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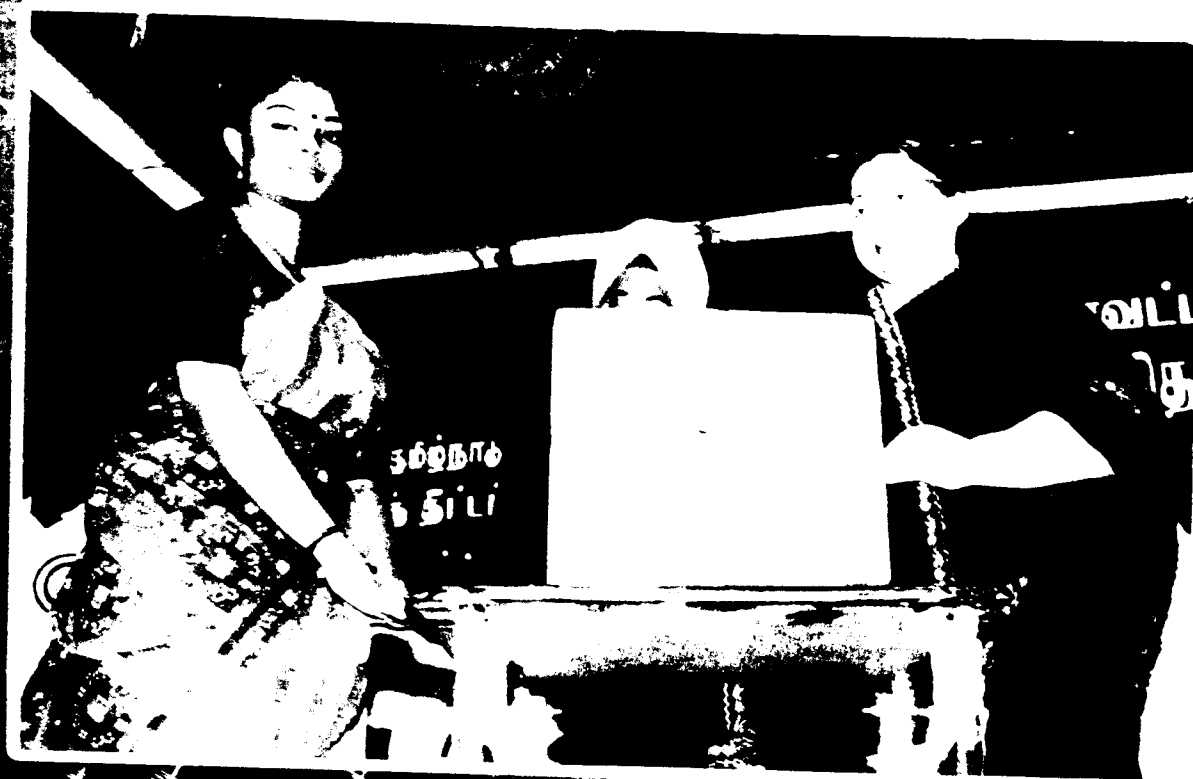
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Hon'ble Chief Minister
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Tamil Arasu

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TAMIL NADU'S MARCH TOWARDS REALISING ITS TRYST WITH DESTINY

- His Excellency the Governor of Tamil Nadu, Thiru P.S. Ramamohan Rao.

Honourable Members of the
Legislative Assembly,

It gives me great pleasure to address the first session of the Tamil Nadu Legislative Assembly for the year 2003. I extend my greetings to all of you for the New Year. I have every confidence that during the year 2003, Tamil Nadu will march towards realizing its tryst with destiny, which envisions opportunities for all, improved quality of life, bountiful and all round prosperity.

2. The year that has just gone by saw many tumultuous events in the country. India

was almost pushed into war with Pakistan in 2002 because of Pakistan's continued support to terrorism, reaching not only Mumbai and Hyderabad but also causing echoes in Coimbatore. The spectre of terrorist violence is very real and cuts across States. A co-ordinated approach by State Governments and eternal vigilance by all are necessary to fight this menace. This Government has been steadfastly committed to providing State relief and support to the families of security personnel from Tamil Nadu, who have laid down their lives safeguarding the country

from enemy action and insurgencies. We salute all those who have sacrificed their lives for this noble cause.

This Government is determined not to allow the sinister shadow of terrorism and extremism to touch the lives of people in Tamil Nadu. This Government extended its full support to the Union Government in the enactment of POTA through a joint session of Parliament. The ban on LTTE has been extended further. The TNRT and TNLA were banned under the Criminal Law Amendment Act, 1908, by this Government and subsequently under the POTA, 2002, by the Government of India. This Government will continue to extend its full support to the Government of India in all measures taken to protect the sovereignty and integrity of the nation.

I am glad to state that law and order was effectively maintained in Tamil Nadu during 2002. Religious festivals including those of the minorities were held in a peaceful manner. The very fact that the Kandadevi Car festival was successfully conducted in Sivagangai district after many years stands testimony to the able handling of the situation by the Government. Dharmapuri and Vellore districts used to be the hotbed of naxalism during the 1970s and 1980s. Thanks to the resolute and tough action by this Government during its previous tenure in office between 1991-1996, peace returned

to this backward area of the State. The problem resurfaced again in 1999 due to a let up in the vigil by the Government of the day. This Government has recently smashed a group of Naxalites when they met in a conclave in Dharmapuri district before they could cause any damage. While pre-emptive vigil will be maintained, a comprehensive development plan for Dharmapuri district is being drawn up to tackle the socio-economic causes, which allow these groups to foment trouble. The Chief Minister Selvi J Jayalalithaa has already indicated this Government's resolve to bring a new legislation to stamp out the usurious practices widely prevalent in rural areas. This will go a long way towards dousing social tension. Attempts by misguided religious fanatics to provoke communal passions in Coimbatore were also thwarted by prompt preventive action. This Government once again resolves to come down heavily on extremism, secessionism and those indulging in unlawful activities.

5. Modernization of the Police Force is an essential pre-requisite for effective maintenance of law and order. This Government is implementing a programme for modernization of the Police Force at a cost of Rs.272 crores over two years. In a unique and unprecedented initiative, the Chief Minister Selvi J Jayalalithaa personally held five detailed sessions spread over five days

with officers and ranks of the Tamil Nadu Police to resolve their specific grievances. As I am familiar with the complexities of keeping up the morale of the Police Force, I would like to compliment the Hon'ble Chief Minister for this morale building exercise, never before undertaken by any Chief Minister in the country. The Government plans to raise an All-Women Police Battalion, which would be the first of its kind in any State. An All-Women Commando Company for countering terrorism is being raised. Special attention is being given to filling up the backlog of vacancies, strengthening the All Women Police Stations and providing modern arms, vehicles and equipment so that the Tamil Nadu Police becomes the most well equipped and trained law enforcement agency in the country.

6. This Government condemns the brutal murder of Thiru H. Nagappa, former Minister of the Government of Karnataka, by the forest brigand, Veerappan. I wish to convey the heartfelt condolences of the Government and people of Tamil Nadu to the bereaved family. Swift and sustained action by the Special Task Force (STF) of both the States was strongly advocated by our Hon'ble Chief Minister to capture Veerappan. But in the wake of Thiru Nagappa's kidnapping, the Government of Karnataka suspended all search operations indefinitely. The Tamil Nadu

STF was also formally requested by Karnataka to cease all operations and withdraw from Karnataka forest territory. All these were of no avail, as is seen from the killing of Thiru Nagappa. There has to be an early end to the brutalities of the forest brigand. The operations of the Tamil Nadu STF would be further intensified in close co-ordination with the Karnataka STF. The Government of India has been requested to render all necessary

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assistance. A relentless pursuit of the dreaded brigand has been launched to finally put a stop to his depredations.

7. The untiring efforts of the Hon'ble Chief Minister to secure Cauvery water for the farmers of Tamil Nadu were rewarded when the Hon'ble Supreme Court ordered Karnataka to release 1.25 TMC ft. of water per day to Tamil Nadu. Unfortunately,

neither this order nor the subsequent directive of the Cauvery River Authority to release 9000 cusecs have been obeyed by Karnataka. Karnataka's continued defiance questions the essence and efficacy of constitutionally sanctioned federal dispute settlement mechanisms. Consequently, a deficit of 60.22 TMC ft. emerged, as at the end of December 2002, even as per the distress sharing formula. This was brought to the notice of the Hon'ble Prime Minister by the Hon'ble Chief Minister on 13th January, 2003. Now Karnataka is not even willing to release 18.80 TMC ft. of water, being the deficit from 4th September 2002, as per the orders of the Hon'ble Supreme Court. As a consequence, unfolding before our very eyes is the dark tragedy of standing paddy crops in lakhs of acres in the Cauvery delta area withering away. Thanks to the persistent efforts of our Hon'ble Chief Minister, Karnataka is now releasing some water. Unfortunately, this meagre quantity is not enough for even one wetting of the standing Samba crop in the Cauvery delta area. We hope good sense will prevail and a further substantial quantity of water will be released to enable one more wetting of the standing crops.

To alleviate the distress caused by the Cauvery water dispute, this Government mounted a massive relief operation to mitigate the effects of the unprecedented drought in the Cauvery delta region. The

Hon'ble Chief Minister visited Thanjavur in June 2002 and sanctioned relief measures for the three delta districts at a cost of Rs. 164.18 crores. This relief programme was well received. Deepavali Gift Hampers were distributed to about 10 lakh landless agricultural labourers in the delta districts at a cost of Rs. 21 crores. It is now clear that barely 40 percent of the standing Samba crops can be saved. This is an enormous tragedy. The Union Government has to treat this as an unprecedented national calamity, the gravity of which has been explained to the Hon'ble Prime Minister. The Hon'ble Chief Minister has made out a strong case for a relief package to provide Rs.5000 per acre amounting to Rs.400 crores as compensation to farmers who have lost their crop. The Hon'ble Chief Minister has also sought a debt relief package involving waiver of the principal amount for the affected farmers in the delta region and 2 lakh tonnes of rice for the mid-day meal programme for farmers, agricultural labourers and their families. It is hoped that the Union Government will provide the relief requested urgently.

9. Tamil Nadu is a water-starved State which has to battle hard to obtain even its existing supplies which have been available over centuries. The move by the Government of Kerala to construct a weir and divert Bhavani waters comes as a further blow. The Hon'ble Chief Minister has taken up

this issue with the Chief Minister of Kerala requesting Kerala to desist from this construction. This Government has also moved the Cauvery Water Disputes Tribunal on this issue requesting a stay on the construction of the weir.

10. Right from the days of Puratchi Thalaivar MGR, this Government has been demanding the adoption of a national outlook in the management and equitable sharing of water resources through nationalization of all major rivers. The Chief Minister Selvi J Jayalithaa made an impassioned plea for the immediate implementation of the Ganga-Cauvery link, while speaking in the Rajya Sabha way back in 1984. This Government welcomes the constitution of the Task Force on Interlinking of Rivers by the Government of India. At the Fiftieth National Development Council Meeting in New Delhi in December 2002, the Chief Minister urged the Hon'ble Prime Minister to complete the series of river links between Mahanadhi and Cauvery during the Tenth Plan Period itself. The Government of India has also been requested by the Chief Minister to complete similar river links in the Southern peninsula, such as linking the west flowing Pamba Achankoil to Vaippar within the Tenth Plan period.

11. Tamil Nadu is experiencing one of the worst droughts in its history. The failure

of the South West monsoon has been compounded by the intransigence of Karnataka in not releasing water, rendering the Cauvery delta region arid. The Government of India approved certain items of drought relief expenditure based on the facts of the drought situation presented by this Government. The expenditure on drought relief incurred so far in the current year is Rs.142.80 crores. 50000 MTs of rice have been distributed under the Food for Work programme and

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the works are going on in full swing. The earlier assessment was undertaken in the background of the failure of the South West monsoon. The North East monsoon which began very well has also let us down, further aggravating the situation. Based on the latest assessment of the

situation, this Government has decided to declare all the 28 districts except Chennai as drought affected. This will enable comprehensive relief works to be taken up in all the 28 districts. We shall also be approaching the Government of India for a further relief package. We shall obtain further allotments of rice and ensure that enough work is available in rural areas throughout the summer.

12. The failure of the North East monsoon is also posing a serious threat to the supply of drinking water to Chennai. The Government has moved fast to conserve the existing supplies. During her recent visit to Hyderabad, the Hon'ble Chief Minister met the Andhra Pradesh Chief Minister and requested the early release of Krishna water to Chennai. The storage position in the Andhra Pradesh reservoirs is also extremely poor due to the failure of the monsoon. The Hon'ble Chief Minister of Andhra Pradesh has promised an early release of water from Kandaleru reservoir. Until then, we have to conserve and use the available water judiciously. This Government is also working on medium term solutions, such as the New Veeranam Project, so that such acute water shortages can be prevented in future.

13. Malnutrition-free and hunger-free Tamil Nadu cannot be a mere slogan. It is at such a time of unprecedented drought

and water shortage that deprivation and want come to the fore. I must compliment the Chief Minister Selvi J Jayalithaa for boldly launching the free mid-day meal scheme for small and marginal farmers, landless agricultural labourers and their families in distress. This has given real meaning and content to the concept of a hunger-free Tamil Nadu. No one will be allowed to face the spectre of starvation. There cannot be a better example of a caring State committed to the welfare of its people.

14. Progressive States like Tamil Nadu have been severely penalized by successive Finance Commissions in pursuit of a misplaced sense of redistributive justice ending up in rewarding non-performance, fiscal indiscipline and inefficiency of laggard States, to the detriment of well-performing States. Serious issues like mounting high cost debt burden of the States have been completely ignored. This has landed even the well performing States in a deep fiscal abyss. Never before have the better performing States found themselves in such a predicament. The implementation of the recommendations of the Eleventh Finance Commission have left Tamil Nadu poorer by Rs. 2946 crores, for the period 2000-2005. Together with the fiscal ruin of the past and the lack of any scheme for debt relief, Tamil Nadu has had to battle hard to stay afloat. We welcome the

constitution of the Twelfth Finance Commission headed by the seasoned economist, Dr. C. Rangarajan, in the hope that the Twelfth Finance Commission will break away from the beaten track, offering a new deal for States which have done well to keep their house in order.

15. The Chief Minister Selvi J Jayalithaa has, in her speech before the National Development Council, brought to notice the serious pitfalls in accepting some of the recommendations of the Task Force on Direct Taxes. The Tenth Plan has been formulated with the underlying assumption of a higher savings rate leading to higher investment. The Task Force has recommended withdrawal of all incentives for small savings. This recommendation would make the Tenth Plan a non-starter. The Task Force has also recommended substantial reduction in the incentives for investment in housing. As everyone knows, the housing sector has a multiplier effect on the economy, and it should be encouraged. This Government urges the Government of India to retain the incentives for small savings and the housing sector to promote economic growth.

16. When this Government assumed office in May 2001, it was confronted by a fiscal crisis of unprecedented proportions. The Hon'ble Chief Minister had requested the Hon'ble Prime Minister for assistance of

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Rs.3000 crores in the form of a one time grant. This has not been forthcoming. Simultaneously, external agencies such as the World Bank have held back even project-based loans, as the State had not undertaken fiscal reforms prior to 2001. Fiscal reforms have thus become inevitable. The popular misconception is that fiscal crises are nothing new. Unfortunately, the fiscal crisis confronting the State was of a nature not known before. With an extraordinary debt burden and current revenues totally inadequate to pay current expenditure, Tamil Nadu was in grave danger of abandoning the development path altogether and defaulting on its obligations.

17. The Hon'ble Chief Minister has taken up a bold agenda of fiscal reforms in order to restore the financial health and credibility of the State. These fiscal reforms are

necessary to ensure that the State does not collapse. It is a bitter medicine which has to be swallowed, if we are to stay healthy. Given the extent and gravity of the fiscal malaise, the fiscal reforms programme has to necessarily be a medium term programme, involving several measures in different sectors. I am glad that the Hon'ble Chief Minister has been leading the effort to restore the fiscal health of the State. More measures are called for to restore complete fiscal health. This also brings to the fore the question of fiscal responsibility. There has to be a broad consensus on what constitutes sound fiscal health at the State level and this can perhaps be set out as guiding principles in a Fiscal Responsibility Act. We can work towards this goal so that such problematic situations affecting the health of the State are not repeated again.

18. Given the perilous position of the public finances of the State, the possibility of even formulating a Five Year Plan seemed like a distant dream. The focussed attention by the Hon'ble Chief Minister on fiscal reforms has enabled the State Government to put through and obtain the approval of the Union Planning Commission for an ambitious Tenth Plan (2002-2007) outlay of Rs. 40,000 crores. I compliment the Chief Minister Selvi J Jayalithaa for putting together a sound and credible development agenda

for the State. It is no mean achievement given the extent of the fiscal problems confronting the State.

19. The Hon'ble Chief Minister has dared to dream big for the people of Tamil Nadu. The Government has set for itself a target of achieving 8 percent growth rate of GSDP in the Tenth Five Year Plan. The Hon'ble Chief Minister has set out a vision of doubling the per capita income of the State by 2010, two years before the national target. This would be achieved by adopting a four-pronged approach consisting of innovative development initiatives, good governance, maintenance of law and order and fiscal reforms. The State's Tenth Five Year Plan is based on the Hon'ble Chief Minister's 15-point programme and covers the entire gamut of socio-economic development of Tamil Nadu. The launching of the Tenth Plan, with the approval of the National Development Council in December 2002, is a significant landmark.

20. Improvement in the performance of the primary sector, particularly agriculture, holds the key to achieving the ambitious Tenth Plan targets. The Government has evolved a well designed strategy for stepping up growth and enhancement of new opportunities in the primary sector. A programme for Comprehensive Wasteland Development based on a watershed approach has been launched.

This consists of three components. The first component relates to bringing fallow lands, both current and permanent, owned by individual farmers, under productive economic activity through an agri-clinical approach in all villages. The second component consists of getting corporate houses to undertake the development of wastelands along with an associated processing industry. A beginning has been made in 7 districts. The third intervention focuses on promoting agro-based and food processing industries with a minimum investment of Rs. 1 crore in each of the 385 blocks of the State under the New Anna Marumalarchi Thittam. A total of 258 proposals covering 182 blocks with a project cost of Rs. 227.41 crores are under process. This strategy of comprehensive wasteland development will restore the growth momentum in the primary sector. It will also result in value creating activities in rural areas which will be most useful in

“ The Chief Minister Selvi J Jayalalithaa has already indicated this Government’s resolve to bring a new legislation to stamp out the usurious practices widely prevalent in rural areas. This will go a long way towards dousing social tension”.

the State’s poverty alleviation programme.

21. Recurrent water shortages, plateauing of production and productivity and stagnation of returns in the primary sector have put the rural economy under severe stress. The focus has to be placed on efficient management of our scarce water resources. The Hon’ble Chief Minister has rightly placed the maximum emphasis on rainwater harvesting in both urban and rural areas. A massive programme of desilting of small tanks with an ayacut of less than 100 acres each, village ponds and water conveyance systems, has been launched. This will be implemented on a war footing this summer as part of the Food for Work programme. Likewise, a massive programme of desilting and upgrading PWD tanks with an ayacut of more than 100 acres, will also be launched. This Government has taken up with the World Bank, the launching of the Water Resources Consolidation Project-II to be implemented at a cost of Rs.2900 crores and pending its clearance, to allow the first project to continue.
22. The fact that the State is chronically water deficient is a reality and cultivation of water intensive crops by farmers would no longer be sustainable. A determined effort towards breaking the traditional mindset and weaning away farmers from water intensive cultivation to cultivation of high value, less water demanding cash crops,

horticulture development and medicinal plants is underway. The farming community would be encouraged to adopt the latest techniques in integrated nutrient and pest management, water-use efficiency and cost-effective farming technology. In dryland agricultural zones, an all-out co-ordinated effort for integrated farm management together with goat-rearing will be encouraged. The intention is to protect the farmer from over-exploitation of water and insulate him from the vagaries of the monsoon by providing supplementary household income.

23. Comprehensive rural infrastructure development is the *sine qua non* for improving the performance of the primary sector and generation of new opportunities. A rural roads development plan to provide complete all-weather connectivity is being formulated and will be implemented from 2003-2004. In order to provide housing for the rural poor, 43580 houses at a total cost of Rs. 141.46 crores have been taken up for construction this year, besides improving 19142 kutchha houses at a cost of Rs. 19.14 crores. This programme will continue in 2003. Nearly 10000 houses for beedi workers would be constructed at a total cost of Rs.40 crores during the next five years. The Government will complete the construction of the remaining 6309 Integrated Sanitary Complexes for women

in 2003. Given the enthusiastic response to this scheme, construction of Integrated Sanitary Complexes for men would also be taken up on a pilot basis in Kanniyakumari district.

24. The Hon’ble Chief Minister has articulated the vision of an export-led growth strategy for the secondary sector in Tamil Nadu. This Government has taken up the second generation of reforms to secure sustained growth in the manufacturing sector. This includes simplification of procedures, elimination of transaction costs, deregulation, reduction of transaction time at ports and customs, interest rate reductions, labour reforms, proper energy pricing etc. I am happy to inform you that the Government is contemplating the enactment of a legislation to facilitate public-private partnership in development of infrastructure in the State. An innovative Special Economic Zone Policy of this Government is on the anvil that would cover new areas such as Ennore, Chennai and Tuticorin, for giving a special impetus to export oriented industrial units. Necessary clearances for the establishment of Apparel Parks in Chennai and Tiruppur have been obtained. These will give a boost to the textile industry in the State.
25. As the national economy opens up, the small-scale industries in Tamil Nadu face a crucial challenge of developing their

capacity to compete with other domestic and international competitors. The Hon'ble Chief Minister has requested the Union Government to evolve a new policy package for technology upgradation and quality improvement for the small-scale sector. This Government has already announced its policy of extending preferential treatment to small-scale industries in Government procurements. We would strive towards strengthening the comparative advantage of the small-scale industries to enable them to take their rightful place in the liberalized economic

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These fiscal reforms are necessary to ensure that the State does not collapse. It is a bitter medicine which has to be swallowed, if we are to stay healthy".

environment.

26. With a view to mitigating the sufferings of small tea growers in The Nilgiris district, the Government introduced a scheme for sale of "Ooty Tea" through the public

distribution system. I am glad to inform this august House that this scheme has been extremely well received by small tea growers and consumers alike. The total sale of "Ooty tea" has crossed 4075 MT fetching Rs. 30.56 crores. A new auction centre called 'Teaserve' in Coonor will soon become operational and this will ensure transparency and better returns to the small tea growers. This Government will urge the Government of India to operationalise the Price Stabilization Scheme for tea growers to give them a fair price. A two-pronged strategy for improving productivity and yield in existing tea gardens and providing other suitable inter-crops, as a value adding proposition, will be followed.

27. The handloom sector in Tamil Nadu faced a crisis of an unprecedented nature brought about by a glut of unsold goods and serious financial problems in handloom co-operatives. The Hon'ble Chief Minister is to be complimented for completely redesigning the scheme of distribution of free sarees and dhotis by making it a market-based scheme. This has received enthusiastic response from people within and outside the State. The Government has so far sanctioned Rs. 79.84 crores towards procurement and sale of sarees and dhotis under the new scheme. Pending interest subsidy arrears of Rs. 27.50 crores due to the handloom weavers since December,

1998, have been cleared. This has improved the health of the handloom co-operatives. Old stocks have been disposed off and inventory levels have come down. Modernization with reference to market opportunities will now be pursued vigorously.

28. The key employment goals of this Government can be achieved by developing the services sector. We expect Information Technology to be a key driver for accelerated growth. The State is emerging as a major hub for software and hardware development and is poised to be the IT gateway to South East Asia. The IT Park at Siruseri will be expanded to become a Knowledge Industry Township. A world class highway to connect the Gandhi Mandapam Road in Chennai to the Siruseri IT Park and on to the East Coast Road will be built shortly. This will enable the entire belt up to the proposed new Administrative City to become a massive IT hub. A new IT policy has been formulated placing the highest emphasis on Information Technology Enabled Services (ITES) and Business-Process Outsourcing (BPO) activities. The very fact that the World Bank, Standard Chartered Bank and ABN-AMRO Bank have chosen to locate their world operations here indicates that Chennai is becoming a destination of choice. We will build on these strengths.

29. Adequate and quality infrastructure comprising world class roads, water supply, energy, housing, urban services and ports are the key to attracting big ticket industrial investments in the State. There will be a special focus on building world class infrastructure in the Tenth Plan period. The Tamil Nadu Road Sector Project, to be implemented with assistance from the World Bank at an estimated cost of Rs.1900 crores, is in the final stages of clearance. This will be implemented shortly. A Road Development Fund will be established to enable public-private partnerships in development of world class roads. To set right the backlog in relaying roads in the period up to 2001, the Hon'ble Chief Minister has announced a programme of relaying 2500 kms of roads before March 2003 at a cost of Rs.90 crores, and a further 5000 kms of roads at a cost of Rs.180 crores in 2003-2004. We shall urge the Government of India to take up the implementation of the Sethusamudram project urgently.

30. The failure of the monsoons has adversely affected the storage levels in reservoirs supplying water to the hydel power stations. Despite this, energy supply to all categories of consumers has been maintained. The quality of power supply has also improved significantly. During the Tenth Plan Period, the Tamil Nadu Electricity Board (TNEB) would be

"The focus has to be placed on efficient management of our scarce water resources. The Hon'ble Chief Minister has rightly placed the maximum emphasis on rainwater harvesting in both urban and rural areas".

implementing a Plan outlay of Rs.8000 crores for system improvements and upgrading the quality of power supply. In order to meet the growing energy demand, new generating capacities are being created in the private sector. A new 250-MW power plant in the private sector has been commissioned in December, 2002. Another 100-MW gas-based TNEB power plant is likely to be commissioned by February, 2003.

31. Tourism promotion in Tamil Nadu will receive special attention this year. We view tourism as a key driver of the services sector. Our approach towards tourism development will focus on creation of proper infrastructure in the main circuits, upgradation of facilities through public-private participation and sustained publicity campaigns. The recent decision to reduce the luxury tax on hotels and lodges and entertainment tax on

amusement and theme parks is calculated to encourage tourism, both foreign and domestic, in the State.

32. I am glad that the Hon'ble Chief Minister has taken up the all round development of the Chennai Metropolitan area. The signing of the Memorandum of Understanding for development of the Administrative City and the Marina Urban Renewal Project is an important landmark. I am also glad to know that the Hon'ble Chief Minister has ordered the preparation of the Chennai Infrastructure Development Plan which will have one, three and ten-year time frames. With its launch this year, this Plan will restore to Chennai, its position as the premier city of the South. I am glad to inform the House that all the problems and inadequacies which surfaced during the monsoon last year will be comprehensively attended to as part of this Plan.
33. This Government is working out a comprehensive strategy for addressing environmental concerns together with developmental imperatives. Sustainable development has to be the watchword. The Hon'ble Chief Minister's initiatives with regard to rainwater harvesting have become a social movement in urban areas. This Government will also encourage the establishment of reverse osmosis plants in all public buildings with high water consumption to enable

recycling. A Bill with simple features designed to prevent throwaway plastic bags and other articles from fouling our urban and rural landscape and posing a health hazard, will be carried through. I appeal to the people to join the movement initiated by the Government for conserving the scarce water resources and improving the environment of this State.

34. An effective social safety net is crucial to protect people from the rigours of reforms and the structural adjustment process. The social safety net of this State Government covers all facets of human life, including access to quality health and education, nutritional support and pension schemes to protect the disadvantaged, disabled, aged and the elderly, in meeting the challenges of life with dignity. I wish to announce the unwavering commitment of this Government to strengthening the social security net, notwithstanding the financial constraints that confront us.

