average of 42,000 jobs every year. More than half of the increased organised sector employment has been generated in the private sector, which is the result of the investor friendly industrial policy pursued by this Government. An even more remarkable achievement has been the sharp reduction in the overall level of rural poverty in the State. Based on National Sample Survey (NSS) data, an Expert Group constituted by the Union Planning Commission had computed that 45.8% of the rural population in Tamil Nadu was below the poverty line in 1987-88 as against an all India average of 39.18%. As per the preliminary NSS data for 1993-94, using the methodology of the Expert Group, it has been computed that rural poverty in Tamil Nadu has declined to 32.64%, as against an all India average rural poverty ratio of 37.53%. The much more sharp reduction in poverty in Tamil Nadu when compared to the more modest decline in the country as a whole is a significant achievement. Renewed efforts will be undertaken to further reduce the incidence of poverty in the State. The Government's policies in the different economic sectors are geared towards this end.

12. The Hon'ble Chief Minister Dr. J.Jayalalitha in each of her addresses to the National Development Council, has emphasised the importance of holding down

the level of food prices in the Public Distribution System in order to protect the poor from inflation and the rigours of the reform process. The Government has reduced the price of the common variety of rice in the Public Distribution System to Rs.2 per k.g., in spite of the enormous food subsidy burden which has gone up to Rs.600 crores. The possible shortage of rice due to the drought situation could have led to a steep rise in prices. As a preventive measure, the Government took a bold decision to supply an additional 8 k.g. of rice per family card per month from January 1, 1996. The increased requirement of rice will be procured from the Food Corporation of India and from other States, so as to augment the total availability of rice in the State. The financial implication of this measure at Rs.70 crores per month, that is Rs.210 crores during the current year, did not deter the Government from its commitment to ensure that the basic requirements of the people are fully met.

13. The adverse drought conditions prevailing in most of the districts in the State and the non-release of water in the Cauvery river by Karnataka resulted in a loss of food grain production estimated at 14 lakh tonnes. The Government has taken all possible measures including ensuring adequate supply of seeds and other inputs to combat the situation. This loss of agricultural production is a reversal of the remarkable strides made by the State in the preceding 4 year period. The total foodgrains production which was 74.94 lakh tonnes in 1990-91 reached 100 lakh tonnes in 1994-95. The annual average growth rate of foodgrain production which was only 5.5% for the country as a whole in the period 1990-91 to 1994-95 was 12.5% in Tamil Nadu. Rice production which was 57.82 lakh tonnes in 1990-91 increased to 78 lakh tonnes in 1994-95. The

production of millets which was 13.5 lakh tonnes in 1990-91 is expected to be 17.20 lakh tonnes in 1995-96. The production of pulses increased from 3.59 lakh tonnes in 1990-91 to the level of 5.20 lakh tonnes in 1994-95. Oil seeds production went up from 12.14 lakh tonnes in 1990-91 to 21.60 lakh tonnes in 1994-95. Sugarcane production touched a record level of 379.81 lakh tonnes in 1994-95. The agriculture policy of the State has concentrated on providing quality agricultural inputs, soil and seed technology and timely irrigation, and ensuring that the farmers get a remunerative price for their produce. The agricultural price and procurement policies have accordingly been formulated. In order to ensure that the quality of irrigation available to the agricultural sector is improved, the State has taken up the Water Resources Consolidation Project with assistance from the World Bank at a total cost of Rs.1240 crores. This project will ensure the completion of 9 major and medium irrigation schemes apart from rehabilitating 18 existing major and medium irrigation schemes. It will benefit 16.68 lakh acres of irrigated area in the State.

14. This Government has taken special measures to ensure that Tamil Nadu's pre-eminent position as an industrialised State is safe-guarded and to attract new industrial investment. In June 1992, the Hon'ble Chief Minister Dr. J.Jayalalitha, announced the New Industrial Policy which has provided the foundation for rapid and accelerated industrial growth in the State. A State specific plan of action has also been taken up to create a conducive industrial climate and establish adequate industrial infrastructure facilities. As a result of these measures, industrial activity in the State has shown remarkable progress. The Index of Industrial Production for Tamil Nadu registered a growth of 8.7%

during 1994-95 as against an All India growth rate of 8.4%. The total volume of committed investment in the State since July 1991 in the industry and energy sectors is Rs.84,950 crores. Tamil Nadu is a favoured destination for foreign investment and it occupies the third position in the country in terms of clearances accorded by the Foreign Investment Promotion Board. A total number of 327 foreign investment approvals have been accorded since August 1991 involving an investment of Rs.2674.20 crores.

15. In January 1996, the Government has announced a revised incentive package for Super Mega industries. This will attract large industries with the potential to generate more employment through ancillarisation. The incentive package will be available for mega industries involving an investment of Rs.1500 crores and above to be set up anywhere in the State. The State Government is taking all efforts to ensure that large industrial estates and parks with adequate infrastructural facilities are set up at different locations in the State in order to attract units from both within the country and outside. The Madras Industrial Park will now be set up on a total extent of 1600 acres near Sriperumbudur. SIPCOT has taken up the work on the Export Promotion Industrial Park at a cost of Rs.20 crores on an extent of 211 acres at Gummidipoondi. The existing SIPCOT Industrial Estates at Cuddalore, Gummidipoondi and Hosur are also being expanded. The All India financial institutions have not come forward to fund their share of the cost of establishing the TACID Growth Centres at Perundurai in Periyar district and Gangaikondan in Tirunelveli Kattabomman district. The State Government will be stepping in to bridge the gap in financing to the extent of Rs.20 crores. TACID

has also taken up the development of the Nilakottai Agro based Industrial Complex, the Bargur Industrial Complex, the Thiruvallur Industrial Complex and Phase-III of the Ranipet Industrial Complex. SIDCO is establishing 12 industrial estates at different locations in the State which will provide direct and indirect employment to 28,400 persons. Two private industrial estates for the Tiruppur Exporters' Association and the Villupuram Ramasamy Padaiyatchiar Small Scale Industries Association are also being established.

16. Specific concentration on developing industries where the State has a comparative advantage is part of the overall industrial strategy. The automobile industry is one such specified sector. The objective of this Government is to restore Madras to its status as the automobile capital of the country. I am very happy to announce that this aim is very close to achievement with the signing of a Memorandum of Understanding with M/s.Mahindra Ford (India) Limited for the setting up of a plant to manufacture 1 lakh vehicles per year at Maraimalainagar near Madras. It is a matter of great pride that one of the largest and best known car companies in the world, Ford Motor Company, has chosen Tamil Nadu to establish its manufacturing facility. This project will have substantial spin off benefits including the setting up of a number of ancilliary units to manufacture components and accessories. Other internationally reputed car manufacturing companies have also evinced interest in establishing units in Tamil Nadu.

17. A number of major projects in other sectors are also being set up in the State. The nylon yarn production unit of M/s.Thapar Dupont Limited

involving an investment of Rs.625 crores will come up at Gummidipoondi near Madras. The expansion project of Tamil Nadu Newsprint and Papers Limited, which would double the production capacity, has been completed and commercial production commenced. To finance a part of the total project cost of Rs.580 crores, TNPL floated a public issue in the market and mobilised Rs.217 crores. This is indeed a unique achievement for a State Public Sector Undertaking.

