

Speech of Shri N. Rangasamy, Chief Minister, Pondicherry

50th National Development Council Meeting on 21st December 2002 at New Delhi

Hon'ble Prime Minister, Hon'ble Deputy Chairman of Planning Commission and Distinguished Members of the National Development Council,

It gives me a great pleasure to participate in the 50th Meeting of the National Development Council convened for finalizing the Tenth Plan 2002-07. At the outset, I place on record my appreciation for the commendable work done by the Planning Commission for bringing out a well conceived document, which addresses itself to the requirement of different sectors of the economy during the period 2002-07 to achieve higher GDP growth rate with a view to doubling the per capita income, creation of job opportunities for 100 million people and improving the quality of life of our people within a period of 10 years. While endorsing in to the strategies and priorities outlined in the Tenth Plan document, I strongly feel that the States and Centre should work together in close co-ordination towards realizing the targets envisaged under each and every sector of the economy so as to achieve the ultimate goal of removal of poverty and ensuring full employment within a reasonable time frame. I also endorse that a change in our policies is essentially required to accelerate the pace of economic growth and to integrate our economy with global economy to emerge as a super power in the years to come.

I am immensely happy to note that Pondicherry is identified as one among the very few States/UTs to achieve double digit GDP growth rate during the Tenth Plan. As Chief Minister of Pondicherry, I assure you Sir, that we spare no effort to surpass the target fixed for our Union Territory.

Infrastructure is the backbone of economic development and performance of infrastructure sector is the key indicator of the economic growth. Good roads, uninterrupted and quality power supply, excellent transport system, availability of Sea Port, Airport and Railway terminals are essential for rapid industrialization. It would lead to sectoral growth through private initiatives and creation of more employment opportunities particularly in the private sector. Ministry of Railways have already taken up the conversion of the existing 40 km. metre gauge railway line between Villupuram and Pondicherry into broad gauge in the current year. Adequate funds may be allocated to complete this project at the earliest. Adequate provisions may be made in the next financial year for laying new broad gauge line from Nagore to Karaikal for which land acquisition process is in good progress. I would further request the Ministry of Railways to consider the extension of proposed Nagore-Karaikal broad gauge line upto Mayiladuthurai via Thirunallar and Peralam. The railway land is readily available for taking up this work for 20 km. from Karaikal to Peralam via Thirunallar. A metre gauge line is already in operation between Peralam and Mayiladuthurai which may also be converted into broad

gauge line. Thirunallar in the Karaikal region is an important place in the pilgrimage map of India and the Shrine of Lord Saneeswara Bhagavan is visited by lakhs of devotees throughout the year. This extension-ct/m-conversion work will directly link Velankanni, Nagapattinam, Karaikal, Thirunallar and Mayiladuthurai through the shortest route with Villupuram, Pondicherry, Chengalpattu, Kanchipuram, Chennai and Thirupathi. This project when implemented will give boost to spiritual tourism in this region.

Pondicherry has a small Airport constructed in 1989. Presently there is no airline operating from this Airport. The National Air Port Authority of India may be requested to extend the existing runway in consultation with the Government of Tamil Nadu so that Pondicherry and adjoining region can take the benefit of the airlink for economic and tourism development.

We had requested the Government of India to consider setting up a Special Economic Zone (SEZ) and Free Port at Pondicherry. I am very happy that the Government of India have agreed in principle to the proposal and I convey my special thanks to the Prime Minister. I request the Hon'ble Prime Minister through this forum to allocate adequate funds to give effect to this project during the Tenth Plan.

A grant of Rs.20 crores was allowed by the Planning Commission towards setting up of 32.5 MW Gas Power Plant at Karaikal. The Plant is performing extremely well with a very high plant load factor of 97.91%. The target fixed by Ministry of Power for power generation has been exceeded during the past two years. During the Tenth Plan period taking into consideration the power requirement, our administration has proposed to expand the existing capacity from 32.5 MW by 100 MW using natural gas at an estimated cost of Rs.400 crores. The Central Electricity Authority has been appointed as consultant and project report is under preparation. The Central Electricity Authority has considered the capacity from 100MW to 114MW in order to have the best options on techno-economic considerations. I have taken up the matter with Hon'ble Minister for Petroleum and Natural Gas regarding the conversion of 3 lakhs cu.m. of gas per day on firm basis and also to increase the allocation by another 1.85 lakhs cu.m. of gas per day on firm basis for the expansion activity. I would request Hon'ble Prime Minister and Deputy Chairman, Planning Commission to support the proposal for expansion of power project so that the excess power generated could lead to industrialization of Karaikal and surrounding regions of Tamil Nadu.

