

GOVERNMENT OF PUNJAB



Text of Speech
of
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Chief Minister, Punjab

**DELIVERED AT 54TH MEETING OF THE
NATIONAL DEVELOPMENT COUNCIL (NDC)
ON 19TH DECEMBER, 2007 AT NEW DELHI**

**Hon'ble Prime Minister of India, Deputy Chairman,
Planning Commission of India, Esteemed Members of the
National Development Council, Ladies and Gentlemen**

INTRODUCTORY

Mr. Prime Minister, Sir, let me begin by congratulating yourself as the Chairman, Dr. Montek Singh Ahluwalia, Deputy Chairman and Members of the Planning Commission of India on preparing an exhaustive Draft Eleventh Five Year Plan for the approval of the National Development Council. Five years ago, when this body approved the Draft Tenth Five Year Plan many were skeptical of the high annual growth target of 8% proposed by the Commission. However, time and our buoyant economy have put to rest most of these doubts as we prepare to launch the country into another half-decade of high growth and development.

2. New challenges have emerged - the critical prerequisite of inclusive growth to carry the "Other India" alongwith the fast-growing India. It would only underscore that despite the consistently high growth in the last decade, some of the original concerns of economic planners continue to be relevant even today, viz. poverty reduction, access to quality education, health care for all, provision of potable drinking water and sanitation to the vast multitudes and

sustainability of development. Six decades of planned development have not succeeded in ensuring basic minimal services to our people as inequities between States and people continue to grow. The quantum of poverty has also reduced only in percentage terms and absolute numbers of over 30 crore pose a serious challenge to our planners. Large sections of our rural population and those residing in urban slums are yet to partake of the fruits of growth and development. Thus, while we must aim and strive to achieve the envisioned growth rate of 9%, the growth strategy must also focus at reducing disparities within regions, within States, and within rural and urban population in each State, thus making the people of India partners in our march towards progress.

STATE FINANCES

3. Mr. Prime Minister, Sir, it is a matter of grave concern for the country that the economy of Punjab has been consistently growing at a rate lower than the national average for over two decades now. Stagnation in Agriculture and prolonged militancy have primarily contributed to this sluggish growth. The State has resorted to heavy market borrowings to fund its development process. The outstanding debt at the end of 2006-07 is Rs. 48344 crore and the interest payment outgo is more than Rs. 4000 crore per annum. The National Development Council should devise a suitable policy package for the states with growth rate lower than the All India average growth

rate, more so for the State of Punjab which continued to contribute to national food security even during the years of insurgency.

4. This situation is not likely to improve as the State's growth remains dependent on agriculture and allied sectors. The implementation of the recommendations of the State Pay Commission set up on the pattern of Central Government will have to be implemented in 2008-09 with effect from 1/1/2006 and will further deteriorate the State's fiscal health. From 2008-09, the State is not likely to receive any non-plan revenue deficit grants which would only aggravate the situation further. In order to partly ameliorate the situation, I urge the Government of India to provide a bridging financial package to Punjab for two years till such time that the recommendations of the 13th Finance Commission take effect. The State has been expressing its concern at low devolution of Central Taxes to the State Government and it is hoped that the 13th Finance Commission will give due consideration to this peculiar situation of the State and enhance its share.

5. I would also like to draw the attention of the House to the special problems facing Punjab. We have depleted our soil and ground water resources while responding to the nation's clarion call for providing food grain security. Our canal irrigation system has outlived its life and its carrying capacity stands greatly diminished. As a land-locked State with a hostile International Border, the opportunities for external investment in industry and

services sectors are limited. The State is also beset with problems of drug addiction, female foeticide and lack of employment opportunities. The time has come for the nation to squarely address these important problems and compensate the State by providing additional resources for the purpose.

I would now like to briefly dwell upon the problems and prospects across various sectors of the State's economy.

AGRICULTURE AND ALLIED SECTORS

6. Ladies and gentlemen, in our opinion the country needs to address 3 major issues immediately, viz. food and nutrition security, poor economy of small and marginal farmers and heavy indebtedness which is a result of poor farm incomes. You would well appreciate that if there has been one area where there has been a considerable change in perspective of planners over the last five years, it is agriculture and food security. From a position of comfort bordering upon complacency, we have now been forced to lay greater emphasis on foodgrains production.

7. Sir, in order to ensure the nation's food security, productivity and profitability of agriculture must be addressed upfront. Productivity has stagnated in the absence of scientific breakthroughs in new high-yielding varieties. Depletion of our only natural resource, water continues at an alarming pace as we grapple with the paradoxical problems of returns to farmers and ecological

sustainability. Similarly, our ageing and depleted soils in Punjab, that have suffered on account of over 3 decades of intensive farming regime, urgently need re-invigoration.

8. While on the one hand there is an urgent need to revitalize the research in agriculture and related activities, on the other hand to tackle the problem of soil degradation and water depletion, a dedicated programme for promoting resource conservation technologies, such as zero tillage, deep ploughing, raised bed planting, laser land leveling etc. should be initiated. Heavy investments are required to be made for rejuvenation of these resources. The Rashtriya Krishi Vikas Yojana (RKVY) is a welcome initiative.