35. The State Government has been concerned over the plateauing of vital health indicators such as the Birth Rate, Infant Mortality Rate and Maternal Mortality Rate prior to 2001. This trend has to be corrected and a rapid improvement ensured. The Health Systems Development Project posed to the World Bank at a cost of Rs. 650 crores has been taken up for detailed examination and this is likely to be

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implemented in the coming year. The existing network of health subcentres will be upgraded with quality infrastructure. Proper training will be imparted to Village Health Nurses so that effective service can be rendered in rural areas. The programme for the upgradation of primary health centres is being implemented in phases and 58 such centres have been taken up in this year. The construction work on the new medical colleges at Theni, Vellore and Kanniyakumari has begun. An innovative tele-medicine project has been launched and this will enable patients at faraway centres to access quality medical advice and treatment.

36. The appointment of women, at the same time, to a number of key posts like that of

the Chief Secretary, Chairperson- State Public Service Commission, Chairperson- Wakf Board and Chairperson-Minority Welfare Commission among others, is unprecedented and is eloquent testimony to this Government's commitment to the cause of gender equity and empowerment of women. Women have also been appointed as executive officers in temples. The first ever All-Women commando unit in the country has been created in this State. This Government would continue to urge the Government of India for the early passage of the Bill pending in the Parliament providing for 33 percent reservation for women in Parliament and State Legislatures.

37. In Tamil Nadu, the empowerment of women is not just restricted to the highest levels in Government. The effective functioning and credit worthiness of 1.15 lakh Women Self - Help Groups, comprising about 20 lakh women, exemplify the resounding success of our women development initiatives. The Entrepreneurship Development Programme for women, the first ever Women's Biotechnology Park near Chennai and the proposed Eco-Enterprises Park in Dindigul district, will open up new opportunities for women entrepreneurs. Measures such as the opening of Women Helplines, mobile counselling vans and Mahila Courts will go a long way in enhancing social and

legal security among women. It can well be said that in Tamil Nadu, women's empowerment has indeed become a reality.

38. Tamil Nadu is poised to march forward from merely ensuring survival of children to their robust growth and healthy mental and physical development. Despite compelling fiscal constraints, the Hon'ble Chief Minister has announced and implemented an increase in the provision for vegetables, condiments etc. from 23 paise to 35 paise per beneficiary at an additional cost of Rs.20.98 crores per year. In a situation wherein cuts even on the current outlays on social sectors are inevitable, this Government has shown rare courage in stepping up the provision to provide enriched food. The Government is taking all steps necessary to engender social conscience against the pernicious practice of female infanticide. The unique Cradle Baby Scheme and the Girl Child Protection Scheme have been hailed as landmark governmental interventions in providing the girl child with a chance for a good life.

39. The Hon'ble Chief Minister deserves the credit for enacting the Compulsory Elementary Education Act 1994 (Tamil Nadu Act 33 of 1995) to realize the goal of Universalization of Elementary Education. Today, with Tamil Nadu moving towards stabilization in population

growth, the emphasis has shifted from opening new schools to ensuring 100 percent enrollment and retention of children. The school noon meal programme ensures better retention. The total investment on nutrition for pre-school children and those of school going age in the current year is estimated at Rs.645.76 crores. The Hon'ble Chief Minister has requested the Hon'ble Prime Minister to take up the entire noon meal programme as a national programme and provide 100

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100 percent enrollment and
retention of children".**

percent assistance as a grant. This Government has embarked on a major programme for improving access to quality education in the State under the Sarva Siksha Abhiyan.

40. This Government has fulfilled its promise of providing free education to girls belonging to scheduled castes and scheduled tribes up to post-graduate level. The decision to convert educational loan scholarship as a grant from 2002-03 for

students belonging to the scheduled castes and scheduled tribes has been widely welcomed. It is a matter of great satisfaction that the scheme for providing free bicycles to girls belonging to the scheduled castes and scheduled tribes studying in classes XI and XII, has been extremely well received. In order to improve their access to quality education, this Government has embarked on a massive programme for construction of hostels for SC, ST, BC and MBC students and this would be continued in 2003.

41. This Government has launched a scheme for entrepreneurship development of women belonging to the Backward Classes, Most Backward Classes and Denotified Communities. Nearly 5000 beneficiaries belonging to these communities are being extended financial assistance of Rs.10,000 each, at a total cost of Rs.5 crores. Micro-credit of Rs.20 crores is also being made available to 1 lakh women from these communities for starting petty trades. Assistance is also being provided for promoting entrepreneurship among 1000 youth belonging to minority communities at a cost of Rs.2.50 crores.

42. This Government firmly believes that good governance practices can go a long way in improving the efficiency and reach of developmental programmes. The unlimited possibilities of information technology would be harnessed to provide clean, transparent and participatory

governance. Touch Screen Kiosks would be provided in all Taluk offices in 2003. This Government has set itself against corruption and will not spare delinquent officials. A new Right to Information Bill is under consideration so as to institutionalize open and participatory administration.

43. Promotion of Tamil language, art and culture would receive due attention of the Government. The Hon'ble Chief Minister solemnized the wedding of 1008 poor couples and gave them basic household articles. The attempts by the Archaeological Survey of India to take over the centuries-old Arulmigu Arunachaleswara temple in Tiruvannamalai district was prevented by the timely intervention of the State Government. The "Annadhanam Scheme", launched by the Hon'ble Chief Minister, aimed at providing free mid-day meals to devotees in temples, has been widely appreciated by the people. This scheme is presently being implemented in 144 temples. This Government plans to extend the Annadhanam scheme in phases to cover more temples.

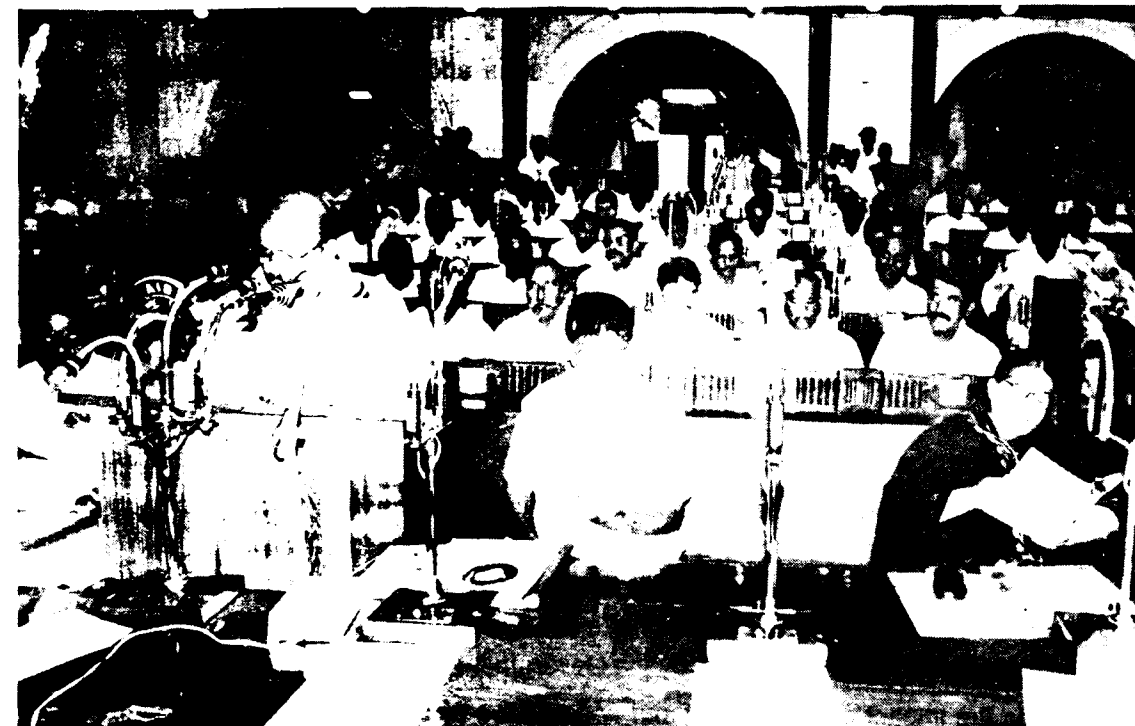
44. The Government deserves to be complimented for the proper and sagacious handling of the strike by Government employees and teachers in October 2002. I appeal to all employees to extend full support to the Government in dealing with the extreme fiscal distress that the State has to contend with.

**The "Annadhanam Scheme",
launched by the
Hon'ble Chief Minister,
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45. This Government has been facing a series of problems and crises of monumental proportions ever since it assumed office in May, 2001. The enormity of the fiscal problems, the devastating impact on account of failure of two consecutive monsoons, together with the denial of our legitimate share of Cauvery water by Karnataka, could have broken the will of any other Government and paralyzed the entire development process. The steely resolve of the Hon'ble Chief Minister Selvi J Jayalalithaa and her refusal to buckle even in the face of extreme odds, has prevented a collapse of development administration in the State.

46. I am confident that under the strong and dynamic leadership of the Hon'ble Chief Minister, this Government would succeed in securing the very best for the people of Tamil Nadu. I convey my best wishes to all of you in the service of the people of this State.

*- Address by
His Excellency the Governor of Tamil Nadu,
Thiru P.S. Ramamohan Rao
to the Legislative Assembly
on 23.1.2003*



BUDGET 2003 - 2004

Honourable Speaker Sir,

I rise to present the Revised Estimates for the year 2002-2003 and the Budget proposals of the Government of Tamil Nadu for the year 2003-2004 before this august House. The people of Tamil Nadu have once again reaffirmed their immense faith and trust in the dynamic leadership of our visionary leader Puratchi Thalaivi J Jayalalithaa. The resounding victory in the recent Sathankulam by-election amply demonstrates that our people stand solidly behind our Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa in her bold efforts to set right complex and seemingly insurmountable problems and forge a brand new development path, which will take the State to the Number One position in the country.

2. Hon'ble Members are well aware of the difficult problems that this Government had to face after it assumed office in May, 2001. We have had to contend with an extremely serious fiscal situation with no easy solutions and widespread drought conditions, following successive failure of monsoons and non-release of water by Karnataka, leading to the failure of crops in the Cauvery delta region. These adverse conditions would have broken the will of any other Government and completely paralyzed the entire development process. It is only because of the steely resolve and indomitable will of the

Speech of Thiru C. Ponnaiyan, Minister for Finance, Government of Tamil Nadu, presenting the Revised Estimates for 2002-2003 and the Budget for 2003-2004 to the Legislative Assembly on 21st March, 2003.

Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa that despite extreme odds, this Government has been able to chart out a new development agenda and take resolute steps for achieving the development goals.

DROUGHT RELIEF MEASURES

3. Tamil Nadu is reeling under one of the worst droughts in its history. The State experienced a deficit rainfall of (-)45.8% during the southwest monsoon season. Though the northeast monsoon began well, the rainfall deficit in this monsoon by December 2002 was (-) 14.7%. The overall deficit in the year 2002 was (-) 25.4%. The successive failure of monsoons has created conditions of severe scarcity of water for irrigation and drinking purposes. Non-release of Tamil Nadu's share of water from the Cauvery river to the Mettur Dam by Karnataka Government has further compounded the problems. Having left the Kuruvaï crop unsown, the farmers have now lost the Samba and Thaladi crops as well.

4. This Government responded promptly to the emerging situation by declaring 28 districts, except Chennai district, as drought-affected. Relief measures aimed at providing gainful employment through construction of durable community assets, provision of supplementary nutrition, drinking water and relief to farmers among others, have been taken up. I may be permitted to briefly touch upon the specific measures undertaken by the Government to provide succour to the affected people.

- ❖ Just as the impact of the drought and non-release of Cauvery water for the standing Kuruvaï crops in the delta districts began to be felt, the Hon'ble Chief Minister convened a special meeting in Thanjavur in June, 2002, and announced a special relief programme for the three delta districts at a cost of Rs. 164.18 crores. This has been successfully implemented.
- ❖ The Government sanctioned a total of Rs. 149.48 crores to combat the problems of drinking water supply in all the districts in the State. This has been utilised for deepening existing bore wells, installation of mini-power pumps, deepening and desilting of wells, extension of water pipelines to uncovered areas etc. Supply of drinking water through lorries is also being made in badly affected municipalities.
- ❖ Coconut farmers in Tamil Nadu have been badly hit because of the failure of the monsoons and the consequent drying up of trees. The Government has sanctioned Rs. 30.50 crores to the eligible beneficiaries as relief to undertake replanting.
- ❖ The Hon'ble Chief Minister's scheme for providing gift hampers to about 10-lakh households of landless agricultural labourers in the Cauvery delta districts at the time of Deepavali in 2002 at a cost of Rs. 210 per hamper was very well received. This was implemented at a total cost of Rs. 21 crores.
- ❖ The Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa also launched a Special Noon Meal Programme for families of landless agricultural labourers in the delta districts with the objective of ensuring food security. Based on representations that provision of free rice would be better than giving a cooked meal, the Hon'ble Chief Minister announced that 30 Kg. of rice will be given free of cost to every family registered under the Special Noon Meal Programme from 1st February 2003. This has been implemented and will be continued till the Food For Work programme is fully operationalised.
- ❖ A special programme for employment generation in 9 districts of the Cauvery delta has been launched at a total cost of Rs. 217.09 crores following the failure of the Samba crop.

I am glad to announce that this Government will now implement a massive employment generation programme at a cost of Rs. 341.92 crores in all the 28 drought affected districts. This special Food For Work programme would have cash and rice components to be given as wages. The total allocation for the cash component is Rs. 85.48 crores. Rice valued at Rs.256.44 crores would also be given to the beneficiaries. The estimation of crop loss and area affected is underway. We shall announce shortly a relief package for farmers who have been affected based on the pattern and amount to be announced by the Government of India.

5. The Government presented a detailed Memorandum in September, 2002, to the Union Government giving the details of the failure of southwest monsoon, its impact and the relief assistance required. This Memorandum requested the Government of India for a total cash assistance of Rs.1434 crores and an allotment of 5.5 lakh tonnes of rice to be given as wages for drought relief works. The Government of India sanctioned Rs.228.30 crores before setting off the opening balance in Calamity Relief Fund at the beginning of 2002-2003. The net amount actually released by the Government of India was only Rs.133.06 crores along with 50,000 tonnes of rice.

6. Following the failure of the northeast monsoon, the Hon'ble Chief Minister brought the gravity of the drought situation in the State to the notice of the Hon'ble Prime Minister. In response to the Hon'ble Chief Minister's request, the Union Government deputed another four-member Central Team to assess the severity and extent of the drought in February, 2003. In a detailed drought Memorandum presented by this Government, we have requested the Union Government to sanction an assistance of Rs. 2093.92 crores to Tamil Nadu along with Rs. 54.69 crores for water supply in Chennai. An additional 9 lakh tonnes of rice was also sought for the State to mitigate the effects of the drought. From this, we have received an allotment of 75,000 tonnes of rice so far from the Union Government. Thus, the total allotment of rice so far is 1.25 lakh tonnes. The other sanctions are still awaited. Thus, this Government has made a request for a total amount of Rs. 3527.92 crores as cash assistance and 14.5 lakh tonnes of rice in both the Memoranda given to the Government of India. We are providing Rs. 276 crores in the Budget for 2003-2004 so as to enable the State Government to continue with various relief measures in the next financial year.

FISCAL SITUATION

7. The details of the complex fiscal problems inherited by this Government, the bold reforms package implemented by us along with further improvements planned, have been outlined in the Appendix to this Speech, which may be taken on record. I would like to inform this august House that had it not been for the extremely bold and far-reaching reforms initiated and carried through by the Hon'ble Chief Minister, Tamil Nadu would have slid irrevocably into the abyss of fiscal ruin and development-neglect.

8. The unprecedented nature and extent of erosion in the public finances of Tamil Nadu being witnessed today is the result of non-recognition of the gravity of the problem and absence of timely remedial action by the previous Government. Therefore, there are no easy and quick-fix solutions to the problems. This Government has the onerous responsibility of integrating the reform priorities with the development imperatives of the State. The interests of the poor and the needy have to be protected. Investments and equitable growth have to be promoted to enhance opportunities for employment and a better life for the people. There are also major problems relating to public debt management, controlling debt service costs and pension commitments of the State Government. The issue of payment of salary and pension arrears to Government employees impounded by the previous Government poses a formidable challenge to the process and pace of fiscal recovery. The reform programme has necessarily to be carried through a medium term.

9. Given the fact that a stable fiscal situation is an essential pre-requisite for enabling the Government to implement its development agenda, we have decided to bring forth a legislative enactment on Fiscal Responsibility in the current session of the Legislature. This legislation will incorporate basic principles of State level fiscal management and financial discipline that needs to be observed in the future. It will also save future Governments from experiencing the serious fiscal problems that we have had to confront.

10. Hon'ble Members may recall that external funding agencies like the World Bank had moved away from Tamil Nadu in the absence of any effort at fiscal reforms by the previous Government. Meanwhile, all neighbouring States have benefited by such assistance and have been able to go in for larger Plan outlays while Tamil Nadu was left behind. This Government has shown the will to undertake the reforms necessary for restoring the fiscal health of Tamil Nadu and taking the State forward on a higher growth trajectory. I am happy to inform the Hon'ble Members that the World Bank has now evinced keen interest in supporting our development programmes. The Union Government has backed our request to the World Bank for the sanction of an economic restructuring loan. We have assumed the release of Rs.1000 crores as the first tranche of this support in this Budget. The World Bank has also come forward to process our development projects pending sanction for a long time. They include the Tamil Nadu Road Sector Project (Rs.2118 crores), the Water Resources Consolidation Project-II (Rs.2900 crores), the Poverty Alleviation Project (Rs.1156 crores), Tamil Nadu Health Systems Development Project (Rs.650 crores), the Tamil Nadu Water Supply and Sanitation Project for Rural Areas (Rs.2300 crores) and the Tamil Nadu Urban Development Project-III (Rs.750 crores). We also have, on the anvil, other new projects such as the Chennai Metropolitan Transport Project and the Tamil Nadu Primary Sector Development Project, which are to be taken up with the World Bank. We are developing schemes and projects, which will be posed to other external agencies such as the Asian Development Bank (ADB) and the Japan Bank for International Co-operation (JBIC). Posterity will recall that it is only because of the decisive action and firm vision of the Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa that Tamil Nadu has been brought back on the development path.

TWELFTH FINANCE COMMISSION

11. This Government welcomes the constitution of the Twelfth Finance Commission. The serious fiscal situation faced by most States is because of the total inadequacy of the dispensations of the Eleventh Finance Commission. We hope that the Twelfth Finance Commission will redress the grievances of the States.

12. The chronic financial stress being faced by most States requires serious attention. The Twelfth Finance Commission will have to enlarge substantially, the States' share of the divisible pool of Central taxes from the present level of 29.5%. This definitely needs to be done as most developmental responsibilities have now devolved on the States. In making its recommendations on horizontal distribution between States, the Twelfth Finance Commission will have to chart out a bold new course of action. Successive Finance Commissions in the past have indulged in the exercise of taking away the share of better-performing States and giving it to the laggard States. This has to stop. The Hon'ble Chief Minister has made a forceful plea for a complete change in the thinking on the subject in her speech before the National Development Council in December 2002. Emphasis has to be placed on economic efficiency and performance, including proper fiscal management. The Twelfth Finance Commission has also to come out with a meaningful debt relief plan with special incentives

to States that have ensured prudent financial management. We shall be making a detailed forecast and also present the State's Memorandum to the Twelfth Finance Commission, when scheduled.

TENTH FIVE-YEAR PLAN

13. Members of the House will be glad to know that our Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has secured an outlay of Rs. 40,000 crores for Tamil Nadu for the Tenth Five Year Plan Period (2002-2007). This has been made possible due to the untiring efforts of the Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa following discussions with the Deputy Chairman of the Union Planning Commission in June 2002. This has also been confirmed at the meeting of the National Development Council at New Delhi in December 2002. At a time when Tamil Nadu's Annual Plan outlay was already low and slipping further, the Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa actually ensured that Tamil Nadu goes forward on a new development path with an emphasis on poverty alleviation, accelerated growth in the primary sector, restoration of growth momentum to the manufacturing sector and a new buoyancy in the services sector. The Hon'ble Chief Minister's 15-point programme, which I set out in my last Budget Speech, has been incorporated in the State's Tenth Plan. The Tenth Plan targets an overall growth rate of 8%. To achieve this target, fiscal consolidation and accelerated development is a must.

14. Members of the House are aware that the Government was forced to scale down the approved Plan outlay in 2001-2002 from Rs. 6040 crores to Rs. 5200 crores. It is to prevent this kind of a situation that fiscal reforms were undertaken during 2002-2003. This has now enabled us to declare firmly that the approved Plan outlay of Rs. 5750 crores in the current year will be achieved in full. It is with this new confidence that we propose to embark on a much larger Plan outlay for the year 2003-2004. Members of the House will be glad to know that we are targeting to reach a Plan outlay of Rs. 7000 crores for the year 2003-2004. This will be confirmed after discussions of the Hon'ble Chief Minister with the Deputy Chairman of the Union Planning Commission.

POLICE, PRISONS AND FIRE SERVICES

15. Perfect maintenance of law and order is a *sine qua non* for rapid socio-economic development. The Hon'ble Chief Minister has taken extraordinary efforts to impart a new vision, direction and purpose to the State Police.

16. An outlay of Rs. 271.84 crores was allocated under the Modernization of Police Force (MPF) programme over the two-year period (2001-2003) for purchase of arms and ammunition, equipment, vehicles, communication facilities, construction of police quarters and other buildings. In pursuance of our commitment to opening 188 All Women Police Stations, 148 new All Women Police Stations have already become functional.

17. The morale of the State Police stands considerably enhanced because of the welfare measures initiated by the Hon'ble Chief Minister. In an unprecedented effort, the Hon'ble Chief Minister spent five full days to hear and solve specific grievances of officers and men and women of the State Police. The grievance redressal machinery has been completely revamped and made meaningful to improve the morale of the Police. A grant of Rs. 1.38 crores in the current year was provided from the Tamil Nadu Police Benevolent Fund to enable the children of police personnel to pursue higher studies apart from monetary

relief in special cases. A sum of Rs. 1.75 crores was spent under the Tamil Nadu Police Health Scheme to provide the best medical facilities to police personnel and their dependents in 2002-2003. The Government has also opened crèches in six Police Commissionerates for the benefit of women police personnel to ensure proper care of their infants. The Police Housing Programme in Tamil Nadu is clearly among the best in the country. As a result, the satisfaction rate of housing amongst the constabulary in Tamil Nadu is among the best in the country, and much above the national average.

18. The total outlay for the State Police goes up to Rs. 1391.14 crores in the Budget Estimates for 2003-2004 from the Revised Estimates of Rs. 1291.49 crores in the current year. We have accorded the highest priority towards Modernization of the Police Force (MPF). An allocation of Rs. 130.98 crores has been made under this programme during the next financial year.

19. Conducive living conditions in prisons are crucial for facilitating reform and rehabilitation of inmates. Under an ambitious plan approved by the Hon'ble Chief Minister, the Central Prison in Chennai would be shifted to a sprawling complex in Puzhal with the latest facilities. A provision of Rs. 10 crores has been made in the Budget for 2003-2004. We are awaiting the clearance of the Union Government for implementing a perspective plan for comprehensive prison reforms in the State.

20. The Government proposes to gear up the facilities available with the Fire and Rescue Services Department. A Fire and Rescue Services Commission has been constituted under the chairmanship of a retired Judge of the Madras High Court to study and make recommendations on improving service delivery. New procurements such as purchase of fire tenders among others, at a cost of Rs. 4.20 crores, have been approved for implementation in the next financial year.

DEVELOPMENT IMPERATIVES FOR 2003-2004

21. This Government has drawn up an ambitious and bold development agenda, which will be the focus of this Budget for 2003-2004. Its main themes include the following:

- ❖ Reinvigorating the primary sector comprising agriculture and allied activities such as horticulture, floriculture etc., animal husbandry, fisheries, irrigation and rural development.
- ❖ Special thrust to the manufacturing sector with the implementation of second-generation reforms.
- ❖ Accelerated infrastructure development with a special focus on the Chennai metro area.
- ❖ Special emphasis on the development of information technology and tourism in the services sector for generation of new employment opportunities.
- ❖ Renewed emphasis on human resources development.
- ❖ Building a comprehensive social safety net and social security cover for the poor and the needy.

These basic themes form the core of the Budget for 2003-2004. It is in this broad context that I would like to spell out the specific plans and programmes of the Government.

PRIMARY SECTOR

22. While the contribution of the primary sector to the Gross State Domestic Product has declined from over 50% in the 1960's to 17% in 2001-2002, the percentage of the population depending on the

primary sector for livelihood remains as high as 62%. The stagnation in the agriculture sector witnessed in the Ninth Plan period (1996-2001) followed by the successive failure of monsoons calls for a new development strategy. This would include adequate emphasis on reclamation of wastelands, improvements in the irrigation potential through judicious use of available water resources, conjunctive use of water, introduction and absorption of latest yield enhancing and pest control technology and quick transition to high value crops through development of horticulture, floriculture etc.

23. With the objective of infusing a new growth momentum to this sector, the Hon'ble Chief Minister has announced a Comprehensive Wasteland Development Programme. This programme consists of three components. The first component relates to bringing fallow lands, both current and permanent, owned by individual farmers under productive economic activity through an agri-clinical approach. This programme will be intensified in the year 2003-2004. The second component comprises getting Corporate houses and federations of self-help groups to undertake development of wastelands along with an associated rural industry. The third component focuses on promoting agro-based food-processing industries with a minimum investment of Rs.1 crore in each of the 385 blocks of the State under the New Anna Marumalarchi Thittam. We plan to push ahead in all three components in the coming year. The Budget provides for Rs. 25 crores for the programme for improvement of wasteland based on the participatory and agri-clinical approach. The Budget also makes a provision of Rs.10 crores for capital subsidy to new units under the New Anna Marumalarchi Thittam. Under this programme, so far 320 proposals covering 220 blocks with a project cost of Rs.267 crores are under process. Sanctions for 33 units with an outlay of Rs.23.14 crores have been accorded.

24. New technology absorption is emerging as a key issue in agriculture development. Precision farming will have to be the new watchword. Based on the success of the water efficient agriculture practices in Israel, we propose to launch a similar programme for Dharmapuri district in the coming year with an outlay of Rs. 2 crores. Based on this experience, similar modules will be developed for other districts by the Tamil Nadu Agricultural University.

25. Horticulture development will be the engine of growth for the primary sector. As a follow-up to the Horticulture Development Mission, this Government has decided to constitute Crop-specific Missions to enhance the production and productivity of mangoes, bananas, cashews, hybrid vegetables, medicinal and aromatic plants and cut flowers in the State. We will have a special Mission for biofuel plants such as Jatropha, Paradise tree etc. Members of the House are aware that we are establishing three Agri Export Zones at Hosur, Nilgiris and Theni. In The Nilgiris district, the project will be taken up at a cost of Rs.15.89 crores and in Theni district at a cost of Rs. 24.60 crores.

26. We need to have a new strategy for expanding the net irrigated area as we have exhausted our surface water resources. Even maintaining the existing level of assured irrigation is becoming a serious problem. This Government has approached the World Bank for financing the Water Resources Consolidation Project-II with an outlay of Rs.2900 crores for basin based improvement of reservoirs, tanks and distribution systems. As the sanction from the World Bank for this project is likely to take some more time, we have requested for the extension of the on-going Water Resources Consolidation Project-I by a year with an outlay of Rs.100 crores. We hope to get the approval for this soon.

27. The Budget for 2003-2004 gives very high emphasis to enhancing the irrigation potential in the State. The provision for the scheme for drip irrigation has been stepped up from Rs.11.79 crores in the current year to Rs. 30 crores in 2003-2004. A new programme for improving the energy efficiency of farm pumpsets and providing a technology package to these farmers in order to increase the area under irrigation with better yield, will be implemented in the coming year with an outlay of Rs. 10 crores. In pursuance of the announcement made by the Hon'ble Chief Minister,

“A special scheme envisioning direct cash support to small and marginal farmers will be implemented in 2003-2004 to enable them to pay their dues to the Tamil Nadu Electricity Board based on the tariff announced by the Tamil Nadu Electricity Regulatory Commission. The Budget for the coming year makes a provision of Rs.100 crores for this purpose. This Government will ensure that the interests of small and marginal farmers are always protected.”

