



**ADDRESS  
TO  
THE LEGISLATIVE ASSEMBLY  
KERALA**

**15TH JANUARY, 2004**

**BY**

**SHRI SIKANDER BAKHT**

**GOVERNOR OF KERALA**

*Hon'ble Speaker and Hon'ble Members,*

I welcome you to the seventh session of the Eleventh Kerala Legislative Assembly.

2. More than two years back my Government embarked on a path of reforms and rebuilding. Today, my Government has to its credit, a distinguished record of development. The economy of the State is on the rebound. Our agricultural sector has emerged out of the doldrums. In 2002-2003, the State has been able to achieve an impressive growth rate of 6.1% in the State Domestic Product well over the national growth rate of 4.3%. The finances of the State have recovered significantly. We have been able to clear much of the liabilities that were left to my Government to shoulder. Whether it is in IT, Tourism, Infrastructure Development, Education or Health, we have persevered to unshackle the energies and the potential of our State. The law and order situation in the State has never been better in recent history. We have been able to resolve the issues in the aftermath of the painful Marad incident which would otherwise have snowballed into a serious threat to communal harmony imperilling our secular, social framework. Government systems are poised for a historical transformation through the Modernising Government Programme in the coming years.

3. The imaginative policies of Government have taken us a long way ahead in transforming the State into one that is conducive to overall economic growth, investments and social harmony.

Our record of achievements has been enviable. This has even provoked some of our critics to join together to obfuscate real issues of growth and development. The people of Kerala, no doubt, dismiss these futile and inane efforts at mudslinging.

4. The Twelfth Finance Commission has concluded its visit to the State. We have collectively been able to articulate our position well and present detailed justifications for our projections. Indications are that the Commission was impressed by the manner in which we have presented the real problems of the State. We lay much store by the award of the Commission.

5. We have learned a lot from the fiscal crisis that engulfed us towards the end of the last decade. It is my Government's resolve not to let this history repeat itself. Never again should irresponsible financial behaviour be allowed to jeopardise a State's development. Towards this end, Government has drawn up a well thought out strategy for fiscal reforms. The Fiscal Responsibility Bill and the Capping of Contingent Liabilities have become law. As part of the fiscal reforms in the State, my Government is fully prepared to introduce the new budgetary cycle that envisages the passing of the full budget for 2004-2005 before the current financial year. This will facilitate timely implementation of the programmes and schemes envisaged in the Budget. Government has realised the need for a medium term outlook for better fiscal management. With this in mind, Government will present Forward Estimates of Receipts and Expenditure for the next two years also along with the Budget Estimates.

6. The Tenth Five Year Plan of the State defines the contours of our development strategy. Such a strategy has grown out of my Government's avowed objective of creating a vibrant and

prosperous Kerala. The State Planning Board has been entrusted with the task of holding extensive consultations and drafting a vision document for the State. Two major reports, the Human Development Report and the State Development Report for Kerala will be ready soon. These will certainly generate healthy debate and help us reach a consensus on our key development issues. Effective data collection is a sine qua non for proper planning and monitoring. Government will set up an expert committee for revamping the statistical system in Kerala.

7. My Government has approved 100 initiatives under the Modernising Government Programme (MGP). The Detailed Implementation Plans for these have been designed carefully through consensus and systematic planning. The Service Delivery Project, a fast track project of Modernising Government Programme seeks to transform over 3000 institutions in seven departments, Health, Education, Social Welfare, Civil Supplies, Revenue, Registration and Police, in addition to selected Local Self Government institutions, all the Collectorates and the Secretariat into model service delivery institutions.

8. My Government has an array of laudable achievements in the IT sector. The Akshaya Project that has now made Malappuram the first 100% e-literate district in the country will be replicated across the State. The Infopark at Kochi is intended as a premium facility for the software and IT Enabled Services (ITES) industry and its first phase will be completed by June this year. My Government has launched two major infrastructure initiatives—an IT Corridor at Thiruvananthapuram for which land acquisition has already commenced and the expansion of the Infopark, with the acquisition of 100 acres in Kochi. The IT Department intends to set up 'Call Centre' facilities in Government for citizens to access

information over telephone. The first phase of the project to network key educational institutions and resource centres across the State to enhance quality of higher education is nearing completion.