9. The Minimum Support Price (MSP) of food crops is not fixed in realistic terms taking cost of production into account. Neither is MSP linked to the consumer price index. The other alternative is to accept and implement the recommendations of the noted farm economics, Dr. M.S. Swaminathan, under which the MSP should be equal to the cost of production plus 50%. The people engaged in agriculture activities are not categorized as skilled workers. The Commission for Agricultural Cost and Prices (CACP) needs to re-examine the existing methodology of fixation of MSP which has been found to be out dated by the Parliamentary Committee on Agriculture. I note with regret that despite the global surge in cereal prices, our farmers continue to be denied legitimate remuneration for their produce.

10. In Punjab we are faced with falling real farm incomes leading to rising agricultural indebtedness. Our farm debts are estimated to be over Rs. 26,000 crore. The State Government has submitted a proposal to the Hon'ble Prime Minister for an interest rebate of 2 % on the interest charged by banks. The rebate for 3 years works out to Rs. 1203 crore. The farmers in the southern districts of the State are in tremendous distress and there have been many unfortunate cases of suicide. We have requested for converting the short term loan into medium term loan and interest waiver for one year requiring assistance of Rs. 481 crore. I urge the Hon'ble Prime Minister to come to the aid of the State and its farmers by granting a special package as has been done in the case of certain other States. The State Government has given conditional consent in principle to Vaidyanathan Committee Report. Similarly, we request that the existing interest subvention of NABARD refinance to Cooperative Credit Institutions must be maintained in order for us to provide cheap and easily available credit to our farmers.

11. The State Government apprehends that the Government of India might ask States to arrange fertilizer by themselves w.e.f. January 2008, which may lead to severe DAP shortage adversely affecting agricultural production. In the case of Sugar Cooperatives, I would strongly urge for liberal assistance to convert our Sugar Cooperative Mills into Sugar Complexes with co-generation facility

to produce ethanol and medicines. This sector needs to be further encouraged through suitable price support mechanism and capital subsidization.

12. Mr. Prime Minister, Sir, I propose for your consideration the creation of an Agriculture Development Fund (ADF) to be financed through a payment of additional sum of Rs. 100 per quintal of paddy and wheat procured in the State. This fund would be used to reclaim/improve the soil, recharge ground water, develop infrastructure for adoption of high value enterprises, improve marketing and processing besides rejuvenation of irrigation network in the State.

IRRIGATION

13. Nearly 97% of the arable land in the State is irrigated, 27% of it is from surface water (canal) irrigation and the remaining 73 % is being met from the ground water resources. On account of the intensive farming regime since the Green Revolution, we are confronted with a situation of 112 of our 148 Development Blocks being termed as "Dark" with alarming rate of depletion of ground water. On the other hand, the southern districts of Muktsar and Faridkot are plagued by endemic problems of salination and water-logging. I particularly welcome the Draft Plan's focus on ground water re-charge and increasing efficiency in the use of ground water and hope that the State would be given an equitable dispensation by the Central Government.

14. The canal irrigation network of the State, which is amongst the oldest in the country, has outlived its life and its carrying capacity has been sub-optimized over time. We have prepared an ambitious programme of around Rs. 3200 crore which includes lining/ rehabilitation/ remodeling of irrigation channels to increase the irrigation potential; repair, renovation and lining of water courses in various command areas for increasing the irrigation potential; encouraging artificial recharge works to arrest the declining water table in the State and flood protection and anti-water logging operations. We request that these projects need to be considered under relaxed Accelerated Irrigation Benefit Programme (AIBP) norms that is 75 % grant by GOI and 25 % contribution from the State Government. Further, there is an urgent need to remove the one for one restriction for funding of projects under AIBP and Command Area Development Programme (CADA), which is a bottleneck in taking up new projects for execution.

15. While, the Rashtriya Krishi Vikas Yojana (RKVY) is a very good initiative, I would like to reiterate our earlier reservations about the criteria for grants to States. We have requested that half the weightage may be given to maintenance and upgradation of existing infrastructure of irrigation and remaining half to un-irrigated area against the proposed norms of full weightage to un-irrigated area.

16. I am also happy to inform you that the State has already put into place the Participatory Irrigation Management (PIM) where farmers have been entrusted with the work of management of distribution of water in the area earmarked for supply of water at the outlet head and maintenance of field channels at their own cost. The PIM Draft Act has already been framed but my Government is contemplating a Comprehensive Unified Legislation which will cover all the issues concerning Ground Water, Participatory Irrigation Management and Canal Management as these all are inter-related.

POWER

17. The present generation capacity of Punjab is 6200 MW, against the peak demand of 9000 MW, a shortfall of 30% of peak demand. By the end of the 11th Five Year Plan, the estimated peak demand is likely to rise to around 11000 MW, a deficit of around 5000 MW. In order to meet the shortfall, the State Government has drawn a comprehensive programme of generation capacity addition of around 5100 MW which includes, inter alia, Lehra Mohabbat Phase-II - 500 MW; Goindwal Sahib Thermal Power Project - 600 MW; Talwandi Sabo Thermal Power Project - 1800 MW; Rajpura Thermal Power Project -1200 MW and Abohar Thermal Power Project – 1000 MW. The State has also been allocated 2225 MW of Power from 5 Ultra Mega Power Projects situated in various parts of the Country.

