

ADDRESS TO PARLIAMENT—17 FEBRUARY 1969

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,

It gives me great pleasure to welcome you to this joint session of the two Houses of Parliament. It is an appropriate occasion for Government to present a realistic appraisal of the year under review and to delineate the broad features of Government's policies and purposes in the coming year.

A year ago, we were just emerging from the worst period of economic set-back in the history of our Republic. The manner in which our people faced the difficulties with courage and fortitude is a matter for pride. Without their sacrifice and co-operation, their hard work, their basic good sense and patriotism, the plans and programmes of the Central and State Governments could not have borne fruit.

The milestones passed on the road to our economic recovery can be easily identified. These are: a decisive upward turn in agriculture, a recovery in a large segment of industry, the relative price stability and a striking improvement in the balance of payments.

The harvest of 1967-68 has been the turning point in our agricultural production. Foodgrains reached a record figure of 95.6 million tonnes which was 6 million tonnes higher than the previous peak of 1964-65. Commercial crops like jute, cotton, oilseeds, tea, coffee and sugarcane also did well. Despite the damage caused by drought and floods in several States, the overall production of foodgrains in 1968-69 is expected to be as good as in 1967-68. Our farmers are increasingly taking to scientific agriculture. They are also making massive investments in ground water exploitation for irrigation and in purchase of agricultural machinery. The high-yielding varieties programme will spread to 8.5 million hectares during 1968-69 and will be further extended next year. More intensive cropping patterns than

prevailing at present are being adopted. An additional area of 6.1 million hectares of gross cropping will be achieved in 1968-69.

Government are supporting the enthusiasm of the farmer by providing sufficient fertilizers even by large-scale imports. Indigenous production is also building up with commissioning of new plants in Gorakhpur, Namrup and Kota. Next year, fertilizer projects at Kanpur, Durgapur, Cochin and Baroda are expected to come on stream. With the delicensing of tractor manufacture in the country, the production of tractors is expected to be stepped up. Meanwhile, Government have undertaken to meet the needs of the farmer by imports. Large-scale credit is crucial to the programme. This is being provided by the co-operative movement and the commercial banks under the guidance of the Reserve Bank. The national objective to eliminate reliance on food aid over the next two or three years is well within reach. A buffer stock of 3 million tonnes will be reached in the course of the coming months. 6.4 million tonnes of foodgrains have been procured out of the 1967-68 crops. Government have provided large funds for the preservation and storage of grains. It has been possible to relax restrictions on the movement of foodgrains and to expand the zones for particular cereals.

In Government's strategy of development, the family planning programme continues to occupy pivotal importance. The programme has now been widely extended to the rural population covering even remote areas.

The striking improvement in agriculture during 1967-68 raised national income by 9.1 per cent over the previous year. Quick estimates show that the net national income for 1967-68 amounted to Rs. 16,665 crore (at 1960-61 prices) as compared to Rs. 15,272 crore in 1966-67, recording an increase of Rs. 1,393 crore during the year. Though during the current year agricultural production will be at about the same level as in the previous year, the recovery in industry is expected to improve the national income.

In industry the process of recovery has begun. In the past two years, the agriculture-based industries faced shortages of raw materials. With increased activity in agriculture and an increase in farm incomes, industries oriented towards agriculture have begun to recover. Fertilizers, pesticides, tractors, etc. are increasing output rapidly. Electricity generation and the output of electrical machinery is also increasing. In the consumer goods field, cotton textiles and Vanaspati production has been rising. However, the demand for the products of some industries in the machine-building sector continues to be inadequate in relation to the capacity available. The crude index of industrial production (1960 : 100) for the first nine months of 1968 stood at 159.3 which is 5.6 per cent higher than the level recorded during January-September 1967. On the basis of present trends, an increase of 5 to 6 per cent in the index seems likely during the year.

Growth in agriculture and industry is having a salutary effect on the unemployment problem in the country. We have still a long way to go to offset the effect of the two drought years and to improve on the position, especially about unemployment amongst technologists which is causing serious concern. A modest start has been made with the programme for employment of qualified engineers in a self-employment programme.

