



सत्यमेव जयते

SPEECH

OF

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DELIVERED AT

THE MEETING

OF

NATIONAL DEVELOPMENT COUNCIL

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Hon'ble Prime Minister Shri Manmohan Singh ji, Respected Deputy Chairman, Planning Commission Shri Montek Singh Ahluwalia ji, Esteemed Union Ministers, Governors/Lt. Governors, Colleague Chief Ministers and other distinguished participants !

1. There are many others who would like to speak and I would not like to encroach upon their time, therefore let me without further ado state that the overall size of the 10th Five Year Plan was Rs 12,000 crore as prescribed by Government of India in consultation with the State for the 10th Five Year Plan. Due to paucity of time, I shall not dwell on every sector but will confine myself to the major sectors accounting for the maximum plan outlay. Essentially these are social services sectors and those concerning infrastructure development in the shape of Power, Roads, Transport and Irrigation. The revised outlay for the first three years of the Tenth Plan was Rs 5903 crore out of which the expenditure in the sectors that I have mentioned has been Rs 4633 crore, which means that these alone accounts for 78.5% of the total. Within each of these our achievements have been 96% in the Social Sector, 89% in Transport and Roads, 84% in Power and 94% in Irrigation. Similarly the achievement in Agriculture and allied sectors has been 89% utilization of the funds in the first three years.

2. A Mid Term Appraisal is carried out so that mid-course corrections can be made. I am happy to say that recently when we had our Annual Plan discussions with the Planning Commission, they allowed an unprecedented 34% quantum jump over the previous year. Perhaps I would not be wrong to venture that this is unprecedented for any State. Mr. Deputy Chairman, I thanked you then and would like to thank you again in this august forum for the faith reposed in Haryana by the Planning Commission. Let me assure you about our capability and will to achieve this accelerated level of growth.

3. Needless to say, a growth rate is projected for various sectors assuming that certain infrastructural facilities and inputs such as power, water, market facilities, etc. will be available. In our case the Planning Commission has prescribed an overall growth rate of 7.9% for the Tenth Plan. Having said that we will live up to your expectations, I have to point out that in order to achieve sustained growth in various sectors, there are certain constraints which Haryana faces and these need to be removed. Mr. Deputy Chairman, you would recollect that I had raised various

issues during our Annual Plan discussions and I would like to again raise some of the more important ones here in this forum. I now speak of areas where we need the support of the Central Government.

4. Haryana has the distinction of rising from a foodgrain deficit State to becoming surplus and a major contributor to the Central Pool. For this the credit must be attributed to the policies of the Union Government which resulted in the Green Revolution and State intervention in the form of the Minimum Support Price (MSP) but above all to the receptivity, hard work and adaptability of the farmers of the State. There is undoubtedly an upward swing in the growth of our Tertiary Sector which now accounts for approximately 43% of GDP but we continue to be an essentially agrarian State with about 71 % of our people living in the villages it is their welfare which concerns us the most. Haryana was in the vanguard of the Green Revolution; let it be recognized that we could have achieved far more if we had our rightful share of water. The continual denial of Haryana's share of Ravi-Beas waters through the SYL canal is an obstacle, and it needs to be cleared at the earliest. I take this opportunity to point out that because of the denial of this water, despite the verdict of the Hon'ble Supreme Court, an additional one lakh tonnes of foodgrains which could be produced annually is a loss. It also means that the State has maximized utilisation of its internal water resources and that large tracts of Haryana have to be dependent upon an ever decreasing ground-water level. Quite apart from the fact that over exploitation of ground-water creates its own problems, it also results in denial of electricity to the industrial sector and is therefore an impediment to its growth. Unfortunately, Haryana is neither being given its share of water, nor compensated for the additional consumption of power, nor is the Government of India giving it additional funds to combat the menace of depleting underground water resources. I strongly urge that due care be taken of our concern as a combination of the above said factors is going to have a negative fall out for the economy and people of Haryana. It is time therefore that the Centre plays a pro-active role in ensuring that Haryana gets its due share of waters through SYL in a time bound manner.

5 It is also time to recognize the fact that circumstances which governed agriculture four decades ago have radically changed today. There are new challenges that need to be addressed differently. Green Revolution technology is no longer revolutionary. In fact it has become counter productive. It cannot sustain

farmers or cater to the needs of a growing population. It is now, at best, an expensive way to cause long term damage to the soil. Therefore we talk of an Ever Green Revolution, a Bio-technological Revolution and Sustainable Agriculture. The Centre reposed faith in us in the pioneering years of the Green Revolution; it is only natural that we seek substantial financial assistance to conquer a new frontier. Let it atleast be recognized that we have sacrificed our soils for the sake of the nation and it is rightful that the Centre now assumes the responsibility to restore these.

