

ADDRESS TO PARLIAMENT—12 FEBRUARY 1968

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| Lok Sabha | — | Fourth Lok Sabha |
| Session | — | First Session of the Year |
| President of India | — | Dr. Zakir Husain |
| Vice-President of India | — | Shri V.V. Giri |
| Prime Minister of India | — | Smt. Indira Gandhi |
| Speaker, Lok Sabha | — | Dr. N. Sanjiva Reddy |

MEMBERS OF PARLIAMENT,

I am happy to welcome you to this first session of the New Year.

The past year has been challenging and difficult. The country passed through the second successive year of unprecedented drought and scarcity. Considering the disasters that accompanied famines in the past, we can take justifiable pride at the manner in which the entire nation rose to meet the grave threat posed to the very lives of millions of our countrymen. This was possible because of timely and sustained action by the Central and State Governments; the dedicated services rendered by voluntary organisations; the generous and timely support of friendly nations; the hard work and efficiency of our workers in every concerned field; and above all, the unbending spirit and fortitude of the people of the affected areas themselves.

While a year ago the prospects looked bleak and there were dark forebodings about the future, the clouds are now beginning to lift. The production of foodgrains is expected to be better this year than at any time in the past. Preliminary estimates place production at around 95 million tonnes which would be about 20 million tonnes more than in 1966-67 and 6 million tonnes more than the previous record production of 1964-65. With this increase in production, the food situation is expected to be easier. However, a significant portion of this crop will naturally go towards filling empty larders or building up depleted inventories. To bring stability to the food situation, it is essential to build up a sufficiently large buffer stock. It is also necessary to maintain a requisite level of public distribution of foodgrains at controlled rates. Towards these ends, Government are maximising efforts at internal procurement and endeavouring to build buffer stocks of the order of 3 million tonnes. All this requires mobilisation of

domestic production. In addition, some imports from abroad will still be necessary.

While favourable weather conditions have contributed to the increase in production, there is no doubt that a substantial breakthrough has been achieved in the field of agricultural production by the use of improved techniques. While in 1966-67 five million acres were sown with high-yielding varieties of seeds, 6 million acres were covered in the last *Kharif* season and a further 9 million acres are expected to be covered in the current *Rabi* season. Production of commercial crops like cotton, jute, sugarcane, tobacco, groundnuts is also expected to increase. The minor irrigation programme will cover an additional area of over 3 million acres. There has been an impressive increase in the use of fertilisers; thus the consumption of nitrogenous fertilisers in the current year will be about twice that in 1965-66. The area covered by plant protection measures this year is expected to be about three-quarters more than last year. There have been striking increases in the supplies of tractors, power tillers, pumps, diesel engines and improved implements to farmers. The arrangements for supply of agricultural credit have been strengthened. Progress continues to be made in the implementation of programmes of agricultural, education, training, research and extension. The development programme for agriculture aims at securing national self-sufficiency in foodgrains within the shortest possible time.

The increased agricultural production has resulted in a substantial increase in national income, which is expected to be about 10.8 per cent higher in the current year than in 1966-67. Improved agricultural performance has also reduced the upward pressure on prices. Over the year as a whole, the increase in wholesale prices was 5.7 per cent, as against 16 per cent, during 1966. While the prospects of achieving a reasonable measure of price stability are good, it will be necessary, as I have already said, to continue with the system of public distribution of foodgrains and to exercise discipline in respect of fiscal, monetary and income policies.

The severe drought of the last two years adversely affected industrial output because industries based on agriculture could not secure adequate supplies of raw material and there was also a fall in demand due to reduction in incomes. Some capital and producer goods industries faced slackened demand because of restricted investment outlays. The slowing down of industrial expansion has affected employment opportunities particularly for skilled manpower. Selective measures were adopted by Government to stimulate the output of goods both for export and for the domestic market; these included the selective liberalisation of credit, placing of advance orders by public sector undertakings, and avoidance of import of items which could be manufactured indigenously. Improved agricultural production and the consequent rise in national income are expected to stimulate demand for a variety of industrial products during the coming year.