18. Members of the House are aware of the severe power crisis gripping the country. Almost every State has effected power cuts and load shedding. In this situation, it is remarkable that Tamil Nadu has remained power cut free ever since October 1992. The situation at present is quite adverse. The storage levels in the hydel reservoirs have fallen considerably due to the failure of the monsoons. Andhra Pradesh and Karnataka have been over-drawing power from the Southern Grid. The supply of coal from Singareni and other coal fields of Coal India Limited has been erratic. The Tamil Nadu Electricity Board is taking a number of measures to ensure adequate availability of power to the industrial, domestic and agricultural sectors in the coming months. Measures have been taken to increase the generation in the thermal stations and ensure adequate availability of coal through imports if necessary. The third 210 MW unit of the North Madras Thermal Power Station will be synchronized with the grid by the end of February 1996. All the 4 units of the 4 x 30 MW Basin Bridge Gas Turbine Power project will be synchronized before March 1996. With this, adequate availability of power will be ensured during the coming summer months.

19. This Government has placed the highest

emphasis on the development of the energy sector. During the period from June 1991, 648.02 MW have been added to the installed capacity in the State. A further 645.5 MW will be added before the end of the Eighth Plan period. The State has thereby managed to ensure that the 45.54% growth in peak demand has been adequately catered to. In addition, the Government, in its keenness to ensure that chronic shortages do not arise in the future, has evolved a long term plan for energy development. 16 Memoranda of Understanding for the creation of a total of 10,650 MW have been concluded with independent power producers. This includes 7 coal and lignite based power projects with a total capacity of 5320 MW, 3 gas based power projects with a total capacity of 3300 MW, 3 diesel based power projects with a total capacity of 400 MW, one hydel power project of 10 MW, and an Ocean Thermal Energy Conversion Project of 100 MW. Despite repeated requests, further Central investment in the power sector in Tamil Nadu is yet to be initiated. Techno-economic clearance for the setting up of a 2 x 210 MW power station based on the expansion of Mine-I of the Neyveli Lignite Corporation at a total cost of Rs.1590.58 crores has already been accorded in June 1995. This Government would urge the Government of India to accord necessary administrative clearances and ensure early commencement of work on the project.

20. Hon'ble Members of the House are well aware of the pioneering role of Tamil Nadu in the development of non-conventional sources of energy. The total installed capacity of wind mills in the State is 434 MW. Private sector participation in wind power generation has been consistently encouraged and so far 1602 private wind mills with a total installed capacity of 415 MW have

been set up. A project in the joint sector to generate 5 MW from municipal waste is proposed to be set up in Madras. Co-generation in sugar mills and chemical units has also been fully encouraged and so far co-generation plants have been set up in 3 sugar mills with a total capacity of 29 MW. Co-generation plants with a total capacity of 171 MW in 10 more sugar mills are proposed to be established.

21. One of the goals of this Government has been to ensure that Madras city is freed from its chronic water shortage. The launching of the Second Madras Water Supply and Sanitation Project to implement the New Veeranam Scheme with World Bank assistance at a cost Rs.1638 crores will insulate Madras from the vagaries of the North-East monsoon. In addition, the Third Madras Water Supply and Sanitation project, under negotiation with the World Bank, will provide the infrastructure for treating and distributing the Krishna water when it is received in Madras. The vision of late Puratchi Thalaivar Dr.M.G.R., late Thirumathi Indira Gandhi and late Thiru N.T. Rama Rao will bear fruit when Krishna water reaches Madras through the Telugu Ganga Project. Tamil Nadu is ready to receive the water. The works on the Telugu Ganga Project in Andhra Pradesh are at an advanced stage of completion. Hon'ble Members of House would join me in urging the Government of Andhra Pradesh to release water to Madras city without further delay.

22. Alleviation of rural poverty, generation of employment in rural areas and provision of basic amenities like drinking water, street lighting, rural roads and rural sanitation have been accorded the highest importance by this Government. This Government

launched and successfully completed the Special Self-Sufficiency Programme under which Rs.1 crore was spent in each of the 384 development blocks in the State in 1992-93. The District Decentralized Plan was launched to provide untied funds to be utilised for various development activities at the district level. The funding level for the District Decentralized Plan has been stepped up to Rs.50 crores in 1995-96. Under the Jawahar Velai Vaippu Thittam, 1.97 lakh houses have been constructed at a total cost of Rs.384 crores in the five years since 1991-92. In addition, under the Rural Housing Scheme, 1.80 lakh houses have been constructed at a total cost of Rs.140.97 crores since 1991-92. Only 50 rural habitations in State are yet to be provided with protected drinking water supply. All these habitations will be covered by March, 1996, and every habitation in the State will have at least one protected source of water supply. To create awareness among the rural population, the Government launched a scheme to provide colour television sets to all the rural habitations with more than 50 families. Under this scheme, 45,302 colour television sets have been supplied to the rural habitations in the State. The scheme to provide rural landless agricultural labourers and the urban poor with free sarees and dhoties has been extended to cover rural artisans as well. 72 lakh sarees and 68 lakh dhoties have been sanctioned for distribution this year under the scheme at a cost of Rs.76.29 crores.

23. Control of pollution and environmental conservation have been accorded a very high priority by the Government. A new Department of Environment which would undertake a developmental role and complement the regulatory activity of the Pollution Control Board has been established. This department will

formulate and implement the State's action plan under the Agenda-21 finalised by the U.N. Conference on Environment and Development at Rio-de-Janiero in June 1992. The Government has taken action to set up Common Effluent Treatment Plants (CETPs) on the basis that the beneficiary units will accept full responsibility for establishing, operating and maintaining the treatment facilities. CETPs are being set up to handle the effluents from tanneries and textile dyeing units in North Arcot-Ambekar and Periyar districts. Under the National River Action Plan, pollution abatement activity in five selected stretches of the Cauvery River at a cost of Rs.38.20 crores has been taken up. A project to clean the Madras City Waterways and to prevent further pollution at a cost of Rs.355 crores has been posed to the European Economic Community for assistance.

24. Tamil Nadu's most significant achievement in the last five years has been in ensuring a good quality of life for its people. A recent study has indicated that Tamil Nadu stands 3rd in the country behind only Kerala and Punjab on a composite Human Development Index. This achievement is undoubtedly the result of sustained efforts by this Government to ensure investment of resources in key social sectors. The Social Allocation Ratio which represents the expenditure on the social sectors as a percentage of total expenditure has been in excess of 40% in the past 4 years in the State. Tamil Nadu is the only State in the country to have ensured such a high Social Allocation Ratio on a sustained basis even in the face of a difficult financial situation. This strategy has undoubtedly paid rich social dividends both in terms of a better quality of life for the people and in keeping the State free from social tensions and unrest.

25. It is gratifying to note that the strategy which Tamil Nadu has pursued right through the period of the structural adjustment and stabilisation processes has finally been endorsed by the Government of India. The Hon'ble Chief Minister Dr. J.Jayalalitha, in several meetings of the National Development Council, has repeatedly stressed the need to protect, if not increase, the levels of social sector expenditure to safeguard the poor from the adverse impact of the reform process. It appears that the Government of India has heeded this in announcing the National Social Assistance Programme and the school midday meal programme. All the three components of the National Social Assistance Programme launched from 15th August, 1995, namely old age pension, maternity benefit and family benefit coverage have already been in implementation in Tamil Nadu for a number of years. The coverage under the Old Age Pension scheme and the Family Distress Relief and Accident Relief schemes in Tamil Nadu is much wider than what is envisaged under the National Social Assistance Programme. Similarly while Tamil Nadu is paying an Old Age Pension of Rs.100/- per month, the National Social Assistance Programme provides for a pension of only Rs.75/- per month. The State had urged the Government of India to make available the funds under the National Social Assistance Programme to the State Governments to supplement their social sector expenditure. However, the Government of India has decided on a direct release of the funds to accounts at the district level. This is not in keeping with the spirit of trust needed in Centre-State financial relations in a federal polity like ours. Further, in a State like Tamil Nadu with a well established social security system, direct intervention by the Government of India will only create avoidable administrative difficulties and

confusion. This Government would once again urge the Government of India to reconsider its guidelines on this issue.