18. Punjab does not have any Central Sector Power Plant. It would be appropriate for the Government of India to set up atleast 2 Central Sector Power Plants of 1000 MW each in Punjab, to help it to overcome the shortage of power. Since the Lara Project has been delayed, Government of India may allot 1500 MW of additional power to Punjab from one of its other power projects. Our proposal for 49% equity participation in Rajasthan Atomic Power Projects (VII & VIII) as well as allocation of power from the Banswara Nuclear Power Project should be agreed upon. We also urge you Sir, to direct GAIL to expedite connectivity with Punjab through the Dadri-Nangal gas pipeline.

19. Our Government is also alive to the need to reduce transmission and distribution system losses in the power sector. The T&D losses, which presently stand at 24%, are proposed to be reduced to 15% through special projects for modernization and upgradation of the power transmission and distribution system at a cost of Rs. 3225 crore which would benefit the State Electricity Board to the tune of Rs. 1000 crore annually. I also take this opportunity to urge you to release our pending incentive of Rs. 251 crore for the year 2003-04 under the Accelerated Power Development Reforms Programme (APDRP) withheld on the ground that the State announced free power to the farmers. Free power was provided with effect from 1/9/2005 and therefore, it should have no bearing on the incentives due in the year 2003-04. Further, I would urge upon GoI to extend APDRP to both rural and urban areas.

20. Under the Rajiv Gandhi Gram Vidyutikaran Yojana, we have submitted schemes of Rs 165 crore for providing electricity supply to all the rural households in Punjab. Unfortunately, the Rural Electrification Corporation has sanctioned only one scheme of Rs 22.97 crore for Ferozepur district. Punjab has upgraded its rural electrification infrastructure in all 12428 villages at a cost of Rs. 330 crore to ensure 24 hour uninterrupted power supply to the villages. A sum of Rs. 90 crore is being spent for providing similar facility to 12704 Deras and Dhanies (hamlets). For full and effective rural electrification, I would propose that there should be no condition such as outsourcing of works to provide funds under RGGVY.

EDUCATION

21. Sir, I am happy that the Draft Plan document proposes to raise public funding on Education and Skill Development from the present 3.6% to around 6% of GDP. Punjab's track record in the field of education and skill development has not been very encouraging and the mismatch between its economic advancement and social growth is most evident here. Literacy rate of Punjab at 69.95% (as per 2001 census) is marginally higher than national average of 65.38%. The State has not succeeded in universalizing primary education. The enrolment in schools is about 80% and the drop out rate at primary level is 25% and at secondary level is 70%. The drop out rate of SCs and other weaker sections is even higher.

22. Sir, while I welcome the Plan proposal to open 6000 high quality schools in each block of the country to provide quality education in the rural countryside, I request that this number needs to be increased. It gives me pleasure to share with this House that our Government has already taken a lead by initiating a programme to set up over 141 Adarsh Schools, one in each block in the State in the 11th Plan. The first such school has already been inaugurated in Shaheed Bhagat Singh's ancestral village Khatkar Kalan. Similarly, we are also in the process of upgrading facilities in around 350 High/ Senior Secondary Schools with NABARD assistance. I also welcome the Plan proposal to promote science education & research at graduate and post-graduate level through liberal scholarships. To achieve this objective, it is necessary that science education at the school level is strengthened. GoI should assist the States by providing qualified faculty and fully equipped laboratories.

23. The Sarva Shiksha Abhiyan (SSA) has proved very successful in upgrading the infrastructure in Primary and Elementary Schools. The State Government feels that this programme needs to be strengthened and extended to Secondary Schools and given the resource crunch the States are faced with, the funding pattern should not be diluted from the present 65:35. I again reiterate our earlier request that Government of India should bear 50% of the financial liability of 13000 elementary teachers (Rs. 157.00 crore) already appointed by Urban & Rural PRIs.

24. I welcome the proposal of the Commission to revamp the ICT education and step up the outlays in the Secondary and Senior Secondary Schools in the country. We have already introduced computer education in 5272 Upper Primary Schools benefiting 13.50 lac students at an estimated cost of Rs. 96 crore. The annual liability on account of pay of teachers and maintenance of computer systems is about Rs 70 crore which should be shared by GoI.

25. In the field of Vocational Education, I request the Government of India to consider approving a Perspective Plan of Rs. 1009 crore submitted by the State Government to the Planning Commission in March 2007 for increasing the coverage of school students under vocational education.

26. We welcome the decision of the Government of India for setting up a Central University in the State. National Institute of Studies Guru Granth Sahib at Amritsar, which was announced by the Hon'ble Prime Minister should be set up at the earliest. The State Government reiterates its request for setting up an Indian Institute of Technology and Indian Institute of Management in the State.