The persistent upward movement of costs and prices, together with the sharp decline in agricultural production during the last two years, adversely affected the competitiveness of our exports. However, with increased production of foodgrains and of agricultural raw materials for industry, the outlook for exports in the coming year is encouraging. In the first seven months of the current financial year, exports were 5.7 per cent higher than in the corresponding period of 1966-67. The engineering industries have secured substantial export orders. As industrial production picks up, it is to be hoped that we shall be able to produce more for overseas markets.

Government continue to help producers and manufacturers to increase and diversify production and develop marketing skills and competence. The endeavour to improve export opportunities for our products and induce importing countries to provide favourable conditions for them has been pressed through multilateral negotiations, bilateral agreements and the day-to-day contacts of our missions abroad. The Agreements reached with the Socialist countries will help sustain the expansion which has been achieved in our trade with them. The successful completion of the Kennedy round of negotiations will bring to our exporters new opportunities for the export of some of our goods to Market economies. The Tripartite Economic Co-operation Agreement concluded with the U.A.R. and Yugoslavia will help to increase our mutual trade and provide a basis for expanding the area of commercial co-operation with the other developing countries. The expansion of exports remains a national objective of the highest priority and will be pursued with vigour.

The adverse balance of trade and the substantial burden of debt servicing, combined with unavoidable imports of foodgrains and raw materials for export production, have continued to make our foreign exchange position difficult over the year. Government have sought the co-operation of friendly countries and international institutions in finding a solution to the debt service problem. A measure of assistance to relieve the burden of debt was obtained during the year and further discussions continue. Nevertheless, there was a decline in the foreign exchange reserves and it became necessary to obtain further short-term assistance from the International Monetary Fund.

In any scheme for promoting a more efficient handling of our international trade, the development of our merchant shipping and port facilities occupies a place of crucial importance. In this respect Government have taken a number of important steps, including development of Tuticorin and Mangalore ports, construction of Haldia docks, expansion of the facilities at the existing major ports, reorganisation and modernisation of Hindustan Shipyard and the setting up of a second shipyard in the public sector at Cochin for the construction of bulk carriers of 66,000 dead weight tons with facilities for repairs to ships up to 85,000 dead weight tons. As for our

merchant shipping, the tonnage has now reached a total of approximately two million gross registered tons. Government has set up a Commission to examine comprehensively the problems relating to the finances and economics of major ports, including their modernisation.

No annual survey will be complete without reference to vitally important programme of Family Planning. This programme made rapid strides during the year. Its acceptability spread to many new sections of rural as well as urban population. Over 2.85 million men and women are estimated to be covered under the various Family Planning programmes. This represents the highest figure reached in any single year so far. However, in order to reach the objective of reducing the annual birth rate from approximately 40 per thousand to 25, an even greater and sustained effort will be required. With this end in view, it is proposed to bring over 6 million additional couples within the ambit of family planning methods and services during the next year. Government have also under consideration certain other measures vitally related to population control.

As one looks to the future, the foremost task which the Government have set themselves lies in imparting a new dynamism to the economy which is recovering from the severe set-backs suffered during the last two years. Government believe that it is only through the process of planning that the difficulties can be overcome and the country can go forward in its social and economic development.

The Planning Commission is engaged in the formulation of the Fourth Five Year Plan which will now commence from April, 1969. Meanwhile, planning for development has been on the basis of Annual Plans. The Annual Plan for 1968-69 will be shortly laid before you. Both the Government and the Planning Commission were naturally anxious that the Plan should be ready in time to be incorporated in the Budget for 1968-69.