26. Tamil Nadu's most spectacular achievements have been in terms of its demographic indicators. As the Hon'ble Members of the House are already aware, Tamil Nadu has already achieved the national goals for Birth Rate and Death Rate set for the year 2010 AD. The Birth Rate has been brought down to 19 per thousand in 1994 as against the national goal of 21 per thousand in 2010 AD. The Death Rate in 1994 is 7.9 per thousand as against the national goal of 9 per thousand to be achieved by 2010 AD. The Infant Mortality Rate in 1994 was 59 per thousand live births as against the All India average of 73 per thousand live births. Through a comprehensive health care programme included in the Dr. J. Jayalalitha's 15 Point Programme for Child Welfare, the State shall make all out efforts to reduce the Infant Mortality Rate even further. Tamil Nadu's immunisation coverage has already been rated as the best amongst the major States in the country as per the National Family Health Survey. Dramatic reductions in the incidence of childhood diseases have been achieved. Tamil Nadu has performed so well in the Family Welfare Programme that the Government of India has decided that the State does not have to be set any targets from 1995-96 for achieving outstanding results. In fact, the Tamil Nadu model of public health care and family welfare has been commended for being adopted for replication in other States of the country. The State is well set to achieve the goal of "Health for All" by 2000 AD.

27. The goal of Universalisation of Elementary Education by the year 2000 is being pursued with vigour. The Government intends to implement the Compulsory Elementary Education Act 1994 (Tamil Nadu Act 33 of 1995) with vigour.

With the declining birth rate in Tamil Nadu, the emphasis in primary education is shifting from the opening of new schools to ensuring that all children are enrolled and retained in the existing schools. This can be achieved only through qualitative improvements in the schooling system. Revised syllabi and text books based on Minimum Levels of Learning have been introduced from the year 1995-96 onwards. Intensive teacher training programmes have been conducted and 28,500 teachers handling Class I have already been trained. The District Primary Education Project with World Bank support which was launched in 1994-95 to initially cover 4 educationally backward districts will be extended to 3 more districts during 1996-97. In addition, a programme has also been taken up for improving the quality of facilities available in high and higher secondary schools.

28. Tamil Nadu has ensured the most comprehensive supplementary nutrition coverage for children among all the States in the country. All districts have been covered under the World Bank supported Tamil Nadu Integrated Nutrition Project and the Integrated Child Development Services Project (ICDS). All children in the State from birth to the age of 5 years are covered by growth monitoring and supplementary nutrition. Under the Puratchi Thalaivar MGR Nutritious Meal Programme, 73.05 lakh school going children are provided a nutritious mid-day meal. Tamil Nadu has formulated "Vision-2000", a comprehensive policy for women. Tamil Nadu is the first State to introduce 30 per cent reservation for women in Government jobs. A State Commission for Women has been constituted to safeguard their welfare. The Dr. J. Jayalalitha Scheme for the Girl Child launched in April 1992 is specifically targetted at eradicating female infanticide and promoting family planning. The Cradle Baby Scheme was also an innovative and compassionate scheme launched to prevent female infanticide. Tamil Nadu is the first

State to formulate a policy for the welfare of the handicapped. A separate department for the welfare of the physically handicapped has been set up. It has now been ensured that the physically handicapped are adequately cared for and brought into the mainstream of society.

29. It has been the Government's constant endeavour to bring about the social, economic and educational development of the Adi-Dravidars so that they are brought on par with the rest of society. Immediately on assumption of office, the Hon'ble Chief Minister Dr. J. Jayalalitha, announced a 10 Point Programme for the economic uplift and provision of basic facilities for Adi-Dravidars. The targets set under the 10 Point Programme will be fully achieved before March 1996. A High Level Coordination Committee is closely monitoring the implementation of the programme on provision of basic amenities in Adi-Dravidar habitations including the provision of house sites to all Adi-Dravidar families. A total number of 8.40 lakh free house sites have so far been provided to Adi-Dravidar families since 1991-92. In the period from 1981 to 1991, the total number of concrete roof houses constructed for Adi-Dravidars in Tamil Nadu was 96,801. Since 1991-92, 1.27 lakh concrete roof houses have already been constructed and 70,187 houses are under construction in the current year. 2.18 lakh Adi-Dravidar houses have been electrified under the "one hut-one light" scheme against a target of 1.50 lakh houses. 4.14 lakh Adi-Dravidar families have so far been provided with assistance for economic development against a target of 3.5 lakh families. **This Government has ensured that every Adi-Dravidar habitation in the State has been provided with street lighting and with at least one potable source of drinking water supply.** In December 1994, the Hon'ble Chief Minister announced a further package of schemes for the benefit of Scheduled Castes. A State Adi-Dravidar Welfare Committee with the Hon'ble Chief

Minister as Chairman and 26 other members including several representatives of the Adi-Dravidar community has been constituted in November 1995. The Committee will provide a broad-based advisory and consultative mechanism at the highest level to better formulate and implement policies and programmes for the benefit of the Adi-Dravidar community. The Government has also constituted a 9 member State Level Commission for Adi-Dravidar Welfare which will provide an independent review of the programmes implemented for the welfare of the Adi-Dravidars. The Commission will be making a comprehensive study of the socio-economic conditions of the Adi-Dravidars in the State and will make recommendations on their welfare to the Government.

30. This Government has protected the interests of the Backward and Most Backward Classes in Tamil Nadu by enacting the Tamil Nadu Backward Classes, Scheduled Castes and Scheduled Tribes (Reservation of seats in Educational Institutions and of appointments or posts in the Services under the State) Act 1993 (Tamil Nadu Act 45 of 1994), obtaining the assent of the President of India and ensuring its inclusion in the Ninth Schedule of the Constitution. With this, constitutional protection to the reservation policy of the State has been ensured. This measure has gone a long way in keeping the social fabric of Tamil Nadu free from tension. Tamil Nadu has also appointed a permanent Backward Classes Commission to consider representations for inclusion of communities in the list of Backward and Most Backward Classes. In order to ensure the economic advancement of persons belonging to Backward Classes, Most Backward Classes and Denotified Communities, the Tamil Nadu Backward Classes and Minorities Economic Development Corporation has provided assistance to a total number of 29,083 beneficiaries. Houses for Backward Classes, Most Backward Classes and Denotified Communities are being constructed under the Jawahar Velai

**Vaippu Thittam.** A scheme for free supply of sarees and dhoties to fishermen families has been launched from 1995-96. 2.03 lakh women and 2.07 lakh men will be covered under this scheme at a total cost of Rs.2.33 crores.

31. Since assuming office, the Hon'ble Chief Minister Dr. J. Jayalalitha, has been directly meeting the members of the public in Madras as well as during her extensive tours in the districts to hear their grievances and redress them promptly. A Special Cell has been set up in the Chief Minister's Office headed by a designated I.A.S. Officer for examining the petitions received and ensuring prompt action. 15.98 lakh petitions have been received since June, 1991 and acted upon. The Hon'ble Chief Minister, Dr. J. Jayalalitha has personally distributed benefits worth Rs.531.36 crores to 8.03 lakh persons. This has ensured that the benefits of various programmes for amelioration of poverty have actually reached the poor. With a view to relieving human distress, the Hon'ble Chief Minister, Dr. J. Jayalalitha has sanctioned an amount of Rs.17.84 crores from the Chief Minister's, Public Relief Fund since July 1991 to 3.32 lakh persons affected by natural calamities, serious ailments, accidents, etc.

