



GOVERNMENT OF ORISSA

**SPEECH OF THE STATE  
FINANCE MINISTER  
SHRI RAM KRUSHNA PATTNAIK  
ON THE EVE OF PRESENTATION  
OF  
THE VOTE-ON-ACCOUNT  
FOR THE YEAR 2000-2001  
IN THE  
ORISSA LEGISLATIVE ASSEMBLY**

**The 23<sup>rd</sup> MARCH, 2000**

*Mr. Speaker Sir,*

At the outset I congratulate all the newly elected Members of this 12<sup>th</sup> Assembly and on behalf of my colleagues of the BJD-BJP alliance convey our deep gratitude to the people of Orissa who have voted the BJD-BJP alliance to power with a massive mandate having rejected the previous Congress Government with great anguish . All the members of this August House are well aware of the stupendous task of fulfilling the hopes and aspirations of the people of our State with infrastructure of a devastating financial situation like the present in the State. Serious fiscal instability with all time high loan burden have taken place during the last five years of my predecessor Government. The gross financial indiscipline and mismanagement of the Exchequer of the State by the previous Government is responsible for the crippled financial situation prevalent in the State. With this financial background last year's supper cyclone/flood has further shattered the already deteriorating financial position of the State. This unprecedented natural calamity has cast an added responsibility on the State Government for rehabilitating the affected people. It is difficult on the part of the Government alone to address this gigantic problem appropriately and has cast heavy responsibility of rehabilitating the people affected by the unprecedented calamity . Solution of such a frightening problem is not

possible without the unstinted co-operation of all the Members of this House; irrespective of their party belongings. I, therefore, request all the Members of this August House to extend their helping hands in addressing this burning problem of the State. The people of Orissa have reposed enormous confidence in the BJD-BJP alliance through their massive support. Our Government has inherited the century's all time record deficit and a shattered economy and despite that we shall make all out efforts to rise up to the expectations of the people who have voted us to power. I will outline in the succeeding paragraphs the serious financial position of the State for your kind appraisal and through this August House to the people of orissa at large who are the ultimate masters in any democratic form of Government. The comparative position of the revenue deficit from the year 1990-91 to 2000-2001 is given in **Annexure-I** which will indicate the serious financial crisis, through which the State Govt. is passing on date.

2. Sir, since it is not possible to present a full-fledged budget for the year 2000-01 at the moment I am going to present Votes on Account budget for 1<sup>st</sup> four months of the year. I am conscious that I stand answerable to this sacred house as to why a full-fledged budget could not be presented. I would like to enumerate below a few of many such reasons in this August House for the appraisal of this Supreme House of the State.



- (a) During the incumbancy of the previous Government, the annual plan for the year 2000-01 was finalised for Rs.1894.21 cr. at the official level discussion with the Planning Commission on 12.01.2000. Our Government felt that this plan outlay will even be insufficient to sustain the statusquo plan programmes leave aside developed one and hence decided to go for a final round of discussion with Senior officers of the Planning Commission and the Deputy Chairman of the Commission to arrive at a final plan outlay for the year 2000-01 . In the absence of a final shape of the annual plan, preparation of an effective and full-fledged budget is not possible.
- (b) The Eleventh Finance Commission in the mean time is reported to have submitted an interim report for the year 2000-01 to Government of India. The details of the recommendations are not available with the State Government. These recommendations shall have a direct bearing on the resources estimate for the year and need be reflected in the Annual Budget.

- (c) As per the provisions of Article 206 of the Constitution of India this House has the powers for Votes on Account, Votes of credit and exceptional grants. For the above reasons amongst others Govt. has decided to present a Vote on Account instead of a full-fledged budget . I hope the Hon'ble Members will kindly bear with me in presenting this Vote on Account.

