

## **Respected**

1. **S. Montek Singh Ahluwalia, Dy Chairman,**
2. **Sh. Ashwani Kumar, State Minister, Planning,**
3. **Members of Planning Commission,**
4. **Ladies and Gentlemen**

1. I thank the Hon'ble Deputy Chairman for calling this meeting of Planning Commission to finalize Annual Plan for the State of Punjab.

### **System of Planning and Form of Government**

2. The basic aim of Planning should be overall development, prosperity, removal of unemployment and provision of basic amenities like housing, health care, safe drinking water, quality education etc.
3. Sadly even after 65 years of independence and planning, our country is still one of the poorest in the world.
4. Accordingly to a recent survey of GoI, 60% of the rural population has consumption level below Rs. 25/- per day and urban population under Rs 32/- per day.
5. A large number of families are forced to live in one room, kachha house.
6. Many basic amenities like safe drinking water, quality education, healthcare etc. are out of the reach of common man.
7. I think that one of the most important reason for this is centralized planning and unitary form of government.
8. Now the needs of the hour is de-centralized planning and federal system of Government.
9. Different areas and states have different needs but we try to impose uniform policies and decisions on the entire country.
10. States must be given free hand to identify the problems of the people of their states and make plans and policies to solve them according to specific needs.

### **Role of Punjab**

1. Punjab has played a great role in the freedom struggle of the country.
2. For the sake of the country's independence millions of Punjabis lost their lives and valuable properties.
3. Even today Punjab is called granary and sword arm of the country. In spite of such a role it could not get justice.

## **ACHIEVEMENT OF THE GOVT IN THE LAST 5 YEARS**

### **PLAN PERFORMANCE**

- The Plan performance for 11<sup>th</sup> Plan - 80%.

### **ECONOMIC GROWTH**

- 11<sup>th</sup> Plan target for Economic Growth - 5.90%,
- State's economic growth - 6.74%

### **STATE REVENUES**

- The state's own revenues have Doubled.
- Debt to GSDP ratio declined from 42% to 30%.

### **Power**

- Power is major requirement for economic growth of the State.
- Work ongoing on 3 new power plants – 3920 MW.
- Along with this Shahpur Kandi Hydel Dam is being raised as a National Project.
- With this the State will become self sufficient in 3 years.

### **Education**

- In Education Development Index the State has improved its position from 14<sup>th</sup> to 3<sup>rd</sup> position in the country.

### **Health**

- The state's health infrastructure has been rated as "excellent" by the common Review Mission of GoI.

### **Agriculture**

- We have broken all previous records. Wheat procurement will be in excess of 125 lac metric tones this year.
- State was awarded Krishi Karman Award for production and productivity of food-grains by GoI during 2011-12.

### **ISSUES**

Now I will come to specific issues concerning the state.

### **DEBT**

- Debt is the biggest issue today.
- But this problem is not the creation of Punjab Govt.
- State has done and is doing all that it can do.
- States own revenue has been doubled in the last 5 years.
- The debt to GSDP ratio has been reduced from 42% to 30%.
- But the state still faces a debt of Rs 77,000 crore.
- Rs 7,000 crore is required merely to service this debt annually.
- Factors responsible for debt were beyond the control of Punjab.

#### **Reasons of debt**

- (i) Long spell of militancy. Militancy was not treated as National Problem. As a result the state had to bear an additional burden of Rs 11000 crore.
- (ii) Industrial concessions to neighbouring states,
- (iii) Decreased state share in central taxes – from 2.4% to 1.4%.

- (iv) Gadgil-Mukherjee and all other formula are against Punjab.
- (v) Implementation of the Pay Commission report.
- (vi) Interest burden on the debt itself.
- To solve the problem, a committee was set up to help the states of Punjab, West Bengal and Kerala, as recommended by 13th Finance Commission.
- Even that has been put in cold storage.

### **Our Request**

- The small saving component of Rs 23264 crore should be written off.

### **AGRICULTURE**

- Agriculture is the main source of livelihood in Punjab,
- Punjab farmer has always worked hard.
- Even this year, there has been a record procurement of 125 MT of wheat.
- Punjab has depleted its soil fertility and sub-soil water for feeding the nation.

### **Minimum Support Price**

- But the farmer could not get justice as the price of his produce is never according to the rise in the cost of production.
- Dr Swaminathan formula

## **1. Inclusion in National Food Security Mission**

- Only 10 districts for wheat and no district for rice are covered under National Food Security Mission.

2. **RKVY**

- 50% funds are given on the basis of non-irrigated land and for increase in productivity.
- In Punjab entire land is irrigated and productivity has reached saturation point.
- Funds should be given for maintenance and upgradation of the existing canal infrastructure and for ensuring sustained agricultural production.

3. **Diversification**

- Maize is the best alternative crop.
- Although the center has announced MSP, it has done nothing to ensure procurement of maize like it is done in wheat and paddy.