32. The efforts taken by the Hon'ble Chief Minister Dr. J. Jayalalitha, to streamline temple administration in the State are well known. The Tamil Nadu Temple Administration Board has been constituted. The Chief Minister's Temple Renovation and Maintenance Fund has financed the complete renovation of 62 temples. In addition, Government grants, surplus funds of affluent temples and the Common Good Fund are also being utilised for renovating a large number of temples. A corpus fund of Rs.1 crore has been created for renovating village temples. After renovation, kumbabhishekams have been

performed in 605 temples, which is unprecedented. Under the Oru Kala Poojai scheme, all the temples in the State without the means to perform regular poojai have been assisted by the creation of corpus funds so as to ensure that at least one daily poojai is performed. To prevent thefts from temples, a Temple Protection Force has been set up. For the first time in the State, a Veda-Agama Education and Research Institute is to be set up on an extent of 23.4 acres near Tiruchirappalli.

33. This Government has been fully committed to the promotion of the Tamil language and culture. The Eighth World Tamil Conference held at Thanjavur in January, 1995 was a grand success. It was attended by 1101 scholars from 23 countries and symbolised the richness and glory of the Tamil language and culture. Associated with the Conference, major investments in infrastructure have been made, transforming Thanjavur into a modern city. Other measures taken by this Government to promote the Tamil language include the establishment of the Tamil Development Council and the launching of a new scheme to publish rare Tamil books. All the literary works of Perarignar Anna have been nationalized and his widow Thirumathi Rani Ammaiyar was given Rs.75 lakhs as royalty. The works of the poet Pattukottai Kalyanasundaram have also been nationalised and Rs.10 lakh was paid as royalty. A one time grant of Rs 2 crores has been provided to the Tamil University.

34. The film industry in Tamil Nadu is one of the largest in the country and provides employment to a large number of people. This Government has undertaken a number of measures to maintain Tamil Nadu's leading position in the country as also to provide for the welfare of film employees. The Dr J. Jayalalitha Film City with production facilities up to the best international standards and a large number of outdoor and indoor locations was

inaugurated in August 1994. Various incentives, including reduction of tax rates on raw cinematographic film, have been provided to reduce the cost of production and also ensure quality film-making. For the welfare of film employees, 85 acres of land at Velacheri-Pallikaranai have been allotted free of cost for a housing scheme. In April 1995, a pension scheme to provide a monthly pension of Rs 300 for film employees attaining the age of 60 and an insurance scheme with a death and disability benefit upto Rs 50,000 have been introduced.

35. This Government has taken a number of measures to enhance efficiency in administration and to improve the delivery of governmental benefits to the poor. As a measure to provide better access to Government offices and to improve the quality of supervision, administrative jurisdictions have been reorganised on a more rational basis. Large districts including Thanjavur, South Arcot and Tiruchirapalli have already been reorganised. 11 new taluks and 4 new Revenue divisions have been formed in the period since June 1991. New Police Ranges at Villupuram and Thanjavur have been set up and the Madurai Rural Police District has been bifurcated with a new Police District being formed at Theni. 111 new Police Stations have been set up since June 1991. As part of the effort to ensure improved performance at all levels, 28,000 Village Assistants and 91,000 Noon Meal Scheme workers, hitherto paid a lumpsum honorarium, have been brought on regular time scales of pay. The age old designations of "Talaiyaris", "Vettiyans", etc., which had menial connotations have now been uniformly redesignated as "Village Assistants". A new scheme has been initiated to reward the Government officials

with 25 years of unblemished service by presenting them Indira Vikas Patras worth Rs.500/-. To ensure that the grievances of the public are dealt with expeditiously, a prize system has been initiated for Special Deputy Collectors in charge of public grievances in each district.

36. The highest priority has been accorded by this Government to ensure that a high quality of administrative performance is maintained in all fields. The performance of several Departments and State Public Sector Undertakings have been recognised through National level awards. The State Transport Corporations, which are well known for the quality of their service in the entire country bagged as many as 5 National Awards for the year 1994-95 alone. The fact that the Transport Corporations have totally won 34 awards since 1991-92 stands as testimony to the quality of their service. Similarly the Social Welfare Department has won 16 National Awards for the best performance in the field of rehabilitation in the year 1994-95. In the last 5 years, this Department has won as many as 66 National Awards. The Department of Agriculture has obtained a National Award for the best performance in Integrated Watershed Development in Rainfed Areas for the year 1994-95. Similarly in the third World Spices Congress held at Cochin in 1995, Tamil Nadu bagged the first prize for the production of the best exportable variety of spices. The State has also consistently won the National Productivity Council Awards in the field of agricultural extension, dry land farming and bio-fertilizer production. In recognition of its excellent performance, the Tamil Nadu Cooperative Housing Federation has been adjudged the best managed Apex Cooperative Housing Federation in the country for the year 1994-95. In addition, the National Cooperative Housing Federation, recognising the specific interest of the Hon'ble Chief Minister in the

implementation of the rural housing scheme, instituted the "Dr.J. Jayalalitha Award" which has been won by the Palacode Taluk Cooperative Housing Society in Dharmapuri district. Tamil Nadu Minerals Ltd. (TAMIN) has been awarded a special award for the export of granite blocks for the sixth year in succession in 1994-95. Tamil Nadu has been adjudged by the Government of India as the best State in the country in the development of wind power for the fifth successive year.

37. This Government is fully committed to fostering democratic decentralisation in the State. The Government had announced that Panchayat elections would be held in December 1995 and a schedule was drawn up. All preparations, including the procurement of election materials and appointment of election staff had been undertaken. As a measure to provide adequate representation to the Backward and Most Backward Classes, this august House had passed a legislation providing for reservation of seats. However, this scheme of reservation has been challenged in a batch of writ petitions before the High Court. The High Court has advised the State Election Commission not to issue the election notification until the matter is finally disposed of.

38. As the Hon'ble Members of the House are aware, the elections to Cooperatives in the State were notified by the Government in June 1992. A number of cases were pending before the Supreme Court and the conduct of elections was stayed by the Madras High Court in August 1992. Based on the directions of the Supreme Court in November 1995, the Division Bench of the Madras High Court has disposed of a batch of writ

petitions pending before it with orders that the elections to the Primary Cooperative Societies in the State should be conducted before the end of May 1996. The Government is taking all necessary action to conduct the elections within the stipulated period.

39. In the last five years, the State has seen spectacular progress on all fronts. Law and order has been maintained effectively and Tamil Nadu is today a haven of peace and tranquillity. This has laid the foundation for sustained development in all spheres of the economy. The State has forged ahead in agricultural production. The policies of the Government have ensured accelerated industrial growth. The quality of life of the poor and downtrodden has been improved. Measures to ensure further improvement in the living conditions of the poorest of the poor through a number of innovative schemes have been relentlessly pursued. It would be no exaggeration to state that in the five years since 1991, this Government headed by Hon'ble Chief Minister Dr.J.Jayalalitha, has firmly placed Tamil Nadu on the path of sustained development.

40. This remarkable record/of performance is the fruit of unstinted effort and hard work. Hon'ble Members of the House are aware of the difficult circumstances in which this Government took office. Adversity in every form, be it a difficult law and order situation, the financial crisis, threats to communal amity and the social fabric of the State, or infringements on the due rights of the State, has been tackled and overcome with fortitude. This Government ensured that while fully protecting the rights of the State, Tamil Nadu remained in the forefront in fostering the spirit of national integration. The tremendous strides made by Tamil Nadu in this period

have been applauded at the national and international level. Multilateral and bilateral international agencies have recognised Tamil Nadu's capability for successfully implementing development schemes. The inspiring leadership provided by the Hon'ble Chief Minister Dr. J. Jayalalitha has been widely appreciated. I sincerely hope that in the years to come the progress and prosperity

of the State will be sustained.

41. I trust the deliberations in the House will be substantive, balanced and constructive and will focus on securing the continued well being of the people of the State.