Puratchi Thalaivi J Jayalalithaa a special scheme envisioning direct cash support to small and marginal farmers will be implemented in 2003-2004 to enable them to pay their dues to the Tamil Nadu Electricity Board based on the tariff announced by the Tamil Nadu Electricity Regulatory Commission. The Budget for the coming year makes a provision of Rs.100 crores for this purpose. This Government will ensure that the interests of small and marginal farmers are always protected.

28. The Government has launched a special Food For Work programme as a part of the drought relief operations. A special scheme for desilting and renovating system and non-system tanks under the control of the Public Works Department will be implemented in 2003-2004 with a total outlay of Rs. 100 crores. The cash support of Rs. 25 crores has been provided in the Budget. This will be combined with the allotment of rice valued at Rs. 75 crores. A similar programme for desilting and improving small village ponds and tanks with an ayacut of less than 100 acres under the control of Village Panchayats and Panchayat Unions, respectively, will also be implemented in the coming year with an outlay of Rs. 50 crores. This programme includes a rice component valued at Rs. 37.50 crores. The cash component of Rs. 12.50 crores has been provided in the Budget. Another programme for desilting tanks and other water bodies will be implemented in Ramanathapuram district at a total project cost of Rs. 24.36 crores during 2003-2004.

29. The Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has placed the highest emphasis on rain water harvesting both in urban and rural areas. In the context of the extreme water shortage being faced by the State, we have to ensure that rain water is properly utilised. The Tamil Nadu Agricultural University has suggested that rain water harvesting structures for irrigation can be promoted. There are totally 1.59 lakh unused wells which can be utilised as rain water harvesting structures. We will implement a programme to do so in the coming year. This will be a joint effort between the departments of Agriculture, Rural Development and the farmers. Likewise, the programme of farm ponds, which the Hon'ble Chief Minister initiated during the last Kuruvai season in the Cauvery delta districts will be expanded to other districts.

30. In the Cauvery delta area, particularly in the tail end area, we will implement a programme of rehabilitation of irrigation control structures so that there can be better regulation of the on-farm irrigation. Simple practices developed by the Tamil Nadu Agricultural University will be popularised in the delta districts to enable farmers to manage the available water better and get better yield. Pumping schemes in the tail end region will be made to function more effectively.

31. The Budget for 2003-2004 provides for a total outlay of Rs.748.00 crores for irrigation as against Rs.668.94 crores in the current year's Budget Estimates.

32. Animal Husbandry is an integral part of rural life and a key activity to provide sustainable growth in the rural economy. The Hon'ble Chief Minister has indicated that homestead farming that involves integrating agriculture with animal husbandry should be given a new thrust in the coming year. The Budget makes an initial outlay of Rs. 1 crore for promoting agriculture together with animal husbandry in an integrated manner. A pilot scheme for homestead farms together with goat-rearing will also be launched during the coming year.

33. Hon'ble Members will be pleased to know that the Government has sanctioned Rs. 20 crores in the current year to mitigate the adverse effects of the drought on the livestock in the State. This is being used for providing water supply, purchase of vaccines and medicines, upgradation of infrastructure and for ensuring availability of fodder. Under the on-going Livestock Protection Scheme, 4494 health camps have been held in 2002-2003. This programme will be continued in 2003-2004 and an allocation of Rs.2.14 crores has been made for this purpose.

34. Under the DANIDA-assisted Livestock Development Project, 45 Panchayat Unions are being covered. In this project, link worker couples are trained along with selected farmers in various animal husbandry practices with the objective of getting all farmers to increase their income and for providing veterinary health care. This will be replicated in 6 more districts. The assistance of veterinary science graduates will be enlisted in a self-employment scheme for expanding veterinary health care services in the State.

35. I am happy to inform the House that the Government of India has cleared the implementation of the National Programme for Cattle and Buffalo Breeding for our State at a total cost of Rs. 20 crores. This project aims at improving the quality of livestock and conservation of indigenous breeds. We have set up the Tamil Nadu Livestock Development Agency to spearhead the implementation of this project.

36. Members of the House are aware of the Fisheries Development Mission launched by the Hon'ble Chief Minister on 18.7.2002 with the objectives of increasing marine and inland fish production, preserving their biodiversity and improving post-harvest storage and marketing. The activities under the Mission will be further intensified in the coming year.

37. The Budget for 2003-2004 makes a provision of Rs. 25.13 crores towards the relief being provided to marine fishermen during the lean season. The housing programme for fishermen is set to get a tremendous boost in the next financial year and an allocation of Rs. 10.21 crores has been made for this purpose. Proposals for the construction of a fishing harbour at Rameswaram at a cost of Rs.48.84 crores and a fishing harbour at Pazhayar Stage-II at a cost of Rs.10.60 crores have been posed to the Government of India for funding. Construction of 10 fish landing centres at total cost of Rs.13.23 crores has already been approved and works have commenced at six places.

COMPREHENSIVE RURAL DEVELOPMENT

38. This Government accords the highest priority to comprehensive rural development, besides promoting gainful economic activity through accelerated development of the primary sector. We shall concentrate on providing essential rural infrastructure not only to improve the quality of life but also to provide additional avenues for employment.

39. In 2003-2004, we shall obtain loan assistance from NABARD to the tune of Rs.400 crores for financing various components of rural infrastructure development. This will include laying of rural roads and bridges, improvements in the facilities in rural schools, upgradation of rural health infrastructure, irrigation schemes, rainwater harvesting structures, rural electrification and others. This programme will go a long way in promoting avenues for rural employment and creation of adequate infrastructure.

40. Rural electrification will receive a special thrust in 2003-2004. Schemes for improvement of power system networks will be taken up in the coming year in rural areas with a total outlay of Rs. 232.30 crores. This investment will go towards the establishment of 35 new sub-stations, enhancement of power transformers in 39 sub-stations and erection of 2313 new distribution transformers. Hon'ble Members of the House will be pleased to know that a special programme for providing solar energy-based electric connections to 149 remote and small habitations would be implemented in a phased manner from 2003-2004. These massive investments will give a tremendous boost to the quality and reliability of energy supply in the rural areas. The Budget also makes a provision of Rs.14 crores for assistance to hut dwellers to enable them to pay their dues to the TNEB.

41. The Sampoorna Grama Rojgar Yojana (SGRY) is the main programme for rural works, which is supported by the Government of India. In 2002-2003, a total of 79,111 works were taken up under this programme. In 2003-2004, we plan to take up 100,000 works in rural areas. The Budget includes an outlay of Rs.55.05 crores as the State's cash support for this scheme and it will be implemented along with the rice component in the next financial year.

42. This Government is implementing the Village Self-Sufficiency Scheme as a participatory and rural demand-driven innovative programme. The Budget includes an allocation of Rs.20 crores for this programme.

43. Upgradation and maintenance of rural roads would receive special attention in 2003-2004. The funds available under the Prime Minister's Gram Sadak Yojana (PMGSY) would be utilized to upgrade 2937 Kms. of rural roads at an estimated cost of Rs.367.22 crores. The Government has announced an ambitious plan to provide rural road connectivity in all habitations with the population of 500 and above. An estimated 2102 habitations are yet to be covered. We will ensure that these villages are linked by all-weather roads within the Tenth Plan period.

44. There are an estimated 12,000-km of unclassified roads in rural areas which are not being maintained either by the Highways Department or by the Panchayat Unions. The Government has decided to entrust the maintenance of such unclassified roads with the Panchayat Unions. During 2003-2004, Rs. 50 crores will be utilized for the maintenance of such roads from within the devolution share of Panchayat Unions.

45. The Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa is a strong votary of sanitation, cleanliness and hygiene. This Government has initiated a massive programme for the construction of 12,618 Integrated Sanitary Complexes for women and children in rural areas. The first phase comprising 6309 sanitary complexes has been completed and in the second phase in 2003-2004, we propose to take up construction of the remaining 6309 such complexes and a provision of Rs. 104.42 crores has been made for this purpose. We shall endeavour to extend the Total Sanitation Programme, now operational in 16 districts, to the remaining 12 districts in the State. A "Clean Village Campaign" has been launched and village-level solid waste disposal will be given special attention in the coming year. A provision of Rs. 75 lakhs for the Clean Village Campaign has been made to reward the best villages.

"This Government has initiated a massive programme for the construction of 12,618 Integrated Sanitary Complexes for women and children in rural areas. The first phase comprising 6,309 sanitary complexes has been completed and in the second phase in 2003-2004, we propose to take up construction of the remaining 6309 such complexes and a provision of Rs. 104.42 crores has been made for this purpose."

46. Rural housing will receive special attention in the forthcoming year. During 2003-2004, 31,453 houses will be built under the Indira Awas Yojana (IAY). The Budget includes a provision of Rs.28.37 crores towards the State's share in this programme. An estimated 16,164 Kutcha houses will be upgraded during 2003-2004. The Budget includes a provision of Rs. 4.11 crores for this programme.

47. A new survey of the status of rural drinking water supply in the State, as on 1.4.2002, shows that out of the total of 80,421 habitations, 28,623 habitations have an assured supply of drinking water and 51,294 habitations are only partially covered. 504 habitations still did not have reliable sources of drinking water. I am glad to inform the House that out of these 504 habitations, 465 habitations have been provided with an assured drinking water supply in the current year. The remaining 39 habitations will be covered in 2003-2004. There has also been an impressive increase in the number of habitations which were earlier in the partially-covered category but now have assured water supply. The total outlay for Rural Water Supply under the Minimum Needs Programme for 2003-2004 is Rs. 411 crores.

48. The new Swajaldhara Programme introduced by the Government of India in December, 2002, will be implemented with vigour in the coming year. Under this programme, drinking water facility will be provided. Members of the House will be glad to know that we hope to get the clearance of the World Bank for implementing the Tamil Nadu Water Supply and Sanitation Project for Rural Areas from the World Bank at an estimated cost of Rs.2300 crores in the coming year.

49. Members of the House are aware that Rs.82 lakhs is being provided to every Member of the Legislature for the Constituency Development Scheme. In 2001-2002, due to the extreme financial distress it was not possible to release 50% of this amount. During the current year, we have ensured that the full amount of Rs.82 lakhs for each Constituency has been released. We shall try to release 50% of the arrears of Rs. '96.35 crores before the close of the current financial year and the

remaining 50% can be drawn in 2003-2004 along with the regular provision. The Budget makes an allocation of Rs. 240.88 crores under MLACDS for the coming year.

THE SECONDARY SECTOR

50. The secondary sector mainly comprises manufacturing, electricity and construction industry. The manufacturing sector in Tamil Nadu performed poorly during 1996-2001. Except in 1999-2000, the growth rate has either been negative or very low. This Government proposes to address the structural constraints restricting growth in this sector through second generation reforms. These include:

- ❖ Reduction of transaction time and costs at Ports & Customs.
- ❖ Interest rate corrections.
- ❖ Global integration.
- ❖ Labour reforms and labour productivity.
- ❖ Simplification of procedures and deregulation.
- ❖ Provision of quality infrastructure.
- ❖ Quality Energy Supply.
- ❖ Technological modernization & upgradation.
- ❖ Reforms in State level taxation

51. The first four issues have to be dealt with by the Government of India. We would urge the Union Government to take all measures necessary to eliminate impediments that constrict growth in the manufacturing sector. This Government proposes to address all other issues falling within its ambit. The Hon'ble Chief Minister, in her recent speech at the CII conference, has delineated the blueprint for the second generation reforms to be undertaken in Tamil Nadu. I would like to briefly touch upon them.

52. As part of our efforts to simplify administrative processes, a common application form has been designed to meet the information requirements for pre-project clearances and infrastructure support, except in respect of the pollution clearance by the Tamil Nadu Pollution Control Board (TNPCB). A Common Return Form integrating 51 different items is also being attempted to eliminate paper work and save managerial time. A High Level Committee under the Hon'ble Chief Minister will monitor the progress of clearances by the TNPCB.

53. This Government proposes to facilitate establishment of new power generation projects in order to meet the growing energy demand. Energy availability will be guaranteed. Due attention is also being paid to improve the quality of energy supply. With the introduction of the availability based tariff system from 1.1.2003, the operating frequency in the system is being maintained between 49.5 hertz to 50.5 hertz. This is a major improvement. We shall continue to invest in transmission and distribution to further improve the quality of energy supply.

54. Technology absorption, modernisation and upgradation will be encouraged. We shall initiate a new policy to help units, which are planning to upgrade. This will be with emphasis on improving their competitiveness in the global market.

55. Reforms in State level taxation are being examined by the Tax Reforms and Revenue Augmentation Commission headed by Dr. Raja J. Chelliah. It has recommended transition to a system of State VAT. We shall do so based on the national consensus. Though this system entails substantial revenue loss for the Government, it surely will be a boon for the manufacturing sector as the tax on inputs will be set off and the ill-effects of cascading removed completely. We are taking stock of other recommendations made by the Commission and they have been covered in other sections of this Budget.

56. Provision of quality infrastructure is another focus area. I am dealing with this separately as we are taking several new initiatives to provide quality infrastructure. This Government will take particular care to ensure that the infrastructure is upgraded to world class standards where export-oriented units are located. At the same time, the general infrastructure consisting of highways, ports, power and urban infrastructure will receive special attention. In addition, there will be a new thrust on the development of the Chennai Metropolitan Area.

57. The ASIDE programme of the Government of India will be utilised to improve the infrastructure where export-oriented units are located. The Industrial Infrastructure Development Programme of the Union Government will also be utilised for development of other clusters such as leather, textiles, pumps and motors, automobile components, machine tools, household appliances etc., for improving their productivity.

58. Tamil Nadu being a coastal State has to set out on an export-led growth strategy. The Hon'ble Chief Minister has recently approved the State's policy on Special Economic Zones. This will enable the formation of Special Economic Zones at Tuticorin, Ennore and Chennai, adjacent to the existing ports.

59. The Government has identified leather, textiles, automobile, automobile components, rubber and agro-processing as thrust areas for rapid growth. We propose to establish separate missions to take up accelerated development of these segments of industry. This will be done in partnership with the industry groups.

60. Work will commence in the coming year to establish a Biotechnology Park in technical collaboration with Cornell University. An Eco-enterprises Park will be established in Dindigul district.

61. Small and medium entrepreneurs in Tamil Nadu have to be encouraged. The lesson from China is that a vibrant small and medium enterprises sector is vital for the robust growth of the economy and for increasing employment opportunities. The Budget includes a provision of Rs.2 crores for Technology Upgradation and Modernisation Scheme. Under this scheme, the Government will provide back ended interest subsidy in order to enable SSI units to upgrade their units and compete in the market. Likewise, for SSIs started under the National Equity Fund Scheme, back ended interest subsidy will be extended. The Budget provides Rs.1 crore for this purpose.

62. For the tiny sector, a similar scheme will be launched. A provision of Rs.25 lakhs is made in the Budget. The Budget also includes a provision of Rs.25 lakhs to support SSI units to obtain ISO certification and engage in research and development initiatives. These measures will go

a long way in giving a fillip to small scale and tiny industries in Tamil Nadu.

63. It is necessary to upgrade Industrial Estates such as those at Guindy and Ambattur. After detailed deliberations, we have worked out an investment plan of Rs.6 crores for each of these Estates. This will enable provision of quality infrastructure such as roads, lighting, sewerage, drainage etc. They will be restored to their premier position in the coming year. We would like to encourage new units to be established in these Estates. These projects will be executed on a public-private partnership model. A revenue sharing arrangement between the local body and SIDCO together with the Estates' Association will be worked out to facilitate the investment plan.

64. I would now like to turn to the textile industry. We will have a separate Mission for the textile industry. Tamil Nadu is traditionally very strong in this industry. This industry, both knitwear and woven, is passing through very difficult times. The Hon'ble Chief Minister believes that we should look forward and reorganise ourselves to avail of the opportunities in the future. The new Textile Mission will examine all aspects of the industry and undertake programmes to facilitate the revival of the industry. This would include the following initiatives.

- Focus on quality cotton production to improve availability and ensure backward integration of the industry.
- Establishment of a Textile Industrial Training Institute in association with SIMA, to focus on training programmes and techniques in modern upgraded production systems. This facility will also be used to retrain labour so that they can be absorbed again in the industry.
- Making arrangements with technical institutions to launch a retraining programme so that trained labour are available for the modernised industry.
- Encouraging entrepreneurs to go in for new technology based weaving capacity.
- Modernisation of the existing spinning capacity.
- Encouraging power loom complexes with shuttleless weaving looms.
- Establishing Apparel Parks near Chennai and Tiruppur.

65. I am confident that in the coming year we will be able to address most of the issues relating to the textile industry in a satisfactory manner to give a big push to this industry as it prepares itself for the year 2005, when the WTO regime will come into operation.

66. Hon'ble Members are well aware of the efforts made by the Hon'ble Chief Minister to ameliorate the condition of weavers in Tamil Nadu. The innovative market based scheme of low priced sarees and dhotis has helped to reduce the stocks considerably. We shall implement in 2003-2004 a major scheme to modernize the production processes employed by these weavers and shift them to better value added products. The Budget 2003-2004 has a provision of Rs.83 crores for marketing incentives and handloom rebate.

67. Members of the House are aware that the construction industry is a major contributor to growth. Easy availability of building materials will greatly facilitate the growth of this industry. The Hon'ble Chief Minister has issued instructions for improving the availability of building materials and this will control costs and spur demand. There are still some difficulties relating to availability of sand and other materials.

We shall constitute a High Level Committee headed by the Chief Secretary to go into all aspects regarding the supply of building materials and proper regulation of the industry. The Committee will be required to give its report in a period of 3 months and suitable action will be taken thereafter.

68. This Government firmly believes that the quality of life of labour has to be improved. This has to come through enhanced labour productivity and through better incomes. During the year 2002-2003, the Tamil Nadu Construction Workers Welfare Board has disbursed Rs.2.56 crores to 4889 beneficiaries. We shall undertake training programmes, in partnership with industry, to retrain labour for modernised production systems. Members of the House will be glad to know that we plan to ensure that at least 2000 new houses for Beedi workers are constructed in the coming year. Tamil Nadu has been a haven of industrial peace. We shall ensure that good industrial relations prevail in Tamil Nadu during 2003-2004. We have constituted a Special Industrial Tribunal to go in to the wage issues of textile workers.

INFRASTRUCTURE DEVELOPMENT

69. One of the major thrust areas in the Budget for 2003-2004 is the accelerated development of quality infrastructure. It is widely accepted that provision of quality infrastructure helps in the growth of the entire economy. Without compromising on the quality standards of infrastructure, we have to ensure that they are made available at affordable costs. This calls for looking at the whole issue of infrastructure development and its financing in a holistic manner. In my last Budget Speech, I had indicated that the surcharge on sales tax will be used for an Infrastructure Development Fund. In a State VAT System, there is no place for a surcharge. We have, therefore, decided to constitute the Infrastructure Development Fund with a specific allocation from the Budget. A provision of Rs.200 crores has been made in the Budget for establishing this Fund.

70. Provision of quality infrastructure requires massive capital investment. It is not possible for the Government alone to undertake this stupendous task. Earlier, private capital was unavailable for infrastructure development as returns on investments were very inadequate. This issue has now been addressed world over through the concept of public-private partnerships based on concession agreements and user participation through levy of affordable user charges. In the Union Budget for 2003-2004, the Government of India has unveiled the concept of viability gap funding to facilitate a higher level of investment in infrastructure development. After examining this and other mechanisms available, we propose to enact a new law providing for public-private partnerships in infrastructure development in Tamil Nadu, in the current session of the Legislature. This legislation will provide the basis for developing concession agreements, sharing of risks, and procedures for project development and implementation.

71. Hon'ble Members of the House are aware of the special emphasis we have placed on the development of the energy sector. The Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has taken special steps to promote the development of new generation capacity in the State. A Memorandum of Understanding (MoU) between TNEB and the National Thermal Power Corporation for setting up a 1000 MW plant was signed in July 2002. The project cost is estimated to be Rs.4000 crores and this will come up in the North Chennai area. The detailed project report is under preparation. Upon completion, it will be a major new addition to the generation capacity in the State. I am also glad to announce that the Neyveli Lignite Corporation and the TNEB will promote a joint venture to establish a new 1000 MW coastal thermal power station at Tuticorin at a cost of Rs.4000 crores. We shall urge

the Government of India for the early establishment of the 2000 MW power station at Koodangulam. The total cost of this project will be Rs.13,000 crores. We shall also take up with the Government of India the inclusion of 2000 MW of additional capacity at this site. Adequate thrust and attention will also be paid towards promotion of non-conventional energy sources such as wind energy, solar energy and biomass based energy. Together with the availability of energy from the Central grid and the Independent Power Plants (IPPs), Tamil Nadu will continue to be energy self-sufficient in the foreseeable future.

72. Members of the House will be happy to note that despite the failure of two monsoons and a consequent shortage of hydel energy, there have been no power cuts in Tamil Nadu. Our focus is now more on the quality of energy supplied. The frequency of supply has been stepped up considerably. We shall continue to invest substantially in system and grid improvements. The Plan outlay of the TNEB for the year 2003-2004 is Rs.1287 crores.

73. Hon'ble Members of the House may recall that Tamil Nadu achieved 100% electrification of all villages as early as 1992 against the All India target of 2007. This achievement was realised when this Government was in office. We are now aiming at 100% electrification of all households along with the assurance of stable and quality energy supply by 2007. Tamil Nadu will be the first State to achieve this distinction.

74. I am glad to announce that the long delayed Tamil Nadu Road Sector Project, which was drawn up when this Government was in office in 1995, will now be taken up for implementation at a cost of Rs.2118 crores. It is really unfortunate that the previous Government lost out when other States bagged many externally funded projects including the Road Sector project. Our Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has taken firm and positive action to bring this project back on track. The project is now at an advanced stage of negotiations with the World Bank and we hope that the agreement will be completed by June, 2003. This project will enable the development of 732 Kms of road network. The major components will be the development of the East Coast Highway from Nagapattinam to Tuticorin, the State Highway from Arcot to Tiruvarur and 14 crucial by-passes.

75. We have also examined how to encourage the public private partnership model in road development. The Union Finance Minister in his Budget speech for the year 2003-2004 has announced that a new viability gap funding model will be adopted for accelerated development of National Highways throughout the country. Basically, this involves the utilisation of private capital in road development in association with Government funding support for the viability gap with minimum toll charges. It is necessary that we take up the development of several State Highways and major district roads on similar lines.

76. Under the Hon'ble Chief Minister's Highway Development Programme, about 1800 Kms. of State highways and Major District Roads will be taken up under an accelerated development programme and completed in a period of 3 years. The plan is to identify individual sectors and upgrade these roads to a minimum of double lane with paved shoulders together with special services such as accident and trauma services, highway patrolling etc. The estimated cost of this project is Rs.1500 crores. The Government will provide capital support to the extent needed and the balance will be through private sector participation. The Government support will be given as viability gap funding on the model evolved by the Government of India. I am sure that this will give a completely new look

to the roads and highways in Tamil Nadu making these comparable to the best in the world.

77. Maintenance of existing road and highway networks will also receive special attention in 2003-2004. The Budget provides a special allotment of Rs.180 crores for relaying 5000 Kms. of roads during 2003-2004. The outlay will be further stepped up in future years. In order to protect the maintenance of the core road networks comprising State Highways and Major District Roads, we have decided to constitute a Road Maintenance Fund in the Public Account with a corpus of Rs. 120 crores. This fund will be utilised only for the maintenance of the core road networks in the State.

78. The Tamil Nadu Maritime Board has worked out development plans for the Cuddalore and Nagapattinam minor ports. The Nagapattinam Port has recently been expanded by Chennai Petroleum Corporation Limited at a project cost of Rs.100 crores. This facilitates the arrival of 0.5 million tonnes of crude oil. Development of Cuddalore Port at a cost of Rs.250 crores is being worked out under the public-private partnership model. We will urge the Union Government to take up work on the Sethu Samudram Project without further delay.

79. We are disappointed that upgradation of Chennai Port and construction of the second airport at Chennai do not figure in the Union Government's Budget for 2003-2004. The operations of the Chennai Port need to be completely modernised in the context of our export led growth strategy. The Government of India will be urged to expeditiously take up the modernisation of the Chennai Port. The Government of India has to urgently take a decision on the construction of a second airport at Chennai.

URBAN DEVELOPMENT

80. The quality of urban infrastructure is crucial for the healthy life of the people and is also an important indicator of the progress made by the State. We have decided to give high priority to this sector through adequate capital investments in city corporation areas, municipalities and urban town panchayats.

81. When our Government was in office earlier, it took steps to establish the Tamil Nadu Urban Infrastructure and Financial Services Limited (TNUIFSL). This agency, which is a unique example of public-private partnership, is engaged in financing urban infrastructure projects such as sewerage projects, road development projects, bus stands etc. In 2003-2004, this agency will fund urban infrastructure development projects with an outlay of Rs.200 crores. A separate fund for financing urban water supply and sanitation projects has also been instituted. The Tamil Nadu Urban Finance and Infrastructure Development Corporation Limited (TUFIDCO), will be geared up to undertake financing of urban development projects to the extent of Rs.200 crores in 2003-2004.

82. Members of the House will be glad to know that despite the severe financial constraints, the prescribed share of devolution of State tax revenues to all local bodies has been made on a monthly basis. Urban local bodies have to pay greater attention to improving their own sources of revenues. Public-private partnership model should also be considered in providing urban services. I would like to appeal to local bodies to raise resources to fund their development programmes. Profession tax is due for revision on 1.10.2003 and local bodies can themselves undertake this revision as per law.

83. The Hon'ble Chief Minister had launched a massive water supply project for Tiruppur Municipality and all wayside villages at a cost of Rs.1026 crores. This is a unique model of public-private partnership. I am glad to announce that the financial closure of this project has been achieved and the disbursement of loans by the lending institutions will commence by the end of March 2003. The Budget has a provision of Rs.40.17 crores as grants for the project. This is a major achievement of this Government and this project will be the first one of its kind in the country.

84. Quality energy supply is a must for all round development of urban areas. To achieve this objective, this Government proposes to make an investment of Rs.155.50 crores for establishing 11 new sub-stations, enhancement of power transformer capacities in 8 sub-stations and erection of 696 new distribution transformers in the urban areas of the State.

85. The Hon'ble Chief Minister has emphasized the need for proper and scientific management and disposal of solid wastes in all urban areas. A special drive to undertake clearance of garbage, with particular emphasis on removal of plastic litter at source, has been launched. Urban local bodies will be encouraged to set up land fill sites for proper disposal of the solid wastes.

86. The housing sector, being an important source of employment, will receive special encouragement from the Government. The Tamil Nadu Housing Board will be restructured to undertake housing projects on the basis of public-private partnership. The important need is for proper neighbourhoods to be developed in the Chennai Metropolitan Area and other urban centres. Lands will be acquired in these areas to enable the Tamil Nadu Housing Board to take up early development of new neighbourhoods in association with private sector investors. We shall also in due course review the development control rules in the Chennai Metropolitan Area to step up activities in the housing sector.

87. The Tamil Nadu Slum Clearance Board will take up construction of 2116 housing units at a cost of Rs.20 crores in Chennai, Madurai and Coimbatore, with the special problem grant allotted by the Eleventh Finance Commission. 5000 individual houses at a total cost of Rs.20 crores will be built in urban slums under the Valmiki Ambedkar Housing Scheme with support from Government of India. Based on the directions of the Hon'ble Chief Minister, a comprehensive programme for resettlement of 3000 slum houses on riverbanks in Chennai has already been taken up. This would be completed in 2003-2004. An additional 8164 tenements will be built to resettle the remaining families living on riverbanks.