HEALTH AND MEDICAL EDUCATION

27. I appreciate that Government spending on public health is being enhanced to 2% of GDP during the Eleventh Plan. While certain innovative Public Private Partnership (PPP) models have

emerged in the delivery of healthcare services, Government's commitment towards providing basic health services cannot be diluted. The National Rural Health Mission (NRHM) is a good initiative and we strongly urged the Planning Commission to allocate greater resources for improving health care infrastructure as well as delivery of services.

28. I also welcome the reference to the likely launch of a National Urban Health Mission for meeting the health needs of the urban poor, especially slum dwellers. I would like to state that in Punjab, we have already initiated a scheme to set up urban health centres in Municipal Corporation towns. This experiment was taken up on a pilot basis some years ago in Amritsar and its impact on increasing institutional deliveries and immunization has been successfully demonstrated. It is now being extended to other towns.

29. In Punjab, we are conscious that our health indicators are not at par with some of the other similarly placed States with high income levels. Though Punjab is performing substantially better than the national average with an IMR of 44/1000 against a national average of 58/1000, MMR of 178/1,00,000 against national figure of 301/1,00,000 and TFR of 2.1 against the national average of 2.9, we are further reinforcing our efforts and taking remedial action with a commitment to achieve the targets laid down by Planning Commission with regard to IMR (21), MMR (59), TFR (1.8) and Institutional Deliveries (80%). The performance on

immunization, which has shown some slippage in the last few years, is being again taken up with the required concern. The School Health Checkup Programme is also being improved upon to focus on preventive aspects of healthcare as well as for early detection of health problems. I also welcome that there appears to be a convergence of thinking by dove-tailing ICDS, hot cooked meals for school children and public health measures involving better hygiene and sanitation.

30. The State is plagued by problems of drug addiction, female foeticide as well as deaths due to cancer in certain endemic pockets of southern Punjab. These problems also have social ramifications and tend to rupture the social fabric. Drug De-Addiction Centers are proposed to be set up at district and state level. The State Government has sought to tackle the menace of female foeticide through strict enforcement of PNDT Act, mass media campaigns and assistance to NGOs. Out of 403 prosecutions launched in the country, 97 cases are from Punjab alone and so far there have been 7 convictions. The State will have no difficulty in improving the child sex ratio from 798 in 2001 to 850 by the end of the 11th Plan. Punjab Cancer Centre has been initiated with proposed establishment of oncology wards in all state medical colleges and 20 district hospitals. We propose that in addition to initial central grant for equipment and machinery, a recurrent grant may also be provided during the 11th Plan period to sustain the momentum of the programme.

31. Punjab has been a pioneer in medical education, the medical college at Amritsar being one of the six oldest medical institutions in the country. The Pradhan Mantri Swasthya Suraksha Yojna (PMSSY), approved in 2006 with the object of correcting imbalances in availability of effective and affordable tertiary healthcare through enhancing quality of medical education in the country, provides for upgradation of medical institutions with an outlay of Rs. 120 crore each of which Rs. 100 crore being central assistance. It is a matter of regret that State of Punjab has been completely excluded from this dispensation and even the oldest State Medical College at Amritsar has not been considered for such upgradation. May I earnestly request Hon'ble Prime Minister to undo this injustice and direct the inclusion of Medical College, Amritsar under PMSSY.

GOVERNANCE AND ROLE OF STATES

32. I would like to appreciate the Planning Commission for focusing upon Governance and the Role of States in the Eleventh Five Year Plan. Government is the medium through which a democratic society seeks to translate its aspirations into reality. One of the major shortcomings of our planning process has been neglect of the Government processes that are responsible for implementation of the policies outlined at the National or State level.

33. I would like to inform you that the State has made some progress in improving its governance delivery systems. We have transferred primary schools, health dispensaries and veterinary hospitals to PRIs for better delivery and accountability. We have already approved the enactment of a new Police Act in line with Government of India recommendations. Increasing use of Information Technology is being made in registration of properties, land records, commercial taxes, transport, police and grievances redressal and delivery of public services at district and sub divisional level. A programme for construction of Judicial and Administrative Complexes at all the district and sub divisional headquarters has been launched.

INFRASTRUCTURE

34. To fill the infrastructure gaps in roads, airports, drinking water, sewerage and power is a gigantic task, involving huge investments. Increasing revenue deficits and continuing fiscal stress does not permit the State to generate surpluses for capital formation for infrastructure development. It is, therefore, important to attract private investment into infrastructure development. Nevertheless, private sector investment in infrastructure projects has highlighted the concept of risk analysis and risk management, requiring specialized agencies. The Government of Punjab have already created necessary legal framework in this behalf by enacting an

over-arching law, namely the Punjab Infrastructure (Development and Regulation) Act.

35. Important infrastructure projects undertaken in PPPs during the 10th Plan include – 11 important State Highways of 760 km length at an estimated cost of Rs. 881 crore, 4 new Bus Terminals at Amritsar, Jalandhar, Ludhiana and Hoshiarpur and 12 Polytechnics and Industrial Training Institutes.