VANAKKAM



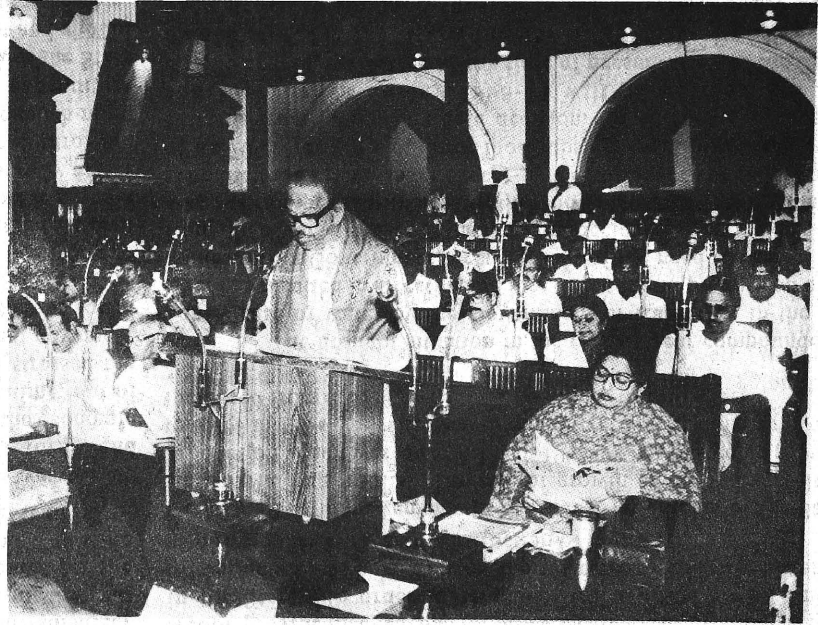
*The Hon'ble Chief Minister, Puratchi Thalaivi Dr. J. Jayalalitha, unveiled the statue of Perumpidigu Mutharaiyar, the great Mutharaiyar King, on 7.2.96, at Tiruchi, to mark the naming of the District as "Tiruchirapalli Perumpidigu Mutharaiyar District" with Tiruchi as head quarters. The Chief Minister said that the Tamil Nadu Government had never failed to honour national leaders, social reformers, religious leaders or great warriors of yester years.*



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# INTERIM BUDGET 1996-97

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SPEECH OF

## Dr. V. R. NEDUNCHEZHIAN

*Hon'ble MINISTER FOR FINANCE*

Hon'ble Speaker Sir,

It is my pleasure and privilege to place the Revised Estimates for 1995-96 and the Interim Budget Estimates for 1996-97 before this House for its approval.

“பிணி இன்மை செல்வம் விளைவு இன்பம் ஏமம்  
அணி என்ப நாட்டிற்கு இவ்வைந்து.”

**“Health, wealth, agriculture production, happiness, safety  
Are a land's five ornaments.”**

According to Saint Thiruvalluvar's saying, a state of good health for the people, good economy for the country, surplus agricultural production, ensuring the prosperity of the people and providing adequate safety are the five essential requirements for a country. As per the doctrine of Saint Thiruvalluvar, Tamil Nadu, under the capable leadership

and efficient rule of the Hon'ble Chief Minister Dr.J.Jayalalitha, has progressed and flourished during the past five years, a fact which is well known to one and all.

The people of Tamil Nadu elected the All India Anna Dravida Munnetra Kazhagam led by Puratchi Thalaivi Dr.J.Jayalalitha in 1991 with a resounding majority to govern the State. The policies and programmes followed by this Government, guided by the principles laid down by Perarignar Anna and the humanism of Ponmana Chemmal Dr.M.G.R. have brought prosperity to the people of Tamil Nadu. The unshakeable faith the people have placed in this Government has been fully vindicated by our splendid performance over the last five years. We have matched promise with performance, providing excellent administration and firmly placing the State on the path of sustained development.

2. This Government will be successfully completing its full term by June 1996. In keeping with the best traditions of parliamentary democracy, we have decided to present an Interim Budget for the year 1996-97 based on which a Vote on Account will be obtained for the expenditure in the first 6 months of the next financial year. The main budget will be presented in the newly elected Legislative Assembly.

3. The economic crisis faced by the country in the years 1990 and 1991 led to far reaching measures of economic reform and liberalisation. This Government has consistently supported the economic reforms initiated by the Central Government. At the same time, out of our concern for the poor and the disadvantaged we have stressed the need to ensure that the conditions of life of the poor are not adversely affected and the levels of expenditure on the critical elements of social welfare are not reduced.

4. There is now a shift in the focus from the reforms at the national level to State level reforms. The reforms that the Government of India can effect in terms of deregulation of the economy are generally easier to implement since the instruments for macro-economic control are largely vested with the Centre. The State level reforms are much more difficult to accomplish. Fiscal reforms including public expenditure limitation have to be undertaken in a context where the bulk of the State Government expenditure is on social services which cannot and should not be reduced and is related to salary costs, which are difficult to contain. At the same time, resources have to be found for large additional investments for upgrading the infrastructure required for speeding up

economic growth.

5. In spite of the difficulties involved, the Government of Tamil Nadu has already embarked on certain policy initiatives for economic reforms in the state. On the fiscal side, we have considerably simplified the complicated Sales Tax structure. The total number of rates was brought down from 17 to 5 basic rates and 4 special rates. The grouping of goods was also rationalised. Moves towards reduction of input taxation have been initiated. I participated in the meeting of the State Finance Ministers on Sales Tax Reforms in December 1995 in which it was resolved that States will move towards the harmonisation of tax rates and withdrawal of distorting waiver and deferral schemes by 1st April 1997.

6. We have undertaken a number of measures to ensure the provision of improved infrastructure for industries in the State. The Industrial Policy announced in June 1992 and the State Specific Plan of Action provide mechanisms for quick clearance of investment proposals in the State. In order to augment the availability of funding for infrastructure, we have welcomed private sector initiatives in areas such as power generation and construction of highways.

7. The improvements in the industrial climate of the State have started yielding results. The rate of growth of the Index of Industrial Production which was only 4.1% in 1991-92 has picked up substantially to 8.7% in 1994-95. The growth rate of Net State Domestic Product has increased from 2.69% in 1991-92 to 4.90% in 1994-95.

8. The drought situation in the current year compounded by the non-release of water by the Government of Karnataka in the Cauvery river has resulted in an estimated loss of foodgrain production of 14 lakh tonnes. This Government, ever vigilant of the need to protect the poor from the adverse impact of the drought, decided to provide an additional 8 kg. of rice per family card in the Public Distribution System so as to keep the food prices under check. The additional financial commitment of Rs.70 crores per month for food subsidy due to this measure did not deter us from taking this bold decision. **With this, the overall food subsidy burden during 1995-96 will go up from the level of Rs.600 crores, estimated at the time of presentation of the Budget, to Rs.800 crores in the Revised Estimates 1995-96. Rs.840 crores has been provided for food subsidy in the Interim Budget Estimates, 1996-97.** The commitment of this Government to holding down the price level and ensuring basic food security at all costs can be seen by

comparing the food subsidy provided in 1995-96 and 1996-97 with the level of Rs.105 crores in 1990-91.

### TENTH FINANCE COMMISSION

9. In my speech presenting the Budget for 1995-96, I had analysed in detail the report of the Tenth Finance Commission and its adverse impact on the finances of our State. I had indicated that the Tenth Finance Commission's recommendations had not increased the overall divisible pool of resources available for distribution amongst the States. I had also indicated how the better managed States like Tamil Nadu had suffered at the hands of the Tenth Finance Commission. Moreover, there are certain aspects of the Commission's report on which we expect further action. The Government of India is yet to react to the alternative scheme of devolution suggested by the Tenth Finance Commission. Although in the alternative scheme, the overall level of devolution will not increase, it gives the States a share in some of the more buoyant tax receipts of the Government of India, like Corporation Tax and Customs Duties. Even in the current year, the growth rate of Customs Duties and Corporation Tax which are not shared, is reported to be much higher than of Union Excise duties which are shared with the States. We would therefore urge the Government of India to take necessary further action on the alternative scheme of devolution recommended by the Tenth Finance Commission.