9. The Tourism sector has become a vital engine that has powered Kerala's economic growth in the last few years. Kerala has become the most sought after tourism destination in the country, with tourist arrivals recording an all time high growth rate of nearly 30%. National and International Tourism Awards have been aplenty for the State.

10. My Government will focus on steps to sustain our place in the national and international tourism market. Next year, an impressive range of activities in the sector are proposed. They include development of Vagamon as a new tourism destination, the 'Heritage walk' through East Fort area in Thiruvananthapuram, developing Kumbalangi as a major rural tourism destination in the State, project 'Vazhiyoram' for the development of wayside facilities through private entrepreneurs and the development of the canals in Alappuzha. Tourist Resorts Kerala Limited will take up more joint ventures in tourism.

11. Of the proposals of the Global Investors Meet held in January, 2003 at Kochi, projects worth Rs. 2600 crores in the Public Sector and Rs. 1500 crores in the private sector have been launched. In addition, projects for Rs. 8300 crores in the Central Public Sector are almost ready. An Investment Promotion Board chaired by the Chief Secretary is systematically monitoring the progress. In February 2004, the Industries Department proposes to host a similar event "Business to Business Meet Kerala—2004" to facilitate our industrialists to showcase their products and explore more business avenues.

12. My Government has announced the Special Economic Zone policy. The Kochi port based Special Economic Zone has been cleared by the Government of India. In the Food Processing sector, Government will launch a brand creation campaign by highlighting opportunities in the State for food processing. Kerala Industrial Infrastructure Development Corporation (KINFRA) will be the nodal agency.

13. Government has announced the Biotechnology Policy of the State. The Biotechnology Board chaired by the Chief Minister, the Biotechnology Commission and the Biodiversity Board will be overseeing the work in this sector.

14. Kerala State Industries Development Corporation will take up a new role of promoting projects in the infrastructural and social sectors also. KINFRA Food Processing Park at Kakkancherry was dedicated to the nation by His Excellency the President of India. KINFRA will set up the Technology Incubation Centre for Biotechnology in Kochi and an Herbal Park in Wayanad. 23 proposals of the Enterprises Reforms Committee have been cleared under the Public Sector Restructuring Programme. Government will replicate the successful scheme of Entrepreneurship Development Clubs in all schools and colleges.

15. This year my Government will finalise the design of the Traditional Industries Support Fund and launch new schemes in the traditional sector to create more employment opportunities. In the UNIDO supported Cluster Development Programme, special emphasis will be given to the traditional sector. The cashew factories under the Kerala State Cashew Development Corporation and CAPEX which have been reopened with additional financial support will provide more days of employment to the workers in this sector.

16. My Government is aware that despite various schemes, the Coir Industry is still a 'sick traditional industry' struggling against aggressive competition from synthetic fibres. The proposed National Coir Research and Management Institute will strengthen R&D activities in the Coir Sector and facilitate greater value addition and new designs. New schemes proposed to be implemented in the coming year include procurement of husk/fibre from outside Kerala through COIRFED, setting up of Model Coir Villages, assistance to Self Help Groups, Mahila Coir Yojana, creating clusters of coir co-operative societies, mechanisation and innovation in coir industry, and facilitating infrastructure development through private sector participation.

17. The optimism visible in the Kerala economy is to a significant degree due to the revival in the State's agriculture—fuelled by the proactive policies adopted by Government in this sector. A major task before Government now is to equip farmers to face the challenges from international markets. Key elements of Government's plans in this direction are the setting up of Agri Export Zones in Kerala for banana, pineapple and vegetables, medicinal plants, floriculture and spices.

18. It is a matter of considerable satisfaction that there has been an increase in productivity in rice cultivation during the year. The Agriculture Department is awaiting approval for a project of Rs. 230 crores with the Government of India for cutting and removal of all root-wilt affected coconut palms. Government proposes to set up a centre for organic farming to act as a nodal agency in Government. KISSAN-KERALA programme to provide up-to-date information on technological developments and market information has been hosted on the internet and is also being

telecast for the benefit of our farmers. The very successful KHDP Model for promotion of cultivation and marketing of fruits and vegetables will be extended to more districts.