3. Under the above circumstances Sir, I am proceeding to present the Vote on Account for the first four months of 2000-01 for approval of this House. The approximate expenditure for April-July, 2000 has been estimated at Rs.4805.47 cr. However , this includes the total annual provision of Rs.14.70 cr. on account of local Area Dev. Fund for MLAs (MLALAD) and the total annual provision of Rs.14.70 cr. borne under constituency-wise allocation for rural roads in view of the post-cyclone disaster which may warrant urgent expenditure on emergent needs of the people of different Constituencies and the responsibility of MLAs for their constituencies. Further to maintain continuity and accelerating the process of restoration and reconstruction work in the cyclone affected areas, a sum of Rs.365.00 cr. has been provided under Calamity Relief Fund even in the Votes on Account meant for the first four months of the year.

4. I would now revert back to reveal the deteriorating fiscal situation of the State. The revenue deficit for the year 1990-91 was only Rs.19.59 cr. and it was increased to Rs.459.65 cr. by end of 1994-95. But during the last 5 years of Congress Government the revenue deficit has increased at a galloping speed. During 1998-99 it had gone up to Rs.2264.75 Cr. and at the end of the current financial year it may exceed Rs.2170.00 cr. This huge revenue deficit during 1998-99 is nearly five times of the revenue deficit of 1994-95 which was the terminal year of the Janata Dal Govt. headed by our departed leader Late Biju Patnaik. This would clearly indicate that almost the entire loan incurred during a year is being diverted to meet the revenue deficit . During the year 1998-99 the loan incurred was Rs.2093.34 cr. excluding GPF and this was even insufficient to meet the revenue deficit of Rs.2264.75 cr. of that year by RS.171.41 cr. which was ultimately had to be met from GPF (Public Account). In order to meet the growing revenue deficit every year, loans are being incurred from year to year as a result the total loan burden of the State Govt. as on 31.3.2000 is estimated to be of the order of Rs.17681.83 cr. including the loan from GPF of Rs.4720.07 cr. as a result the **per capita** loan burden is likely to be of the order of Rs.4791.82 at the end of 1999-2000 as against the **per capita** loan burden of Rs.2361.43 at the end of 1994-95.



5. It is worth noting here that during 58 years since Orissa became an independent State till the end of 1994-95 (i.e.:- the last year of Late Shri Biju Pattanaik's Govt.) the total loan burden was only Rs. 5997.46 cr. and the fund utilised from the GPF account was Rs.960.55 cr. But during the last five years the loan burden has gone up to Rs. 12961.76 cr. and the funds utilised from GPF was Rs. 4720.07 cr. leading to an estimated loan burden by end of 1999-2000 at Rs.17681.83 cr. I must mention here that our Government has inherited the heaviest liability of the millennium.

6. I have mentioned in brief few facts to indicate the precarious financial condition of the State for the kind information of Hon'ble Members. In order to bail out the State from the vicious circle of the growing revenue deficit, large scale borrowings and still larger deficit, we have to reduce the revenue expenditure by enforcing strict economy measures and reducing the administrative expenditure, ruthlessly. At the same time, measures have to be taken to mobilise additional resources. I do not find any other ways than those to escape from this dangerous fiscal situation. At the time of presenting a full-fledged budget for the year 2000-01 I would outline before this August House the steps taken and to be taken for mobilising additional resources and reduce revenue

expenditure by enforcing strict fiscal discipline. I am hopeful that for the overall interest of the State, Hon'ble Members would rise above political consideration and extend their whole-hearted cooperation in the endeavor of our Government to improve the situation of our State. For expeditious restoration and reconstruction measures in the cyclone/flood affected areas, State Government is negotiating with World Bank, Department for International Development of British Government (D.F.I.D.), UNICEF, NABARD and other financial institutions for financial help. We expect assistance of nearly Rs. 1000.00 cr. from all these sources next year. Our Government is vigorously putting forth the requirements of our State before the National Democratic Alliance Govt. at the centre headed by our beloved leader Shri Atal Behari Vajpayee. Central Government has been considerate and sympathetic to our demands. I want to inform this August House that our Chief Minister during his first visit to New Delhi after assumption of office has been able to get Rs.300.00 cr. from the National Calamity Relief Fund. This is an example of sincere efforts made by our Government and the prompt response shown by Central Govt. to the requirement of the State. We are hopeful of getting release of more funds from N.F.C.R. We also equally expect atleast Rs.1000.00 cr assistance from different external agencies and other financing agencies. In case these materialise, the financial position of the



State would improve to some extent and an element of dynamism is expected to be enthused to the State economy.