The formulation of our Plans calls for an examination of a number of questions. Among these the most important relate to mobilisation of resources, increasing the efficiency and productivity of public sector enterprises and the proper utilisation of science and technology. There cannot be adequate mobilisation of internal resources without a much higher rate of domestic savings, both public as well as private. This, in turn, presupposes a regime of self-denial and self-restraint without which we cannot move forward. In order to stimulate effective mobilisation of resources, Government are considering various measures to simplify tax laws, rationalise taxation procedures and streamline the collection machinery.

Government are conscious of the need for urgently raising the efficiency of the public sector. They are reviewing the organisation and working of this sector in the context of the advice tendered by several expert bodies. Among the aspects under special examination are better management, a more rational and a carefully thought out personnel policy, improved labour

relations and effective economies through a more rigorous enforcement of priorities and evaluation.

Members will recall that during the last session of Parliament, the Deputy Prime Minister made a statement on Government's decision to bring general insurance under social control. In the current session, Government propose to introduce a bill to give effect to the decisions contained in that statement.

I referred to the importance which Government attach to the application of Science and Technology to our economic development. With this end in view, Government's policy is to bring together, in productive and creative partnership, our scientific research establishments, governmental machinery and industry.

During the year under review, the Thumba Equatorial Rocket Launching Station was formally dedicated. The first Rohini rocket developed at the centre was successfully launched from Thumba. The Experimental Satellite Communication Earth Station at Ahmedabad has been completed and a new station will be set up at Arvi. In the field of nuclear power, the Tarapore Atomic Power Project is expected to be commissioned this year. Two more nuclear power stations are under construction.

Government are conscious of the fact that our administrative structure must not only respond to changing needs but also command the confidence of the people. In order to achieve these purposes, the Administrative Reforms Commission was set up. It has produced a series of reports which have evoked wide interest. It is for the first time that a comprehensive enquiry of this kind has been undertaken in our country. The Commission had addressed itself to the problem of redressing grievances of citizens and had made certain recommendations. Government have now decided to set up a statutory machinery to enquire into complaints alleging corruption or injustice arising out of mal-administration. The machinery will be headed by a Lokpal who will have authority to enquire into the allegations arising out of administrative acts of Central Ministers and Secretaries. The Lokpal will also co-ordinate the working of two other functionaries of the status of Lokayuktas. The first will primarily go into allegations of corruption and the second into other allegations made against Central Government servants lower in rank than Secretaries. A Bill on the subject will be introduced in Parliament during the present session.

There are certain aspects of our national life which are a source of constant concern to Government. Unemployment, specially amongst educated and technically qualified youth, is naturally a matter of disquiet. However, there are no easy, short-term solutions. These problems can only be solved in the measure that our economic growth provides increasing employment

opportunities which will absorb the output of our educational and technical institutions as well as take care of population increases. The Planning Commission is critically re-examining the earlier forecast of our manpower requirements. In the meantime, Government earnestly hope that our young men and women, conscious of the dignity of labour, will not hesitate to accept such employment opportunities as might be available at present even if the work involved does not measure up to their technical qualifications.

The socio-economic advancement of the hitherto underprivileged sections of our society—the Scheduled Castes, the Scheduled Tribes and the Backward Classes remains a matter of the utmost interest and concern to Government. While a great deal has been done to ameliorate their position, Government are conscious that more remains to be done. In this respect, too, the final answer to our problem lies in the speedy growth of our economy.

Both in the short-term and in the longer perspective, all our hopes for economic recovery and further growth depend on orderly functioning of our democratic institutions, the hard work of our people, their sense of self-discipline, the productivity of their labour and the maintenance of industrial peace.

It is a matter of concern that there has been a recrudescence of divisive forces causing conflicts and violence either in the name of region, or language or community. This is a matter for deep national concern transcending party affiliations. It was in recognition of this that both Houses of Parliament had given their unqualified support to efforts being made to curb communalism. The appointment of a Commission of Inquiry headed by a former Judge of the Supreme Court to enquire into the major incidents that took place in different parts of the country in recent time, reflects Government's determination to do everything that lies within its power to curb the forces of disruption.