36. Some of the new projects planned in PPP during the 11th Plan include Ring Roads in Ludhiana, Jalandhar & Amritsar, 4 High Speed Express ways – Mohali – Phagwara, Amritsar Airport, North – South (Kathalour to Sardulgarh) and East- West (Mohali – Faridkot – Fazilka), Bye Passes for the three towns of Bathinda, Nawanshehar and Garhshankar, Punjab Institute of Medical Sciences at Jalandhar, development of specialty hospitals in urban areas i.e. Bathinda, Mohali etc., City Transport Service in the 4 Municipal Corporation Towns – Amritsar, Ludhiana, Jalandhar and Patiala, Special Economic Zones in Amritsar and Goindwal Sahib and Adarsh Schools one each in the 141 blocks in the State. Besides, Metro Rail Systems are planned for Ludhiana and Amritsar towns.

TRANSPORT

37. The work of 4-laning of the three National Highways: Chandigarh – Kiratpur, Jalandhar – Pathankot and Jalandhar – Amritsar has been sanctioned but the progress of work is very slow.

NHAI needs to expedite the completion of 4 -laning of these roads. The work on the three projects which have been included by MORTH in NHAI programme needs to be started - 70 km Ludhiana – Chandigarh road, 6 laning of which was announced by Hon'ble Prime Minister in Ludhiana on 23rd September 2005; 135 km Ludhiana – Moga – Ferozepur - Hussaniwala road, 4 laning of which was announced by Hon'ble Prime Minister in Amritsar on 20th December 2004; and 4 laning of 209 km of Chandigarh – Patiala – Bathinda National Highway under BOT.

38. I am grateful to the Government of India for announcing an Express Way from Delhi to Chandigarh and 6 laning of Panipat – Jalandhar portion of the National Highway – 1. We welcome the decision of Ministry of Railways to modernize the 3 Railway Stations of Amritsar, Ludhiana and Jalandhar and to build a dedicated freight corridor from Kolkatta to Ludhiana during the 11th Plan period. We request that it be extended upto Attari Border which will further encourage trade with Pakistan.

39. Previous years arrears amounting to Rs. 103 crore under Central Road Fund are yet to be released by the Ministry of Road Transport. Since CRF is a non lapsable fund, state share of previous years under CRF should be released.

40. State Government is acquiring land for rural roads being upgraded under Bharat Nirman Programme. The Annual expenditure

is likely to be Rs. 150 crore. Government of India should provide funds for land acquisition under Bharat Nirman Programme/PMGSY.

41. National Highways are maintained by the State Governments with funds provided by GoI. However, these funds are inadequate and a larger provision needs to be made as per requirement.

CIVILAVIATION

42. The State Government is keen to develop Airports and Flying Clubs across the State. We have requested for creating a Civil Enclave at the Adampur Air Field near Jalandhar. It is situated in the NRI heartland of the State. The Sahnewal Air strip near Ludhiana is proposed to be developed into a Domestic Airport. The State Government is willing to provide the requisite land. The Airport Authority of India (AAI) has been asked to prepare a study report. There is no Airport in the six districts of the State adjoining Rajasthan and Haryana. The State Government has moved a case for construction of a Civil Terminal at Airport Station, Bathinda. Approval of Ministry of Defence, GOI is required.

43. The State Government is acquiring 45 acres of land at its own cost for the upgradation and modernization of Amritsar International Airport. We are grateful to the Ministry of Civil Aviation for approving an International Airport at Chandigarh. The Airport Authority of India and State Government will be the

joint partners in this venture for which an MoU is being signed with AAI soon.

44. Keeping in view the present boom in the aviation sector and demand of pilots and engineers, the State Government has planned the establishment of 6 new flying training centres at Amritsar, Ludhiana, Bathinda, Talwandi Sabo, Faridkot & Sultanpur Lodhi, some of them in the private sector.

INDUSTRIAL DEVELOPMENT

45. Mr. Prime Minister, Sir, in the 11th Plan, increasing manufacturing competitiveness has been rightly emphasized as a challenge. If the manufacturing sector is to grow at 12%, as envisaged, infrastructure, consisting of roads, railways, airports, communication and electric power will need to be improved at least to the level of the countries that we are competing in the world market. In the open trade environment, producers need to compete not only to capture international markets, but also to retain domestic market share. This calls for a level-playing-field in terms of additional costs, which poor infrastructure entails for the producers.

46. The State Government has taken number of steps to augment the private investment in the State. These include abolition of octroi, enactment of Industrial Facilitation Act, 2005, constitution of Empowered Committee for clearance of Mega Projects and

release of capital subsidy to the industrialists. A 1206 acre Special Economic Zone (SEZ) is being developed in partnership with DLF Limited at Amritsar. Besides, two other SEZs of M/s Quark and Ranbaxy at SAS Nagar (Mohali) have been approved by Government of India. The State Government is trying to revitalize the Industrial Focal Point at Goindwal Sahib near Amritsar by developing it as a product-specific SEZ. Some of the other important projects proposed in the 11th Five Year Plan are development of Industrial Cluster at Batala, establishment of two Textile Parks at Ludhiana and Barnala, setting up of Convention Centres- at Amritsar and Mohali.

