

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

INTRODUCTORY

I congratulate Dr. Manmohan Singhji, Dr. Montek Singh Ahluwalia, Deputy Chairman and Members of the Planning Commission of India on preparing a detailed Draft Eleventh Five Year Plan for the approval of the National Development Council.

2. National growth rate is 9 % in recent years but its benefits are not reaching the rural and the urban poor. The poor are not getting basic minimum services. About one-third population is below poverty line.
3. Special problems of Punjab: Depletion of our soil and ground water resources, mounting farm debts and the resultant farmers suicide, the peculiar geographical location of Punjab as a land-locked State with an active and hostile international border, lack of employment opportunities, slow growth of Industry, no major central investment.
4. The allocation of resources to the State's should be made state-specific, taking into account local variables. We must ensure that the states that have done better than the minimum national norms are not penalized through a dispensation which favours backward and underperforming states.

STATE FINANCES

5. We inherited a legacy of low growth, heavy debt burden and very poor overall fiscal health.

a. The net burden of debt on Punjab stood at Rs. 49000 Crore at the start of the current financial year.

b. Punjab economy has been consistently growing at a rate lower than the national average for more than twenty years now. The main reasons for this are prolonged militancy, stagnation in agriculture, flight of industry because of concessions given to neighbouring states, very low central investment in the state and several other unfriendly policies and decisions of the Government of India vis-à-vis Punjab, such as the abolition of freight equalization. This led to the poor financial health of the state, forcing it to resort to heavy market borrowing to fund its development process. The National Development Council should devise a suitable policy package for the states with growth rate lower than the All India average, more so for the State of Punjab which continued to contribute to national food security even during the years of insurgency.

State's Economy.

AGRICULTURE AND ALLIED SECTORS

6. Three major issues - food and nutrition security, poor economy of small and marginal farmers and heavy indebtedness which is a result of poor farm incomes and which itself has led to suicides by over one lakh farmers across the country.

7. Punjab has played major role as food bowl for the country at a heavy cost to the state and its farmers. Our only natural resource, water and soils, have been gravely depleted. It now demands very heavy investments to rejuvenate these resources and achieve higher levels of productivity. The farmers need to be assisted to make these investments.

The present structure and approach to the issue of Minimum Support Prices for the agricultural produce should be revised. It does not take into account the rising costs of farm inputs, and other factors. Farm labour is unfairly categorized as "unskilled" which negatively influences the determination of the MSP. We have been advocating that the MSP should be linked to the Overall Price Index in the country. The only other alternative is to accept and implement the recommendations of the noted farm economist, Dr. M.S. Swaminthan, under which the MSP should be equal to the cost of production PLUS 50%. The Parliamentary Committee on agriculture has also endorsed this view, rejecting the present system as 'outdated.'

Agriculture is a state subject but the states have no say either in the fixation of prices of farm inputs like fertilizer and diesel or in determining the MSP.

This issue deserves greater attention.

10. Farm indebtedness: Over Rs. 26,000 crore. Wrong policies and decisions of the governments are responsible for this, and not the farmer.

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, allow an interest rebate of 2% on the interest charged by banks and conversion of short term loans into medium term loans.

11. An Agriculture Development Fund (ADF) may be created 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 to rejuvenate irrigation network in the State.

Rashtriya Krishi Vikas Yojana (RKVY) is a welcome initiative but we have some reservations about the criteria for grants and want that half the weightage may be given to maintenance and upgradation of existing infrastructure of irrigation and remaining half to un-irrigated area instead of full weightage to un-irrigated area.

IRRIGATION

12. The canal irrigation network of the State, which is amongst the oldest in the country, has virtually collapsed and needs immediate rejuvenation. We have prepared an programme of around Rs. 3200 crore for rejuvenation of canal network. The Government of India should fund this programme 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.

POWER

13. The demand for power is growing at very fast pace in Punjab. We have started an ambitious capacity generation programme to make the State surplus in power by the end of 11th Plan. We seek the assistance of Government of India in four specific areas. The Central Government should set up at least two power plants for the State. 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.

14. 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.

EDUCATION

15. There is a need to provide good quality education to the poor people. I am happy to note that the proposal of the State Government to open one Adarsh School in every block in the State has been taken note of by Government of India and I welcome their decision to open model schools

in all the 6000 blocks in the country. I feel that this number is inadequate and should be increased.

16. The Sarva Shiksha Abhiyan (SSA) programme needs to be strengthened and extended to Secondary schools. The funding pattern should not be diluted from the present 65:35.