19. The Kerala Land Development Corporation will propose projects worth Rs. 334 crores for NABARD assistance for the sustainable development of rice cultivation to benefit an area of 63,000 hectares. The Land Use Board, Agricultural University and the Agriculture Department will collaborate in the use of remote sensing technology for soil mapping to assist farmers. Government will approve the proposal for the Virtual University shortly.

20. A High Level Standing Committee on Agricultural Trade headed by the Chief Minister is overseeing the implementation of Dr. Swaminathan Report. The Department is engaged in discussions with the various Commodity Boards on issues like availing protection under Geographical Indication for Malabar Pepper, Alappuzha Green Cardamom, Cochin Ginger and setting up a Herbal Bio valley.

21. The importance of livestock in the economy of the State cannot be overemphasised. Strengthening of four regional diagnostic laboratories, opening of infertility clinics for treating cattle, launching of a massive mastitis control programme, insurance coverage to high quality milk cows, revival of dormant primary dairy co-operatives and expansion of calf feed subsidy scheme are some of the new initiatives.

22. My Government intends to bring out a new fisheries policy during the year. The Department of Fisheries will be reorganized by establishing village level Matsyabhavans. An NCDC assisted 'Project-Matsya', an integrated fisheries development



project with an outlay of Rs. 26 crores will be implemented through the Fisheries Co-operatives affiliated to Matsyafed. Coastal infrastructure facilities will be improved with NABARD assistance. "Harbour Management Societies" will be set up for better management of our fishing harbours and landing centres.

23. The forests of Kerala constitute one of our most valuable economic assets and assume global importance because of their richness in biodiversity. It is of particular significance that my Government has declared Mathikettan Shola Forest as a National Park. The main thrust in this sector will be on improved management of natural forests and biodiversity conservation. To this end, the Forest Department will focus, among other things, on modernising the Forest Protection Force and opening more Forest Stations, expanding participatory Forest Management involving Forest dependent communities, establishing sandalwood oil extraction unit under Government, conservation of sandal wood forests and launching more eco-tourism packages.

24. It is a matter of great satisfaction that there has been distinct improvement in the quality of roads in the State. Work on nine important city roads implemented by the Kerala Road Fund Board is scheduled to commence in March, 2004. Under the World Bank aided Kerala State Transport Project maintenance of 330 kilometres of State PWD roads has been successfully completed and work for 330 kilometres has been approved. My Government will avail of NABARD assistance for 100 roads and bridges projects. The Roads and Bridges Development Corporation of Kerala has completed 3 railway over-bridges in the State and work on 20 more is in progress. The Railway Board has sanctioned 27 Railway Over Bridges for the next year. Study

on the 550 km. long North-South Access controlled High speed Motorway has been completed and financial structuring of the project will be done soon.

25. Electricity is the lifeline for all developmental activities. My Government is committed to supplying electricity at a reasonable rate. The projects that will be commissioned in the coming year are Chembukadavu I and II, Urumi I and II and Malankara. During the next year Government proposes to add 285.14 MU to the grid. The Union Government has given sanction in principle for a 400 KV Power Highway across the State. Kerala's second 400 KV substation will be commissioned by March 2004. Power Grid Corporation of India Limited has taken up the work for the third 400 KV substation at Kozhikode.

26. Kerala is the first State in the country to achieve 100% metering at both the feeder and consumer levels. Several new projects under the Accelerated Power Development and Reforms Programme scheme will be commissioned this year. My Government has an ambitious target of giving 4 lakh service connections every year to fulfil its commitment of providing electricity to all households. A master system improvement plan for the three major cities of the State is being drawn up. With the enactment of the Electricity Act, 2003 the Government has initiated steps for restructuring the power sector in the State. The Board will continue the measures introduced for better financial management and take steps to reduce T&D loss by 3% every year.