47. The State Government is alive to the sensitive issue of land acquisition and displacement of farmers and has notified a new Land Acquisition Policy. Henceforth, private land would be acquired only if the land is needed for a defined public purpose. The private companies will buy land on their own and the Government will not acquire more than 10% of the land for them at their cost to provide contiguity and connectivity. The acquisition would be at the actual market rate and the farmers would be fully compensated. The policy is being further amended to make the farmers stakeholders in the development of commercial, housing and industrial projects.

48. We welcome the decision of Government of India for granting approval for the implementation of Refinery Project at Bathinda by Sh. Lakshmi Narayan Mittal in collaboration with Hindustan

Petroleum Corporation Limited. Gas Authority of India Limited (GAIL) is requested to expedite the construction of Dadri to Nangal gas pipe line. The gas is proposed to be utilized for generating 1000 MW power at Doraha Power Station and for domestic supply and industrial use at Gobindgarh and elsewhere.

49. Manufacturing Sector in the State has been rendered totally uncompetitive due to tax sops offered by the Government of India to the neighbouring States of Uttaranchal, Himachal and J&K. We welcome the suggestion of the Planning Commission for replacing these concessions, fully or partly, by an accelerated programme of infrastructure improvement in these states. The Government of India should also facilitate big ticket investments in the State in agri-processing, auto and auto components and textiles to revitalize the manufacturing sector. We request Government of India to include Punjab in the ambit of the proposed industrial corridors.

50. The State Government thanks the Union Government for sanctioning two projects for upgradation of facilities at Railway Station and development of On-Port and Off-Port facilities at Attari at an estimated cost of Rs. 19 crore and Rs. 87 crore respectively. A new Cargo Complex is also planned at Amritsar Airport. The 4-laning of National Highway from Attari to Amritsar is also underway. These projects can give a tremendous boost to trade with Pakistan and help in bringing investments in the backward border areas of the State provided some policy changes are made.

More than one thousand items are tradable with Pakistan. However, only a few of these items can move through the land route. This negates the locational advantages, the State has with Pakistan.

URBAN DEVELOPMENT

51. Punjab is looking forward to channelize the investment from both within India and abroad to promote real estate development in a big way. For the first time, the State has come out with a comprehensive policy prescribing collection of External Development Charges, License/Permission Fee and Change of Land Use charges, to generate sufficient revenue to provide the ultra modern urban infrastructure. New Town Planning norms conforming to international standard have been laid for the development of towns. A process for preparation of Master Plans of the four Corporation Towns and 30 other towns has been initiated.

52. City Development Plans for Amritsar to the extent of Rs. 3150 crore and for Ludhiana to the tune of Rs. 2054 crore have been approved by MoUD, GoI under JNNURM. Detailed project reports for some components including the Elevated Road Project in Amrtisar have been approved and work has started. I thank the Hon'ble Prime Minister for including the satellite town of SAS Nagar (Mohali) under JNNURM as a part of tricity of Chandigarh. The State Government has signed an agreement with

Japan Bank for International Cooperation (JBIC) for a loan of Rs. 360 crore for providing 100% coverage for sewerage and installation of sewerage treatment plants in Amritsar.

53. The urban infrastructure including water supply, sewerage and sewerage treatment plants in 42 major towns of the State is proposed to be provided under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT). Besides, basic services for urban poor in Amritsar, Ludhiana and SAS Nagar will be covered under the much larger JNNURM scheme.

RURAL WATER SUPPLY AND SANITATION

54. An agreement was signed by the State Government with World Bank for Rs. 1280 crore for Punjab Rural Water Supply and Sanitation Project for five years in February, 2007. The project aims at covering 2124 Not Covered villages and 920 Partially Covered villages, improvement of existing water supply schemes in 1600 villages, providing small bore sewer in 100 villages & renovation of ponds in 1000 villages. The State Government proposes to cover all remaining 2991 PC and 3575 NC villages during the 11th Plan period under the World Bank, NABARD Aided Project and Accelerated Rural Water Supply Programmes.

55. The State Government is providing assistance to poor people in rural areas for construction of individual toilets. A sum of Rs. 60 crore and Rs. 120 crore was released during the year

2005-06 and 2006-07, respectively for construction of 2,90,000 toilets. A sum of Rs. 6300 is given to the beneficiaries and non BPL families are required to contribute a sum of Rs. 1000. As per the latest survey, an additional 7 lakh toilets are required to be constructed in the villages at an estimated cost of Rs. 420 crore. Notwithstanding the present initiatives of the Union and State Governments, it is a hard fact that adequate, clean drinking water and basic sanitation facilities continue to elude the majority of our rural population. It is time that the Planning Commission took serious cognizance of this and launch a major time-bound initiative to provide these basic amenities.

EMPLOYMENT AND SKILL DEVELOPMENT

56. Growth in employment, especially in the organized sector, has not been commensurate with the growth in the Economy during the 10th Five Year Plan. Jobless growth is clearly unsustainable and there is urgent need to enhance the employability of the youth in the State. It is in this context that the State Government has recently created a separate Department of Employment Generation and Training.