7. Sir, the efforts of our Government would not be limited to curtail the non-plan revenue expenditure only but we propose to raise additional resources by simplifying and rationalising the tax structure for better tax collection. Efforts shall also be made to increase non-tax revenue of our State. Our Government is determined to reduce wasteful non-plan revenue expenditure and mobilise additional resources as mentioned above to wipe out revenue deficit and to ensure availability of resources for speedy development of the State. I hope there would be significant change in the shape, size and quality of the Annual Plan 2000-01 as a result of the efforts of the State Government.

8. Restoration and re-construction work in the cyclone affected areas, self-employment of the unemployed boys and girls, extension of irrigation facilities to the un-irrigated areas, improvement of agriculture and ensuring prosperity and security to farmers are in the priority list of our Government.

9. Our Government is committed to ensure transparency and cleanness in administration and also in general public life. We will explore all possibilities, if

necessary by amendment of the existing rules and laws for speedy trial of the corruption cases.

10. The Police Force should be projected and reformed to behave friendly to the common people and ensure safety to the common man from the menace of crime or antisocial ramrod and take expeditious steps to prevent crimes and enforce law and order. Our Govt. is committed to raise the morale of Police to rise to the expectation of the people.

11. The economy of the State depends on simultaneous development of agriculture and industry with greater stress on Agro and mineral based industries. Our Government shall take all effective steps to ensure qualitative improvement in the existing agriculture and industrial policy to make it more pragmatic and need based as per the requirement of the day.

12. I want to assure all the Members of this House on behalf of our Government that progress or implementation of any developmental work will not be affected during the coming four months. We will take all steps to strengthen the social security and make the Government people-oriented. Our Government is committed to implement the Common Minimum Programme presented to the people of Orissa in the last election by the BJD-BJP alliance. At the time of

presenting the full-fledged budget for the year 2000-01, I will try to outline the steps that our Government would like to take for implementation of these programmes as per our election manifesto. For the allround development of the State, coordinated and dedicated efforts are needed by not only the party in power, but even friends sitting in the opposition, State Government employees, business community, people of different streams, the Press, the media people and the people of the State at large. By citing the famous encouraging version of Swami Vivekananda “ *Utisthata, Jagrata, Prapta Baran Nibodhata*”

I once again convey my regards to the Hon’ble members of this August House with hopes and aspirations.

**Jai Hind**



ANNEXURE-ICOMPARATIVE POSITION OF THE REVENUE  
DEFICIT FROM THE YEAR 1990-91 TO 2000-2001.

(Rs. in Crores)

Year	Revenue Receipt	Revenue Expenditure	Surplus(+) Deficit(-)
1990-91	2170.94	2190.53	(-) 19.59
1991-92	2447.31	2635.02	(-) 187.71
1992-93	2913.16	3048.88	(-) 135.72
1993-94	3208.23	3479.37	(-) 271.14
<b>1994-95</b>	<b>3575.87</b>	<b>4035.52</b>	<b>(-) 459.65</b>
1995-96	3890.71	4697.81	(-) 807.10
1996-97	4286.76	5117.25	(-) 830.49
1997-98	4632.03	5536.48	(-) 904.45
<b>1998-99</b>	<b>4554.40</b>	<b>6819.15</b>	<b>(-) 2264.75</b>
1999-2000 (R.E.)	6510.93	8687.37	(-) 2176.44
<b>2000-2001</b>	<b>6827.31</b>	<b>8933.13</b>	<b>(-) 2105.82</b>

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