27. UNIDO has set up a Regional Centre for Small Hydro-power in the Energy Management Centre, Kerala. Out of 61 hydropower projects selected, 30 have already been tendered. My Government proposes to generate 100 MW of electricity from wind power before March, 2005 with ANERT playing a major role in this.

28. My Government recognises that our ports are a key to unlocking the development potential of the State and intends to formulate a policy for the development of maritime sector and port infrastructure. Detailed project reports have been drawn up for many of our ports through reputed consultants. Expressions of interest have already been invited for the development of Vizhinjam port. It shall be Government's endeavour to expedite strategic projects including the development of the ports at Azhikkal, Beypore, completing cargo facilities at Thankassery, Munambam, Quilandy and Ponnani fishing harbours and establishing a marina at Alappuzha through private sector participation.

29. My Government has declared 2004 as the year of rain water harvesting. Legislation for effective implementation of rain water harvesting schemes will be introduced. The rain water harvesting scheme - VARSHA, will be popularised.

30. The Kerala Irrigation and Water Conservation Act that came into effect in December, 2003 gives a legal framework to new water management practices and provides for a Dam Safety Authority in the State. Muvattupuzha Valley Irrigation Project and the World Bank assisted National Hydrology Project Phase-I will be completed this year. Government intends to take up 150 schemes for Rs.39 crores this year with NABARD Assistance. The Central Water Commission has approved projects for bank protection of 20 rivers. The Water Resources Department will launch a package of scheme of Rs.140 crores for capital works on feeder canals and West Coast Canal and modernization of jetties with assistance from Government of India. The World Bank assisted project for 93 km. of feeder canals under the Inland Water Transport pilot project is underway. Next year, the Command Area Development Authority

will take up works within the command areas of Muvattupuzha and Kallada Projects also and shall create irrigation facilities for 34000 hectares. The Pamba Action Plan has been approved and work will commence this year. The project will directly benefit several lakhs of devotees who visit the pilgrimage centre of Sabarimala every year.

31. My Government will extend Jalanidhi, the World Bank assisted project that has been able to successfully provide drinking water for 15 lakh beneficiaries to 150 Panchayats more. This year, the Department expects to complete ongoing water supply schemes benefiting 5.8 lakh persons. My Government will institute a Fast Track Mechanism for implementing the five Japanese assisted (JBIC) water supply projects for Thiruvananthapuram, Kozhikode, Cherthala, Meenadu and Pattuvam areas to benefit 40 lakh people. 1050 Rural Single Panchayat Water Supply Schemes will be handed over to the Grama Panchayats. Kerala Water Authority will be restructured in the light of the recommendations in the White Paper.

32. My Government will live up to the commitment it has made to solve the problem of landlessness of our tribal population. It is a matter of tremendous satisfaction that my Government has been able to get approval in principle from the Centre for utilising 7693 hectares of Vested Forest Land for the rehabilitation of landless tribals. The Stage II clearance is expected shortly. 3500 acres in the Aralam Farm will also be soon available for distribution. 2024 families have so far been assigned 2862.38 acres. Government is confident of completing the process within this year.

33. My Government has consistently strived to ensure that emphasis is given both for capacity building and infrastructure development for Scheduled Castes and Scheduled Tribes and for

providing them with basic minimum services. The package of schemes drawn up include the Freedom from Hunger Scheme, Scheme for Providing Houses for all, a Comprehensive Health Insurance Scheme, promotion of higher-end entrepreneurial activities in IT and Industries, employment generation through micro-enterprises, tribal demonstration villages to promote and propagate the culture and heritage of the tribals, the 'Wayanad package' and issuing 'Giripatras' to tribal families.

34. My Government believes that true development of Kerala can be realised only if local self governments are strengthened to shoulder the responsibilities in the wake of the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments. Government will assiduously pursue the implementation of the much acclaimed Kerala Development Programme. As a part of the new financial management measures, Government is now ensuring that there is free flow of funds to Local Self Government institutions all through the year. To improve the management in Local Self Government institutions, the computerisation of the 1215 Local Self Government institutions will be completed this year through private sector participation. Kerala Institute of Local Administration will play an apex role in training elected representatives and employees of Local Self Government institutions.