57. Construction, retail and realty and services sectors are the biggest generators of employment. A special package of incentives needs to be worked out to promote a model of development in the States on the pattern of Dubai, Singapore and Malaysia. The Urban

Land Ceiling Act has also been abolished. Stamp Duty has been recently reduced from 6 % to 5 % in rural areas. Housing and other Real Estate Projects involving investment of over Rs. 100 crore are eligible for single window approval by the Empowered Committee headed by the Chief Minister to facilitate investment and promote employment generation.

58. A sum of Rs. 10 crore has been earmarked for the Department of Employment Generation and Training in the current year with a view to exploring avenues for employment for Punjab youth in various places. The proposal of the Planning Commission to launch a "National Skill Development Mission" in the 11th Plan is laudable. A skill deficit has emerged virtually in all areas of manufacturing and service industry and it is likely to get magnified in future if remedial interventions are not planned and implemented. The State Government has a proposal to introduce vocational and professional training in all the educational institutions. Besides, Skill Development Centers are proposed to be set up in the State in construction, textile agri - processing and other sectors. A Foreign Employment Information & Training Bureau with the objective of generating information for employment of Punjab youth outside the country is being set up.

59. The importance of tourism sector in generating employment opportunities is well recognized. The State Government will be spending about Rs. 35 crore during the next two years for developing

Amritsar, Attari and Patiala as Tourist Destinations and on development of religious pilgrimage circuit and freedom struggle circuit. The existing religious monuments, homes of freedom fighters and other monuments would be renovated. Another important initiative planned by the Ministry of Tourism, GoI, State Government and the Indian Railways is the 'Incredible India -- Punjab Luxury Train' costing about Rs. 30 crore. It would cover important tourist destinations in the State as well as cities of New Delhi, Jaipur and Agra.

DECENTRALISATION

60. State Government is committed to empowerment of the Panchayati Raj Institutions through greater functional and financial autonomy. The State Government has already transferred some of the important activities of 6 departments to the PRIs in 2006-07. These include transfer of 1187 Rural Health Dispensaries, 582 Rural Veterinary Hospitals and 5752 Primary Schools to the Zila Parishads. The doctors have been engaged as Service Providers on contract basis while the teachers have been recruited by the respective Zila Parishads on regular basis. The other activities transferred are disbursement of Social Security Pensions, ICDS Centres and 754 Rural Water Supply Schemes. 29 activities, which are currently administered at the provincial level, are proposed to be effectively decentralized to the Municipalities and the Panchayati Raj Institutions.

61. The Act and Rules for constitution of District Planning Committees have been notified. The State Government is shortly going to hold elections for the Panchayat Samities and Zila Parishads which are due in January 2008 and for Municipal Committees in February 2008. It is proposed to constitute District Planning Committees immediately after these elections.

BPL FAMILIES

62. The issue of definition and assistance to BPL families requires a re-look. At present, BPL families are defined in minimalist terms. The definition of poverty and consequently for BPL families which was given in the mid seventies needs to be revised. The present BPL list is based on the survey carried out in 2002 and finalized in September, 2006. The total number of BPL families is 5.05 lakhs which is about 11 % of the families in the State. For the 11th Plan, the Planning Commission should come up with a new definition at the earliest and there is a need for a fresh survey for identification of BPL families.

SOCIAL SECURITY

63. The State Government is conscious of its responsibility towards the weaker and disadvantaged groups of the society. A dedicated Social Security Fund funded by 5% cess on Electricity Duty and 3% additional Stamp Duty on urban land transactions has

been created to meet the State's commitment in regard to old age and other pensions, various scholarships to SC girls and boys and other beneficiary schemes for the disadvantaged groups. The total annual expenditure for the pensions for 14.50 lakh persons is about Rs. 427 crore and Rs. 85 crore for scholarships.

64. We appreciate the recent initiatives of the Government of India on Social Security consisting of Unorganized Sector Workers Social Security Bill, 2007 aimed at providing statutory backing to the various social security schemes of the Central Government, the Aam Admi Bima Yojana 2007 for Rural Landless Households and Health Insurance Scheme for Unorganised Sector BPL workers. The State proposes to opt for Aam Admi Bima Yojana 2007 and the Rashtriya Swasthaya Bima Yojana for BPL Workers.

WELFARE OF SCHEDULED CASTES / BACKWARD CLASSES

65. All SC and BPL families get free electricity up to 200 units per month. The State Electricity Board is fully reimbursed the cost of free power by the State Government. Under the Shagan scheme, a grant of Rs. 15,000 is given to SC/ Christian/ Muslim family at the time of marriage of the girl with an annual outlay of Rs. 40 crore. The Government spends about Rs. 85 crore every year for supply of text books to SC students studying in 1-10th class and

SC girl students studying in 10+1 and 10+2 classes, for attendance scholarship to SC primary girl students, scholarships for Pre-matric and Post-matric SC/OBC students. About 9.92 lakh students are being benefitted. There is a proposal to grant One Time Settlement in respect of loans advanced by Punjab State Scheduled Castes Corporation and BACKFINCO. The total amount involved is Rs. 13 crore.