In a country as large as ours, there will always be problems which agitate people in one part or the other. However, we have a political system in which all these problems can be brought up for dispassionate consideration by the representatives of the people. Reasoned debate and persuasion are the only ways of democratic functioning. Violent agitation in the streets weakens the democratic system and undermines the foundations of national unity.

It is a matter of deep regret to Government that there should be demonstrations and acts of lawlessness over the language issues in certain parts of the country. The overriding objective of Government's language policy is to strengthen the unity of the country and to promote the integration of our people, while providing full opportunity to all sections of the community for self-expression and cultural development. It is Government's

earnest hope that all controversies about language will now be ended. Whatever practical problems arise in the implementation of our language policy and programmes should be approached in a spirit of understanding and mutual accommodation.

Government are convinced that co-operation and understanding between the Central and State Governments will continue to serve and advance the larger national interest. On their part, they reaffirm their desire to work in harmony with State Governments irrespective of party affiliations. And, in turn, they expect similar co-operation from State Governments.

Government have made earnest effort to evolve a national consensus on the question of reorganisation of Assam in consultation with leaders of various political parties in Parliament, and the representatives of different sections of opinion in Assam. It is hoped that with their co-operation a satisfactory solution will be found in the near future.

The late Shri Mehr Chand Mahajan, former Chief Justice of India, submitted his report in August last on the question of boundary adjustment between Mysore* and Maharashtra and Mysore* and Kerala. Government trust that these boundary problems will be satisfactorily resolved.

To meet the persistent threats on our borders, we are continuing to improve the state of preparedness of our Defence Forces; their re-equipment and modernisation are proceeding steadily. Within the resources available, our air defence arrangements have also been improved as part of the overall Defence Plan. Modernisation of the Navy and expansion of our ship holdings have made good progress. Government will continue the special efforts to promote self-reliance in the field of Defence Production.

The threats across our borders from two of our neighbours continue. While we seek friendly and peaceful relations with them, we are determined to make the necessary sacrifices in defence of the territorial integrity of the country.

The steadfast pursuit of peace, international understanding and co-operation continue to be the basic objectives of our foreign policy. These objectives coincide with our enlightened national interest. Government are convinced that in the present-day world, the principles of co-existence alone provide the framework for international peace.

In the world today, there are many sources of conflict and tension. The most dangerous of these lie in Vietnam and West Asia. Government are convinced that the tragic conflict in Vietnam can only be resolved by political and not by military means. Government have, therefore, consistently appealed for an unconditional stoppage of the bombing of North Vietnam as the first step towards a peaceful settlement. An increasing number of countries in the world subscribe to this view.

* Now known as Karnataka.

The crisis in West Asia remains unresolved. The longer a just solution is delayed, the more difficult would be the problem. As a member of the Security Council, we have consistently supported all the efforts made to find an early and equitable settlement so that no State is allowed to retain the fruits of aggression and that every State in the area is able to live in peace and security with its neighbours.

Nearer home, we are glad that our relations with Burma*, Ceylon®, Nepal and Afghanistan, are cordial and the areas of mutual understanding and co-operation with them are being steadily enlarged. This growing cordiality has been reflected by the visits of the distinguished leaders of these countries to India, and the visits of the Prime Minister and some of her colleagues to these countries.

It is a matter of regret that our relations with Pakistan and China remain unsatisfactory. We had hoped that the solemn Declaration of Tashkent would provide a basis for the development of peaceful and co-operative relations with Pakistan. Government have earnestly tried to bring about a normalisation of these relations as befits two neighbouring countries with so many ties in common. The restoration of mutual contacts, the full re-establishment of the severed communications and the reactivation of trade and commerce will facilitate the consideration of other questions. We hope and trust that wisdom and statesmanship will prevail, so that the fabric of friendship and understanding is gradually built up for the benefit of the hundreds of millions of citizens of both countries and in the interest of peace and harmony in the area.