35. My Government recognises that very concerted efforts are necessary for enhancing the quality of life in our urban and rural areas if Kerala has to achieve the social and economic growth that is envisioned. That is why, this year, Government intends to accord the highest priority for 'Clean Kerala Project'. The project will be vigorously implemented through Local Self Governments, various Departments, NGOs and educational institutions.

36. Kudumbashree, which now covers 27 lakh families in the State, will continue to forge ahead with its array of novel initiatives to eradicate poverty through empowerment of women. This year thrust will be given to the Capital City Project designed to restore Thiruvananthapuram to its past glory. Infrastructure improvement projects in all the five city corporations in the State will be posed for assistance from Asian Development Bank to the tune of Rs.1250 crores.

37. In the sphere of rural development, the emphasis shall be on improved rural development delivery systems and planning on the community based watershed development model. Government intends to bring more areas under the comprehensive and operationally viable watershed development effort 'HARIYALI'. A new focus for solid waste disposal in rural areas will be given under the Total Sanitation Programme. Swarna Jayanthi Grameen Swarozgar Yojana (SGSY) special components projects will be extended to more districts. The Attappady Hills Area Development Agency will build on the success of the total Hamlet Development Programme. A Revolving Fund Trust has been formed to extend direct benefit to the poorest of the poor.

38. The emphasis in the field of education will be on improving quality through curriculum revision and infrastructure development. The grading system recommended at the national level will be introduced at the SSLC level. The IT@School project has helped introduce computer education in our schools. During the next year, examinations on IT will be introduced at the SSLC level. NABARD assistance will be used for improving school infrastructure. An Expert Committee will be appointed to suggest recommendations on issues pertaining to the recognition of institutions that impart training to mentally disabled children.

39. 100 new Vocational Higher Secondary Education (VHSE) schools will be started in the State and 200 new batches will be allowed in the existing VHSE schools. The stress in the field of higher secondary education will be to improve the standard of education in the 1268 Higher Secondary Education schools in the State. A new grading system will be designed this year and a system of school affiliation and accreditation for Higher Secondary Education schools will also be introduced this year. One Higher Secondary School of excellence for exceptionally gifted students will be opened.

40. My Government's policy to open up the higher education sector for private participation has tremendously increased opportunities for higher education available to our students. As a result, 45 new Engineering Colleges, 6 Medical Colleges, 6 Dental Colleges, 29 Nursing Colleges, 9 Pharmacy Colleges, 5 Ayurveda Colleges, 1 Siddha College and nearly 40 institutions offering MBA and MCA courses have started functioning in the State. At the same time, Government has been uncompromising in insisting on very stringent quality standards for them.

41. The range of activities proposed in collegiate education include construction of college buildings and hostels, computerization of libraries, upgrading of laboratories starting new courses in Government colleges and getting more colleges accredited by NAAC. The first phase of the Education Grid that will connect 100 colleges in Kerala will be made operational. Government Engineering College, Thiruvananthapuram has been declared as an Autonomous Institution. Government is making all out efforts in getting an IIT sanctioned for the State. Revision of curriculum, use of IT in a more concerted fashion, improving student amenities in colleges and conducting refresher courses will be the additional areas of focus.

**42.** The enactment of the University Bill, 2003 that is now before the Legislative Assembly will pave the way for major academic reforms designed to promote autonomy and quality in higher education. My Government has formulated a scheme for industry-university interaction with three components viz: funding of research by industry, utilisation of industrial experts as teachers and entrepreneurship development.

**43.** This year, Government intends to consolidate the achievements in the health sector. New plans include upgradation of the Medical Colleges at Thiruvananthapuram, Kozhikode and Kottayam as Centres of Excellence, connecting more District Hospitals through Telemedicine system with Medical Colleges, Integrated Disease Surveillance Programme, strengthening public health institutions with the help of World Bank and providing facilities for biomedical waste disposal in major Government hospitals through private participation. A comprehensive health insurance scheme is under the active consideration of Government.