The improvement in agricultural production has raised the problem of maintenance of reasonable prices for agricultural produce to the farmer. Procurement prices have, by and large, been maintained at last year's remunerative levels through the effort of the Food Corporation of India. The improvement in industrial production has resulted in price stability. The index number of wholesale prices, which was 211 a year ago, now stands at 205.

The performance in the field of exports and in the drive for reduction in imports has been even more encouraging. Continuing import substitution and reduction of unduly large inventories have brought the import bill for the first nine months of 1968-69 to Rs. 1376.49 crore, that is Rs. 107.72 crore less than for the same period last year. Our export earnings, on the other hand, amounted to Rs. 1019.04 crore, that is about Rs. 116.65 crore more than for the corresponding period of the last year. There has been striking progress in the export of engineering goods. The textile industry too has been able to raise its exports sizeably. We are also now on the way to becoming the world's largest exporter of polished gems.

Our industrial products, particularly steel, steel manufactures, electrical equipments, leather goods and some chemicals, have successfully met international competition and secured substantial gains in the difficult markets of industrial nations and also in the markets of several Asian and African countries. We are beginning to utilise our natural and industrial resources to pay for what we need from abroad. However, international commercial policies continue to inhibit the expansion of export earnings of developing countries.

Government are aware that transport, shipping and tourism are important and vital elements in augmenting its resources on invisible account. The size of our merchant fleet is in the range of 2 million tonnes GRT with about 7 lakh tonnes on order. The fleet composition is being diversified taking into account the need for bulk carriage. Steady progress has been maintained in indigenous shipbuilding and it is hoped that in the course of the year, work on the second shipyard at Cochin will be commenced.

Various schemes have been started to attract foreign tourists and, in particular, hotel accommodation of the right type at important tourist centres is being developed further. Substantial improvements are being effected in our international airports and other airports in the country.

The demand for irrigation schemes and power schemes in the country is large. It is proposed to set up an All India Irrigation Commission to review the development of irrigation in the country and to report on the best programme for integrated development of surface and ground water resources for maximising agricultural production. Though in the last two decades the availability of power has gone up nearly six-fold, demand continues to outstrip the generating capacity in some areas of the country. For better utilisation of the capacity already created, Government are giving more attention to transmission and distribution schemes and the regional grids for integrated operation of the power systems in each region. Inter-regional tie lines are also under construction for utilising surplus power in one region in a neighbouring deficit region. This will ultimately result in an all India grid. Rural electrification which is of direct benefit to the agriculturist for increasing his production, has been given a special place in the power programme.

The Planning Commission is finalising the Fourth Five Year Plan which will begin its term next April. Our plans would only be indicative of the future without any attempt to shape the future to suit our needs and aspirations, unless they embodied our national will and determination to progressively bridge the gap between the needs of the people and the resources in sight. Government are determined to make every effort to mobilise our own resources of savings, enterprise and managerial ability. The new prosperity in the rural areas will have to be harnessed to promote further growth particularly among the smaller farmers and in the relatively backward regions. While encouraging a greater flow of genuine savings to sustain larger investment both in the public and the private sectors, the situation will have to be utilised to strengthen the financial position of both the Centre and States.

Government are conscious of the important role which our public sector has to play in the many-sided development of our economy. Consequently, the raising of the efficiency of this sector is engaging Government's close attention. The recommendations of the Administrative Reforms Commission made in their report on 'Public Sector Undertakings' have been considered. Various decisions have been taken to delegate more powers to the management of these enterprises with the object of improving their efficiency and profitability. Steps have also been taken to mobilise managerial resources for these enterprises, including adoption of suitable policies of personnel and labour matters.

There is considerable uncertainty with regard to external assistance. The burden of servicing the external debt is mounting and amounts to 514 million dollars this year. The re-scheduling of debt payments of 101 million dollars provided by the Consortium countries and the International Bank for Reconstruction and Development is, therefore, welcome. While we

hope that adequate external assistance will be forthcoming, we intend to pursue a policy of a judicious use of credits from abroad and to reduce progressively the dependence on foreign aid by increasing self-reliance.