As for our relations with China, we have always wished the Chinese people well. We naturally expect China to respect our right to pursue our own domestic and foreign policies. The principles of mutual respect, non-aggression and non-interference alone provide a durable basis for international relations. On our part, we seek restoration of our relations with China on these principles.

Our country had the honour of being in the vanguard of the movement for the liberation of peoples from colonial rule. We have also stood for the ending of the odious practice of racial discrimination and oppression. We shall continue to espouse the cause of the suppressed peoples of Southern Rhodesia, South-West Africa and of the Portuguese colonies for their independence and liberation. To those struggling against the barbarous policy of apartheid, our unrelenting support shall continue.

Our relations with the sovereign and independent States in Africa have become many-sided. We are actively collaborating with a number of these States in economic, technical and educational fields.

* Now known as Myanmar.

® Now known as Sri Lanka.

It is gratifying to note that the process of detente in Europe continues. Our own relations with the European nations, regardless of their political systems and ideologies, are growing satisfactorily. In different ways, they are partners in our efforts at economic progress for which we thank them. We shall continue to work for the strengthening of our trade and economic relations with them. The continuing cordiality and friendliness of our relations with the U.S.S.R. and Yugoslavia have been reflected in the visits of President Tito and Chairman Kosygin, whom we had the pleasure to receive in our midst recently. We have received valuable assistance from the U.S.S.R. for which we are grateful, and are confident that with our common dedication to principles of peaceful co-existence our relations will continue to flourish.

The U.S.A. continues to extend to us valuable and substantial economic and food aid which has helped us to tide over difficulties in the past and should assist us in the growth of our economy in the future. We are grateful for their understanding and help.

With the countries in the American continents, we have happily no special problems and our bilateral relations with them are friendly.

We are thankful to Australia, Britain, Canada, France, Japan, the Federal Republic of Germany and other friendly countries for their economic help.

Our relations with the countries of South and South-East Asia are developing satisfactorily and we look forward to further strengthening of our ties with them, more specially in the sphere of economic co-operation.

That the friendship of India is valued by many countries is evident from visits paid to us by distinguished Heads of State and Government and other leaders from various countries.

We are glad to be hosts to the second United Nations Conference on Trade and Development. It is to be hoped that this Conference will succeed in giving to the international community a concrete programme of action designed to bridge the increasing economic gap between developed and developing nations. Government are deeply convinced that the present wide disparities between the rich and poor nations constitute the foremost cause of instability and tension in the world today and pose a threat to peace and security.

This broad survey of our internal and external affairs will not be complete without a reference to the legislative and other business which will come up before you.

The estimates of receipt and expenditure of the Government of India for the next financial year 1968-69 will be presented to you for consideration shortly.

It is the intention of Government to bring before Parliament the following legislative measures during the current session:

- (1) The Companies (Amendment) Bill, 1968.
- (2) The Armed Forces (Special Powers) Continuance Bill, 1968.
- (3) The Central Silk Board (Amendment) Bill, 1968.
- (4) The Forward Contracts (Regulation) (Amendment) Bill, 1968.
- (5) Bill to rationalise the nomenclature of the Indian Customs Tariff.
- (6) The Public Premises (Eviction of Unauthorized Occupants) Amendment Bill, 1968.
- (7) The Gold Control (Amendment) Bill, 1968.
- (8) The Central Excise Bill, 1968.

A Bill will be introduced to replace the Delhi Municipal Corporation (Amendment) Ordinance, 1968 (No. 1 of 1968).

Members of Parliament, I have briefly touched upon some of the more important issues before us. After many centuries, the people of India are going through a process of dynamic change. It is a challenge to us all to answer the urges and needs of our people. Important national problems must be placed above party politics. Government will be ready to sit with Leaders of all Parties and take counsel with them on major issues of interest and importance to the nation.

May I now commend you to another year of constructive labour and wish you success in your endeavours?