**44.** The plans for Ayurveda, for the coming year include opening 20 new Rural Ayurvedic Dispensaries, upgradation of Government Ayurveda College, Thiruvananthapuram as a Model Institute and completion of work on patenting Ayurvedic concepts. The Government Homoeopathic Medical College, Thiruvananthapuram will be upgraded as a Centre of Excellence.

**45.** My Government propose to embark on a massive programme to extend social security cover to all destitute families/ individuals in the State. The project will build on the experience of the Ashraya Project of Kudumbashree and will be jointly implemented by several Government Departments, self help groups, local bodies and voluntary organisations. A programme to provide



quality buildings to all the 47 welfare institutions under Government will be launched in the coming year. An ambitious nutrition programme is being drawn up to make Kerala a "Malnutrition Free State" by the end of 2005.

46. My Government has completed the design for a multi-purpose centre "Snehatheeram" for the care of senior citizens and the first model institution will be set up in Thavanoor in Malappuram district. The Social Welfare Department will take steps to extend the 163 ICDS World Bank Assisted projects for a further period of one year.

47. It has been my Government's endeavour to create an environment conducive to the development of sports and games in the State. Next year, Government proposes to take up several new projects that include the construction of a State Level Sports Complex at Kannur, establishing centralised coaching camps and hiring coaches from abroad for talented sports persons, building a new stadium complex at Thodupuzha, establishing a Volley Ball Academy at Badagara and a new cycle velodrome in Idukki.

48. My Government has been able to provide debt relief to the tune of Rs.677.43 crores bringing relief to 3.7 lakh people through the One Time Settlement Scheme. To strengthen the co-operative movement, Government has reduced minimum share capital participation for availing of loans from 5% to 1% and are allowing a rebate of 1% for prompt repayment of loans. New initiatives proposed in the sector include starting a medical insurance scheme for members of co-operative societies, sanctioning post graduate courses in Pariyaram Co-operative Medical College and completing the infrastructure facilities for the Co-operative Medical College in Kochi. The Co-operative Development Welfare Board

will focus on revitalising weak societies. This year, COINS the co-operative insurance society will be commencing operations in the insurance sector in collaboration with a Japanese Insurance Company.

49. Kerala has over the years built up an impressive public distribution system that ensures food security to the people of our State. Government will initiate a study on the problems of the public distribution system in the light of the changes over the years in its structure, focus and coverage. To strengthen the extensive network in the State, my Government intends to open 100 new Labham Stores and Maveli Stores in important junctions and in Panchayats without Maveli Stores.

50. My Government is happy to announce that the Department of NORKA has been able to successfully take up various issues with the Government of India concerning the Non Resident Keralites. As a result the unreasonable stipulation that job seekers have to deposit return fare has been removed. Government of India has also agreed to set up a centre in Kerala for attestation of qualifying certificates for job seekers. The Department expects a positive outcome from its discussions with the Civil Aviation Ministry and Air India for starting a Budget Airline.

51. The Department of Parliamentary Affairs is playing an increasingly effective role in co-ordinating Government business in the Legislature. The Department proposes to build a network of ancillary institutions, and establish a Portrait Gallery to commemorate eminent Parliamentarians of our State. An Assurance Implementation Desk will be set up in Government to monitor progress on assurances given on the floor of the Assembly.

52. The implementation of the Right to Information Legislation in the State next year will be a milestone in improving transparency in administration. The Kerala Press Academy, now in its Silver Jubilee year will be assisted to start a Journalistic History Museum and Research Centre.

53. My Government is committed to switching over fully to Malayalam as the official language within the next three years without affecting the interests of linguistic minorities. The Official Languages Department has commenced systematic work for this.

54. It has been my Government's avowed objective to promote labour relationships conducive to facilitating investments in the State. Government intends to set up a Labour Reforms Commission under the chairmanship of an eminent labour expert for revamping outmoded and moribund labour laws and regulations. Computerisation of the Employment Exchanges in Ernakulam, Kozhikode and Thiruvananthapuram will be completed and the database will also be shared with the private sector to help increase employment opportunities. The Industrial Training Department will also focus on equipping trainees with skills needed for jobs in overseas market through IT Literacy Courses and Spoken English Training Programmes.