10. As the Hon'ble Members are aware, the Tenth Finance Commission has recommended grants to local bodies. These grants are to be utilised only for new capital investments by the local bodies. **During 1996-97, Rs.100.71 crores will be available to Tamil Nadu, of which Rs.71.83 crores are for rural local bodies and Rs.28.88 crores are for urban local bodies.** Necessary provisions have been made in the Interim Budget Estimates. The distribution of these grants amongst the local bodies will be done on the basis of the recommendations of the State Finance Commission.

### ANNUAL PLAN

11. Hon'ble Members of the House are well aware of the special efforts taken by the Hon'ble Chief Minister to obtain for the State large and consistent increases in the approved Annual Plan outlays every year since 1991-92. More significantly, we have ensured that the approved outlays have been exceeded in actual implementation. This performance

is even more creditable when viewed in the context of a number of major States being unable to perform their original approved Annual Plan outlays, and reflects our commitment to the development of the State.

12. During 1994-95, 9 non-special category States have not been able to achieve the original approved plan outlay. As against this, even when the level of the approved outlay for 1994-95 was increased by a record 30.89 percent to Rs.2750 crores, our actual level of performance has been Rs.2845.70 crores.

13. In the current year, against an approved outlay of Rs.3200 crores, a provision of Rs.3250.58 crores was made in the Budget Estimates. In the Revised Estimates, provision for plan schemes has been enhanced further to Rs.3316.24 crores, and the State is confident of fully achieving the plan outlay during 1995-96 as well. With this, at the end of the fourth year of the Eighth Five Year Plan, 80.66 percent of the approved outlay would have been performed in real terms. This compares very favourably with the overall achievement of all the non-Special Category States during the same period, which is only 59 percent of the Eighth Plan outlay.

14. The Plan Outlay for the year 1996-97 will be finalised by the Union Planning Commission only after the general elections. However, in the Interim Budget Estimates, Rs.3549.68 crores has been provided for ongoing Plan schemes. This outlay may be increased when the Plan size is finally fixed. This will ensure that the State will exceed the overall Eighth Plan outlay of Rs.10,200 crores at constant prices.

### SOCIAL SAFETY NET FOR THE POOR

15. Concurrent with the measures for reforms to accelerate the economic development of the State, we created a Social Safety Net for the poor which covers food security, nutrition, primary health care, universal elementary education, employment programmes for the poor, drinking water, shelter for the homeless, social security and special programmes for the weaker sections. **In the Revised Estimates for 1995-96, a total sum of Rs.2048.64 crores has been provided for the Social Safety Net, while in the Interim Budget for 1996-97, a provision of Rs.2076.18 crores has been made.**

16. The progress in the implementation of the 15 Point Programme launched by the Hon'ble Chief Minister on 14th November, 1993 has

been sustained. The Puratchi Thalaivi Dr. Jayalalitha 15 Point Programme for Child Welfare has been lauded by independent international observers. The Child Welfare Sub-Plan which is an actuation of the 15 Point Programme has been implemented during 1994-95 and 1995-96. **In 1996-97 the outlay on this sub-plan will be Rs.819.31 crores.**

17. Tamil Nadu has been a model State in ensuring nutrition coverage for children. **The overall outlay for the Nutritious Meal Programme and the Tamil Nadu Integrated Nutrition Project during 1996-97 will be Rs.354.36 crores.** The preparation of the Third Tamil Nadu Integrated Nutrition Project has also been taken up. This will ensure that nutrition and health care coverage is continued for all the pre-school children in the State.

18. Health and Medical Services, particularly primary health care is a critical area to which special importance has been accorded by this Government. **The total outlay on Health and Family Welfare in the Interim Budget 1996-97 will be Rs.737.08 crores as against the outlay of Rs.688.95 crores in 1995-96. The basic thrust is to substantially improve the quality of services available in the Government Hospitals and Health Centres.** In the Interim Budget Estimates 1996-97, adequate provisions have been made for the maintenance of hospital buildings and equipment. The overall provision for the supply of drugs and medicines has been enhanced to Rs.97 crores. Hon'ble Members of the House would recall the efforts taken by this Government to streamline the supply of drugs and surgical items through the Tamil Nadu Medical Services Corporation. These steps have ensured the availability of quality drugs in all Government hospitals and Primary Health Centres throughout the State benefiting the poorer sections of the society. It is a matter of great satisfaction to the Government that other States are taking steps to emulate our model. We propose to make this Corporation the nodal agency to procure and supply drugs to all departments in Government.

19. **Education continues to be the largest sector with a total outlay of Rs.2504.51 crores in 1996-97.** Provisions have been made for quality upgradation at various levels in line with the Government policy of ensuring better schooling. It is proposed to improve the facilities in schools by providing furniture, laboratories, teaching and play materials. The District Primary Education Project will be extended to cover three more districts during 1996-97 and the budget provides

Rs.3.32 crores for implementing this project. A sum of Rs.8.02 crores has been provided for implementing the Technician Education Project during 1996-97.

20. In the Governor's Address the details of the various schemes implemented for the welfare of the Adi-Dravidars have already been outlined. **The total outlay for the Welfare of Scheduled Castes and Scheduled Tribes has been stepped up to Rs.230.41 crores in 1996-97. The level was Rs.114.96 crores in 1991-92.** The doubling of the level of outlay reflects the commitment of this Government to the welfare of the Scheduled Castes and Scheduled Tribes.

### DEVELOPMENT SCHEMES

21. I would like to briefly highlight the provisions for some of the important ongoing schemes for 1996-97.

22. The excellent performance of the State in agricultural production has already been highlighted in the Governor's address. This reflects the success of the overall agricultural growth strategy of this Government which ensured that the farmers realise higher prices for their produce. Sustained public investment has also been made in agriculture. **The total plan provision for the agricultural sector in the Interim Budget Estimates will be Rs.210.24 crores.** The provision for the Tamil Nadu Agricultural Development Project has been increased to Rs.86.06 crores in the Interim Budget Estimates. The provision for the Agricultural Human Resources Development Project has been stepped up to Rs.20.80 crores in 1996-97.

23. **The total provision for plan schemes in the Irrigation Sector in the Interim Budget Estimates will be Rs.249.83 crores.** The Water Resources Consolidation Project, which will cost Rs.1,240 crores has been launched from October 1995. This project will benefit 16.68 lakhs acres which is nearly 50% of the area irrigated by Government sources. In the Interim Budget Estimates **a provision of Rs.89.89 crores has been made for the Water Resources Consolidation Project.** A provision of Rs.18.98 crores has been made for the Tank Modernisation Project, which is being extended to cover 100 more tanks with an ayacut of 30,000 acres. One of our significant achievements has been in ensuring adequate provision of funds for the maintenance of irrigation projects. We have increased

the maintenance provision to achieve the norms fixed by the Ninth and Tenth Finance Commissions. During 1991-92, the overall provision for the maintenance of major irrigation was Rs.10.65 crores and for minor irrigation, Rs.3.50 crores. In the Interim Budget Estimates for 1996-97 the maintenance provision for major irrigation will be Rs.21.84 crores and for minor irrigation Rs.7.90 crores.