66. Wide publicity has been given for creating awareness about the Protection of Civil Rights Act, 1955 and Prevention of Atrocities Act, 1989. Financial assistance of Rs. 25,000/- per couple is given to promote marriage between a SC and non-SC person. Panchayats who do outstanding work for overall development of Scheduled Castes are given a grant of Rs. 50,000/-. Cases of atrocities on SCs are very negligible in the State. Prompt action is taken by the State Government to ensure registration of cases under the relevant provisions of the Act in respect of cases of atrocities.

67. The SC population in the State constitutes 28.85% of the total population which is highest in the country. No weightage is given by the Planning Commission in the allocation of funds through various windows to the SC population in the State. It is, therefore, suggested that percentage of SC population may be included as one of the criteria governing transfer of funds under

Gadgil-Mukherjee formula from the Centre to the States. Alternatively, a provision under special problems should be made for this purpose.

SCIENCE, TECHNOLOGY AND ENVIRONMENT

68. The State Government is grateful to Government of India for sanctioning three important National Level Institutes of higher knowledge. These institutes - Indian Institute of Science Education and Research (IISER), National Agri Food Bio-Technology Institute (NABI) & National Institute of Nano-Technology are being located in the Knowledge City in SAS Nagar (Mohali) where land measuring 390 acres has been acquired at a cost of Rs. 272 crore by the State Government. Department of Bio-technology, Government of India is requested to expedite the approval of Union Cabinet for NABI.

69. Punjab Energy Development Agency has launched a massive programme for development of 1100 MW of power from Non – Renewable Sources of Energy. The projects include Small Hydro – Projects (301 MW), Bio-Mass Co Generation Projects (342 MW) in sugar mills, distilleries and other industries, Bio-Mass Power Projects (338 MW), Wind Power (110 MW) and Solar Power Projects.

70. The State Government has launched a major programme for cleaning up Holy Bein (a sacred but polluted rivulet in Kapurthala

& Hoshiarpur Districts) which empties into river Beas and Budha Nallah which carries the waste of Ludhiana city and empties into the Sutlej river. 3 STPs are planned in Ludhiana, one of which has already been commissioned and the remaining 2 would be commissioned by December, 2007.

DEFENCE UNIVERSITY

71. The State has provided maximum number of Jawans and Officers in the Armed Forces. The proposal to set up a National Defence University in the State is pending for quite some time with Union Government. The State Government is ready to arrange land free of cost for this purpose. Ministry of Defence is requested to expedite its decision.

BORDER AREA DEVELOPMENT

72. Punjab has a 553 km long international border with Pakistan. The four districts of Gurdaspur, Amritsar, Tarn Taran and Ferozepur are not as developed as the other districts of the State. The present annual allocation under Border Area Development Programme (BADP) is too meager to mitigate the specific problems of our border districts. The allocation needs to be enhanced significantly for the programme to be made meaningful. Similarly, there is no significant industrial investment in these border districts. The State Government feels that in order to attract industry to these areas,

fiscal and other incentives granted to the new industries in the neighbouring States of Himachal Pradesh and Jammu & Kashmir must be extended to the four border districts of Punjab.

73. Land measuring 18500 acres is situated across the border fence. Access to these areas is restricted and farmers are discouraged from growing tall crops. The Task Force set up by the Planning Commission on BADP took cognizance of these difficulties faced by the farmers but they did not make any recommendation to redress the problem. There is an urgent need to compensate the farmers on regular basis at the rate of Rs. 5,000 per acre per annum. The annual liability is hardly Rs. 9 crore.

74. The rural link roads in the border districts, which are used by defence forces, need to be upgraded and strengthened. We are grateful to the Hon'ble Prime Minister for announcing a package for construction and upgradation of rural roads in the border districts during his visit to Amritsar on 20/12/2006. The State Government has forwarded a proposal for upgradation of 744 km road length at an estimated cost of Rs. 200 crore to GoI. I urge the Ministry of Rural Development to expedite their approval. Likewise, our proposal of Rs. 312 crore for upgradation and strengthening of rural electrical infrastructure in 18 border blocks should also be approved under BADP.

CONCLUSION

75. Sir, the Eleventh Plan is a watershed plan and bears great importance for the future growth and development of the States and the Country. The Planning Commission must recognize the inter-se variations in the levels of development between states. There cannot be pan-Indian solutions to the myriad problems confronting the States. As elaborated above, the problems of Punjab are unique. The State has depleted its only natural resources of water and soil in order to meet the foodgrains requirement of the country. The State is land-locked with a hostile international border. The two decade long militancy in the State has adversely impacted upon all sectors of our economy. The Planning Commission must recognize these problems and provide special assistance to the State.

76. Last, but not the least, I would like to draw your attention to the fact that relatively developed states like Punjab are virtually excluded from accessing most of the national programmes because of the procedural rigidities and the availment norms, which are fixed solely with an eye on the least developed States. Without intending to harm other States, which are relatively less developed, I would like to suggest that a formula may be devised with a view to assisting those States which have already achieved more than minimum national norms, so as to improve their performance further

and supporting them to benchmark themselves to the best in the world, rather than being deprived of assistance under the National Programmes.

77. While concluding, I would like to thank you for affording me this opportunity to meet you all and share my thoughts on the 11th Five Year Plan.

JAI HIND