88. The Chennai Metropolitan Area poses an enormous challenge in view of the neglect in investment over several decades. If this city is to regain its past glory as the premier city of South India, we have to work on a major investment plan on upgrading the infrastructure. The main problems facing Chennai Metropolitan Area include: inundation during heavy rains, poor road maintenance and upgradation, water shortages, problems of solid waste disposal etc. The citizens of the Chennai Metropolitan Area have been requesting qualitative improvements in the basic services. The Chennai Metropolitan Area is also fast becoming a global outsourcing hub for Business-Process Outsourcing (BPO) services and also for several other manufacturing activities.

89. After field inspections last year, the Hon'ble Chief Minister has directed that a comprehensive infrastructure development plan should be worked out. An official Working Group has

now prepared an Infrastructure Investment Plan for the Chennai Metropolitan Area. This plan involves an outlay of Rs.18,000 crores over a period of 10 years. In the Medium Term, that is within a period of 5 years, the investment level required is about Rs.10,000 crores. Tamil Nadu Industrial Development Corporation (TIDCO) has entered into a Memorandum of Understanding with the Infrastructure Development Finance Corporation (IDFC) to develop the infrastructure funding plan. We will enlist their support in converting this investment plan into an Annual Action Plan.

90. The Budget Memorandum includes the Action Plan for the year 2003-2004 involving an outlay of Rs.1780.75 crores. This investment will have to be made not only by the Government the local bodies and public utilities operating in the area but also through public-private participation. It is proposed to constitute a high level apex body, namely, the Chennai Metropolitan Infrastructure Development Committee (CEMID) headed by the Hon'ble Chief Minister, to oversee the implementation of the Action Plan. This will ensure that the Chennai Metropolitan Area is restored to its rightful position as the premier city in South India.

SERVICES SECTOR

91. The services sector contributes nearly 50% of the Gross State Domestic Product (GSDP) and is vital for achieving the overall growth target and providing employment opportunities. We have to develop appropriate policies to achieve substantial growth in this sector.

92. Information Technology (IT) has completely revolutionised the way we conduct our daily life. Tamil Nadu has been in the forefront of this IT revolution. Members of the House are aware that our Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa launched the State's IT Policy on 19.9.2002. This comprehensive policy covers all the measures, which are being taken to facilitate the growth of the IT industry. The Chennai Metropolitan Area will be developed as a destination of choice for Information Technology Enabled Services (ITES). This would include Business Process Outsourcing (BPO) ventures. Chennai has become the global destination for IT-enabled activities and BPO services. The World Bank and leading Banks such as ABN Amro, Standard Chartered etc., have all located their business process centres at Chennai after a careful choice. We shall build on this strength. We will develop the Chennai Metro Area as a tier one centre with disaster recovery and back up in the tier two cities of Coimbatore, Madurai and Trichy.

93. Members of the House are aware of the IT Park being developed at Siruseri near Chennai. It has been the long-standing request of the IT industry to develop the highway between Madhya Kailash on the Sardar Patel Road (Gandhi Mandapam) to the East Coast Road as an Express way. We propose to constitute a Special Purpose Vehicle (SPV) called IT Expressway Limited (ITEL), to undertake the implementation of this 6 lane expressway project to international standards at a total cost of Rs.70 crores. This project will be taken up in the coming year by the Tamil Nadu Road Development Corporation (TNRDC) on a public private partnership model. This major initiative will ensure the rapid development of this IT corridor.

94. We are also working in partnership with the Confederation of Indian Industry (CII) to develop a Knowledge Industry Township as part of this IT Corridor. The initial presentation on this concept has been completed. CII is engaging a world class consultant firm to prepare the detailed project. We shall proceed after the finalisation of this concept and undertake the implementation of this project in the coming year.

95. Tamil Nadu Industrial Development Corporation (TIDCO) will shortly go ahead with M/s. Ascendas of Singapore to establish the Second Information Technology Park close to the existing TIDEL Park. This will be taken up on an extent of 15 acres and will create 1.5 million sq. ft. of built up space in three phases. We shall also focus on the integrated development of the Siruseri IT Park. It is proposed to create adequate high quality housing in this area as an adjunct to the IT Park. SIPCOT is in the process of tying up with a Singapore consortium group to undertake an integrated business and housing programme and this would facilitate the location of BPO and ITES ventures here.

96. Tourism is a major contributor in the services sector. Marketing of Tamil Nadu as a major tourist destination has to be accomplished. We propose to hire a reputed promotion and marketing agency to undertake the marketing of Tamil Nadu as a tourist destination. The Government has to create proper public infrastructure at various tourist spots and centres. The Budget includes a provision of Rs.26.79 crores for the tourism sector. This provision will be stepped up further based on need.

97. With assistance from the Government of India, we are implementing a Rs.19 crore Master Plan for the development of Mamallapuram. Our plan involves the comprehensive development of identified major tourist destinations such as Mamallapuram, Kannyakumari, Ooty, Yercaud and Kodaikanal. There will be focused attention on specific tourism circuits. Improvements to all facilities in other tourist spots will also be undertaken.

98. The Government has to mainly play the role of a facilitator. We have reduced the luxury tax paid by the occupants in hotels to a maximum of 12.5% with effect from 31.12.2002. We have also reduced the luxury tax on entrance fee to amusement parks to 10% with effect from 31.12.2002. These measures aim at boosting tourism in Tamil Nadu.

99. For the first time in India, the SKAL International Conference on Tourism will be held in Chennai during 2003. We are confident that with the growth of the Chennai Metro Area as a global outsourcing hub, it will be possible to simultaneously achieve faster growth in the tourism sector.

HUMAN RESOURCES DEVELOPMENT

100. The Hon'ble Chief Minister recognizes that investment in human resource development is crucial for transforming the economy and assuring a productive life for all citizens. Education, skill acquisition and access to information form the basis for creating a knowledge society. Proper and planned investments and convergence of various programmes for education, health, family welfare and social development hold the key to ensuring rapid and quality development of our human resources.

101. We have opened 756 elementary schools and 676 middle schools in the period 2001-2003 to ensure access to all. 356 Education Guarantee Scheme Centres have also been opened to cover small habitations where the number of school going children is below 15. This policy of reaching out to those who cannot access the school system will ensure complete coverage. I am happy to announce that the goal of a school within the reach of every hamlet and habitation in Tamil Nadu would be achieved in 2003-2004.

102. Secondary education is now receiving high priority. This Government has already opened 220 High Schools and 260 Higher Secondary Schools during the period 2001-2003. 30 new High Schools and another 30 Higher Secondary Schools will be opened in 2003-2004. In the second

phase of the programme to upgrade the facilities in High and Higher Secondary Schools. 250 schools in 19 districts will be taken up at a project cost of Rs.80.64 crores in the coming year. Quality improvements in the Secondary School infrastructure would pave the way for higher retention levels in academic institutions.

“Secondary education is now receiving high priority. This Government has already opened 220 High Schools and 260 Higher Secondary Schools during the period 2001-2003. 30 new High Schools and another 30 Higher Secondary Schools will be opened in 2003-2004”

103. The Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has a vision of transforming Tamil Nadu into a knowledge driven and digitally literate society. This Government has decided to make computer education compulsory for all students in schools. The Government proposes to cover 200 of its Higher Secondary Schools under the computerization programme in 2003-2004. Science equipment will also be provided to 50 High Schools and 75 Higher Secondary Schools in the coming year. We shall place special emphasis on the teaching of the English language as this is a must for securing new employment opportunities in the sunrise sectors. English language teaching laboratories will be established in 300 High Schools and Higher Secondary Schools in the coming year at a cost of Rs.1.69 crores.

104. As promised by the Government, the Thiruvalluvar University has been established at Vellore. The Tamil Nadu Open University has also commenced work in the current year. Following the transfer of Government Colleges to various Universities in the State, a comprehensive development programme for these colleges has also been worked out, which includes introduction of new job-oriented courses in the constituent colleges. The University Grants Commission has been approached for necessary assistance in upgrading these institutions.

105. The Government has outlined a clear policy in respect of self-financing colleges following the ruling of the Hon'ble Supreme Court on this subject. Our State has the largest number of engineering colleges and intake of students in the country. It shall be our endeavour to ensure that all technical institutions upgrade their infrastructure and quality of training to increase the demand for our scientific manpower in the global marketplace. It is proposed to network all the 240 engineering colleges in Tamil Nadu.

HEALTH AND FAMILY WELFARE

106. This Government is committed to improving the health status of the people by enhancing their access to health care facilities at primary, secondary and tertiary levels. The outlay on Health and Family Welfare will be Rs.1380.48 crores in the Budget for 2003-2004.

107. At the basic village level, we have 8682 Health Sub-centres. Of these, 6052 Health Sub-centres have already been provided with a building. The construction of 385 new Health Sub-centres has now been taken up in the current year. We shall take up about 300 more buildings in the coming year. Members of the House are aware of the action being taken to upgrade Primary Health Centres as 30-bedded hospitals. So far, 58-PHCs have been taken up for upgradation. It is proposed to upgrade 35 more PHCs in 2003-2004. The ultimate target for upgraded primary health centres is

100. Our objective is to ensure that with the network of Taluk and Non-taluk Hospitals and about 100 upgraded PHCs, all villages in the State will have easy access to hospital facilities.

108. While the focus of our attention will continue to be on Primary Health Care, we shall also work towards strengthening the facilities at the secondary and tertiary levels. The Budget provides for additional infrastructure facilities in identified referral hospitals at a cost of Rs.2.62 crores. Special attention will be paid towards introducing modern diagnostic facilities in tertiary hospitals at a cost of Rs.6.20 crores in the next financial year. This includes the construction of new buildings to accommodate the labour ward at the Institute of Obstetrics and Gynecology and Government Hospital for Women and Children at Chennai at a cost of Rs.2 crores. The Bernard Institute of Radiology at the Government Hospital Chennai, will be completely upgraded at a cost of Rs.50 lakhs. The Budget also includes provision for building a 24-bedded labour ward with operation theatre in the Government Headquarters Hospital, Karur. A 48 bed ward will be constructed at the Government Headquarters Hospital at Tiruvannamalai.

109. The concept of making available quality medical care and services at affordable user charges has been widely welcomed by the people. The popularity and demand for CT Scan and MRI facilities provided by the Tamil Nadu Medical Services Corporation at rates much below the market rate is a pointer to this fact. We will be developing this concept further by introducing pay wards in district hospitals in a phased manner. Our policy is to provide totally free services for those who are below the poverty line. We will also provide affordable services below the market rates to the low income and middle income groups who desire quality health care at affordable price. Tamil Nadu and Chennai in particular is well known for its health care systems. Chennai is rightly called the health capital of India. We will draw up a plan to involve all these institutions to train personnel for the health care systems throughout the world.

110. The crude birth rate in Tamil Nadu, which was 19.5 per 1000 population in 1996, has stagnated at 19.2 per 1000 in 2000. We have, to therefore intensify the family welfare programmes. Vital health issues such as the Infant Mortality Rate (IMR), anaemia in adolescent girls, and low birth weight babies have to be given priority. The IMR, which was 53 in 1996 dropped only to 51 in 2000. This highlights the need to have special programmes to ensure rapid improvement in our basic health indicators. We hope to obtain approval for the World Bank-funded Tamil Nadu Health Systems Development Project at a total cost of Rs. 650 crores in 2003-2004.

**Welfare of Scheduled Castes,
Scheduled Tribes, Backward Classes, Most Backward Classes,
Denotified Communities and Minorities**

111. Development of human resources includes special attention to the welfare needs of particular social groups. It shall be our effort to implement programmes for the benefit of these groups to enable them to participate in the mainstream development process.

112. The outlay for the Welfare of Scheduled Castes and Scheduled Tribes for the year 2003-2004 would be Rs.439.05 crores. Members of the House will be happy to know that the earlier loan scholarship scheme has been replaced by a grant special scholarship scheme to enable the students belonging to Scheduled Castes/Scheduled Tribes to pursue higher education. This has been

“The laudable scheme for supplying bi-cycles to Scheduled Caste/Scheduled Tribe students in Higher Secondary Schools, which was introduced by our Hon’ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has been very well received. In the current year 47,980 bi-cycles were distributed to the beneficiaries. A provision of Rs.7.49 crores has been made in the Budget for this scheme to benefit the new entrants to Class XI in the Higher Secondary Schools. A provision of Rs.6 crores has also been made under the special incentive schemes for promoting literacy among Scheduled Caste/Scheduled Tribe girl students.”

welcomed widely. The Budget includes an allocation of Rs.18.28 crores for school education under the Special Component Plan. The Budget also includes provision for construction of 150 new hostel buildings in the year 2003-2004 at a cost of Rs.47.25 crores. The laudable scheme for supplying bi-cycles to Scheduled Caste/Scheduled Tribe students in Higher Secondary Schools, which was introduced by our Hon’ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has been very well received. In the current year 47,980 bi-cycles were distributed to

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113. The poverty alleviation Action Plan of THADCO will cover 1.59 lakh beneficiaries in the coming year. This will open up avenues for self-employment for the people living below the poverty line amongst Scheduled Caste/Scheduled Tribe communities. The whole process of implementing this plan has been decentralised with the District Collectors being incharge of implementing the plan. We have also taken up the issue of facilitating credit flow from commercial banks after removing the bottlenecks and we hope to make good progress in the coming year.

114. The Budget includes several special programmes for Backward Classes, Most Backward Classes, Minorities and Denotified Communities. 100 new hostel buildings will be built at a cost of Rs.31.50 crores. Drinking water facilities will be provided in 48 Kallar Reclamation Schools in the coming year.

115. Tamil Nadu Backward Classes Economic Development Corporation has undertaken several programmes for providing self-employment opportunities to the members of these communities. In the year 2003-2004, we shall enable a large number of persons from Backward Classes and Most Backward Classes communities to be self employed. Those belonging to minority communities have also been extended financial assistance in the current year. These programmes will be intensified in 2003-2004.

SOCIAL SAFETY NET

116. I have referred to six broad themes of development in this Budget. One important theme relates to the provision of a social safety net. The process of liberalisation of the Indian economy began in 1991. Since then many structural changes have taken place in the national economy. It is necessary that we have adequate safety cover to cushion the people from any adverse effects of the

process of economic restructuring. The poor and the disadvantaged groups have to be protected. It is with this far reaching vision that the Hon'ble Chief Minister, Puratchi Thalaivi J Jayalithaa initiated the concept of a social safety net during our previous term in office, to protect the poor and the needy during the structural adjustment process. This Government will be taking necessary action to further strengthen the social safety net in Tamil Nadu. The Budget Memorandum includes a special annexure, which highlights the outlays on the social safety net. The total provision in the Budget for 2003-2004 towards the social safety net is Rs.4232.29 crores. It includes expenditure towards protecting basic services for the poor and needy during this period of economic transition and special support for the disadvantaged. It will be our unwavering effort to preserve, protect and enhance this social safety net.

WELFARE OF WOMEN, CHILDREN, ELDERLY AND THE DISABLED

117. The Hon'ble Chief Minister has outlined the 18-Point Programme, which sets out the policy objectives of the Government for the empowerment of women and the advancement of children in the State. The thrust areas include eradication of female infanticide, reduction of maternal infant mortality, early childhood care and development, elimination of child labour, compulsory schooling together with special packages for economic self-sufficiency through skill attainment and Self Help Group formation. We have initiated action under all the 18 points of this programme.

118. I would like to refer to the tremendous progress achieved in encouraging the formation of women Self Help Groups in Tamil Nadu. There are, at present, 1.22 lakh Self Help Groups with a membership of 20.84 lakh women with

total savings estimated at Rs. 277.54 crores. It is our objective to facilitate the formation of 25,000 new Self Help Groups in the coming year with an additional enrolment of another 5 lakh women. We have provided Rs.22.50 crores in the Budget for this programme. The programme for Entrepreneurship Development among women will be continued to cover one lakh women in the coming year. Nearly 50,000 women will be given vocational and skill training during the next year.

119. The Cradle Baby Scheme, which is the brainchild of the Hon'ble Chief Minister, has received

wide acclaim within and outside Tamil Nadu, and will be continued in 2003-2004. Another innovative and successful scheme, the revised Girl Child Protection Scheme, will be implemented during 2003-2004 with an outlay of Rs.14 crores. The Budget also includes a provision of Rs 6.17 crores to clear the applications pending under the old scheme.

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120. Tamil Nadu is the pioneer in nutrition intervention programmes, which forms an important part of the social safety net. This Government has adopted a life-cycle approach to make Tamil Nadu a hunger-free and malnutrition-free State. It covers beneficiaries comprising pregnant and lactating mothers, infants, school-going children, adolescent girls and elderly beneficiaries. A sequence of programmes, such as the Integrated Child Development Services, Puratchi Thalaivar MGR Nutritious Noon Meal Programme, the National Nutrition Mission, the Annapurna and Antyodaya schemes and the laudable Annadhanam Scheme in temples, are making this a reality. Despite the extremely difficult fiscal situation, the Hon'ble Chief Minister has directed that there should be real improvement in the quality of the nutritious noon meal. With this in mind, the allocation per child for vegetables, condiments etc., has been increased from 23 paise to 35 paise at an additional cost of Rs.20.98 crores. New stainless steel tumblers and plates will be supplied to the beneficiaries under the Noon Meal Programme and a provision of Rs.1 crore has been made for this purpose. We have to involve the village communities in the proper functioning of the noon meal centres, both at the pre-school stage and in schools, and necessary arrangements will be made for this purpose.

121. The Census for 2001 reveals a steady growth in the number of the elderly as a proportion of the total population in Tamil Nadu. We have to take all measures necessary to enable our senior citizens live a life of dignity. In addition to the various old age pension schemes, the Budget for 2003-2004 makes a provision of Rs. 16.80 crores for supply of free sarees and dhoties to Old Age Pensioners. The Government proposes to examine the possibilities of providing a productive engagement to the elders in our State in the existing nutrition and child care centres. We will continue to encourage voluntary agencies to set up affordable old age homes for the elderly.

122. Welfare of the disabled will continue to receive a high priority. A detailed survey of the physically challenged people in the State is currently underway. A State Resource Centre would be set up shortly. We will focus on training of rehabilitation workers to meet the special requirements of the disabled. Various existing schemes for training of the physically disabled will be restructured and streamlined based on an assessment of potential. The Budget for 2003-2004 makes a provision of Rs. 1.38 crores for maintenance allowance to severely disabled persons. A provision of Rs. 2 crores has also been made under the National Programme for Rehabilitation of Disabled persons.

SOCIAL SECURITY

123. Social security schemes include support for several groups, particularly the unorganised labour. They cover fishermen, weavers, and artisans among others. We have to address the broad issue of providing social security to all these groups. This includes access to minimum pension and adequate health care.

124. The Government's own primary and secondary health care system is available to all those desiring free access to medical care, especially those living below the poverty line. In addition, the Union Government has announced a new Health Insurance Scheme for households living below the poverty line. The Government will study the details of this scheme and extend it to the vulnerable groups. The Government of India has announced a new pension scheme to be launched by the Life Insurance Corporation of India, where the minimum monthly pension will be Rs.250/- and the maximum will be Rs.2000/- per month. We propose to have a Task Force which will examine how to enroll all the unorganised labour under this pension scheme so that social security cover is made available to the needy.

125. The Government of Tamil Nadu provides pension directly from the Budget to various vulnerable groups. There are an estimated 12.92 lakh beneficiaries under these schemes. The Budget includes a provision of Rs.325.61 crores for this purpose.

TAMIL DEVELOPMENT

126. This Government is committed to protecting and preserving the rich cultural heritage of the State. We will continue to urge the Government of India to adopt Tamil as one of the official languages of the Union. We will work towards protecting our rich historical monuments and the Budget makes a provision of Rs.3.64 crores for this purpose.

WELFARE OF GOVERNMENT EMPLOYEES

127. This Government recognises the important role played by Government employees in implementing development and welfare programmes of the Government. Government employees will have to also recognise that at a time of extreme fiscal distress, they have to come forward to share the distress. It is the policy of this Government to ensure the welfare of its employees. At a time of extreme financial stress, it has been difficult to entertain requests for increases in pay and allowances. Even so, the Hon'ble Chief Minister has decided to provide one additional installment of Dearness Allowance with effect from 1.4.2003. This additional installment of 3% of Dearness Allowance will involve a cost of Rs.200.91 crores per annum. The Hon'ble Chief Minister has also decided that the earlier installment of 4%, which was sanctioned with effect from 1.10.2002 with the condition that 3% would be paid in cash and 1% would be impounded in the General Provident Fund, will be paid fully in cash with effect from 1.4.2003. Government employees will no doubt welcome this announcement, as despite the difficult financial situation, this Government has come forward to provide fully the additional Dearness Allowance.

128. It is very easy to give tall promises and not keep these promises. I refer to the decision of the previous Government to proudly announce that arrears would be paid after the implementation of the 6th Pay Commission's recommendations and then defer 60% of the arrears to be paid by a future Government. We inherited a situation in which we found it difficult to even meet the current commitments and pay the existing entitlements. It is impossible to pay the arrears, which have now mounted, to nearly Rs.1800 crores without completely abandoning all development programmes and cutting the Social Safety Net. We cannot do this. Government employees also are aware that the Government is not at all in a position to pay these arrears. We have carefully examined the position and I wish to announce the following decisions: -

- ❖ Arrears on account of Commutation in respect of employees who retired between 1.1.1996 to 31.3.1998, will be paid in three equal annual installments with interest starting from the financial year 2003-2004.
- ❖ Arrears of the gratuity amount in respect of employees who retired between 1.1.1996 and 31.3.1998 together with interest will be paid to these pensioners in the form of Small Savings Scrips in three equal annual installments over a period of three years starting from 2003-2004.
- ❖ In respect of those who retired between 1.1.1996 and 31.3.2003, 60% of the arrears of pay and allowances with interest will now be blocked into a non interest bearing account from

1.4.2003 and paid in the form of Small Savings Scrips in three annual installments starting from 2003-2004.

- ❖ 60% pay arrears in respect of those who are still in service will be retained in a non interest bearing deposit account from 1.4.2003 and will be paid at the time of retirement in the form of Small Savings Scrips in three equal annual installments. For example, those retiring during the year 2003-2004, the first installment of the balance arrears together with interest upto 31.3.2003 will be paid in 2003-2004, the second and third installment will be paid in two subsequent years.

129. Government employees are aware that the pay arrears cannot be paid at all given the enormous difficulties faced in balancing the Budget. The Hon'ble Chief Minister has decided, as a goodwill gesture, that the arrears will be paid on the lines that I have outlined. Government employees will no doubt greatly welcome the brave effort made by this Government in paying the arrears and thus, honouring even the empty promise made by the previous Government.

130. Government employees will have to prepare themselves for austerity in expenditure. Administrative reforms will have to be introduced to ensure mobility of employees from one department to another. Thus, if there is a need for persons in one department, it should be possible to retrain and reorient surplus personnel in other departments. This adjustment process will be attempted in the year 2003-2004.

GOOD GOVERNANCE

131. Open, transparent, corruption-free and participatory governance would remain the guiding principles of this Government headed by the Hon'ble Chief Minister. We believe that good governance holds the key to improving service delivery and responsiveness to the needs of the people. This Government has taken several initiatives to improve the mechanisms for Public-Government and Industry-Government interactions, which will be further strengthened. Efforts have also been made to improve the administrative process at the cutting edge level through the use of IT and simplification of procedures.

132. Now I would like to turn to the concept of e-governance. Information Technology has to be harnessed to make the Public Government interface simple, fast and hassle-free. E-governance broadly comprises understanding of the internal processes of Government and also the Public Government interface and applying information technology to obtain qualitative improvements. Members of the House would be glad to know that in the coming year, we will provide online services in all the 206 taluks of the State.

133. A massive scheme to computerise all the 600 Sub-Registrar Offices and 50 District Registrar Offices has been taken up. So far, 350 offices have been computerised and made operational. The balance offices will be completed in the coming year. The Project STAR (Simplified and Transparent

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Administration of Registration), an IT-enabled service, has been launched and the process of registration can now be completed in one hour, which earlier used to take several days and weeks. Across the counter delivery of encumbrance certificates, certified copies etc., has now become possible. The network of REGINET now enables communication and sharing of data between different registration offices in the Chennai Metropolitan Area as well as in Erode and Thoothukudi districts. It is proposed to expand the online application systems for encumbrance certificates to all Sub-Registrar offices in other parts of the State.

134. Electronic delivery of service is another important facility, which will enable customers to pay their charges to utilities with ease. We propose to launch this service in the Chennai Metropolitan Area with private sector participation in the coming year.

FISCAL PROJECTIONS

135. The Revised Estimates for the year 2002-2003 are before you. Thanks to the fiscal reforms undertaken we have been able to keep the revenue deficit in the Revised Estimates at Rs.5917.31 crores as against Rs.6233.21 crores in the Budget Estimates 2002-2003. We have also been able to bring down the overall deficit from Rs.1359.78 crores in the Budget Estimates 2002-2003 to Rs.254.59 crores in the Revised Estimates 2002-2003. The overall revenue receipts in Revised Estimates 2002-2003 is Rs.20,686.86 crores as against Rs.20,628.32 crores in the Budget Estimates 2002-2003 and the overall revenue expenditure in the Revised Estimates 2002-2003 is Rs.26,604.17 crores as against Rs.26,861.53 crores in the Budget Estimates 2002-2003.

136. It may be seen that while we have been able to keep the revenue deficit within the Budget estimates, the overall situation is still not comfortable. We can legitimately take credit for the fact that from the chaotic condition that we inherited when we assumed office in 2001, we have brought order to the situation today. We have reduced the huge problem of unpaid bills and made it more manageable. All these have taken extraordinary effort and members of the House will appreciate the significant achievement of this Government headed by the Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa in restoring fiscal balance in Tamil Nadu.

137. Members of the House may recall that the Hon'ble Chief Minister had addressed the Hon'ble Prime Minister for an untied package of grant assistance of Rs.3000 crores. Since then, the Hon'ble Chief Minister had also written to the Union Finance Minister for fiscal support to enable the State to take up fiscal reforms. The Government of India has extended an additional support of Rs.500 crores as open market borrowings in the current year. Unfortunately, this has largely gone only to bridge the shortfall in the revenue from the Share of Central taxes as announced in the Union Budget. The final estimate of Tamil Nadu's share in Central taxes in 2002-2003 has come down by Rs.274.50 crores. This has left us with a small net amount not adequate for covering the deficit. We urge the Government of India to allow us additional market borrowings to make up this loss of revenue in the current year under the State's Share of Central taxes.

138. The Budget Estimates for 2003-2004 are before this House. The total revenue expenditure of the Government in 2003-2004 is projected at Rs.26,599.37 crores as against the receipts of Rs.22,665.90 crores, leaving a deficit in the revenue account of Rs.3933.47 crores. The revenue deficit constitutes 17.4% of the total revenue receipts. The fiscal deficit of the Government for the

year 2003-2004 is estimated to be Rs.6944.46 crores. The overall deficit in 2003-2004 is estimated at Rs.1295.15 crores.

139. The Budget supports a total Plan outlay, which has been tentatively arrived at Rs. 7000 crores and will be finalised after discussions between the Hon'ble Chief Minister and the Deputy Chairman of the Union Planning Commission.

140. Both the revenue deficit and the overall deficit for the year 2003-2004 are still a matter of concern. This Government will follow a policy of fiscal consolidation in the year 2003-2004 with a view to further improving the revenues and controlling the expenditure so that the situation can be turned round by the end of 2003-2004. We are hopeful of doing so. I would like to enlist the co-operation of the House in this process of fiscal consolidation. I would now like to turn to some measures that I wish to propose to improve the revenues of the Government.

COMMERCIAL TAXES

141. The introduction of Value Added Tax (VAT) has been on the national agenda for a long time. VAT has been advocated as a part of the economic reforms programme and the need for simplification of the sales tax structure. The ultimate objective is to create a uniform common market within the country that would enable Indian producers of goods to reduce costs and be competitive both in the domestic and international markets. While industry is expected to be more competitive in a VAT regime, the benefit to trade is that the tax has to be paid only on the value added portion. From the point of view of the consumers and the general public, VAT is expected to make the sales tax structure in the country more transparent.