55. There are still sections of Plantation Workers who live under distress and dire difficulty. My Government shall continue the series of measures, including providing medical aid and supplying free food grains periodically. The Committee set up by the Union Government on revival measures for plantations has made specific recommendations for individual plantation sectors. It will be the endeavour of Government to have the recommendations beneficial to the State, approved at the earliest. The Price Stabilisation Fund, suitably modified should be utilised to help the affected plantation sectors.

56. In a State like Kerala, where land is a very scarce resource, the work of Revenue Administration is vital. My Government will give priority to the capacity building of officers in the Revenue Department and modernisation of the 1453 Village Offices in the State. To ensure conservation of Government land leased out to institutions in the past, unutilised lands will be taken over and put to alternate uses, thereby saving on land acquisition for public purposes. As a step towards better service delivery in Collectorates, a Fast Track Computerized Single Window Redressal Mechanism for Collectorates (FASTCOM), whereby any petitioner will be assured of a reply in less than 15 days, will be implemented. My Government proposes to bring into effect a new rationalised schedule of lease rent rates from April 1, 2004. The Legal Metrology Department will set up laboratories for testing gold ornaments in all Districts in a phased manner.

57. The Housing Board today plays a key role in the supply of affordable housing in the State. My Government plans to take up a Suraksha Housing Scheme to build houses for weaker sections of society. 38000 new units will be built next year under this loan-cum-subsidy scheme. Another initiative—the Karunya Housing Scheme—to build houses free of cost with the support of Voluntary Agencies will also be launched for the benefit of households below the poverty line.

58. The commissioning of the IT Project for Court Case Monitoring for Law Offices in the State will enhance the efficiency and effectiveness of the legal machinery. The Law Department is on the threshold of a major revamp and upgradation with the launching of the law department portal and the automation of the law library.

59. My Government proposes to reform existing laws to make them investment and development friendly. The report of the Law Reforms Committee is under consideration of Government. Action is being pursued in Government to process the draft bills and place them before the Assembly.

60. For a highly literate State like Kerala, the Alternate Dispute Redressal Mechanism through a system of Lok Adalats affords a practical solution to the vexed problem of mounting arrears in courts. The Kerala State Legal Services Authority intends to get at least three villages in each District declared as 'Litigation Free Zones/Crime Free Zones'.

61. My Government recognises that comprehensive E-Governance solutions will radically improve delivery of services in Motor Vehicles Department. It is a matter of great satisfaction that Government of India has recognised the efforts in this direction and has chosen Kerala Motor Vehicles Department Computerisation as a model for other States. Two other major projects for the total computerisation of the Department and issuing Driving Licences and Registration Certificates in Smart Cards will be completed this year. Mobile Road Safety vans will be commissioned and a Drivers Training Institute will be set up at Edapal in Malappuram District for imparting reorientation training for drivers. Enacting a legislation creating the Kerala Road Safety Authority and establishment of a Road Safety Fund will be landmark activities this year. The State Water Transport Department will add six steel and five fibre Boats to its fleet this year.

62. The Kerala State Road Transport Corporation (KSRTC) has to its credit an impressive array of reform initiatives, all of which has helped bring down operating losses by more than 50%.

The thrust in the Corporation's turn around strategy shall be to complete replacement of old vehicles, reduce uneconomic schedules, utilise idle assets and convert bus depots into profit centres for better management. Kerala Transport Development Finance Corporation will continue its financial support operations for KSRTC and diversify further to increase its profitability and reach.

63. My Government is pleased that through imaginative schemes devised by Government for tapping the savings potential of the people in our State, there has been a consistent growth in National Savings mobilisations. In the coming year, a full fledged publicity campaign to make the whole State 'bachat' (100% savings oriented) will be implemented with the assistance of local bodies and NGOs.