6. I would also like to highlight a certain irony of which we are the victims. The Government of India through the Ministry of Agriculture provides relief for natural calamities such as floods, droughts, hailstorm, etc. on a normative basis. The Ministry of Agriculture on its own volition has created several agro-climatic zones in the country. However, for purposes of natural calamity relief the Government has prescribed a single norm which prevails from Kanyakumari to Kashmir. Quite apart from the fact this is inherently contradictory, I do not think that there could be any difference of opinion about the fact that a flood in Haryana is not the same as a flood in the Brahmaputra states, or for that matter that a drought in Haryana is not the same as a drought in Jaisalmer. Therefore let there atleast be regional relief norms rather than one set for the entire country. Having said this, let me also bring to attention that the input costs of a farmer practising intensive agriculture in a Green Revolution State which contributes more to the Central Pool cannot be equated to those of a farmer in another state where it is a case of rainfed agriculture and self-sufficiency rather than market surplus. Obviously, the losses in the former case are much higher and if the cultivator is not adequately compensated we only throw him into a debt trap which has resulted in well chronicled suicides in Punjab and Haryana too. Rural indebtedness is no less a problem in Haryana. Is this the face that the Government would like to show to its progressive farmers or shall we compensate them adequately? There is a related issue with this: the Government of India provides relief to a farmer who is a victim of drought. It charges a State manifold for avoiding a drought. This is a most iniquitous state of affairs. The point I am making is that the only way we can prevent a drought is by running our tubewells overtime and providing extra electricity to our farmers because of monsoon failure or the late arrival of rains. This extra electricity means withdrawal over and above the stipulated quota from the northern grid. The Ministry of Power in its wisdom has imposed a discipline whereby every incremental unit of electricity withdrawal over the stipulated

quota is charged at an exemplary/exorbitant price which is threefold. Our power utilities have time and again risen to the occasion, irrespective of what it will do to their financial health. They have drawn the extra electricity needed to avoid a drought and the State has fulfilled its obligations to the Central Pool. The losses incurred by these power utilities runs into hundreds of crores and the Centre has no mechanism whereby we can be compensated. No doubt the Ministry of Power had good reason to impose such a discipline since electricity is a valuable resource and it should not be consumed recklessly but when it is stretched to the point of absurdity it defeats the very purpose for which it was created. Quite obviously a loss caused by allowing a drought to happen would run into thousands of crores and untold misery to the farmers which could not be compensated no matter what the relief norms may be. Strangely a drought avoided is penalized. This apart, for how long will the power utilities bear these losses? We created them because the State Electricity Boards were burdened with losses of an irrecoverable magnitude and now we are sending them down the same road. May I request that something be done about this very urgently?

7. There is much talk today of crop diversification and the need to do so. Haryana's farmers are painfully aware of this and would gladly diversify. However, they see the deterioration of their soils because of the wheat-paddy cycle from every Kharif to every Rabi but they are caught in a vicious cycle and see no way out. For crop diversification to succeed remunerative prices have to be ensured. Let it be noted that whereas the Government of India has announced Minimum Support Prices for 24 crops yet only wheat and paddy are procured by institutional agencies. The FCI limits itself to the two major cereals, NAFED is the designated agency for coarse cereals. Experience has shown that in the case of bajra prices fell well below the MSP and by the time NAFED entered the market, farmers had necessarily effected distress sales to private parties. Experience with the Cotton Corporation of India has been much the same.

8. It took a huge initiative on the part of Government of India to set up the necessary infrastructure to ensure the procurement of wheat and paddy and therefore the continuous cultivation of these two crops by farmers over a long period of time. Can it now be assumed that the crops to which it is intended to diversify will require a lesser intervention? In fact, since these crops are horticultural in nature, the demands will be much more. At the same time this does not mean that we have to

repeat the mistakes of the past. It is therefore strongly urged that the Ministries of Food and Agriculture, while giving us much larger financial assistance for crop diversification, also set up the necessary market infrastructure at the earliest and at their cost.

9. Let me now turn to two other areas: roads and electricity. It is well known that Haryana was the first State in the country to electrify 100% of its villages and that it also achieved 100% road connectivity in the early 70s. What is not well-known is that today it is being penalized for this. The State is not eligible for Central assistance from the concerned Ministries to upgrade its road network because the schemes only provide for roads to those villages which have yet to be connected. Is it our fault then that we achieved well over 30 years ago what other states in India have still to achieve?