4. **Outstanding dues of FCI**

- FCI outstanding dues – Rs 7461 crore. It must be settled.
- FCI pays 3% ID cess on food grains purchased by it but not the same rate to the state agencies who procure on behalf of FCI.
- So FCI should pay Rs 786 crore which is due to the agencies.

5. **Support to Agriculture and Animal Husbandry Universities**

6. **Setting up of Agricultural Institutes**

7. **Storage**

- Shortage in the state – 71 lac MT
- Storage allotted – 51 lac MT

- Got should allot the remaining 20 lac MT capacity
- Lakhs of tonnes of food-grains is damaged every year because of lack of storage which is a national loss.
- Movement of food-grains is extremely slow.

### **8. Rural Debt**

- It has risen to Rs 35000 crore.
- All agricultural loans should be waived off as a one time measure regardless of the size of land holdings.

### **9. Rural Credit**

- Credit should be given at 4% rate of interest to the farmers.
- The rate of re-finance by NABARD should be reduced to 2.5% as earlier from the present 4.5%.
- NABARD rate of interest on RIDF projects should be reduced to the old 6.5% instead of 7.5%.

10. Crop Damage Compensation (Rs 2500 Per acre)

11. Subsidy on Fertilizer – old policy to continue.

### **RURAL DEVELOPMENT AND SANITATION**

1. Sewerage, and treatment and disposal of sullage water from village ponds – new scheme to be launched.

2. Rural Toilets

- India has a reputation for being an open toilet.
- Punjab needs 12 lakh toilets.
- In the past five years, the GoI gave a meagre grant of approximately Rs 15 crore.
- Sulabh has estimated the cost per unit to be Rs 18,500.
- At this rate, Punjab needs Rs 2220 crore to construct 12 lakh units in 5 years.
- The GoI should give grant for this.

3. **Pradhan Mantri Adarsh Gram Yojana**

- No village of Punjab was included under this scheme in spite of the fact that the State has highest SC population (28.85%) in the country.

**4. Houses for Houseless**

**5. BPL families**

- The Planning Commission has estimated 9.75 lac BPL families which is about 15.90% of the population.
- As the survey has been completed, Planning Commission should finalize the BPL figures at the earliest.

**IRRIGATION**

1. We thank the GoI for sanctioning Extension, renovation and modernization of the canals from river Satluj -Rs 734 crore.
2. But 1 for 1 criteria under AIBP should be waived.
3. New project – Rs 3800 crore for modernization and extension of canals, lining of water courses etc. submitted to Water Resources Ministry should be cleared.

**POWER**

**Request :-**

- Compensate for lighting International Border – 380 MWs
- Full coal linkage

**INDUSTRIAL DEVELOPMENT**

1. Industrial Concessions should be given to at least the border districts of Punjab.
2. Major public sector projects should be set up in the state.
3. Delhi-Mumbai Industrial Corridor (DMIC) and Eastern Freight Corridors should also be extended up to Attari.
4. All items which are tradable with Pakistan through Mumbai-Karachi should also be allowed through Attar.

**ROADS**

## **CRF**

	Old Formula	New Formula
Fuel consumption	60%	30%
Geographical area	40%	70%

The old formula should be restored.

## **EDUCATION**

1. Government of India should share the cost of Rs 250 crore required for implementation of Right to Education Act.
2. GoI should allow at least one model school in every block.
3. Criterion for upgradation of schools from middle to secondary should be population rather than distance from existing school.

## **HEALTH AND MIDICATION EDUCATION**

1. GoI should set up a CANCER Treatment hospital.
2. An AIIMS level institute should be set up in Punjab as has been done in Haryana, Rajasthan and Uttrakhand etc.

## **BORDER AREA DEVELOPMENT**

- Compensation should be given for farmers cultivating land on the other side of the fence @ Rs 15000/- per acre for 18500 acres – Rs 28 crore.
- More funds for flood protection works on river Ravi. Pakistan Government and Army spending huge funds on shifting of river Ravi towards Indian side. This is a national problem.
- GoI is requested to take district as a unit instead of block so that all people residing in the border district are able to avail benefits. Border towns should be brought under this scheme.

## **ANNUAL PLAN 2012-13**

- The size of the Annual Plan 2012-13 has been pegged at Rs 14000 crore with an increase of 22% over the previous year.
- Planning Commission is requested to approve it.

## **CONCLUSION**

1. I did not mean to hurt anyone with my honest expression of views.



2. But the system of planning in the country needs drastic re-casting.
3. I again reiterate that Unitary form of government has failed and a truly federal system needs to be adopted.
4. I request the Hon'ble Minister for planning to kindly convey my feelings and views to the appropriate forum.
5. It would be advisable to make state specific schemes and formula development schemes.
6. The same formula can not apply to developed and developing states.
7. Under the present system, states like Punjab are being discriminated against merely because they have developed with their own initiatives and resources.
8. This discrimination should be ended.
9. Still, I place on record my formal request.