64. The computerisation of the Department of Treasury with facility for online treasury transactions will be completed early next financial year. All the treasuries will be networked with technical support from Science and Technology Park of India, for real time information flows—a step that will mark the beginning of a new chapter in the financial management of the State.

65. My Government intends to complete the computerisation of all the Sub Registrar and District Registrar Offices under the Total Computerisation Programme. Work is nearing completion in 103 offices.

66. My Government believes that it is through effective enforcement of the excise policy that it can progressively move towards the goal of prohibition. This year the thrust shall be on the modernisation of the Excise Department including the purchase of sophisticated equipment for detection, setting up an Excise Training Academy and Research Centre and completing the Excise Headquarters building.

67. The Lotteries Department contributes much to the non-tax revenues of the State. Next year, the thrust will be on further improving revenues through a range of innovative lotteries. The business expansion that the State Insurance Department proposes includes extending insurance schemes to all employees and fishermen families and health insurance for population below the poverty line.

68. Sales Tax Collection continues to be the mainstay of Government revenues. My Government has been able to tone up the performance of the Commercial Taxes Department significantly—a factor that has contributed much to the recovery of the State finances. A series of measures including a special drive for the speedy disposal of potential assessments, intensifying action to collect arrears, tightening the work of check posts and intensifying intelligence work have been initiated. In the coming year, creation of new mobile squads at Alappuzha, Palakkad and Kasargod, new check posts at Wayanad and Kasargod districts and new Commercial Investigation Wings in all districts are planned.

69. Effective administration has to start from the top. Secretariat modernisation is aimed at revamping our administrative machinery to adjust and adapt to the rapid changes around us. This process no doubt, will be a catalyst that will spur speedy and effective implementation of Government schemes. The Chief Minister's Public Redress Grievance Cell will be strengthened further.

70. Our employees are the most important asset of Government. Despite financial constraints, Government has released four instalments of Dearness Allowance to our employees in the last nine months. The restrictions on recruitment in public service, imposed in the aftermath of the fiscal crisis have been removed and the redeployment exercise to Local Self Government institutions completed.

71. My Government has approved the Training Policy for our employees, which affirms the right of every employee to be trained and the obligation of Government to train them. 0.5% of the Annual Plan to be scaled up to 1% in 2006-07, will be set apart for this. The Institute of Management in Government will be designated as the apex institution for training.

72. My Government accords highest priority to the maintenance of law and order. Overall law and order situation in the State continues to be satisfactory with no significant communal trouble in any part of the State and political clashes showing a clear downward trend.

73. The modernization of the Police Force is progressing well and the computerization of the Police Department will be completed by next year. My Government has taken steps to increase the representation of women in the police force to 10%. Training of Women Police Constables recruited to the 1163 new posts has commenced.

74. Undoubtedly, the police need functional autonomy to work fairly and impartially, but they need to be fully accountable to the Government and the public. My Government has constituted a Police Performance and Accountability Commission headed by Retired Supreme Court Justice, Shri K. T. Thomas, to make recommendations on enhancing the performance and accountability of the police force. Government has accepted the recommendations of the High Power Commission headed by Retired Supreme Court Justice, Shri V. R. Krishna Iyer on reform of parole systems in prisons.



75. To increase public accountability in the prevention of damage to public property during hartals and strikes, an institutional system has been set up to recover the losses from those responsible, in line with recent judicial pronouncements. My Government will introduce legislation this year to curb the menace of antisocial elements in the State. The Kerala Fire and Rescue Services will also be speedily modernized.

76. Let me end my address to this august house by saying that we can no longer afford to rest on the past laurels of our glorious achievements in the social sphere. We have to build on them. We have to forge ahead in all areas of development equally well, if we are not to be left behind in the race for progress. The dogmas of our past may be inadequate for the challenges of the future. The progress that we dream of today demands relentless change. And what is most essential for change is to work for it. I quote what Martin Luther King once said: "*Change does not roll in on the wheels of inevitability, but comes through continuous struggle.*" We have to, as one, brace ourselves to this task. It is time for us to dedicate ourselves anew to the unfinished and challenging work of our State's development.

I wish all success for the deliberations of the House.

JAI HIND