Ministry of Rural Development have circulated a manual for upgradation of Rural Roads under Pradhan Mantri's Gram Sadak Yojana which contains certain parameters. According to the manual, upgradation work implies improvement of the unsurfaced roads to surfaced roads and it does not include repair or renewal of the existing surfaced roads. In the Union Territory of Pondicherry, most of the rural roads are surfaced roads although their quality may not have desirable standards. The existing pavement profile in most of

the rural roads have either lost its shape or to be given new shape. The profile correcting course is essentially required for correcting existing pavement profile. I request the Hon'ble Prime Minister to consider our case as a special one and issue necessary directions to allow Union Territory of Pondicherry to utilize funds available under Pradhan Mantri's Gram Sadak Yojana for profile correction and strengthening of pavements to design thickness on the existing rural roads. This would go a long way in establishing better communication facilities to urban market centers.

Presently we are implementing one externally aided project namely Tank Rehabilitation Programme by availing assistance from European Union. There are a number of schemes which require to be funded externally by identifying the suitable donor agencies. Presently, this is centrally administered by the Department of Economic Affairs and the normal time taken for a viable project to get financial assistance is two to three years which is time consuming. Besides there are hurdles preventing the donor agencies from directly funding the project. Assistance has to be routed through the Department of Economic Affairs which causes undue delay in release of funds. In a liberalised economy, where time is a constraint and development programmes have to be implemented faster to keep pace with the fast changing international economy, external assistance has to flow quicker and in a more transparent manner. Procedures need to be simplified and accounting methods are to be evolved in such a manner that direct assistance to identified, approved programmes is ensured to enable faster implementation of programmes.

I feel that it is relevant to focus in this forum the problems caused by the implementation of Uniform Floor Rate of tax (UFR) in our Union Territory, which adversely affected the financial resources of our Union Territory to fund our plan projects. After implementation of UFR, the sales tax revenue has come down from Rs. 194 crores in 2000-01 to Rs.160 crores in 2001-02. This downward trend will be further compounded because of the recent amendment in the Central Sales Tax Act making 'C' form compulsory. Due to this, the loss of revenue may touch Rs.100 crores by the end of fiscal year 2002-03. The withdrawal of tax incentive has seriously affected the industrial growth of this Union Territory. Hence, I request the Hon'ble Prime Minister, to kindly permit us to retain the Central Sales Tax collected as in case of National Capital of New Delhi or it may be released as Additional Central Assistance to fund our plan programmes.

Central Assistance is given to States/UTs to fund the Plan programmes. There is no pre-determined formula to decide the quantum of Central Assistance for the Union Territories. The percentage of Central Assistance to total Plan outlay of our Union Territory has sharply declined from 71% in the Annual Plan 1992-93 to 51% in the Annual Plan 2002-03. It leads to inadequate availability of plan funds to meet the aspiration of our people. In addition to this it becomes our responsibility to provide matching contribution from our State Plan for most of the Centrally Sponsored Schemes which was totally

funded by Government of India. Hence, I request the Hon'ble Prime Minister to kindly enhance the Central Assistance to at least 60% of the total Plan outlay to our Union Territory during the Tenth Plan. Moreover, the present practice of splitting the Central Assistance into normal central assistance, special central assistance and additional central assistance for specified programmes has its own problems. Although the total size of the plan is arrived at in the annual discussions between Deputy Chairman, Planning Commission and the Chief Minister, the Department of Expenditure allows us to budget only the amount earmarked as normal central assistance. The Central Assistance earmarked for the specific programmes is given effect only at revised estimate stage. Ultimately it leads to last minute rush in booking of plan expenditure. This practice of splitting the Central Assistance may be dispensed with and the practice as prevailed in the earlier years may be restored.

Planning Commission while reviewing the various Centrally Sponsored Scheme have decided to transfer certain programmes to the States/UTs along with the current year allocations. I would request Government of India to continue the allocation of funds for the Centrally Sponsored Schemes for a few more years in the form of Central Assistance since transfer of these schemes to the Union Territories lead to severe strain on their plan budget.