10. Sir, despite our endeavour to increase our generation capacity, the State has been power deficit because of ever increasing demand. However, I may draw your attention to certain important issues which, if resolved, could help in providing some relief:

(a) You would be aware that there is tremendous potential and some available surplus power even at present in North-East India. However, IPPs are not coming in and its present available power is not being fully utilised because of serious transmission corridor capacity constraints which is limited to 500 MW. Similar capacity constraints exist in the West to North corridor. Augmentation of these corridors is urgently required.

(b) Some States are constantly under-drawing their share of power from Central projects. Other states, notably Haryana have to heavily over-draw due to agriculture load. The overdraw! is payable at U.I. rates and the difference of two rupees per unit or more goes as profit to under-drawing State. This is not the spirit of Central allocation. Therefore, this power should be deemed to be reallocated on daily basis. In the alternative, the margins should be fixed at reasonable level to prevent profiteering by under-drawing state.

11. The power overdrawn by us is to compensate for denial of SYL waters and for drought years and delayed monsoons. During this period we should be given a higher share of Central unallocated pool.

12. Mr. Prime Minister, Sir, the National Capital Region was created with the twin objective of decongesting the National Capital and also arresting the migration of population from the neighbouring areas. To achieve these goals, it is imperative that the satellite towns within the NCR are provided with proper supporting infrastructure. In order to achieve these objectives, liberal capital support needs to be forthcoming from the Central Government. Here I would like to draw your kind attention to another serious problem which our State faces because of its unique geographical location. Haryana has been made to suffer a burden which is not of its own making. As a part of the NCR, it serves as a corridor for the traffic moving from North to South and vice versa. However, because of the directions of Hon'ble Supreme Court, the entire traffic has been diverted to the rural roads which are not designed to take such a load. It would, therefore warrant, urgent attention and the Central Government needs to provide immediate financial assistance for strengthening these roads. This issue was also raised by me before the Deputy Chairman, Planning Commission during our discussions and he was also very supportive of this proposal.

13. Haryana has also been burdened with the responsibilities of tackling the increasing crime graph in NCR. To discharge this duty it is imperative that we modernise and strengthen our police force to bring it at par with its counterpart in the National Capital in terms of numbers, equipment and mobility. For this, we look forward to you, Mr. Prime Minister, Sir, to provide us financial assistance which will help in curbing the crime in the NCR.

14. I would like to amplify on several other areas but due to constraint of time, shall only mention them. We have embarked upon the New Industrial Policy-2005. It is expected to generate ten lakh jobs and attract investment worth Rs 2 lakh crore over the next decade. It will need electricity. Today 29% of our population lives in urban areas and this figure will grow. Thus, safe drinking water and sewerage systems will become a high priority area. We hope that we will get adequate financial assistance to meet the ever-increasing demand. We have a peculiar drinking water problem in the Mewat region which is the poorest part of our State. The ground water in the entire region is brackish and fresh water availability is such that it provides only half of the accepted per capita norm. It will therefore necessary to put in place a project of about Rs 250 crore to fulfil the most minimal of demands of the common man from his Government, i.e., safe drinking water. In fact, it is his right and note

may be taken of this. In fact, I would suggest that requirement of drinking water in the DMA area or NCR should be met through Ganga waters where surplus water would be available. Value Added Tax has now been implemented in most of the States. However, in total contradiction of the aims and objectives of the system, the Central Government in the year 2003 exempted new industrial units, including those expanding their capacities, in the hill states of Himachal Pradesh, Uttaranchal and Jammu & Kashmir from the levy of excise duty and income tax. This has created unequal competition and has resulted in a closure of industrial units, or an out flow to the more attractive areas. At this stage, I can only request that we also be given the benefit of this scheme for our areas which are as backward. It has been envisaged that with the implementation of VAT, the Central Sales Tax will be progressively abolished by 2007. Haryana does not favour such a step, but if it is inevitable, then it is necessary that first a permanent institutional mechanism be put in place in order to assess and compensate losses suffered by the states.

15. Finally, I cannot help but point out that Haryana finds itself severely handicapped as despite our excellent record in fiscal management, it has been denied special grants for Education, Health and Non-Plan Revenue Deficit by the 12th Finance Commission, so essential for achieving the goals of the Tenth Five Year Plan. Development efforts and prudent fiscal management of the State have not been suitably rewarded. National Development Council may consider special dispensation to fiscally well managed states like Haryana to reward these for their development efforts.

16. Hon'ble Prime Minister, Sir, Haryana firmly believes in the destiny that awaits its' people. In fact, we are eager to walk the extra mile to meet it as we are confident that given the required resources we will surmount all challenges and create a society that was the dream of the founding fathers of our Constitution. I thank you for providing me the opportunity to address this august gathering of my peers and share with them my thoughts, requirements and, of course, dreams.

Jai Hind!