142. After prolonged discussions at the national level, all the States and Union Territories are now in a position to introduce VAT in 2003-2004. In Tamil Nadu, the Value Added Sales Tax Bill has already been notified in the Government Gazette on 13.3.2003 under Rule 130 of the Tamil Nadu Legislative Assembly Rules. The Bill has also been sent to the Central Government for obtaining the previous sanction of the President for introducing the Bill. The entire text of the Bill has also been put on the website of the Commercial Taxes Department (www.tnsalestax.com). This has been done in order to ensure advance knowledge and preparation among trade and industry. The draft VAT Rules are under preparation and will also be released in the departmental website very shortly. Once the sanction of the President of India is received, the Bill will be taken up for consideration in the Legislative Assembly. On passage of the Bill by the Legislative Assembly, the Act will be notified and the new law given effect to. Tamil Nadu will thus implement the Value Added Sales Tax from 2003-2004 and I seek the co-operation of this august House for its early implementation. To facilitate smooth transition to VAT, the dealer registrations renewed in March 2003 or renewed earlier for five years will be valid under VAT.

143. As a part of our preparation for VAT, the Commercial Taxes Department has undertaken 100% computerisation of the Department. The scheme involves online connectivity from check posts right up to the Office of the Commissioner of Commercial Taxes. Besides, massive training has also been imparted to the departmental staff and several training programmes have also been arranged for industry and trade at various locations in Tamil Nadu. These training programmes have afforded opportunity for industry and trade to interact with the department officials and get the required familiarisation with VAT.

144. The classification of commodities and the tax rates under VAT will be common in all the States and Union Territories. The list of goods and the tax rates under the various Schedules of the VAT Bill will be placed in the Legislative Assembly at the time of its consideration. As per the agreement at the All India level, there would be broadly two tax rates under the VAT Act, viz. 4% for industrial inputs and items of daily and common use; and 12.5% rate for all other goods. Apart from the above, there will be a list of exempted goods; 1% tax rate for bullion and jewellery; and special rates of taxation exceeding 20% for petrol, diesel, IMFL etc. Items under the 1% rate slab and those under special rates will be outside VAT. Tax on works contract, leasing as well as tax on food and drinks in hotels will also be outside VAT.

145. The Bill contemplates providing tax rebate or set off for goods purchased in Tamil Nadu by paying tax to the State Government. This set off will be available against goods sold in Tamil Nadu by paying the Value Added Tax or the Central Sales Tax up to the extent of tax paid. The set off for capital goods will be spread over three years. As regards exports, the export sales will continue to be exempted while the tax paid on inputs will be refunded. That is to say, exports will be zero rated. No set off will however be available for branch transfers to other States. In order to maintain the VAT chain of tax set off, all units availing of sales tax waiver will be converted into sales tax deferral.

146. Since VAT seeks to simplify the sales tax structure and avoid multiple tax laws, the resale tax, the existing Additional Sales Tax and Infrastructure Surcharge will stand withdrawn with the introduction of VAT. However, the Additional Sales Tax on IMFL and foreign liquor, which are outside VAT, will continue. In the case of petrol, diesel etc., Additional Sales Tax and Surcharge will be merged with the basic tax rate.

147. Hon'ble Members may be aware that Entry Tax on goods was introduced in order to prevent trade diversion and plug tax evasion. The basic objective was to track the unaccounted transactions in the unregistered route. Since the above problems are likely to continue till the full stabilisation of VAT, it has been decided that entry tax on goods and motor vehicles will be retained. However, full set off will be given for entry tax paid against local VAT sales or CST sales. This will ensure that while the goods entering into Tamil Nadu are monitored through the entry tax, they are not subject to double taxation.

148. It is expected that VAT would eventually result in revenue gain to the State Government. However, in the initial years, there is likely to be revenue loss till the entire value addition in the VAT chain is fully captured by taxation. It has been estimated that the initial revenue loss may exceed Rs.2500 crores per annum. On the insistence of all the States including Tamil Nadu, Government of India has come forward to compensate the revenue loss at the rate of 100% in the first year, 75% in the second year and 50% in the third year. In the case of revenue loss due to phasing out of CST announced in the Union Budget 2003-2004, Tamil Nadu and a few other States had already insisted upon 100% compensation on a permanent basis. The Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa has specifically written to the Union Finance Minister on this. It is heartening to note that the Government of India has accepted our argument that compensation for CST loss should be

under a different formula. We urge the Central Government to ensure 100% compensation for CST loss not only in the initial years but on a permanent basis.

149. Among the measures for revenue loss compensation, Government of India has indicated its willingness to amend the legal provisions so as to enable the States to collect and retain the tax on certain services. A Bill to provide for this has been introduced in Parliament. We urge the Government of India to give a meaningful list of services with good revenue potential for the States to collect and retain. Similarly, the Government of India has also announced that States will be enabled to levy sales tax even on goods subject to Additional Excise Duties like sugar, textiles and tobacco. An assurance has been given by the Government of India that relevant legislation in this regard will be carried through in the current Budget session of the Parliament.

150. In moving towards the VAT system and doing away with Additional Sales Tax and Surcharge, we have decided to correct the rates in respect of certain items. In the case of petrol, the existing tax rate of 29.4% including Surcharge will be rounded off at 30%. For High Speed Diesel and Light Diesel Oil, the current rates of tax are 23.1% and 21.9% including Additional Sales Tax and Surcharge. It has now been decided to charge a common combined rate of tax for both High Speed Diesel and Light Diesel Oil at 25%. In recent months, there have been widespread reports about the use of white Kerosene as a substitute for Diesel Oil. Besides causing more pollution, it can also damage the engines. In order to curb this practice, it has been decided to increase the tax rate for white Kerosene from 4% to 25%. The tax rate for PDS Kerosene i.e. Blue Kerosene will however continue to remain at 4%.

151. A recent judgement of the Supreme Court of India has enabled the States to levy tax on telephone rentals. The Supreme Court has held that telephone rentals satisfy the requirements of transfer of the right to use the goods. Accordingly, the State Government has decided to levy a tax of 12.5% on telephone rentals collected by BSNL and other private operators including the rentals on mobile telephones.

152. The above taxation measures which will come into effect from today are expected to yield an additional revenue of Rs.200 crores per annum. As regards Entry Tax, I have to state that the measures announced by the State Government in the last two Budgets have yielded good results both in terms of checking unaccounted transactions and mobilising tax revenues. With the same objective in view, it has now been decided to levy Entry Tax on Washing Machines at 12.5% and on Low Density Polyethylene and Polypropylene in all forms including granules, tapes and wastes at 4%. In order to make the process of assessment simpler, it has been decided that the Assessing Officer for individual dealers will be the same both under the Entry Tax Act as well as under the VAT Act. It has also been decided that paper used in job work entrusted to printers in Tamil Nadu by agencies and departments of other State and Union Territory Governments will be exempted from Entry Tax on production of proof for job work.

153. While undertaking this exercise, the Government has taken into consideration the

unprecedented drought conditions prevailing throughout the State. Hence, rice will continue to be exempted from tax even upon introduction of VAT.

154. Hon'ble Members are aware that jewellery of gold, silver and precious metals are highly prone to tax evasion. In order to check this trend, 1% Luxury Tax on jewellery was announced in the last Budget. It has now been decided to increase the Luxury Tax on jewellery stocks from 1% to 3% along with the implementation of VAT under which the tax rate on jewellery would come down from 2% to 1%. Further, the Government has also decided that the tax rate of 1% on jewellery under VAT will be applicable to all the dealers irrespective of turnover. Consequently, the existing compounding system of taxation for dealers having annual turnover up to Rs.50 lakhs will be cancelled.

155. Hon'ble Members are aware that the Entertainment Tax on Cable TV connections is being levied and collected by the local bodies at present. It is however noticed that there is large scale under reporting of the number of Cable TV connections with the operators. Local Bodies have not been able to verify and ensure that all the connections are brought into the tax net. There are also practical problems in doing street survey to enumerate all the Cable TV connections. Consequently, the total revenue collected by all the Local Bodies in the State has been very low. In order to get over these problems, the Government has decided to introduce a compulsory compounding system of taxation for Cable TV operators in place of the existing tax on Cable connections. The compounding rate of tax per operator in a year will be Rs.12,000 in Village Panchayats; Rs.18,000 in Town Panchayats; Rs.36,000 in Municipalities; and Rs.72,000 in Municipal Corporations. The power to levy and collect this tax will be transferred from the Local Bodies to the Government. The local bodies will, however, be compensated by way of annual grants equivalent to their actual tax collections from Cable TV in 2002-2003. Simultaneously, the existing security deposit of Rs.10,000 paid by the operators will be reduced to Rs.5,000 per operator in Municipal Corporations and Municipality areas and Rs.2,500 per operator in other areas. Necessary amendments in this regard will be made in the Tamil Nadu Entertainments Tax Act, 1939. A Bill for this purpose will be introduced in the current session. We expect to get an annual yield of Rs.30 crores by this measure.

ELECTRICITY TAX

156. A comprehensive review of the existing legislation on Duties and Taxes on Electricity has been undertaken by the Commission on Tax Reforms and Revenue Augmentation under the Chairmanship of Dr. Raja J. Chelliah. The Commission has suggested that the Government should adopt a single new legislation for taxation on sale or consumption of electricity based on the provision made in entry 53 of the 7th Schedule of the Constitution. The Commission has suggested that the Tamil Nadu Electricity Duty Act, 1939 and the Tamil Nadu Electricity (Tax on Consumption) Act, 1962 could be rationalised and a single new legislation introduced for this purpose. In its report, the Commission has suggested that a single tax which is payable by all the final buyers and consumers of electricity may be levied at 6% of the tariff and for agricultural users and hut dwellers 5% tax may

be levied. While this is to be applicable on sale of electricity by TNEB, the Commission has recommended that in the case of self-consumption of electricity by captive power producers this could be at a specific rate of 25 paise per unit of consumption. The Government has decided to accept the recommendations of the Commission with some modifications. A Bill will be introduced in the current session of the Assembly for enacting a new legislation on Electricity Tax. This will provide for the levy of a minimum rate of tax of 5% and a maximum rate of 10% on the net charge for energy sold by all the licencees including captive power plants. In the case of captive power plants, the Bill will provide for a levy of tax at a minimum of 10 paise and a maximum of 20 paise per unit of energy consumed for their own use. No tax will be levied on the sale of electricity for agricultural purposes and for hut service connections and these will be exempted. The actual rate of tax on sale of electricity will continue to be at 5% as at present. In respect of own consumption by captive power plants the rate will be 10 paise per unit. This rationalisation will bring in an additional revenue of about Rs.80 crores in the year 2003-2004.

MOTOR VEHICLE TAX

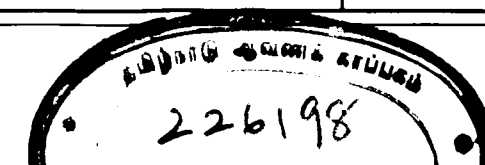
157. Members of the House are aware of the higher provision in the Budget for maintenance and upgradation of roads to international standards. I have also announced a Road Maintenance Fund in this Budget. We need to mobilize more resources to facilitate development and proper upkeep of road infrastructure in the State. I propose to revise Motor Vehicle Taxes in respect of certain categories.

158. The Government revised the Motor Vehicle Tax for Goods carriages with effect from 1-12-2001. We propose to revise the tax payable by the large-sized goods carriages having laden weight of 15000 Kgs. and above. The quarterly tax of Rs 2500/- (plus Rs 400/- per every 1000 Kgs and part thereof in excess of 15000 Kgs. in laden weight) shall be revised to Rs 2500/- plus Rs 75/- per 250 Kgs and part thereof in excess of 15000 Kgs in laden weight. This revision will take effect from 1-12-2001. The arrears from 1.12.2001 will be collected in installments.

159. Multi-axle goods vehicles having laden weight exceeding 15,000 Kgs are proposed to be levied a basic tax of Rs.2300 per quarter plus Rs.50 for every 250 Kgs or part there of in excess of 15,000 Kgs.

160. The rates of the following classes of vehicles are also proposed to be revised as set out in the table below:-

Class of Vehicle	Existing Rate of Tax	Revised rate of Tax
1) Maxi Cab	Rs.250 per seat per -quarter.	Rs.500/- per seat per quarter.
2) Metro Buses	Rs.50/- plus Rs.10 (surcharge) totalling Rs.60/- per seat per quarter for sitting and standing	Rs.80/- plus Rs.20/-(surcharge) totalling Rs.100 per seat per quarter for sitting and standing



3) Town Buses	Rs.275/- plus Rs.27.50 (surcharge) totalling Rs.302.50 per seat per quarter for sitting and standing.	Rs.325/- plus Rs.32/- (surcharge) totalling Rs.357/- per seat per quarter for sitting and standing.
4) Moffussil and Express Buses	Rs.360/- plus Rs.90/- (surcharge) totalling Rs.450/- per seat per quarter.	Rs.400/- plus Rs.100/- (surcharge) totalling Rs.500/- per seat per quarter.
5) Rigs, generators compressors	Rs.2500/- per annum	Rs.3500/- per annum
6) Educational Institution buses	Rs.500/- per bus per quarter	Rs.150/- per seat per quarter.
7) Private Service vehicles	Rs.100/- per seat per quarter.	Rs.150/- per seat per quarter.
8) Motor Cycle 50 c.c. to 75 c.c.	Rs.1350/- life tax.	Rs.1500/- life tax
9) Motor Cycle 75 c.c. to 170 c.c.	Rs.2000/- life tax	Rs.2500/- life tax
10) Motor Cycle 170c.c and above	Rs.2500/- life tax	Rs.3000/- life tax

These rates except item No. (6) above relating to buses for educational institutions will come into force with effect from 1.4.2003. In respect of buses of educational institutions, necessary Bill for amending the Tamil Nadu Motor Vehicles Taxation Act will be introduced in the current Session.

161. Hon'ble Members are aware that life time tax is collected for four wheelers (non-transport category) with effect from 1.7.1998. The Government proposes to introduce a uniform tax based on the total value of the vehicle. Accordingly, four-wheelers of non-transport category will be charged a lifetime tax of 6% of the total value of the vehicle hereafter. The bill to amend the Tamil Nadu Motor Vehicles Taxation Act to provide for this will be introduced in the current session.

162. The pollution caused by automobile emissions poses a serious threat to the environment. On the principle that the polluter should pay, it is proposed to introduce a 'Green Tax' covering all classes of old motor vehicles at rates as indicated below:-

Class of vehicles	Date of commencement	Rate of tax and period
1) Two wheeler	After 15 years from the date of registration	Rs.500/- for a period of 5 years.
2) Other than two wheelers (non-transport)	After 15 years from the date of registration	Rs.1000/- for a period of 5 years
3) All transport vehicles	After 7 years from the date of registration	Rs.500/- per annum

This tax will be levied in addition to the normal tax payable. The necessary bill will be introduced for this purpose in the current session.

163. The proposals indicated above are likely to yield an additional revenue of Rs.120 crores in the year 2003-2004.

164. The overall deficit in Budget Estimates 2003-2004 is Rs.1295.15 crores. With the measures to mobilise additional resources that I have outlined, we hope to raise Rs. 430 crores in the coming year. This will bring down the deficit to Rs.865.15 crores. To tackle the remaining deficit, we will continue to implement measures for fiscal consolidation as outlined in the Appendix to my Speech. We hope to bridge the remaining deficit through these measures and with additional support from the Government of India for our Annual Plan and for the economic restructuring that we have undertaken.

165. This Budget represents a major shift to a development agenda. We are now confident of having withstood the worst and can look forward to undertaking the development agenda that the Hon'ble Chief Minister has set.

166. I express my gratitude to the Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa for her unstinted guidance and support in enabling me to present the third Budget of this Government. It would be no exaggeration to say that this Budget itself would not have been possible, had it not been for the bold and far reaching reforms undertaken by the Hon'ble Chief Minister, Puratchi Thalaivi J Jayalalithaa.

167. I also express my sincere thanks to the Development Commissioner and Finance Secretary, Thiru N. Narayanan, IAS., and his extremely dedicated team of officials in helping me to prepare this Budget.

168. I dedicate the Budget for 2003-2004 to the people of Tamil Nadu. With these words, Hon'ble Speaker Sir, I commend the Budget Estimates for 2003-2004 for the approval of the House.

Vanakkam

C. PONNAIYAN,
MINISTER FOR FINANCE

Chennai,
21st March 2003,
Panguni-7,
Thiruvalluvar Aandu 2034.

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THE SIXTH MEETING OF THE CAUVERY RIVER AUTHORITY

The Sixth meeting of the Cauvery River Authority is being held today (10-02-2003) after two postponements, at a time of grave crisis for the farmers of Tamil Nadu.

Mr. Prime Minister, you are aware that the farmers of the Cauvery Delta have already lost their Kuruvai Crop and the Samba Crop is fast withering away. The Cauvery Delta has always been dependent for centuries on the flows received from the South West Monsoon, brought by the Cauvery River, and the lives of lakhs of our farmers and agricultural labourers are closely interlinked with the Cauvery from time immemorial. How can we then countenance Karnataka's continued obduracy and contumacy to write off their lives to the North East Monsoon, as though the Cauvery is alien to our land?

We have repeatedly approached the Cauvery River Authority and the Supreme court to plead, to implore, to remonstrate our grave plight, caught in the clutches of the upstream State of Karnataka, which has unilaterally decided and publicly proclaimed that it cannot release any waters to the downstream State of Tamil Nadu, until its full requirements are met.

Karnataka's conduct, especially during this distress year, in impounding all the waters that it could get from the South West Monsoon, commencing irrigation in all reservoir systems, withdrawing quantities far in excess of the quantities normally withdrawn for its irrigation, and managing to raise a full crop even as the Cauvery Delta farmers lost crop after crop, reveals a callousness of unimaginable proportions.

I may bring to your notice that the withdrawal from the four major reservoirs of Karnataka from June, 2002 to the end of January, 2003, has been about 122 TMC ft. Karnataka's withdrawal was only 88.22 TMC ft. for the same period, on an average, during the 6 years considered by the Tribunal, in its Interim Award. It will be clear from this that Karnataka was able to meet its full requirements of water even during this distress situation. The cropping season of Karnataka is normally between June and October, whereas it had been drawing water even till the end of December, 2002. They now maintain that the water they have now is still required for their perennial crops and drinking water needs. All the while, the Cauvery Delta farmers are reeling under an artificial drought thrust upon them by Karnataka. Withering crops, scorched lands and parched throats have driven them to despair and debt.

I ask you, Sir, does sharing of distress mean that the upstream State apportions water for its seasonal crops, its perennial crops, its drinking water needs, by misusing its fortuitous geographical location while it expects

the lower riparian State to avail itself of an errant and undependable North East Monsoon? Is it only the Karnataka farmer who has standing crops, perennial crops and drinking water needs?

I urge you to kindly look at the sequence of events. Since Mettur could not be opened in June, 2002 owing to poor storage, we waited till September 2002, for Karnataka to obey the Interim Order of the Tribunal. In the face of Karnataka's adamant refusal to honour this commitment, we were forced to approach the Supreme Court. The direction of the Supreme Court on 3.9.2002 to release 1.25 TMC ft. till the CRA decided the issue was countered by resorting to dilatory tactics by Karnataka. In its 5th meeting on 8.9.2002, the CRA decided that Karnataka should release 9,000 cusecs per day on a weekly average basis during the months of September and October 2002. Though this was a climb down from the Supreme Court's directions, we abided by this decision of the Prime Minister, only to be met by more defiance, dilatoriness and dissimulation by Karnataka, which set at naught these directions. Tamil Nadu was forced to go to the Supreme court against to file contempt proceedings. Time, however, waits for no one and the water starved Delta browned into an expanse of parched earth. The Cauvery Monitoring Committee that visited the Mettur Dam and toured the Delta areas on 1st and 2nd October, 2002, on the directions of the Supreme Court, took note of the fact that the farmers had not been able to begin their agricultural operations and estimated that a total of about 63 TMC ft. of water would be required for transplanting the Samba crop by the end of October, 2002. Even adopting the distress formula evolved by the Central Water Commission, the shortfall at Mettur reservoir as on 31.12.2002 works out to 60.22 TMC ft. However, Karnataka flouted both the orders of the Supreme Court and the decision of the Cauvery River Authority and continued to obstruct the legitimate flow due to Tamil Nadu, leading to a shortfall of 18.692 TMC ft. as at the end of October, 2002, as worked out by the Ministry of Water Resources, Government of India.

If only Karnataka had honoured the orders of the Supreme Court and the decisions of the CRA and released this 18.692 TMC ft. in the crucial months of September and October

2002, when the crops needed water most, we would not have been driven to this pathetic plight.

Mr. Prime Minister, you are aware that despite the strained financial position of our State, we have done all that we could to alleviate the plight of our farmers and landless agricultural labourers, who have been badly affected by the total failure of the South West and North East Monsoons. Following the package of relief of Rs.164.18 crores for the farmers and landless agricultural labourers of the Delta areas which I announced as early as on 24.6.2002, a massive Food for Work Programme with an outlay of Rs.217 crores was sanctioned on 31.1.2003, for our drought stricken farmers and landless agricultural labourers of the Cauvery Delta districts. I announced the implementation of an unique free Midday meal Scheme from 15.1.2003 to ensure that farmers and landless agricultural labourers, hit by the drought throughout the State, do not face starvation. A modified scheme has now been introduced to supply 30 kgs of rice to each family per month, to benefit small and marginal farmers and landless agricultural labourers.

My Government has declared the entire State of Tamil Nadu except Chennai District as drought affected. We have sought an additional assistance of Rs.2,094.23 crores and 9 lakh tonnes of foodgrains from the Government of India. Mr. Prime Minister, I am sure that the Central Team which visited the State of Tamil Nadu recently, would have brought out vividly the grim situation faced by our farmers in its report. The Kuruvai crop has been totally lost and the Samba crop is in danger of withering away. Throughout the State, 11 lakh Coconut trees have wilted and another 28 lakh Coconut trees have been badly affected. The production loss of crops in the entire State has been estimated at Rs.5,387.84 crores and the loss of employment at 2736 lakh man days.

I wish to point out to you that we have here a situation where the decisions of the Cauvery River Authority and the Prime Minister to make emergency releases to save Tamil Nadu's crops are flouted, then delayed, partially carried out and then ignored. The directions of the Supreme Court are flouted, then delayed, partially carried out and then ignored. All the while, Tamil Nadu's fate is being buffeted



between the Supreme Court and the Cauvery River Authority, even while about 8 lakhs acres of Samba crops on ground raised by the Delta farmers are in danger of withering away. I wish to point out that Tamil Nadu has already suffered a loss of Rs.1,080 crores because of the reduction in the cultivable area of the Kuruwai and Samba crops in the Delta areas, and today we are threatened with a further loss of about Rs.1,280 crores if we lose the standing Samba crop as well, which would mean a total loss of about Rs.2,360 crores. Lakhs of our farmers and farm labourers face ruin and starvation in a disaster of truly national proportions.

I may remind your Mr. prime Minister, that on 13th January, 2003, after separate meetings with me and the Chief Minister of Karnataka you had stated that Karnataka was willing to release 1,200 cusecs per day. You were also kind enough to take note of my plea for a bulk release for giving at least one wetting for the crops on ground. At the official level meeting held on the same day on your directions, Karnataka agreed to the release of 4,500 cusecs per day for a week to be ensured at Mettur, to save a portion of our standing crops. After you wrote to the Chief Minister of Karnataka, Karnataka released just 2,500 cusecs on 18th January, 2003, stepping it up to 4,000 cusecs on 20th January, 2003 and then scaling it down to 1,500 cusecs on 24th January 2003. Thereafter, the releases from Kabini Reservoir have been totally stopped from 25th January 2003. The releases have been reduced to only 500 cusecs on an average from Krishnarajasagar. This is how the built up in Mettur was only 3.24 TMC ft. and that could be released for 5 days only from 27.1.2003. We are, therefore, totally unable to save our withering crops.

As on 7.2.2003 the storage of water in Mettur reservoir is only 6.365 TMC ft. of which 5 TMC ft. cannot be drawn for Delta irrigation because of low head. The deficit in realisation of water at Mettur reservoir as per the orders of the Supreme Court of India and the decision of the CRA from September, 2002, to the end of January, 2003 is 16.5 TMC ft. as worked out by the Ministry of Water Resources, Government of India.

As you are aware, the Supreme Court, on 6.2.2003 has ordered that the State of

Karnataka shall release sufficient waters from its reservoirs with effect from 7.2.2003 so as to ensure on an average an inflow of 4500 cusecs of water per day at Mettur amounting to about 0.4 TMC ft. per day. However, even if Karnataka releases this quantum as per the directions of the Supreme court, it would work out to a meagre quantity of 1.6 TMC ft. from 7.2.2003 to the day of this meeting. This will raise the storage position in Mettur to only 7.965 TMC ft. of which I would like to remind you sir, that 5 TMC ft. cannot be used due to low head.

Sir, in this hour of crisis, after months of running from the Apex Court Pillar to the Cauvery River Authority Post, Tamil Nadu now needs a positive direction from the Prime Minister to Karnataka, to release atleast 10 TMC ft. of water from its reservoirs, to provide one wetting for our standing crops and drinking water requirements. As on 6.2.2003, Karnataka has got a live storage of 12.86 TMC ft. of water. Karnataka would be in comfortable position to meet its drinking water needs from the inflows of about 10 TMC ft. that would accrue into its reservoirs in the coming months. Why, then, can water not be released without delay and dissimulation? The Cauvery River Authority must also lay down a mechanism to ensure that this release is immediately made by Karnataka. Previous meetings of the Cauvery River Authority have only ended in frustrating face-offs and inconclusive impasses, forcing us to oscillate between this forum and the Supreme Court in tedious and infructuous tandem. Lakhs of anguished and frustrated Tamil Nadu farmers, already driven to the brink of starvation, and who have watched the deliberations of this august body with cynical disbelief, now look to you, sir with the hope that you will give them water.

I urge you, Mr. Prime Minister to act positively and firmly to order and implement the release of 10 TMC ft. of water to save our standing crops. Any further delay in the release of water would inevitably compound this severe drought into a major national disaster.