17. I also welcome the Plan proposal to promote science education & research at graduate and post-graduate level through liberal scholarships. GoI should assist the states by providing qualified faculty and fully equipped laboratories at the school level.

18. It is sad and surprising that Punjab has no IIT or IIM at present. I strongly urge you, sir, to immediately grant one IIT and one IIM to the country's sword arm and food bowl.

HEALTH AND MEDICAL EDUCATION

19. 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.

20. The State Government has taken number of steps to address the problems of drug addiction, female foeticide as well as death due to cancer in some parts of Punjab. 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.

21. Sir, the Government of India has selected 13 Medical Colleges in the country for upgradation at an estimated cost of Rs. 120 crore under the Pradhan Mantri Swasthya Suraksha Yojna (PMSSY). No Medical College of the State, including the oldest State Medical College at Amritsar has been considered under this scheme. May I earnestly request Hon'ble Prime Minister to undo this injustice and direct the inclusion of Medical College, Amritsar under PMSSY.

TRANSPORT

22. 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 three Railway Stations of Amritsar, Ludhiana and Jalandhar and to build a dedicated freight corridor from Kolkatta to Ludhiana during the 11th Plan period. It should be extended up to the Attari border which will encourage international trade, with and through Pakistan.

23. Government of India should provide funds for land acquisition under Bharat Nirman Programme/PMGSY for upgradation of rural roads amounting to an annual Rs. 150 crore. Funds provided by GoI for maintenance of National Highways is inadequate and needs to be increased.

CIVIL AVIATION

24. We are grateful to you for approving an International Airport at Chandigarh. There are three other proposals pending with Government of India. The construction of an International Airport at Adampur was approved in principle by Government of India but the requisite approval of

Union Cabinet is still awaited. It is located in the NRI heartland of the State. Sahnewal Air strip near Ludhiana is proposed to be developed into a Domestic Airport. 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.

INDUSTRIAL DEVELOPMENT

25. 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.

26. 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 by an accelerated programme of infrastructure improvement in these states. We request Government of India to include Punjab in the ambit of the proposed industrial corridors.

27. Upgradation and modernization of Attari Border Post and the 4-laning of National Highway from Attari to Amritsar can boost trade with Pakistan provided more items are allowed to move through the land route with

Pakistan. At present very few items of more than 1000 items tradable with Pakistan are allowed through the land route.

RURAL WATER SUPPLY AND SANITATION

28. 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. We request that the Planning Commission to take serious cognizance of this and launch a major time-bound initiative to provide these basic amenities.

EMPLOYMENT AND SKILL DEVELOPMENT

29. Unemployment is the most serious challenge before the country. 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. I request that at least one skill centre should be opened in every block of the country under the proposed "National Skill Development Mission" in the 11th Plan..

BPL FAMILIES

30. 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 . For the 11th Plan, a fresh survey for identification of BPL families should be undertaken.

WELFARE OF SCHEDULED CASTES / BACKWARD CLASSES

31. 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.

SCIENCE, TECHNOLOGY AND ENVIRONMENT

32. The State Government is grateful to the Government of India for sanctioning National Agri Food Bio-Technology Institute (NABI) & two other National Institutes in the proposed Knowledge City in SAS Nagar (Mohali). I request you to accord approval of the Union Cabinet for NABI.

BORDER AREA DEVELOPMENT

33. Punjab has a 553 km long international border with Pakistan. The present annual allocation under Border Area Development Programme (BADP) is too meager and it needs to be increased. Similarly, there is no significant industrial investment in these border districts. The fiscal and other incentives granted to the new industries in the neighbouring states must be extended to the four border districts of Punjab.

34. Cultivable and fertile land measuring 18500 acres is situated across the border fence to which farmers have restricted access. Our long pending demand for compensation to the farmers on regular basis at the rate of Rs.

5,000 per acre per annum should be met. Annual liability is hardly Rs. 9 crore.

35. The rural link roads in the border districts, which are used by defence forces, need to be upgraded and strengthened. Sir, your announcement at Amritsar last year for upgradation of rural roads at an estimated cost of Rs. 200 crore requires to be cleared at the earliest by the Ministry of Rural Development. 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

36. Sir, to conclude, the Eleventh Plan bears great importance for the future growth and development of the states and the country. Our State which was in the forefront in economic growth and development is facing some problems which I have outlined earlier. I am hopeful that under your leadership the State would receive the attention and help it deserves. I thank you for affording me this opportunity to meet you all and share my thoughts on the 11th Five Year Plan.