24. Rural Development is one of the priority areas for this Government. **In the Interim Budget Estimates for 1996-97, the total plan provision for Rural Development has been increased to Rs.276.40 crores.** This includes a provision of Rs.71.83 crores as capital grant to rural local bodies as part of the Tenth Finance Commission's recommendations. The Jawahar Velai Vaippu Thittam will be implemented with a total outlay of Rs.368.60 crores during 1996-97 and the Interim Budget Estimates include a provision of Rs.87.70 crores as the State's share. During 1995-96, 70,187 concrete houses are to be constructed under the Jawahar Velai Vaippu Thittam. Provision has been made for the construction of the same number of houses during 1996-97. The total outlay during 1996-97 on the Integrated Rural Development Project will be Rs.86.92 crores and the Interim Budget includes a sum of Rs.43.46 crores as the State's share. We had launched the District Decentralised Plan in 1992-93 with an outlay of Rs.20 crores to provide untied funds at the district level for various development schemes. This outlay has been stepped up to Rs.50.71 crores in 1995-96 and has been maintained at this level in the Interim Budget Estimates for 1996-97.

25. The sustained emphasis of the Government on developing the infrastructure sectors is well known. **The Power Sector Plan Outlay for 1995-96 of Rs.750 crores will be exceeded in actual implementation.** The initiatives taken by the State Government for the creation of additional generation capacity have already been outlined in detail in the Governor's Address. The Tamil Nadu Electricity Board is setting up 110 Sub-Stations during 1995-96 in order to improve the transmission and distribution network in the State. The loss on account of free supply of electricity to farm pumpsets will be Rs.1358 crores during 1995-96. The loss is likely to widen further during 1996-97.

26. **A provision of Rs.468.32 crores has been made for roads and bridges in the Interim Budget for 1996-97, which represents a substantial increase over the outlay of Rs.424.12 crores in 1995-96.** The total outlay on maintenance of roads during 1996-97 will be

Rs.204.46 crores. In 1991-92, a five year Special Repairs Programme was launched to cover the backlog of maintenance, which will be completed during 1995-96, with a total outlay of Rs.178.40 crores as against the originally envisaged outlay of Rs.150 crores. 15,926 kms of roads have been covered under this programme. Provision for the Rural Roads Programme has been stepped up to Rs.22.50 crores during 1996-97. **The entire Rural Roads Programme under the Tamil Nadu Agricultural Development Project will be completed by March 1997 and the provisions have accordingly been stepped up to Rs.35 crores in the Interim Budget Estimates.** The Coastal Roads Improvement Programme will be continued in 1996-97 with an outlay of Rs.9.21 crores.

27. Tamil Nadu is the second most urbanised state in the country. The increasing needs of the urban areas require larger allocation of resources. **The Tamil Nadu Urban Development Project will be continued in 1996-97 with a total outlay of Rs.260.50 crores including budgetary support of Rs.206.19 crores.** An Urban Infrastructure Fund is being set up in partnership with financial institutions in order to make more funds available to meet the infrastructure financing needs of the municipalities in the State and to ensure quality project preparation and appraisal. The development of infrastructure in Tiruppur, one of the most dynamic industrial areas in the State, has been entrusted to the New Tiruppur Development Corporation Limited in which TACID, the Tiruppur Exporters' Association and M/s. Infrastructure Leasing and Financial Services Limited (ILFS) are share holders. This Corporation will raise resources from the capital market and will adopt novel methods such as Build, Operate, Transfer (BOT) for making massive investments to develop Tiruppur's infrastructure. Through these innovative means, a total investment of Rs.1313.20 crores will be ensured for the provision of drinking water supply, roads, communications, municipal waste management and effluent treatment in Tiruppur.

28. Hon'ble Members of the House are aware that substantial progress has been achieved under all components of the Madras Vision 2000 programme and we are confident that the initiatives launched by this Government to make Madras a premier metropolitan city by the year 2000 will be fully achieved. The formation of an Outer Ring Road for Madras city at a total cost of Rs.317 crores is being taken up and Rs.10 crores has been sanctioned for land acquisition. The Metropolitan Infrastructure Development Corporation has been formed

with a total share capital of Rs.56 crores. This Corporation will fund investment on infrastructure in the Madras Metropolitan Area for projects worth Rs.887 crores. The Government of Tamil Nadu and Government of India will be providing grants of Rs.100 crores each to this Corporation in the Eighth Plan period.

29. Housing is an important economic activity with substantial employment generation potential. The State's performance in the housing sector has been very good. Under the Rural Housing Scheme, the number of houses to be constructed has been increased to 58,200 during 1995-96. The scheme for Shelter Upgradation in Rural Areas (SHUPRA) will be continued during 1996-97 with a total outlay of Rs.1.50 crores. The Tamil Nadu Slum Clearance Board will be covering 10,000 families under the Slum Improvement Programme component of TNUDP at a cost of Rs.2.50 crores during 1996-97. 2,500 slum tenements at a total cost of Rs.8 crores will be constructed during 1996-97. In addition, the Tenth Finance Commission has recommended a Special Problem Grant of Rs.60 crores to tackle the problem of urban slums in Tamil Nadu. Suitable schemes to rehouse slum families in alternative developed plots will be drawn up. **The provision for House Building Advance to Government employees has been stepped up substantially to Rs.74.15 crores in 1996-97. This represents a more than four fold increase in the provision for House Building Advance which in 1991-92 was only Rs.17.63 crores.**

30. The total outlay on Water Supply and Sewerage in the Interim Budget Estimates 1996-97 will be Rs.482.50 crores. The total outlay on Rural Water Supply will be Rs.103.95 crores. Tamil Nadu's achievement in the area of rural water supply has been remarkable. During the five year period from 1991-92 to 1995-96, 17,987 rural habitations in the State with a total population of 1 crore will have been covered. This includes 8,315 Scheduled Caste and Scheduled Tribe habitations with a population of 30 lakhs. **With this level of coverage, we would have ensured that every rural habitation in the State will be provided with at least one source of potable drinking water supply. From 1996-97 onwards the emphasis will be on augmenting water supply in the partially covered rural habitations.** All the Municipal Corporations and municipalities in the State have been provided with water supply schemes. By the end of 1996-97, 326 Urban Town Panchayats and 173 Rural Town Panchayats would be provided with drinking water supply schemes.

31. This Government has accorded the highest importance to free Madras city from chronic water shortages. The First Madras Water Supply and Sanitation Project will be completed by March, 1996 at a total cost of Rs.255.05 crores. **The Second Madras Water Supply and Sanitation Project has been launched at a total cost of Rs.1,638 crores to bring 180 mld of water from the Veeranam Tank to Madras city. The provision for this scheme in the Interim Budget Estimates is Rs.299.10 crores.** All the works to receive, treat and distribute Krishna Water in the first phase have been completed. We have already released Rs.462 crores to the Government of Andhra Pradesh out of the total share of Rs.521 crores for the implementation of the Telugu Ganga Project. We would urge the Government of Andhra Pradesh to release water to Madras city immediately.

### FINANCIAL POSITION

32. Hon'ble Members are aware of the precarious financial position when this government took office. The total deficit for 1991-92 when we assumed office was Rs.898 crores. In keeping our promise to abolish the sale of country liquor, which was the first decision of this government, the revenue loss was Rs.322 crores resulting in an overall deficit of Rs.1220 crores. The Government of India did not respond to our appeal for financial assistance to offset the revenue loss. However, through efficient financial management, we have now succeeded in improving the overall financial situation of the State considerably. The revenue deficit, not taking into account the adjustment of dues from the Tamil Nadu Electricity Board to Government against arrears of tariff compensation, was Rs.878.87 crores in 1991-92 and peaked at Rs.1143.67 crores in 1992-93. Thereafter the revenue deficit has been reduced to Rs.691.86 crores in 1993-94 and Rs.415.55 crores in 1994-95.