*Opening remarks of Selvi J Jayalalithaa,
Hon'ble Chief Minister of Tamil Nadu
during 6th meetings of the Cauvery River
Authority held at New Delhi on 10-02-2003.*

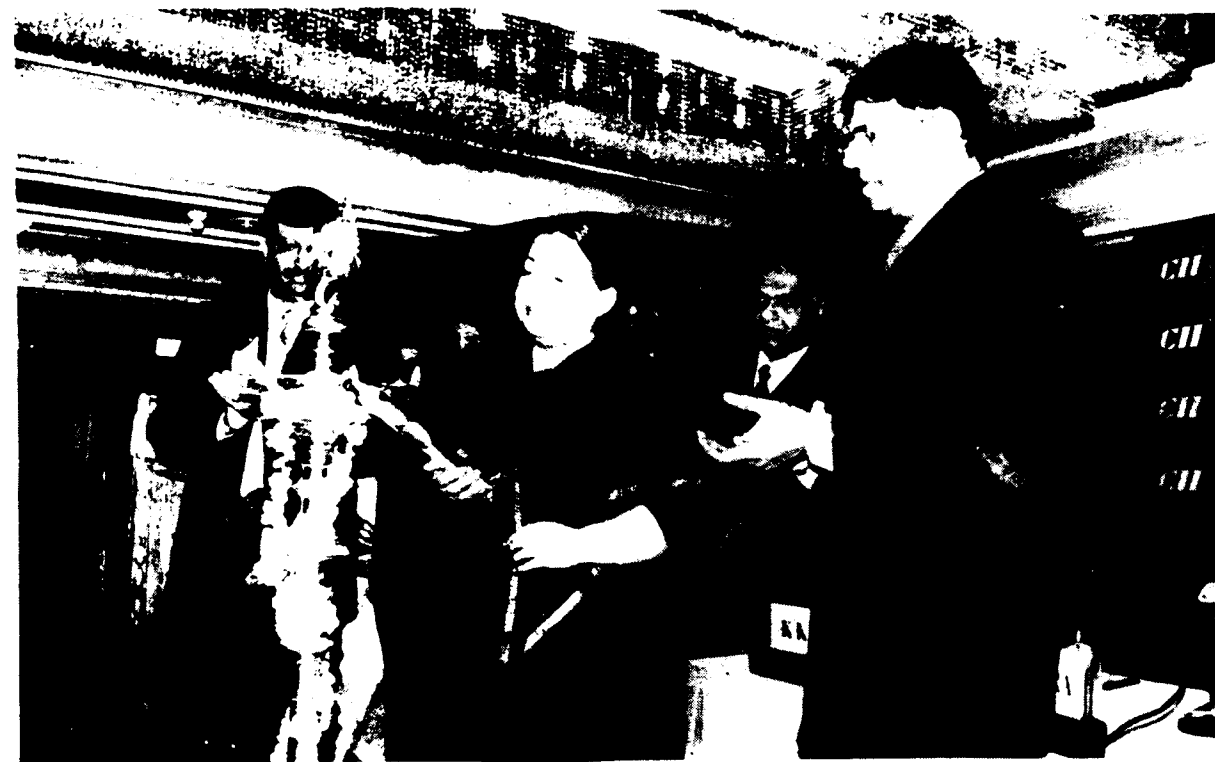
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INFRASTRUCTURE AND INVESTMENT ARE THE FOUNDATION FOR GROWTH AND DEVELOPMENT

- Hon'ble Chief Minister **Selvi J Jayalalithaa**

I am happy to inaugurate this twin Conference on "Infrastructure and Investment" organised by the CII, Southern Region. It could not have come at a more appropriate time since we are meeting on the eve of the State Budget. The two pillars of infrastructure and investment are the foundation of all growth and development. I have always viewed investment as a means to create

sector at 7% and the Tertiary sector at 10%. This would also mean that we achieve an Incremental Capital Output Ratio (ICOR) of 3.26 for the period. I have secured for the State an impressive Plan outlay of Rs.40,000 crores for the Tenth Plan, thus bringing the development process back on the agenda after a period of fiscal profligacy that has made biting the fiscal reforms bullet even more



wealth and to generate incomes in the hands of the people, particularly the poor, and consider public and private sector co-operation as a key factor in stimulating growth.

I have set an ambitious growth rate of 8% for the State economy in the Tenth Plan Period with the primary sector growing at 4%, the Secondary

difficult. Our ambitious goal is to double the per capita income by 2010, two years before the national target.

Growth rates declined in the agricultural and manufacturing sectors in the IX Five Year Plan Period. The World Bank, in its policy research paper on private investments, has identified that power

projects account for 40% of private investments, followed by telecommunications and transport. Public investments must, therefore, go into the primary sector and the creation of core infrastructure, using the latest technologies and improved value addition. This is the challenge before us today.

The primary sector is the backbone of Tamil Nadu's economy. Although the sector contributes only 17% of the Gross State Domestic Product (GSDP), more than 62% of the State's Population is dependent on Agriculture and allied activities. Investment in this sector in the form of capital, new technology, efficient management practices and effective market access is crucial. Our farmers need to shift from traditional water intensive cultivation to more remunerative commercial crops. Simultaneously we need to expand opportunities for non-farm employment activities such as dairying, poultry farming, farm forestry, fisheries, etc. My Government attaches the utmost importance to efficient water management practices, soil conservation and wasteland development. We welcome new initiatives from the private sector in precision farming and contract management of farms, which must be linked to both domestic and external markets through agri-processing zones, stimulating floriculture and horticulture.

In order to establish a robust rural physical infrastructure, my government proposes to invest more than Rs.2,000 crores through the Rural Infrastructure Development Fund (RIDF) during the Tenth Plan Period. We shall use Information Technology to connect farmers to markets. I urge the private sector to join hands with the Government in this effort to impart new growth

momentum to the primary sector in the State. As incomes grow in the primary sector, I am confident that there will be a multiplier effect that will kick-start growth in the manufacturing and services sector too.

The manufacturing sector is at a cross roads today, with traditional markets for goods and services getting redefined in the context of globalisation. Manufacturing companies the world over are shifting base to locations that are more competitive and closer to the emerging new markets of the Asia Pacific region. This provides us with enormous opportunities. It poses tremendous challenges, too.

The India Economic Summit, under the aegis of the CII held in New Delhi in 2002, emphasized the need for second generation policy and administrative reforms in the State and the Central Governments. The World Bank study by Mr. David Dollar has identified key areas that impact on manufacturing. Based on this we have identified the thrust areas as

- Deregulation and reduction of transaction time and cost ;
- Assured and Quality supply of energy ;
- Labour productivity ;
- State level Tax reform ;
- Development of sound infrastructure for industry.

My Government has internalized these key requirements in its policies and action programmes for the manufacturing sector.

In Tamil Nadu, the investors need to approach only one agency to set up Shop. The Guidance Bureau offers this facilitation on a single application format, providing a single point forum for all regulatory agencies to accord all the necessary approvals- within a stipulated time frame. I am sure this has already reduced the transaction time and cost for most entrepreneurs investing in the State. A Common Return Form that will reduce all the 51 returns now filed by the entrepreneurs to a Single Return will be released soon. You will agree that these are major steps to reduce managerial time involved in complying with regulations.

I am happy to inform you that the Tamil Nadu Electricity Board has, since 1st January 2003, been providing quality energy at near 50 hertz frequency, which is the internationally accepted standard for power supply. This has been possible after the change over to an availability based tariff system from 1st January, 2003. Power shortages and outages are things of the past. My Government is committed to ensuring distribution of quality energy and has put in place a comprehensive reform programme to make the Tamil Nadu Electricity Board viable and vibrant.

Tamil Nadu can be proud of several initiatives in the development of human resources appropriate to the new manufacturing requirements. Nearly 75,000 engineering and technical personnel pass out every year from more than 500 institutions. We are pioneers in introducing computer literacy at the school level. India's competitive advantage in labour costs must be optimised by improving labour productivity and both labour and industry must sit together and take this forward.

Old and defunct units that cannot survive in a competitive global environment will have to be phased out even as new investments are

stimulated at a brisk pace. Labour retraining and mobility will be facilitated by our technical institutions and the CII could focus on a detailed work plan to take this forward. The Government of India has now to initiate steps regarding labour reforms based on the recommendations of the Second Labour Commission. We shall examine how to implement these recommendations at the state level.

State level tax reforms are another item in our reform agenda. You will be happy to know that we have taken a policy decision to move towards a State VAT scheme based on the national consensus on the subject. For Tamil Nadu, this involves major risks. The revenue loss to the Government could be very substantial. Tamil Nadu, with a large manufacturing base relying on exports to other States, will stand to lose more in this scheme. No doubt the Union Government has offered to compensate the loss but this is on a tapering basis. With the State just slowly emerging out of fiscal chaos and neglect of reforms left by the previous Government, it is a huge risk. We are prepared to bite the bullet provided the manufacturing sector responds positively by going in bodily for new investments. In this new tax system, it is the manufacturing sector that really gains under the input rebate scheme and prevention of cascading. We seek growth in the manufacturing sector as the sure means of offsetting the revenue loss we will suffer in the process. I am sure all of you will welcome this bold initiative of the Government.

Modern manufacturing demands high quality infrastructure at reasonable costs to the investor. I am happy to announce the creation of Special Economic Zones in the Port towns of Ennore, Tuticorin and Chennai. Two Apparel Export Parks will come up in Tiruppur and Irungattukottai near

Chennai. A Floriculture Park will come up in Ooty and a Horticulture Park is proposed in Dharmapuri District. An Eco-enterprises Park is planned in Nilakkotai in Dindigul District. A modern Rubber Park will come up near Nagercoil in Kanniyakumari District. My Government also proposes to develop Integrated Townships around Chennai to meet the increasing demand for social infrastructure. To keep pace with the increasing demands for quality infrastructure for the manufacturing sector, more such industrial parks and townships will be planned in the future. My Government would welcome all private investments in the development and maintenance of these parks and townships. I am confident that these measures will make Tamil Nadu the most favoured destination for global manufacturing activity.

The Services sector offers the maximum potential for employment and income generation in a developed economy. Information Technology today drives growth in this sector and Tamil Nadu is ideally placed, with its high quality of human resources and a nurturing policy environment, to capitalize on the excellent investment opportunities emerging in IT hardware, software and IT enabled services. My Government is committed to making Chennai the hub of the knowledge industry in the entire South Asian region. The IT corridor from Madhya Kailash to Siruseri will be developed to international standards this year. I am sure this will become the billion - dollar corridor of the State in a short time. A second Information Technology Park Offering 1.5 million square feet of quality space will be set up in this corridor.

Biotechnology offers an equally attractive potential for getting investments in the State from

all over the world. The TIDCO Centre for Life Sciences (TICEL) in collaboration with Cornell University will be set up this year. This will be a nucleus for entrepreneurs and research laboratories to incubate their ideas and convert them into profitable business ventures.

Tamil Nadu offers excellent opportunities for broad basing investments in Information Technology and Biotechnology in all its metropolitan towns like Coimbatore, Tiruchi, Madurai, Tirunelveli, Salem and Erode. These towns are linked by an extensive network of nearly 5000 kilometers of optical fibre cables that link them to the international gateway located in Chennai. The requirement of capital for the establishment of good quality infrastructure is enormous and the Government alone cannot undertake this task. Inadequate financial returns and underlying risks inherent in such projects had hampered private investments earlier. I am aware of a comprehensive examination of these issues in the Rakesh Mohan Committee's India Infrastructure Report, and the emergence of the concept of Public Private Partnership (PPP) based on concession agreements and user participation. It is now well understood, that while guarantees can only provide a modicum of comfort, the best assurance lies in establishing a stable macro-economic policy, an adequate tariff regime that ensures a secured rate of return to the investor and an equitable price for the end user. My development vision in the Tenth Plan envisages an abiding public private partnership in all spheres of the economy. While many of the infrastructure projects today can be set up and operated entirely on revenues from such projects, some may need cash support from the Government. The Government of India's Budget for 2003 - 2004 addresses this requirement through the concept of

viability gap funding. My Government has finalized a new legislation to attract private capital for development of infrastructure in Tamil Nadu. This will provide for comprehensive arrangements such as development of concession agreements, sharing of risks, and procedures for infrastructure project development and implementation.

My Government will set up a 1000 MW power plant in North Chennai as a joint venture with the National Thermal Power Corporation (NTPC). Another joint will be promoted with Neyveli Lignite Corporation (NLC) for setting up a 1,000 MW Thermal Plant in Tuticorin. The Government of India will be moved for the early establishment of a 2000 MW atomic Power Plant at Koodankulam and also to double the capacity at the same site in the future. In short, in the next five years, I propose to increase the generating capacity by more than 50% of the present installed capacity of 8,200 MWs. This is your assurance for adequacy of energy supply.

I am glad to announce that the Tamil Nadu Road Sector project, which I initiated in 1995, is now ready for implementation with assistance from the World Bank. The project involves an outlay of Rs.2,000 cores. This Project will complete the East Coast Highway from Nagapattinam to Tuticorin. Other roads will also be developed and more than 13 by passes would be formed to ease transportation bottlenecks around major towns. My Government proposes to develop more such stretches of State Highways and major district roads of economic importance that connect to the National Highways with private sector participation. The Chennai Ennore Port connectivity programme which is expected to be completed by the year 2005 is yet another milestone that will boost

Chennai's capacity to integrate cargo handling and container transportation. It will also solve the sea-erosion problem along Ennore Express highway. I am sure these initiatives will dramatically improve road connectivity in Tamil Nadu.

It is well recognized that the quality of infrastructure in cities and towns is a good indicator of the economic well being of the state. Tamil Nadu Urban Infrastructure and Financial Services Limited (TNUIFSL) was set up as a unique example of Public Private Partnership in promoting projects for urban sanitation, water supply, transportation infrastructure etc. In the coming year, this agency will promote urban projects with an outlay of Rs.200 crores.

I must also mention here that Tamil Nadu is the only state in the country to have put in place a massive water supply project costing more than Rs.1,000 crores as another example of Public Private Partnership. This project will benefit Tiruppur Municipality and all wayside villages and enhance the competitiveness of the knitwear exporters of Tiruppur. I am glad to announce here that the financial closure for this project has been achieved and disbursement commenced.

I am glad to announce that a master plan with an outlay of Rs.18,000 crores for comprehensive infrastructure development in the Chennai Metropolitan Area has been finalized. The medium term core outlay of Rs.10,000 crores lays a major emphasis on energy distribution traffic and transportation, water supply and sewerage, solid waste disposal and housing. Obviously, a huge investment of this order will need innovative methods of raising resources, including large-scale participation of the private sector. Our aim is to reposition Chennai as the city premier in South India; as a gateway to South East Asia, as

the best meropolis destination for investments in Asia. I have no doubt that with your wholehearted co-operation this objective will be realized.

My Government has also put in place a comprehensive solution to augment water supply to Chennai City through the implementation of the Rs.720 crore New Veeranam scheme and taking up desalination plants. The state-of-the art technology now available for executing desalination plants at affordable costs will be sourced to augment Chennai's water supply. We will implement a project for recycling wastewater for industrial use. I am happy to inform this gathering that the Chennai Water Supply Augmentation Project II will be implemented to increase the availability of raw water in the next three years. I must also place on record here the extensive public participation in the rainwater harvesting programmes my Government has initiated in the last two years.

When we refer to the infrastructure sector, we often place emphasis only on physical infrastructure such as roads, water supply etc.,. These are no doubt important. We also have to place emphasis on the quality of life and secure the social infrastructure needed to ensure a better quality of life. I would like to refer to health care facilities. Chennai City scores over all other Cities in India with its excellent health care facilities. In fact it would be no exaggeration to say that Chennai is the Health Capital of India. We have successfully harnessed IT to provide cost effective health care solutions even to rural areas. I believe that the health care industry has tremendous potential for growth. We shall accord due priority to this industry as it can also be developed to be a major employment provider. Public private partnerships to train technicians, health care professionals, and nurses can be undertaken so

that Tamil Nadu can provide skilled persons to extend health care facilities throughout the world.

I have made bold to initiate wide ranging reforms with a special focus on fiscal reforms in the hope that you in the manufacturing and IT industries will respond aggressively with ambitious growth plans. I now throw the gauntlet at you. It is for you to pick it up. You must respond with fervour to reveal your investment plans. The whole process of liberalization, structural adjustment and competition requires people to stand up and be counted. I have taken up this challenge and undertaken wide-ranging reforms including the more complex fiscal reforms. Government can facilitate the investment climate and we have done so by initiating a wide spectrum of reforms. Government can at best get ready a good pitch and we have done so. You must now face the competition. You may either duck into the bouncer and be felled or respond aggressively with a hook for a six. Indian industry must stand up and face the final test. While wishing the Indian Cricket team the very best in its final onslaught, may I remind you that, you too, have to now come up with a superlative innings?

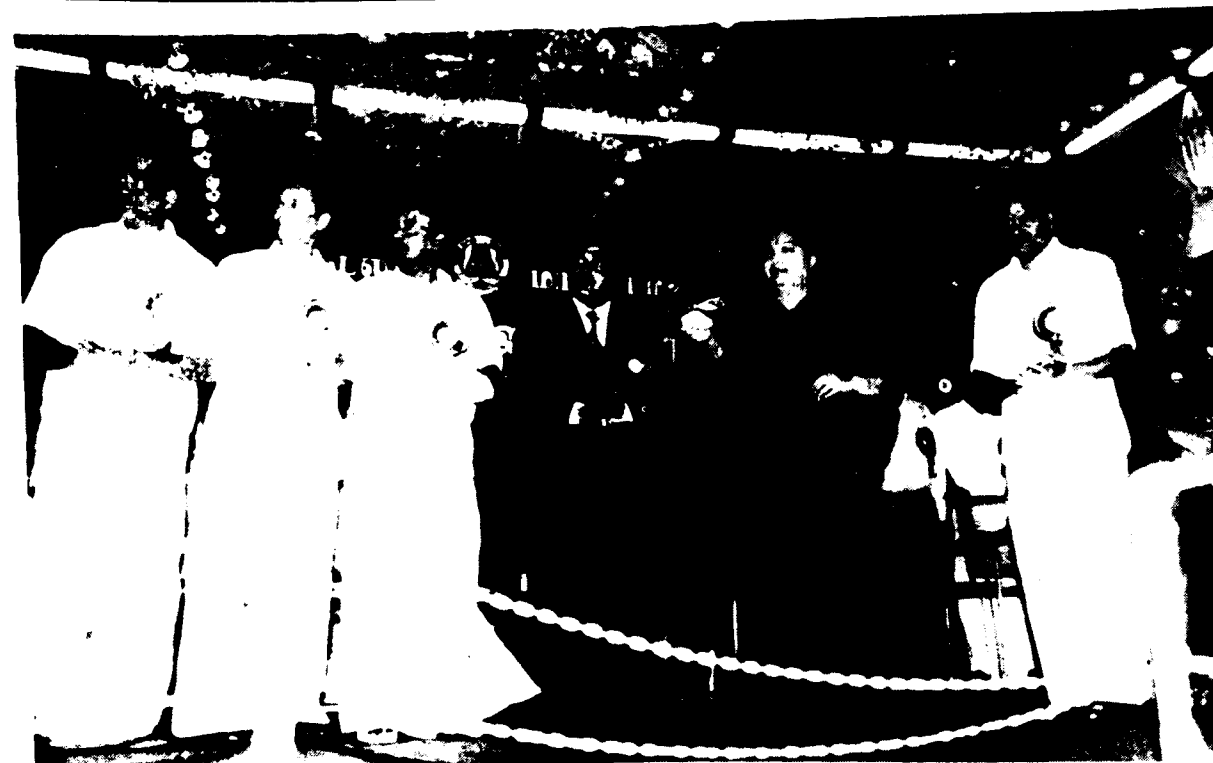
I thank you for inviting me today and wish all the participants the very best in all their endeavours.

- Inaugural address made by
Hon'ble Chief Minister
Selvi J Jayalalithaa in the
Conference on "The Winning Tamil Nadu -
An Investment Meet" & "SUMINFRA 2003"
(Summit on Integrated Infrastructure
Development) held at
Hotel Le Royal Meridien,
Chennai, on 19-3-2003.

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TAMIL NADU ON THE ROAD OF DEVELOPMENT

PEOPLE'S DREAM BECOMING A REALITY



Under the dynamic leadership of our Hon'ble Chief Minister Selvi J Jayalalithaa, Tamil Nadu stands foremost among the comity of States in implementing various schemes for the welfare of the people and for the development of the State in all spheres.

Various schemes, being implemented for the upliftment of the poor, empowerment of women, and for the all round development of the State, define and demonstrate the objectives, goals and achievements of our Hon'ble Chief Minister Selvi J Jayalalithaa, who is "an embodiment of dynamism and humanism".

The golden words of Anna

"Dear brother,
Go to the people,
Live among them,
Learn from them,
Love them,
Serve them,
Plan with them,
Start with what they know,
Build on what they have"

is the guiding spirit of our Hon'ble Chief Minister. Hence our Chief Minister derives source of strength from

the overwhelming people's support and mandate.

Recently our Hon'ble Chief Minister toured intensively in various districts, inaugurated numerous projects and schemes and distributed welfare assistance to lakhs and lakhs of people.

Hon'ble Chief Minister at Cuddalore

The Hon'ble Chief Minister inaugurated Rs.720 crores new Veeranam project which would provide additional supply of drinking water to Chennai, at a function held at Cuddalore on 2.2.2003.



Hon'ble Chief Minister also inaugurated several schemes completed with an estimated expenditure of Rs.93.98 crores and also laid foundation stone for various schemes costing Rs.27.69 crores at the function.

Hon'ble Chief Minister distributed welfare assistance worth Rs.13.35 crores to 18,162 beneficiaries under various schemes.

While addressing the people she described the historical background of the district and the greatness of the great souls who lived in the District. She assured the farmers of the Veeranam Ayacut that their irrigation water requirement would not be affected by the implementation of the Veeranam project. The Chief Minister also said that the scheme has been aimed at finding permanent solution to the drinking water problem of Chennai City and expressed hope, that this would quench the thirst of the people of Chennai.

Hon'ble Chief Minister explained that only a part of the surplus water to be made available by raising the storage level of the lake would be taken to Chennai.



She also highlighted the works for modernising the Veeranam lake and the supply channel. The completion of the works would strengthen the system for irrigating 44,856 acres on the Veeranam ayacut.

Hon'ble Speaker of Tamil Nadu Legislative Assembly Thiru K.kalimuthu presided over the function.

Hon'ble Minister for Health Thiru S.Semmalai, Hon'ble Minister for Social Welfare Thirumathi B.Valarmathi, Hon'ble Minister for Co-operation Thiru P. Mohan, Hon'ble Minister for Local Administration Thiru M.C.Sampath also spoke. District Collector Thiru. Thangasamy welcomed the gathering. Earlier a rousing reception was accorded to Hon'ble Chief Minister by the jubilant people.

Hon'ble Chief Minister's visit to Vellore

Hon'ble Chief Minister inaugurated various projects with an outlay of Rs.133.83 crores at a function held at Vellore on 4th February 2003.

She also declared open works, like bridges, roads, Primary Health Centre buildings, Hospital buildings, Hostels, completed with an expenditure of Rs.65.36 crores.

She laid foundation stone for various schemes worth Rs.61.63 crores and distributed welfare assistance costing to the tune of Rs.6.84 crores to 17164 beneficiaries.

She also inaugurated Thiruvalluvar University and laid the foundation stone for 300 bedded hospital for the new Government Medical College to be established at Pennathur.

While speaking at the function Hon'ble Chief Minister recalled the historical importance of the district. The Chief Minister remarked that even before the Sepoy Mutiny held in 1857 in Baragpur, such a rebellion was held at Vellore in 1806 with the active participation of the general public.

While describing the hurdles faced by the Government she expressed concern over the

attitude of a section of the politicians who tried to get political advantage over trivial problems faced by the people.

The Chief Minister emphasised for common approach in solving the issues concerning the people and the State as a whole.

Explaining the efforts taken by the Government for the implementation of Rain Water Harvesting Scheme, Hon'ble Chief Minister appealed to the people to make it a popular movement.

She appealed to women to strengthen the Self Help Groups and noted that the Government is taking all necessary steps to shape the women as self reliant and self supporting both socially and economically.

Hon'ble Speaker Thiru K.Kalimuthu presided over the function. Hon'ble Ministers Thiru. D.Jayakumar, Thiru S.Semmalai, Tmt B.Valarmathi and Thiru R.Vadivel also spoke on the occasion. Earlier, the district Collector Dr.A.C.Mohan Doss welcomed the gathering



Pointing out the necessity to eradicate caste barriers and inequality, Hon'ble Chief Minister said that the Government is striving hard to bring in "socialistic Pattern of Society" in Tamil Nadu.

She also said that the Thiruvalluvar University is being established at Vellore with a view to initiate steps for research on the problems faced by dalits, downtrodden people and those belonging to the backward and most backward classes and also to find solutions.

Hon'ble Chief Minister visits Kancheepuram

Kancheepuram is the citadel of fame and an ancient town with historical background and cultural heritage. Kancheepuram is the birth place of Perarignar Anna, who heralded the silent revolution for the big change in political, social and economic scenario of Tamil Nadu.

Hon'ble Chief Minister who is striving hard to transform the dreams of Perarignar Anna and the ideals of Dr. MGR into reality visited

Kancheepuram on 8.2.2003 and inaugurated projects, laid foundation stone and distributed welfare assistance at a total cost of Rs.446.62 crores.

341 works completed with an estimated expenditure of Rs. 67.35 crores including 2 crore worth Kancheepuram silk sales complex, health sub centre at Kovalam and Rs. 34 crore worth underground drainage scheme for Alandur Municipality were inaugurated by the Hon'ble Chief Minister.

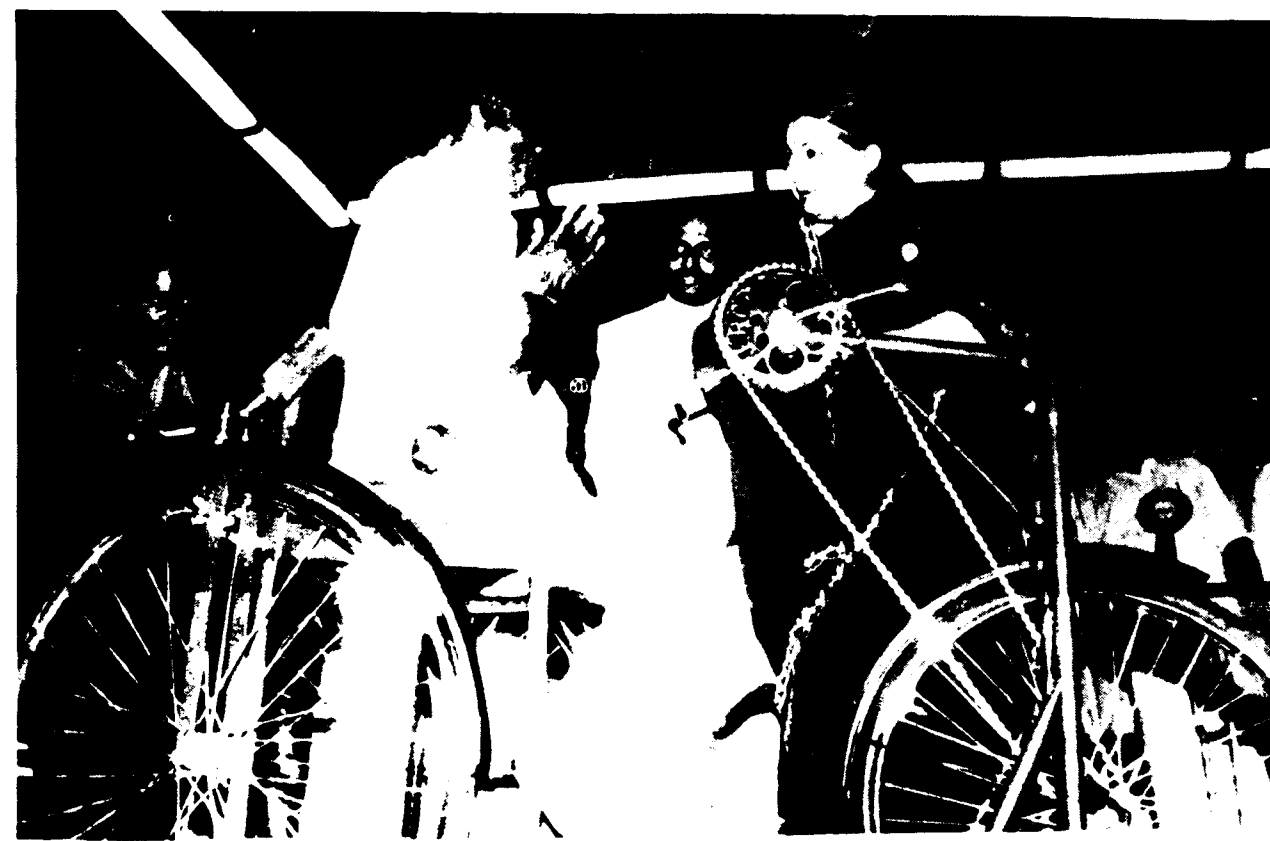
The Chief Minister also laid foundation stone for 86 new projects to the tune of Rs. 301.59 crores including Rs. 233 crores worth TNEB substations at Melakottaiyur, development works for Thirukazhukundram power sub station, bus stand complex at Pallavaram Municipality and out patient block at Chennai Government hospital.