Presently there is no Natural Calamity Fund available under the Union Territory Government. Natural calamities like cyclone and floods occur frequently in this Union Territory making people shelter less in large numbers. In a situation like this, all efforts are made to provide food and shelter for these homeless people on a priority basis. In the absence of a Calamity Fund immediate relief is to be provided only through regular on going schemes pending relief assistance from Government of India after the visit of a special team. Funds allotted for other plan programmes are invariably diverted to these needy schemes in larger amounts to meet the requirement. I request that Home Ministry may also be allowed to operate "Calamity Fund" to take care of the Union Territories under its administrative control. Once this arrangement is done, diversion of funds from important plan programmes can be avoided.

I am happy to report that we have made impressive progress in the field of health, education and implementation of various welfare programmes for the benefit of economically poor and downtrodden. As per the 2001 census, the literacy rate in the Union Territory is 81.49% as against the national average of 65.38%. The female literacy rate is 74.13%. The task before the Union Territory is to ensure universal access to primary education and to achieve 100% literacy by 2012. As per Sixth All India Educational Survey Report, there are 379 habitations of which 350 habitations have access to Primary schooling facility within the habitations or within 1 km. distance. In addition, 207 habitations have access to Upper Primary schooling facility within the habitations or within 1 km. distance.

The implementation of Family Planning Programme is very good in our Union Territory. This Union Territory performed 1,123 sterilizations for 10,000 unsterilized couples which is the highest in the Country. We have the distinction of achieving the lowest percentage of families having more than two children at 19.6%. Amongst all the 35 States/UTs, Union Territory of Pondicherry has the lowest percentage of girls marrying at less than 18 years of age. The Union Territory of Pondicherry has achieved the highest total Fertility Rate of 1.8 on par with Kerala.

Our Union Territory had embarked upon ambitious programmes for recharging groundwater with rain water harvesting, water conservation and management. The rehabilitation of 84 irrigation tanks in Pondicherry region is being undertaken through participatory approach with the financial assistance of European Economic Community. To regulate the exploitation of Ground Water "Pondicherry Ground Water Act 2002" had been enacted and it is awaiting the Presidential assent.

To offset and counter the implications of the policies on Agriculture under the WTO regime, this Union Territory has implemented during the current year a demand driven extension approach through Uzhavar Udaviyagams (Farmers Help Centres). These centers offer one stop solution to all the needs of the farmers. Apart from rationalizing the issue of agricultural inputs through these centers, dissemination of information on cost cutting technologies, weather forecast and such other useful data has been planned. To increase the farm income and also to reduce the dependability on the declining ground water for farm operations, the Union Territory promotes horticultural crops under diversification programme. The Union Territory has an ambitious target for increasing the area under horticultural crops to 20% from the present 9.5%. Further, as floriculture holds tremendous prospects large scale cultivation of orchids for exports are underway. Promotion of cultivation of medicinal plants is also proposed through contract farming. To meet the acute shortage of labour, the department has embarked on an ambitious project for promotion of agricultural mechanisation in which the agricultural implements like tractors, power tillers and improved implements are proposed to be distributed at a subsidised cost. Agricultural machinery/implements such as combine harvesters, winnower, tipper, trailer etc. are also proposed to be purchased and transferred to registered bodies of farmers such as Water Users Association and 'Pasumai Padais' to promote farm mechanization.

"Heritage Tourism" is also given priority in our Action Plan. I have initiated various steps to protect and preserve heritage buildings in this Union Territory as an integral part of giving push to tourism development in this Territory. We are also taking financial assistance available under "Asia Urbs Programme" through voluntary organisations namely, 'INTAC' to identify heritage buildings and to provide necessary financial help to protect and preserve them in this Union Territory.

We are keen to build a system that would ensure not only a high level of growth but also better quality of life for the people of Pondicherry, as only healthier citizens reflect the health of the society. Keeping this in mind, we have always been in the forefront of socio-economic development and a number of welfare schemes are being implemented for the benefit of the poor and the downtrodden. I am sure, we will continue to get support from Union Government in the form of liberal Central Assistance for building Pondicherry as a unique place of economic development without losing sight of social justice and the needs of the poor and the less privileged.

I am thankful to the Prime Minister for giving me the opportunity to express my views in this august forum.

VANAKKAM