33. This improvement was in part due to the buoyancy in tax revenue caused by the overall growth of the economy. The clearly focussed expenditure policy of the Government, which had the support of the Hon'ble Members, also resulted in the narrowing of the revenue deficit.

34. In the Budget Estimates for 1995-96 a revenue deficit of (-)Rs.925.55 crores was anticipated. I announced the reduction in the prices of rice in the Public Distribution System by Re.1 per kg. in my

last Budget Speech and as a result the revenue deficit was estimated to increase by (-)Rs.150 crores to (-)Rs.1075.55 crores. Accordingly, the closing final deficit for 1995-96 was expected to be (-)Rs.175.25 crores.

35. The position in the Budget Estimates, 1995-96 clearly reflected the difficult financial situation. Despite this, the expenditure on critical items in priority sectors could not be reduced. Several factors beyond the control of this Government like drought relief as also the imperative need to sustain social sector expenditure and development outlays, have caused a further widening of the deficit during 1995-96.

36. The Government of India had announced 2 additional instalments of Dearness Allowance of 11% each on 1st January 1995 and 1st July 1995. The Government of India also announced an additional instalment of Interim Relief of 10% of basic pay to all employees with effect from 1st April 1995. As we had already adopted the Central Government scales of pay and Dearness Allowance, we had to follow suit. This resulted in an additional expenditure of Rs.350 crores over the provisions in the Budget during 1995-96. The food subsidy has increased from the originally estimated Rs.600 crores to Rs.800 crores. The expenditure in connection with drought relief was not provided in the Budget Estimates. Additional provisions have had to be made towards the setting up of desalination plants in Ramanathapuram district to meet the drinking water problem. Against the approved Annual Plan outlay of Rs.3,200 crores, in the Revised Estimates 1995-96 the provision for Plan schemes is Rs.3,316.24 crores. All these items together have led to a substantial increase in the deficit during 1995-96.

37. In the Revised Estimates for 1995-96, the total revenue receipts are estimated at Rs.9,689.22 crores which represents an increase of Rs.704.15 crores over the provisions in the Budget Estimates, 1995-96. This has been the result of sustained attempts to increase tax collection and mobilise greater resources for developmental activities. As against this, the total revenue expenditure in the Revised Estimates for 1995-96 is Rs.10,857.84 crores which represents an increase of Rs.947.22 crores over the Budget Estimates, 1995-96. This has resulted in the widening of the revenue deficit to (-)Rs.1,168.62 crores in the Revised Estimates for 1995-96. The net effect of all the transactions during the year 1995-96 will be a deficit of (-) Rs.354.50 crores. Along with the closing balance of (-)Rs.55.66 crores in the Accounts for the year 1994-95, the closing final deficit I anticipate for 1995-96 will

be (-)Rs.410.16 crores.

38. In the Interim Budget Estimates for 1996-97, the total revenue receipts are estimated at Rs.10,543.52 crores and the revenue expenditure is estimated at Rs.11,505.61 crores resulting in a revenue deficit of (-)Rs.962.09 crores. The reduction in the revenue deficit level in the Budget Estimates, 1996-97, is mainly because no new Part II schemes have been provided for in the Interim Budget. The net effect of the transactions in all the accounts in the Interim Budget Estimates for 1996-97 is a deficit of (-) Rs.270.66 crores. With the anticipated closing balance in the Revised Estimates for 1995-96 estimated at (-)Rs.410.16 crores, the overall total deficit at the end of 1996-97 will be (-)Rs.680.82 crores.

39. The level of revenue deficit is a cause for concern. The expenditure policies followed in the previous four years will have to be continued and implemented vigorously to keep the level of deficit under control.

40. As this is an Interim Budget, no new taxation measures have been proposed to bridge the deficit. Suitable additional resource mobilisation measures may have to be considered at the appropriate stage.

41. I would like to take this opportunity to once again stress that the States should be given a share in the more buoyant sources of revenue by the Centre. The Central Government should take a decision on the alternative scheme of devolution quickly. I would also urge that the discretionary flow of funds for the various programmes of the Government of India would have to be reduced and instead the States would have to be given a definite share out of the resources of the Union so as to plan their financial and development strategies.

42. This Government is approaching the culmination of a very successful 5 year tenure in office. The faith reposed by the people of Tamil Nadu in the Government headed by Puratchi Thalaivi Dr.J.Jayalalitha has been fully vindicated. This Government has secured for the people an improved quality of life. Rapid strides have been made in every sphere. Tamil Nadu continues to retain its pre-eminent position as an industrial State in the country in a highly competitive environment. Agricultural production and productivity have shown steady increases. The level of poverty in the

State has also been reduced substantially. Achievements in the demographic indicators are very heartening. Above all, Tamil Nadu today stands tall in the country as an oasis of peace and an epitome of communal harmony. We are today, a model worthy of emulation in the country.

43. I invite the Hon'ble Members of the House to offer their valuable suggestions in a constructive manner during the discussion that will follow the presentation of the Interim Budget.

44. I thank the Finance Secretary Thiru P.V. Rajaraman and other Government officers who have been of great assistance in preparing this Interim Budget.

45. With these words, I commend the Interim Budget Estimates, 1996-97 for the approval of the House.

Vanakkam

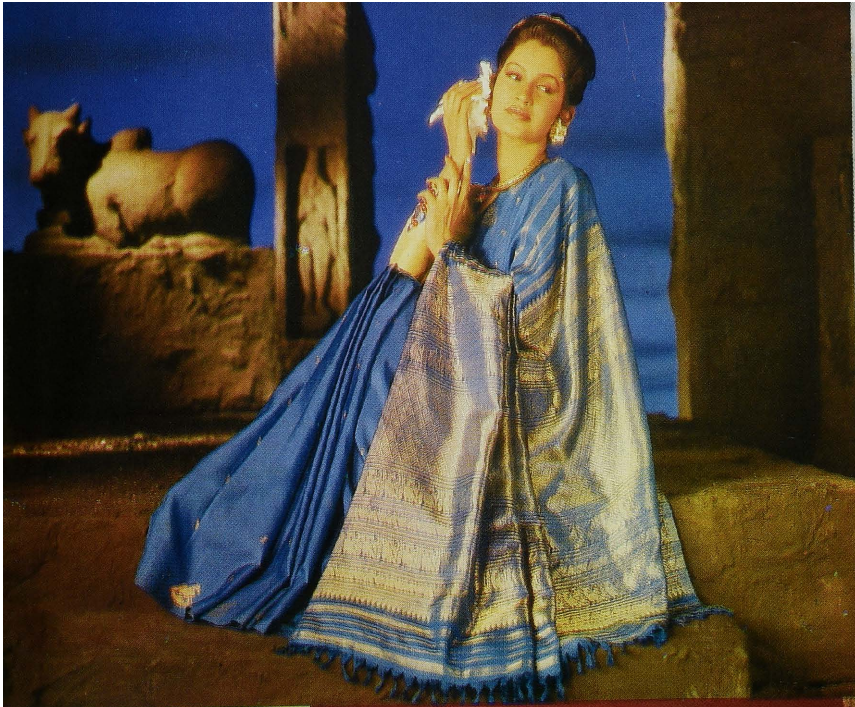
**V.R. NEDUNCHEZHIAN,**  
MINISTER FOR FINANCE.

Madras,  
20th February 1996,  
Masi 8,  
Thiruvalluvar Aandu, 2027.

**Speech of Dr.V.R.Nedunchezhiyan, Minister for Finance, Government of Tamil Nadu, presenting the Interim Budget for 1996-97 to the Legislative Assembly on 20th February 1996.**



**Dr. Julius K. Nyerere, former President of Tanzania along with his wife Tmt. Nyerere called on the Hon'ble Chief Minister Puratchi Thalaivi Dr. J. Jayalalitha at Secretariat, Madras on 17.2.96.**



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