The new schemes to be implemented in the district include Rs 20 crores comprehensive health project, Rs 40 crore water supply schemes, road development works under Hudco schemes.

Hon'ble Chief Minister distributed welfare assistance to the tune of Rs. 5.65 crores, which included housesite pattas, micro credit loans for women Self Help Groups, nonfarm sector loans and assistance for putting up Rain Water Harvesting structures.

Hon'ble Chief Minister also inaugurated important project RASI (Rural Access to Services through Internet).

Hon'ble Chief Minister remarked that it has been envisaged to set atleast one internet centre in each village which would provide job opportunities to women and youth.



She added that the scheme would also offer numerous informative services like health education, agriculture and technical know how.

Hon'ble Speaker Thiru K.Kalimuthu presided over the function. Hon'ble Ministers Tmt.B.Valarmathi,Thiru V.Somasundaram also spoke. Earlier, District Collector Thiru K. Rajaraman welcomed the gathering.

Hon'ble Chief Minister at Erode

Hon'ble Chief Minister visited Erode on 12-2-2003 and inaugurated 11,066 works executed at a cost of Rs.128.71 crores that included several drinking water projects costing Rs.29.99 crores. She laid foundation stone for



348 developmental works to be implemented at a cost of Rs.280.38 crores.

Speaking on the occasion the Chief Minister paid rich tribute to Thanthai Periyar who had

created a place for himself among world renowned social revolutionary thinkers by way of his revolutionary thoughts and selfless service. Hon'ble Chief Minister also recalled many of the great leaders and eminent personalities who contributed their might during the freedom movement and for the cause of Art and Culture. Hon'ble Chief Minister also remarked about the industrial development of the district.

She was happy to introduce the REGiNET service (Registration Net) which is the first of its kind in the districts other than Chennai, connecting 10 sub registrars' office in Erode with an incurred expenditure of Rs.2.16 crores.

which would cater to the needs of property holders.

The Chief Minister distributed Rs.13.40 crores worth welfare assistance to 21,904 beneficiaries.

Hon'ble Speaker Thiru. K.Kalimuthu presided over the function.

Hon'ble Ministers Tmt. B.Valarmathi, Thiru. P.C. Ramasamy also spoke on the occasion. Earlier, District Collector Thiru. Ka. Balachandran welcomed the gathering.

Hon'ble Chief Minister in Villupuram

Hon'ble Chief Minister visited Villupuram on 27.2.2003 and inaugurated scheme works



completed at a cost of Rs. 168.38 crores, laid foundation stone for various developmental works costing Rs. 38.59 crores and distributed welfare assistance worth Rs.19 crores to 24,258 beneficiaries.

While speaking, the Chief Minister said with 6,390 Self Help Groups, Villupuram district stands first in the formation of SHGs having a savings of Rs.27 crores. She expressed happiness in noting that SHGs,

apart from running fair price shops, fertilizer shops, they had also involved themselves to fight against illicit liquor and in social causes like adoption of children, donation of eyes etc. She also congratulated 31 SHGs involved in leather handicrafts and ornamental lamps forming an organisation named 'Varsha' and 12 SHGs involved in carving of wooden statues joined together to form an organisation named "Vruksha" and for getting loans from the Central

Government to the tune of Rs.52.75 lakhs for the purchase of machineries and carryout their business, approved by the Central Government.

Hon'ble Speaker Thiru. K. Kalimuthu presided over the function. Hon'ble Minister Thiru. P. Mohan also spoke on the occasion. Earlier, District Collector Thiru. A. Mohamed Aslam welcomed the gathering.



Hon'ble Chief Minister's visit to Perambalur

Hon'ble Chief Minister visited Perambalur on 6-3-2003 and inaugurated 5,742 development works costing Rs. 100.56 crores and laid foundation stone for various works costing Rs.85 crores and distributed Rs.12.59 crore worth welfare assistance to 19,845 beneficiaries.

Speaking on the occasion, the Chief Minister detailed the achievements of the Government - like the establishment of all women police stations the first of its kind in the country, appointment of women as Chair person for Tamil Nadu Wakf Board and Tamil Nadu Public Service Commission, appointment of woman as Chief Secretary, the first state to do so, and establishment of first women commando force. As the district is affected by drought, several

measures were being taken to develop the district on all fronts. She also highlighted the Kollidam comprehensive water supply scheme launched with an outlay of Rs.17 crores, which would benefit more than 1.80 lakh people.

Hon'ble Speaker Thiru. K. Kalimuthu presided over the function. Hon'ble Deputy Speaker Thiru. Varagur Arunachalam, Hon'ble Minister for Social Welfare Tmt. B. Valarmathi, Hon'ble Minister for Information and Publicity Thiru. K.K. Balasubramanian also spoke. Earlier District Collector Thiru Rajesh Lakhoni welcomed the gathering.

Hon'ble Chief Minister in Dindigul

At a function held at Dindigul on 7.3.2003 Hon'ble Chief Minister inaugurated various completed projects and laid foundation stones

completed projects and laid foundation stones to new schemes to the tune of Rs.254.20 crores. She also distributed welfare assistance to 21,007 beneficiaries to the tune of Rs.6.58 crores.

Hon'ble Speaker Thiru K.Kalimuthu presided over the function. Hon'ble Ministers Tmt.B.Valarmathi and Thiru. R.Viswanathan also spoke. Earlier, District Collector

TNPL to 2.30 lakh Metric Tonne at a cost of Rs.150 crores, 30 sub health centres at a cost of Rs.3.61 cores, 32 bedded hospital and operation theatre at Velayuthampalayam, comprehensive drinking water scheme which would benefit 564 habitations at Karur, Paramathi and Aravakurichy blocks at a cost of Rs.17.21 crores. A total of 324 drinking water schemes executed at a cost of Rs.33.65 crores were also inaugurated.



Dr.Senthilkumar delivered the welcome address.

The Chief Minister laid foundation stone for 1,629 works to be implemented at a cost of Rs.33.69 crores.

Hon'ble Chief Minister visits Karur

Hon'ble Chief Minister visited Karur on 7.3.2003 and dedicated 25,779 completed works costing Rs.308 crores, which included increased production capacity of Pugalur

The Chief Minister also distributed welfare assistance worth Rs.7.37 crores to 18,010 beneficiaries. Speaking on the occasion, the Chief Minister said Tamil Nadu is proud of the industrial development of Karur district



particularly in the field of producing and exporting handloom clothes and mosquito nets which fetch nearly Rs.1,000 crores as foreign exchange every year.

Hon'ble Speaker Thiru K. Kalimuthu presided over the function. Hon'ble Ministers Thiru. R. Viswanathan, Tmt. B. Valarmathi also spoke on the occasion. District Collector Thiru. P. Annamalai welcomed the gathering.

Hon'ble Chief Minister at Thiruvarur

The Hon'ble Chief Minister visited Thiruvarur on 8.3.2003. She inaugurated completed works to the tune of Rs. 55.68 crores and laid foundation stone for 1524 works to be executed at a cost of Rs.26.62 crores. She also distributed welfare assistance to the tune of Rs.2 crores to 5,878 beneficiaries.

Hon'ble Speaker Thiru K. Kalimuthu presided over the function. Hon'ble Ministers Thiru. R. Vaithilingam, Thiru. R. Jeevanandam, Tmt.B.Valarmathi also spoke on the occasion. Earlier, District Collector Thiru. P. Elango welcomed the gathering.

Hon'ble Chief Minister visits Dharmapuri

Hon'ble Chief Minister visited Dharmapuri on 9.3.2003. She inaugurated 822 development schemes completed at a cost of Rs54.21 crores, laid foundation stone for 111 scheme works costing Rs34.37 crores and distributed Rs12crore worth assistance to 26,843 beneficiaries.

Speaking at the function the Chief Minister pointed out various measures taken by the Government for improving the economic and social status of women. She also

mentioned the starting of SHGs and the present growth.

Hon'ble Speaker Thiru K.Kalimuthu presided over the function. Hon'ble Ministers Thiru. S. Semmalai, Thiru. P.C. Ramasamy, Tmt. B. Valarmathi also spoke on the occasion. Earlier, District Collector Thiru. M.A. Siddique delivered the welcome address.

of Tiruchi and said Srirangam had the speciality of having one of the biggest vaishnavaites temples in India. She said there were 5,182 self help groups in Tiruchi and she expressed her happiness to note that a commercial complex had been constructed exclusively for the sale of SHG products and formation of a web site for them.



Hon'ble Chief Minister's visit to Tiruchi

Hon'ble Chief Minister visited Tiruchi on 10.3.2003. She inaugurated completed scheme works costing Rs.96 crores, laid foundation stone for schemes worth Rs.104 crores and distributed Rs.9 crores worth welfare assistance to 15,910 beneficiaries.

While speaking at the function the Chief Minister detailed the historical importance

Hon'ble Speaker Thiru K. Kalimuthu presided. Hon'ble Ministers Tmt. B. Valarmathi, Thiru. K.K.Balasubramanian, Thiru. Papa Sundaram also spoke at the function. Earlier, District Collector Dr. K. Manivasan welcomed the gathering.

Hon'ble Chief Minister in Thirunelveli

Hon'ble Chief Minister visited Thirunelveli on 13.3.2003. She inaugurated scheme works



completed at a cost of Rs267.33 crores, laid foundation stone for various welfare schemes costing Rs165.92 crores and distributed Rs5.49 crores worth assistance to 13,518 persons.

While speaking at the function, the Hon'ble Chief Minister said that women should improve their economic status and stand on their own feet so as to achieve equal status in the society. To achieve this status, self help groups were formed. When these groups were formed in 1992 banks were reluctant to offer loans to these groups. But now the situation is different with banks seeking deposits from the SHGs. No one can cheat intelligent women. Problems thought to be unsolved could be solved by women. "If they have opportunities, women can excel in all the fields for which I myself is an example", the Chief Minister added.

Hon'ble Speaker Thiru K.Kalimuthu presided. Hon'ble Ministers Tmt. B. Valarmathi, Thiru C.Karuppasamy and Thiru Nainar Nagendran spoke on the occasion. Earlier, District Collector Thiru. Sunil Paliwal welcomed the gathering.

Hon'ble Chief Minister visits Sathankulam in Thoothukudi District

Hon'ble Chief Minister visited Sathankulam in Thoothukudi District on 14.3.2003 and inaugurated schemes completed at a cost of Rs.106.61 crores, laid foundation stone for 508 works costing Rs.32.16 crores and distributed assistance to 11,619 beneficiaries at a cost of Rs.9.14 crores.

Hon'ble Chief Minister announced various schemes for the development of

Sathankulam Constituency. She said schemes worth Rs.15.30 crores would be implemented in that area. The schemes included - High potential varieties of seedlings to be distributed to 100 farmers at a cost of Rs.10 lakhs, 1400 farm women would be trained in the cultivation of cashew, dhals, mushroom, medicinal plants etc at a cost of Rs.5 lakhs, land upgradation programme in drought affected areas, setting up of a cold storage to store agricultural products with private participation, sheep rearing programme at a cost of Rs.37 lakhs, palm

a new 60 km along Channel from Thamiraparani river to the water starved areas of Sathankulam and Thisayanvilai areas, under Water Resources consolidated Programme-II and construction of group houses. Construction of a groyne at a cost of Rs.4 crores at Periathalai area for the benefit of fishermen would be taken into consideration.

She also said the REGiNET service had been inaugurated by her in Thoothukudi district connecting 11 Sub-registrars office.



jaggery unit, palm leaf products manufacturing and training centre at a cost of Rs.11 lakhs, formation of 18 bedded ward at Taluk Hospital at a cost of Rs.25 lakhs, upgradation of Primary Health Centres at Alwarthirunagar and Karungulam as 30 bedded hospitals at a cost of Rs.1.10 crores, establishment of Government College for women, strengthening of bridge connecting Anavaratha Nallur and Azhikudi at a cost of Rs.40 lakhs, raising lake bunds, construction of Water Channels near Panangulam Village,

She also said that a sports complex will be constructed at cost Rs. 20 lakhs at Sathankulam and she assured that she herself would inaugurate all works announced in the function.

Hon'ble Speaker Thiru. K. Kalimuthu presided over the function. Hon'ble Ministers Thiru. O. Panneerselvam, Tmt. B.Valarmathi, Thiru. Anitha Radhakrishnan and Thiru. Nainar Nagendran spoke on the occasion. District Collector Thiru. R. Thiagarajan welcomed the gathering.

Hon'ble Chief Minister at Nagercoil in Kanniyakumari District

Hon'ble Chief Minister visited Nagercoil on 15.3.2003. She inaugurated 3,249 works completed at a cost of Rs.72.38 crores, laid foundation stone for 1,503 plan schemes costing Rs.76.49 crores and distributed assistance to 11,313 beneficiaries at a cost of Rs.5.32 crores.

While Speaking, the Chief Minister paid rich tributes to NSK who hailed from kanniyakumari and carved a niche in the hearts of the people by his thought provoking dialogues in the silver screen as well as on the stage. She described him as an ideal example for self confidence. She also mentioned about the greatness of the poet Desikavinayagam pillai, Seiguthambi pavalar and the communist leader Jeevanandam who were the proud sons of the district.

Hon'ble Speaker Thiru. K. Kalimuthu presided over the function. Hon'ble Minister of

State for Urban Development Thiru. Pon. Radhakrishnan, Hon'ble Ministers Thiru Nainar Nagendran, Thiru. Anitha Radhakrishnan also spoke on the occasion. Earlier, the District Collector Thiru. Gagandeep Singh Bedi welcomed the gathering.

*The enthusiasm and tireless
efforts shown by our
Hon'ble Chief Minister in inaugurating
completed works, in laying of
foundation stone for new schemes
and in distribution of welfare
assistance to numerous beneficiaries
have created in the minds
of the people that our
Hon'ble Chief Minister heals
broken hearts, brightens sad homes
and rejuvenates ruined lives.
She shines as a star of hope for
the people of Tamil Nadu.*

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WEBSITE FOR POLICE TRAINING COLLEGE

The Hon'ble Chief Minister of Tamil Nadu inaugurated the Website of the Police Training College, Chennai on 9.1.2003.

The Website contains the history, location and activities of the Police Training College, the two permanent Police Recruit Schools and the In-Service Training Centres. The activities include details of basic training imparted to the fresh entrants into the Police Department, the pre-promotion courses given before promotion to the next level, ie. Sub-Inspectors, Inspectors, Deputy Superintendent of Police, Additional Deputy Superintendent of Police and Superintendent of Police and special capsule courses given to middle and senior level Officers. The capsule courses relate to attitudinal changes such as gender sensitization and human rights awareness and skills improvement like cyber crime, investigation of cases etc. A sum of Rs.20 lakhs has been sanctioned by the Government for the conduct of special courses, holding of seminars at the national, state and district levels.

The Website can be accessed at www.mpd.in.gov.in

CRIME PREVENTION MANAGEMENT - A MULTI PRONGED APPROACH

- Hon'ble Chief Minister Selvi J JAYALALITHAA



It gives me great pleasure to inaugurate the National Seminar on "Crime Prevention Management - A Multi-Pronged Approach", organised by the Tamil Nadu Police. This is indeed a welcome initiative taken by the Tamil Nadu Police to deliberate upon issues that are crucial to the well being of civil society. The primary pre - requisite of good governance and development is peace, a point that I had raised recently at the Conference of District Collectors and Superintendents of Police held in December, 2002. A crime free society and freedom from fear are the basic ingredients of peace and I have no doubt that this seminar will make valuable contributions to our goal of attaining peace in our society.

Today's world is marred by the threat of violence, terrorism and crime that lurks everywhere. The scourges of serial bomb blasts and organised violence are no longer problems that some poor Third World countries have to

battle alone. Terrorism has become a global phenomenon of epidemic proportions.

Globalisation and Criminality are inextricably interlinked. The dismantling of regulatory mechanisms that has followed the onset of globalisation, the liberalisation of the economy and the advent of new communication technologies that have reduced the world into a global village, have also opened up new horizons for crime and criminality. Law enforcement and crime detection methodologies will have to be totally reoriented to counter the breaking down of national and state borders by globalised crime. The use of technology by criminals must be met by even better technology to keep the law enforcer always one step ahead.

As changes take place in the socio economic pattern as part of the growth dynamics of a nation, so too, must changes take place in the



concept and role of policing in civil society. Increasingly, modern crime is being perceived as an attitudinal rather than a behavioural phenomenon and the emphasis has to be on a preventive rather than a curative methodology. The age of enforcement has indeed given way to the era of preventive crime management. Crime prevention no longer remains the exclusive preserve of the Police but has become everybody's business, requiring the overt participation of the public, the Government, Non-governmental organisations as well as Corporate entities. It stands to reason that the more people have at stake, the more committed they will be to the cause of crime prevention. It is, therefore, the stake-holders in society, namely, families, resident welfare associations, small businesses, corporate houses, landlords, service providers, teachers, parents and youth who must form a vibrant partnership with the law enforcement agencies, local and state governments to work for a safe and secure, crime free society.

This was the *raison d'être* for the Friends of the Police or Community policing model which was started in Tamil Nadu in 1994, and which I commended to the Tamil Nadu Police for universal replication all over Tamil Nadu, during the recent Annual Conference of Police officers. It is the focal point of my call to the

Tamil Nadu Police Force to rethink and reinvent its image as a sensitive, caring Force; for the Police Station to become a place where the citizen can go without fear and confidently expect sympathetic redressal of his/her grievances. It is not enough if the Policeman/Police-woman acts to solve crimes, he/she must address himself/ herself to the problem of the fear of crime itself. The primary objective of the Police

should, therefore, be to effectively prevent and control crime and instil a sense of security in the citizen. To reach that goal, the support of the community is essential. This has become the cornerstone of appropriate policing in modern communities all over the world. A crime prevention strategy should be formulated, based on a pro-active policing approach. It should be understood that the effectiveness of the Police Force depends not only on their professional ability but also on community support. The formulation of such a strategy should, therefore, be a consultative exercise - one that takes into account the priorities and policing requirements of the community. During the implementation of the crime prevention strategy, the public should be associated at both the planning and implementation stages. It must be recognised that just as charity begins at home, so too does security from crime also begin at home, whether it is in teaching one's family to follow basic safety measures to secure the home and its inmates, or in helping in the area community policing programme, or in working with the local police to provide the necessary intelligence and infrastructural support to protect the neighbourhood.

Crime prevention in the modern context necessarily implies inter-agency co-ordination and co-operation. Only concerted action by all

related departments and agencies such as Prison, Transport, Education, Social Welfare, Civil Defence, etc. can result in effective crime control. Since organised crime has inter-state, and often, international ramifications, a great deal of co-ordination is required between the various Central and State Law Enforcement and Intelligence Agencies to curb syndicated or organised crime.

Crimes against women, ranging from sexual harassment at the workplace and public places, to heinous crimes like rape and bride burning often have their origins in social practices. It is for this reason that I ordered that All Women Police Stations be established all over the State, to look into the special problems of women, and to have exclusive Women Police Cells in each regular Police Station. The counselling role played by the All Women Police Stations is intended to be the first step in dispute resolution, compromise and settlement, to prevail upon male-dominated families to shed their overt gender bias and prevent such crimes from happening. The community's responsibility here, too, has to be emphasised. There is an imperative need to educate working women and students about sexual harassment, to train them, and to hone their skills and attitudes to empower them to combat such crime. The role of agencies like residents, school and college teachers, women's organisations, other NGOs as well as employers, in working together with the law enforcers to combat sexual harassment, is an important aspect of tackling crimes against women. Of course, this in itself may not be enough to eliminate such crimes. We have, therefore, legislated an Amending Act to make harassment of women punishable with deterrent imprisonment and fine.

No doubt, crime prevention and crime detection have become more difficult and

complex, what with a sea-change in the pattern and intensity of crimes. Rising chauvinism and fundamentalism have brought with them bombs and riots. Industrialisation and inflation have led to the development of organised crime and drug mafias. Economic liberalisation has brought in its wake a spurt in white-collar crimes and scams. The Information Technology Revolution has spawned a new virus of cyber crimes. All this leads us to wonder - Will this Pandora's Box ever close?

The challenge before us now is to evolve new strategies to prevent and detect more and



more sophisticated forms of criminality. The beat and the baton, the whistle and the fingerprint powder may no longer be enough to stop the latter-day criminal who communicates by cell-phone, breaks and enters by hacking a computer and molests through the chat room.

What then is the answer? The answer lies in a multi-pronged approach to crime prevention. To my mind, one important solution lies in the use of technology. Science must be harnessed to beat the criminal at his own game. New fingerprinting technology must be made accessible to law enforcers in a

national and international grid. Fingerprints should be taken by "live scan", and matching techniques through digitization and improved matching algorithms should be developed.

Criminals have become aware of genomic DNA finger printing techniques and have been known to take evasive action to avoid leaving traces. There is, however, scope for analysing sub-micro residues of crime related bio-specimens through mitochondrial DNA if Nano-and related techniques find place in forensic science research. New instrumentation can be used in the analysis of drugs and chemicals laced with illicit substances.



Information Technology can revolutionise communication and surveillance equipment at the disposal of law enforcers. Facial imaging, iris scanning, lip-print and other biometric techniques can be the frontier technologies of IT based crime prevention and investigation. Geographical Information System (GIS) based applications need to be developed for highlighting crime patterns and to evolve appropriate strategies to combat crime. We have to break free of conventional investigation formats to deal with hi-tech crime.

Our law enforcers have necessarily to keep abreast of the latest technologies. There is also a need to involve our scientific institutions and industry in forensic research and application of the latest advances in crime investigation techniques, just as the community must take part in policing itself. In Tamil Nadu, we have set apart a substantial sum towards the modernisation and training of our Police Force to enable it to react with greater alacrity and efficiency to the heightened security needs of the community.

Before I conclude, I wish to draw your attention to a passage from the seminal work of the pioneers of crime prevention management, Wilson and Kelling, and I quote "Just as physicians now recognise the importance of fostering health rather than simply treating illness, so the Police - and the rest of us - ought to recognise the importance of maintaining, intact, communities without broken windows." The broken windows theory, as it is called, emphasises the role of prevention of crime in fostering the health of Society. I wish to leave with you the thought that an ounce of prevention is worth more than a pound of cure.

I am sure that the deliberations in this seminar will prove to be a big step forward in establishing a society free of crime, making the citizen free of fear and achieving peace, development and good governance.

*Inaugural address by
Hon'ble Chief Minister
Selvi J JAYALALITHAA,
at the National Seminar on
"Crime Prevention Management -
A Multi Pronged Approach"
held at Secretariat, Chennai
on 9.1.2003*

FOOD PARKS NEAR ALL THE MAJOR TOWNS

- Hon'ble Chief Minister
Selvi J JAYALALITHAA

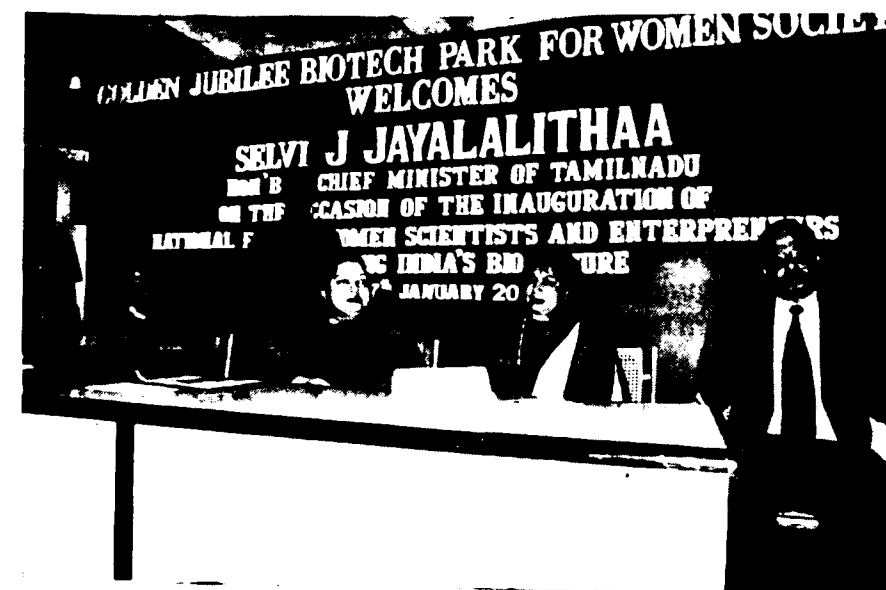
I would like to take this opportunity to wish you all a very happy, successful, prosperous and peaceful New Year.

I have great pleasure in inaugurating the "National Fair on Women Scientists and Entrepreneurs and Shaping India's Bio-future", and delivering the inaugural address amidst a distinguished gathering of eminent women scientists from all over India and abroad.

I must indeed congratulate the Golden Jubilee Biotech Park for Women, the Tamil Nadu Corporation for Development of Women, the M. S. Swaminathan Research Foundation, and the Confederation of Indian Industry, for their initiative in organising this meeting of women scientists and entrepreneurs, from different parts of the country, to discuss how women professionals can help to shape our country's bio-future.

Ours is a country with a huge bio-diversity and Tamil Nadu is particularly well endowed with a wide variety of flora and fauna, but, in spite of the richness of the bio-resources of our country, there is widespread poverty and unemployment. It is indeed a paradox and an irony that the

prosperity of nature and the poverty of our people co-exist in our country. I often ask myself: "How can we convert our rich natural resources into wealth, meaningful enough to achieve the goal of total eradication of poverty? How can we make both unsustainable life styles and enduring poverty, problems of the past?" It is my firm view that poverty will persist so long as human resources are undervalued and material resources are overvalued.



It is in this context that I welcome this timely initiative taken to hold this meeting of Women Scientists and Entrepreneurs, to discuss the role that they are currently playing and could play to shape our country's Bio-future.

Biology, the science of living organisms, refers to the future of life on our planet Earth. The future can be bright only if we realise that we have to live in harmony with Nature and with each other. Symbiosis with Nature is part of India's philosophy and culture, in which all forms of life are regarded as sacred.

The creation of such harmony needs equity in sharing the fruits of technological and economic development. Our developmental efforts must be based on the

principle of social inclusion, not social exclusion, and it is here that the gender dimension of equity assumes greater importance. The World Conference on Women held at Beijing in 1995, as well as the "Beijing Plus 5" review carried out in the year 2000 by the United Nations, both stressed in unequivocal terms that we should lose no further time in reversing the trend towards what they described as "a growing feminization of poverty".

Our rural women have, by and large, been by-passed by technological advancements. In agriculture, for example, women continue to be entrusted with jobs involving drudgery and hard labour, but without commensurate reward. There are multiple burdens on their time, and multiple demands on their energy, from home keeping and child rearing to economic activities. Women are invariably both overworked and underpaid and quite often unpaid. This is why I welcome the emphasis placed by the Dr. M.S. Swaminathan Research Foundation on introducing technologies that can help to reduce the long hours of work in the daily life of a rural woman, while at the same time enhancing her income generating potential. This involves a transition from unskilled to skilled work – a transition that is not only necessary to enhance income and end poverty, but also essential to achieve our principal goals of productivity, quality and value addition in agriculture.

Another area of concern is the high incidence of low-birth-weight babies, both caused by maternal and foetal under-nutrition. A low-birth-weight baby is handicapped at birth in brain development. For no fault of its own, the newborn baby is denied an opportunity for the full expression of its innate genetic potential for physical and mental development. My appeal to all the Home Science graduates

is to organise Nutrition Clinics and School Nutrition Gardens, which can help to demonstrate how some of the widely prevalent nutritional maladies like deficiencies of iron, vitamins A and C, etc. can be prevented by appropriate horticultural remedies. My Government has decided to promote a horticultural revolution in Tamil Nadu, both for home consumption and for the internal and external markets. In the "Wasteland and Watershed Development Programmes" that I have launched in Tamil Nadu over a massive extent of 20 lakh hectares, i.e. 50 lakh acres, in a period of 5 years, development of agro-forestry systems and the cultivation of pulses, which can enhance the nutrition



security of the family, are already being promoted. While the total elimination of "protein energy under-nutrition", which is related to poverty and inadequate purchasing power, may take time, we can at least try to eliminate the hidden hunger caused by the deficiency of micro-nutrients in the diet within a span of 3 to 4 years, with concerted efforts like these.

The low percentage of women in high positions in the scientific and academic realms stands in sharp contrast to the outstanding performance of women scholars in high school and university examinations. We are all aware that in major school and university examinations,

including examinations in professional courses like medicine, engineering and agriculture, a majority of toppers and medal winners are women students. The big question is - What happens to all these women, with such brilliant early academic careers, in their later professional life? Why is there such a big gap between early promise and later professional fulfillment? Obviously, a major contributory factor involved in such a dichotomy, between early academic performance and later professional achievement, is the multiple burdens carried by the woman. It is a painful truth that gender inequity is neutral to income, affecting rich and poor alike, albeit in different ways. To some extent, while this may be biologically pre-determined, it is time that we reviewed the personnel policies of scientific and academic establishments, to make them more gender-sensitive, to ensure that brilliant young women scholars do not remain blossoms in the dust in their later professional lives.

I request you to consider the role of women scientists and entrepreneurs in shaping our country's bio-future at two ends of the spectrum: of highly qualified women like many of you here at one end, and at the other, our languishing, illiterate and semi-literate rural sisters. There are many examples to show that rural women, whether literate or illiterate, are easily able to master new technologies and use them in real life situations, provided they are imparted to them by the "learning - by - doing" methodology. Semi-literate rural women of Tamil Nadu have, time and again, demonstrated that they can master newer technologies such as digital technology etc., within a few weeks, provided the language used is their mother tongue, and the teaching method adopted is practical. In this sense, bridging the digital divide can become a powerful tool for bridging the

gender divide. If rural women have been by-passed in the past by new technologies, you should now enlist frontier technologies such as digital technology, bio-technology, etc., as allies in the movement to usher in an era of gender and social equity.

Technologies that can revolutionize the way in which we live, for example, nanotechnology or genomics, are evolving at a fast pace. Immediately, however, there is scope for bringing hope and cheer into the lives of the rural poor by harnessing bio-technology, information technology, space technology, including the use of the recently launched meteorological satellite, and renewable energy technologies, particularly solar, wind, biogas and biomass energy. The Tamil Nadu Government is committed to providing women professionals with the infrastructure needed for commercialising these newer technologies for maximising public good.

It gives me immense satisfaction that we have, near Chennai, the first Women's Biotechnology Park in the entire country. I wish to congratulate these early pioneers who have started bio-tech enterprises in this Park, some of which have been demonstrated outside, in the foyer of this building. Plans for starting an Eco-Enterprises Park in Dindigul District are at an advanced stage, and this Park will afford opportunities for women entrepreneurs to initiate enterprises in the field of horticulture, herbal technology as well as food processing, and renewable energy technologies. My Government has plans to start Food Parks near all the major towns and cities, in order to link the rural producers and urban consumers in a mutually beneficial manner.

Although our country is the second largest producer of fruits and vegetables

in the world, we process less than 10 percent of what our farmers produce. Spoilage is consequently high. You may recall that the White Revolution was the culmination of an integrated approach to the production, processing and marketing of milk. We must extend this success story to all perishable commodities, particularly to fruits and vegetables, which have tremendous export possibilities.

Tamil Nadu is committed to achieving technological leapfrogging for poverty alleviation and achieving all round growth. The "TICEL" i.e., "TIDCO Centre for Life Sciences", a state-of-the-art Rs.62.50 crores project, for which a Memorandum of Understanding was signed in my presence on 25.8.2001, with the Cornell University, USA, the first of its kind in the entire country is slated for completion and inauguration by December, 2003, and is a standing testimony to the innovative efforts that my Government has been taking in harnessing Science & Technology for the rapid development of the State of Tamil Nadu. I take this opportunity to seek your active participation in this exciting adventure.



As women scientists, you can help in many ways. First, you can take the lead in mobilizing science and technology for meeting basic human needs like drinking

water, nutrition, shelter, clothing, primary education and primary health care. Secondly, you can help your illiterate and semi-literate rural sisters to acquire market-driven skills, so that value can be added to their time and labour. Thirdly, you can demonstrate a new scientific ethic, where public good and commercial profit are mutually supportive and not antagonistic, and where reaching the unreached becomes the goal of technology delivery and dissemination systems.

Technology can be a two edged sword. The year 2002 saw the disturbing development of the cloning of a baby girl named Eve from the cells of a 31 year old woman. This is a most perverse and deplorable use of the power of molecular genetics and genetic engineering, whose misuse in bio-terrorism, leading to the release of new strains of small pox, is a scourge mankind should avoid. On the other hand, we have wonderful examples of the purposeful use of the tools of molecular genetics, like the production of new vaccines against human and animal diseases. The scientists of the Dr. M.S.

Swaminathan Research Foundation have been able to transfer the salt tolerant character from Mangrove trees to rice and pulses, which I think is a revolutionary trend, that will pave the way for greater productivity in agriculture in areas afflicted by excessive salinity of water. Similarly, I learn that it is now possible to breed highly drought resistant crop varieties too. Obviously, in every field of scientific endeavour, there are possibilities for the use and abuse of Science. It is clear that unless the technology push

is matched by an ethical pull, the products of our brain could prove to be rather a curse than a blessing. Scientists must, therefore, adopt an ethical code in designing

experiments. This is where women scientists of India can give a lead, by blending our spiritual heritage of over 5000 years, with the emerging frontier sciences. Indian women have been in the forefront, in upholding our cultural and spiritual values, and therefore it will be appropriate if you take the initiative to launch a "Science with a Spiritual Face" movement, which I am sure, with your commitment, will eventually become a global movement.

Dr. Kiran Shaw, in her most enlightening and enthusiastic key note address referred to the success of Bio-technology in producing Human Insulin. Now I would like to make an appeal to all our Scientists,



particularly our Women Scientists in India to work on developing a cure for Diabetes. Apart from AIDS, today the biggest scourge afflicting mankind, particularly in India is Diabetes. At least where AIDS is concerned, one can take preventive measures, one can take precautions to prevent a person from contracting, contracting or developing AIDS. But where Diabetes is concerned, today this has become a global phenomenon, a scourge which is affecting younger and younger people. Today children, infants as young as 2 years and 3 years are developing Diabetes. Earlier, Type-II Diabetes was thought to be an adult's disease. It was

generally thought to occur after 40. It was considered to be brought on by stress and strain, particularly. But today we find infants, toddlers, 2 years and 3 years old children developing Diabetes. Now, Doctors are at a loss to sought out why this is happening, why this is occurring. As far as the discovery of Human Insulin is concerned, Insulin can only control the disease but cannot cure the disease. So I would like our Scientists to seriously work on developing a cure for Diabetes. Though today the medical wisdom is that there is no cure for Diabetes, still, as Dr. Shaw pointed out about 50 years ago no one had heard of Bio-technology. Today so many amazing new discoveries have been made by harnessing Bio-technology. So, if we work with the commitment and with the feeling that nothing is impossible, I am sure that you will succeed and I wish our Indian Women Scientists all success in this endeavour.

I wish to develop Tamil Nadu into a land of opportunity, a land of hope for inventors, innovators, scientists and entrepreneurs. I wish you all success in your sustained efforts to harness the best in science and technology for a bright Bio - future for our country. I once again wish to convey my best wishes to all of you.

I thank Prof. Dr. M.S. Swaminathan and the other sponsoring agencies for having invited me to this significant and unique event.

Inaugural Address by
Hon'ble Chief Minister of Tamil Nadu
Selvi J JAYALALITHAA,
in "National Fair on Women Scientists and
Entrepreneurs and Shaping
India's Bio-future" held at
M.S. Swaminathan Research Foundation,
Taramani, Chennai on 7.1.2003.

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BEST PERFORMANCE OF WOMEN SELF HELP GROUPS IN THENI DISTRICT

The Women Development programme is effectively implemented in Theni District through Mahalir Thittam. The Women Development Corporation approved 10 Non Government Organisations in Theni District and 2119 Women Self Help Groups are formed through these approved Non Government Organisations. The 2119 Self Help Groups cover 34381 women including 14390 women belonging to SC/ST community.

The total savings by Self Help Groups under Mahalir Thittam is Rs.399.91 lakhs. The amount is utilized by the group members as internal rotation for legal interest. The total number of internal rotation (loan) is 115876 and the value is Rs.1677.74 lakhs.

The Hon'ble Chief Minister launched "Total Poverty Eradication Programme" in Theni District at a Government function on 16.09.2002 at Melmangalam, Theni. As per this scheme, 2000 women SHGs will be formed in the uncovered habitations including SC/ST habitations during 2002-2003 and 2003-2004. 2000 women will be

given EDP training and all the members of SHGs would be given Members Training and 4000 Members will be given Animator & Representative Training. 1600 women will be imparted Vocational Training and all the eligible SHGs will be credit linked. So far 188 new SHGs have been formed under this scheme.



The people of Theni District express their gratitude to the Hon'ble Chief Minister for giving importance to the development of women Self Help Group movement in Tamil Nadu and providing more schemes for the betterment and economical upliftment of poorest in rural and urban community.

O.L. Ravindran,
I & PRO
Theni District



THE GOVERNMENT'S BOLD STEP TO PROTECT THE INTEREST OF THE FARMING COMMUNITY AND THE HUT DWELLERS

Under the Electricity Regulatory Commissions Act, 1998 the Tamil Nadu Electricity Regulatory Commission has announced today new tariffs for various consumer categories for the electricity sold by the Tamil Nadu Electricity Board, to come into effect from 16th March 2003.

It is common knowledge that the DMK Government which ruled Tamil Nadu from 1996 to 2001 completely neglected fiscal reforms pushing the State to fiscal ruin. Measures necessary to set right the fiscal situation which deteriorated alarmingly in 1999-2000 and 2000 - 2001 were not taken by the DMK Government, pushing the State to fiscal collapse by the end of March, 2001. Arrears of food subsidy, arrears to Government employees, non payment of bills by the TNEB to Central utilities for supply of electricity, non payment of subsidy arrears by the Government to the TNEB, huge pendency of bills lying unpaid by the State Government

at the end of March 2001, all indicated a state of complete fiscal collapse. Confronted by this massive and precarious situation of bankruptcy, this Government had to take immediate steps to set right the situation. It fell on this Government to undertake this Himalayan task of restoring the fiscal health of the State Government, the TNEB and the Bus Transport Corporations.

The Government of India enacted a new law viz : the Electricity Regulatory Commissions Act of 1998. This law came into force on 25.4.1998. The predecessor DMK Government established the Tamil Nadu Electricity Regulatory Commission as per this law on 17.3.1999. This law indicates that the electricity tariff, which is to be based on the average cost of supply, has to be decided only by the State Electricity Regulatory Commission.

After assuming office in May 2001, this Government found that the finances of the Tamil Nadu Electricity Board were in complete

ruins. In the year 2001-2002 the Electricity Board faced a total loss of about Rs.5,000 crores. It owed Rs.1,962 crores to Central Government undertakings as arrears for electricity and coal supplies. The financial situation was extremely serious and this Government was constrained to revise the tariff from 1.12.2001 and take over the liabilities of the TNEB to the Central utilities. Even while giving effect to this tariff revision this Government ordered the continuance of free electricity to farm pumpsets and huts.

This tariff revision given effect to by this Government with effect from 1.12.2001 was challenged in the High Court. The High Court, while confirming the tariff revision through its judgements on 14.6.2002 has clearly held that future tariff revisions can only be undertaken by the State Electricity Regulatory Commission.

Further, in March 2001, the previous DMK Government obtained financial assistance under the Accelerated Power Development Programme. This required a Memorandum of understanding. According to this Memorandum of Understanding, the Tamil Nadu Government was required to make the State Regulatory Commission functional, ensure metering of all consumers by 31.12.2003, and have the Tamil Nadu Electricity Board file a tariff application before the State Electricity Regulatory Commission on or before 30.09.2002. This Government, therefore had no choice in the matter. Accordingly, the agreement had to be signed in January 2002,

“A small farmer owning a 3 HP pump set will be getting Rs.1,000 per year directly from the Government as cash support.

He will then be required to pay Rs. 750/- per annum to the TNEB. He will in fact get a net amount of Rs.250 as cash support.

Thus, he will not only continue to get free electricity, he will also get additional cash support from the

Government. This clearly shows this Government's full commitment to not only protecting small and marginal farmers but in fact ensuring that they get additional cash support”.

as the funds had already been received by the previous DMK Government.

The TNEB filed its tariff application before the Tamil Nadu State Electricity Regulatory Commission on 25.9.2002. The Tamil Nadu State Electricity Regulatory Commission, as constituted under the 1998 Central Act, has now passed a tariff order following the procedure laid down under the law. The Government of Tamil Nadu has made a detailed written submission on 10.3.2003 before the Tamil Nadu Electricity Regulatory Commission and categorically indicated that the scheme of free electricity to farmers and huts in rural

areas should be continued.

It has to be noted that the Tamil Nadu Electricity Board is facing an extremely serious financial crisis. Even after the tariff revision on 1.12.2001 which was to set right the deficit faced in the year 2001-2002, the TNEB actually faces a deficit of Rs.2,589 crores in the current year 2002 - 2003 and Rs. 2,993 crores for the coming year 2003-2004. In order to set right this deficit the TNEB filed its tariff application before the Tamil Nadu State Electricity Regulatory Commission, which after careful consideration of all aspects has passed this tariff order to take effect from 16th March, 2003.

The Tamil Nadu Electricity Regulatory Commission in its tariff order has indicated that the rate for farm pump sets will be 20 paise per unit on a metered basis with an optional rate of Rs.250 per HP per annum till the meters are actually fixed and this is to be paid on a six monthly basis from September 2003. This tariff announced by the Tamil Nadu Electricity Regulatory Commission is the lowest tariff for farm pump sets in the entire country. Even though the Government of Tamil Nadu is faced with a huge financial deficit and is itself finding it difficult to meet its current obligations, as a measure of our categorical support to farmers, I have decided that the Government of Tamil Nadu will provide Rs.1,000 per annum as cash support in two installments of Rs.500 per half year, payable from September 2003 to each small and marginal farmer owning pump sets throughout the State of Tamil Nadu. This will cover 9.41 lakh small and marginal farmers

throughout the State. This will ensure that only in Tamil Nadu in the entire country free electricity will be continued for small and marginal farmers.

Thus, a small farmer owning a 3 HP pump set will be getting Rs.1,000 per year directly from the Government as cash support. He will then be required to pay Rs. 750/- per annum to the TNEB. He will in fact get a net amount of Rs.250 as cash support. Thus, he will not only continue to get free electricity, he will also get additional cash support from the Government. This clearly shows this Government's full commitment to not only protecting small and marginal farmers but in fact ensuring that they get additional cash support.

Out of the total of 15.04 lakh farmers getting free electricity, 9.41 lakh small and marginal farmers will thus be given cash support by the Government. We have thus followed the policy enunciated by Puratchi Thalaivar Dr. MGR in 1984. This will ensure that small and marginal farmers are not in any way affected by the tariff order of the Tamil Nadu State Electricity Regulatory Commission. This Government has taken this bold step of protecting the interest of the farming community despite enormous fiscal constraints faced by the Government.

I have decided to implement the scheme of direct support to small and marginal farmers to enable them to pay the tariff charges to the TNEB. With this we have ensured that the

"I have therefore decided that a separate subsidy of Rs.100 per annum will be provided to each hut owner directly by the Government. This subsidy will enable him to pay the charges levied by the TNEB once a half year starting from September 2003. Thus hut dwellers will continue to get free electricity. On a metered basis with a single bulb, the monthly charges will work out to Rs.7.50 per hut. The annual charges will workout to Rs.90/-. As against this, the Government will provide Rs.100/- to enable payment to the TNEB. Thus hut dwellers will not be affected in any way."

legal requirements have been met and at the same time we have given full protection to small and marginal farmers. In no other State in the country has such a scheme of support to small and marginal farmers to enable them to continue to get free electricity been implemented.

There are 14 lakh huts with a single bulb receiving free electricity in rural areas. The Tamil Nadu State Electricity Regulatory Commission has levied a charge of Rs.0.50 per unit or the optional rate of Rs.10 per month till meters are fixed. This Government is committed to protecting the interest of people living below the poverty line in rural areas. I have therefore decided that a separate subsidy of Rs.100 per annum will be provided to each hut owner directly by the Government. This subsidy will enable him to pay the charges levied by the TNEB once a half year starting from September 2003. Thus hut dwellers will continue to get free electricity. On a metered basis with a single bulb, the monthly charges will work out to Rs.7.50 per hut. The annual charges will workout to Rs.90/-. As against this, the Government will provide Rs.100/- to enable payment to the TNEB. Thus hut dwellers will not be affected in any way.

This Government has always taken care to ensure that the interest of the people below the poverty line and small and marginal farmers are protected. Such a scheme to provide direct cash support to small and marginal farmers and hut dwellers does not exist in any other State in the country. I am very happy to announce that these two schemes will ensure complete protection to small and marginal farmers and hut dwellers.

- Press Statement of the
Hon'ble Chief Minister **Selvi J Jayalalithaa**
on 15-3-2003.

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THE POLICE FORCE CAN USE THEIR TALENTS, INFRASTRUCTURE AND TRAINING RESERVES TO INVOLVE OUR YOUTH IN SPORTS

- Hon'ble Chief Minister **Selvi J Jayalalithaa**

Today is the final day of the 51st All India Police Athletic Championship and I am happy to participate in this closing ceremony and to deliver the valedictory address. The closing hours of any athletics meet are indeed a mixed bag of joys and sorrows, victory for some and defeat for others, but glory for all sport. The spirit of auld lang syne pervades everything, as the participating athletes from all over India part to go their ways, some carrying their shining medals, others their dull disappointments, but everyone their warm sporting memories.

Tamil Nadu is well known for its rich tradition, heritage, culture and

hospitality and I am glad that the Tamil Nadu Police are hosting this prestigious Championship for the fourth time. This world class stadium that can accommodate 40,000 spectators, I am happy to recall, was my brain-child and built by my Government in 1993 and has been the venue for several premier competitions like the Jawaharlal Nehru International Invitation Foot Ball Cup and the International Invitation Athletic Meet as well as the prestigious South Asian Federation games in 1995, in which all the seven South Asian Federation countries participated. Four International Standard Sports stadia were also constructed during the period 1994-1995 by my Government, which

includes the Hockey Stadium with Astro-Turf, a Tennis Stadium with Synthetic Surface, an Aquatic Complex with a Racing Pool, Diving Pool and Warm-up Pool and a Multi-purpose Indoor Stadium. After a period of neglect between 1996-2001, when most of these world-class facilities lay unused and uncared for, I have now taken a number of steps to renovate and restore them and also to provide them with equipment and infrastructure. A Hall of Chess has come up in the Jawaharlal Nehru Stadium and a Hall of Fencing is shortly to be completed in the Indoor Stadium at Chennai. A Squash Academy, a Swimming Academy and a Badminton Academy with private sector participation have also been authorised.

In order to encourage and honour meritorious sportspersons, I have announced a scheme of high-cash incentives for the sportspersons of Tamil Nadu who win medals in the Olympics, Asian Games, Commonwealth Games, South Asian Federation Games and National Games. These range from Rs.25,000 to Rs.1 crore. Under this scheme, not only the sportsperson who wins a medal but also the coach who has moulded the sportsperson is rewarded. My Government has announced a cash award of Rs.31.75 lakhs for 93 medal winners in the 31st National Games held at Ludhiana in 2001. Rs. 1 lakh was given to the Gold

Medalist Thiru. N.V.R. Vasudevan in the World Karate Competition in Japan and Rs.4 lakhs to Selvi Rushmi Chakravarthy, Tennis Player, for her participation in the World Ranking Tennis Competitions. My Government has also announced cash awards of Rs.30 lakhs to Anju George, the athlete who won bronze and gold medals in the Commonwealth Games in Manchester, United Kingdom, and the Asian Games in Busan, South Korea and Rs.20 lakhs to Rafath Habib for winning a gold medal in Snooker. These names are only a few examples of sportspersons who have been honoured by my Government. Under the "Champions Development Scheme" that was announced by me, sportspersons who have secured medals at the National level and show the potential to develop further and achieve laurels at the International level are being assisted. These measures taken by my Government will, I am sure, inspire all sportspersons to become champions.

I believe that sports bring out a lot that is noble in humankind. It fosters competition between sports persons, no doubt, but surely the best inspiration of sport is not just to outdo others, but to outdo oneself. Every sportsperson sets his or her own personal standards and goals and the Olympics Motto of Citius, Altius, Fortius or Swifter, Higher, Stronger, is the spur that goads them to greater and greater efforts, pushing

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them to the pinnacle of achievement. In any competitive sport you must have winners and losers, but winners and losers alike must remember the Olympian creed that, "The important thing in life is not the triumph, but the struggle. The essential thing is not to have conquered but to have fought well." This is indeed a credo that applies to life itself.

The Policeman or Policewoman, if one uses the Tamil term Kavalari is the guardian of the law, the guardian of the people and in this role of Protector, there is no room for the weak, no room for those who do not try, no room for those who give up. In that sense, I firmly believe that sports have a very important psychological role to play in fashioning the attitude of the Police Force, in motivating them to perform their role as guardians of the people and society. It is said that sports do not create character, they reveal it. And rightly so, since the qualities of true grit, determination and single-minded commitment as well as working together as a well-knit team, are all

qualities that are fostered by sports. And let us not forget that age-old schooldays maxim-there's no I in "TEAM".

It is for this reason that my Government has issued orders making a reservation of 10% for outstanding sportspersons in the Tamil Nadu Police Force. I have also ordered a similar reservation of 10% for the Prison Department as well as the Forest Department. This will ensure the induction of more and more sportspersons into the Police Force, to the mutual advantage of both.

Tamil Nadu is rightly proud of its Police Force. The Officers, Men and Women of the Tamil Nadu Police Force have always distinguished themselves in very trying circumstances, showing exemplary commitment to duty, professionalism and remarkable courage. Sports and games have been given pride of place in our Police Force. Our Police Personnel have excelled in every All India Police Duty Meet they have participated in. The Tamil Nadu State Police meet, which is also conducted regularly, brings out the best talents in our Police Force.

I have been emphasising and speaking about a new model of policing, the Community Policing model that lays emphasis on People - Police co-operation as well as sensitization programmes that will rid the citizen of his or her instinctive fear and

apprehension of the coercive, rude baton-wielding policemen whom one dreads. I believe that sports and the playground can play an invaluable role in bringing about this People - Police interface. We are now engaged in a major exercise to bring about an attitudinal change in the Police Force.

A section of our youth have a feeling of drift in them and their directionlessness, particularly in urban areas, accompanied by easy access to drugs and excessive leisure, is often at the bottom of city crime, more particularly cases of sexual harassment and violence against women. Our Police Force can use their sports talent, their infrastructure and their training reserves to involve our youth in sports, through institutions like the Youth Clubs, to channelise youth force into sports and rid them of some of their frustration, feeling of purposelessness and excessive spare time that drive them to seek the perverted thrills of crime. Even misguided rural youth who take to extremism could be weaned away by channelising their energies into sports and after gaining their confidence, involving them in development activities. Sports can, therefore, provide an entirely new and fresh approach to Community Policing that Police administrators could seriously consider.

I have no doubt that the 51st All India Police Athletic Championship held

over the last few days has produced a number of exciting contests and quite a few records bettered in many events, both by men and women. It is therefore, a pleasure to give away medals and prizes to such a talented group of men and women of the Police forces from all over India and I wish to warmly congratulate every one of them for their splendid performance and achievement. There may be some amongst you who are not amongst the medalists and prize-winners. Here, I would like all of you to remember the words of that gentle, legendary Black American athlete and Olympic Champion Jesse Owens (and I quote),

"In the end, it's extra effort that separates a winner from second place. But winning takes a lot more than that, too. It starts with complete command of the fundamentals. Then it takes desire, determination, discipline and self-sacrifice. And finally, it takes a great deal of love, fairness and respect for your fellow men. Put all these together and even if you don't win, how can you lose?" (unquote)

To all you men and women who have won and lost today, I commend to you these immortal words, for adoption on the playfield, in your jobs and in your lives. You will never lose.

- Valedictor, speech by
Hon'ble Chief Minister of Tamil Nadu
Selvi J Jayalithaa, at the
51st All India Police Athletic Championship 2002
on 5.3.2003

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IT - INITIATIVES IN REGISTRATION DEPARTMENT IN TAMIL NADU

With a view to providing quick services and ensuring transparency by suitably harnessing IT enabled operations in Registration Department - step has been initiated to computerize all the 600 Sub Registrar Offices and 50 District Registrar Offices in a phased manner. So far 350 offices have been computerised. To facilitate faster processing of applications submitted by the public, the Registration department has embarked upon the Project "STAR" (Simplified and Transparent Administration of Registration), an IT enabled service.

The salient features of the computerised operations include

- ★ Archival of Documents - by scanning and storing on Compact Disc.
- ★ Issue of encumbrance certificates
- ★ Issue of certified copies of documents already scanned
- ★ Preparation of property valuation statement
- ★ Registration of marriages/societies/firms/monitoring chits
- ★ Guideline values and any information relating to registration are published with periodic updation on the website : <http://igregn.tn.nic.in>



With introduction of IT enabled operations, the Registration Department has remarkably improved its service levels by many folds.

Activity	Prior to Computerisation	After Computerisation
Issue of EC	8 Days	5 Minutes
Property Valuation	30 Minutes	5 Minutes
Certified Copies	4 Days	5 Minutes
Registration	4 Days	60 Minutes
Issue of Marriage Certificate	1 Day	15 Minutes

REGiNET Service at Chennai

REGiNET is a step towards harnessing the power of IT and Communication technologies by establishing a dedicated network named REGiNET. It covers all the Sub Registrar offices in Chennai Corporation limits as well as the Service Centre exclusively set up at the office of the Deputy Inspector General of Registration, Chennai. As a result of the power of network connectivity through i-Transfer (a Communication Tool), the data available in all these offices become shareable and information about EC of any property can be accessed from other locations. This will enable the registrants to approach the nearest Sub Registrar Office and avail the services.

The exclusive REGiNET centre will provide the following services :

- 1) Issue of Encumbrance Certificates of any property located in the Chennai City.
- 2) Property Valuation Statement for any property in Chennai.
- 3) Statewide information on Guideline Values
- 4) Issue of Certified copies of documents already scanned

“An exclusive website is introduced towards ensuring transparency in the registration process, particularly the posting of guideline values for all the areas. Besides general information, the website also provides details about registration process and public utility forms and model draft documents as downloads.”

- 5) Draft deeds, to facilitate registrants to make their own deeds
- 6) Sample forms relating to registration of document, societies, firms and chits

Another Centre at Erode has started functioning from 12-02-03 and at Tuticorin from 14-03-2003.

A facility for the online submission of application for Encumbrance Certificate has also been introduced. The information submitted by the applicants is processed at the Service Centre and the Encumbrance Certificate is kept ready. The applicants can either collect in person directly by paying required fee or the certificate will be delivered at the doorsteps through courier service on collection of fee and delivery charges.

An exclusive website is introduced towards ensuring transparency in the registration process, particularly the posting of guideline values for all the areas. Besides general information, the website also provides details about registration process and public utility forms and model draft documents as downloads.

The future plan of Registration department is to cover the remaining 300 Sub Registrar Offices, and to extend connectivity across the State, with provision of access to the Revenue records to enable mutations online. The website is also proposed to be improved to include many more value added services through web enabled solutions.

Inspector General of Registration
Tamil Nadu



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500	4,500	500	5,000	1,250	6,250
600	5,400	600	6,000	1,500	7,500
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1,000	9,000	1,000	10,000	2,500	12,500

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