It is a matter of some satisfaction that India's first atomic power station at Tarapur, in the State of Maharashtra, is expected to deliver 380 MW of electric power from July 1969. India's first Uranium Mine and Mill at Jaduguda (Bihar) have been commissioned and the production of uranium concentrates has commenced. Work has commenced in Hyderabad on the setting up of facilities to process these concentrates into finished fuel elements required for our atomic power programme. Considerable progress has been made in the field of space research. 'Rohini' and meteorological rockets, which have been completely designed and fabricated in India, were successfully tested in flight. India has entered the field of Satellite Communications. The first Indian Commercial Satellite Communications Earth Station is under construction at Arvi near Poona. This station is expected to become operational by the end of October 1969.

Government are conscious that the problems of integrated economic development in the country require political stability. The elections to the Legislative Assemblies of Punjab, Uttar Pradesh, Bihar, West Bengal and Nagaland have been conducted by and large in a peaceful and orderly atmosphere. It is a matter of satisfaction that the Chief Election Commissioner has found it necessary to order repoll or fresh poll in only 28 polling stations out of over 1,10,000 polling stations in the five States in which an electorate of nearly 102 million was recently called upon to cast its vote. However, disquieting reports have been received from certain areas that sections of citizens were subjected to pressures amounting to intimidation which prevented them from exercising their franchise. This matter is receiving Government's attention. Every political party should endeavour to ensure political stability which is essential for rapid social and economic development. In the meantime we hope that with the co-operation of all the political parties, stable governments will be formed after the elections which have just concluded. As defections from organised political parties contributed to political instability, a Committee was appointed to examine this problem in pursuance of a resolution passed by the Lok Sabha. The Committee has completed its work. Its recommendations will now be considered by Parliament.

Last year, I referred in my speech to certain disturbing trends in our national affairs. Parochial, regional, caste and communal movements have caused tensions and violence in the country. The National Integration Council, consisting of representatives of the Central and State Governments, leaders of many opposition parties, and other leaders of public opinion, held a meeting in Srinagar in June 1968 to consider problems of national integration, and in particular that of communal tensions. The Council made a number

of specific recommendations on which action is being taken by the Central and State Governments. The Criminal and Election Laws (Amendment) Bill, 1968, introduced in pursuance of the recommendations of the Council, is before Parliament. When enacted, it will greatly strengthen the hands of the Government in curbing the evils of communalism. However, while legal and administrative measures are necessary, the fight against these fissiparous movements has to be carried to the broad masses of our people. The key to success lies in fostering the concept of Indian Nationalism and secularism in the minds and hearts of our people.

The country also faces the danger of violence from certain extremist political groups. The doctrines propounded by these groups are clearly subversive of our Constitution and the rule of law, and detrimental to orderly government and progress. There is no place in a democratic society for groups which seek to change the social and political structure by armed insurrection.

As the Hon'ble Members are aware, the Machinery for Joint Consultation and Compulsory Arbitration was set up on a voluntary basis in 1966 with the object of promoting harmonious relations between Government and their employees and the redressal of employee's grievances. Government have full faith that the Scheme of Joint Consultation and Compulsory Arbitration is the only answer to the problem of settlement of disputes with its employees consistent with the imperative need for the maintenance of discipline in the public services and uninterrupted operation of essential services. They accordingly propose to give the Scheme a statutory basis in order to place it on a firmer and sounder footing.

After years of patient deliberations, a formula was evolved last year for the reorganisation of Assam. A Constitution Amendment Bill for conferring necessary powers on Parliament to set up an autonomous State within the State of Assam is already before the House. After Parliament has approved this amendment and it is ratified by the State Legislature, as required under Article 368, Government propose to bring forward detailed legislation to give effect to the scheme.

Travelling beyond the limits of our internal affairs, I should like to refer briefly to external affairs. Government feel convinced of the essential soundness of the broad structure and principles of their foreign policy. In the world today, it is difficult to see any alternative to peaceful co-existence among all States and peaceful co-operation for the promotion of peace, economic well-being and stability in the World. Every State must ceaselessly strive for areas of agreement so that processes of detente can continue unimpeded even in the midst of difficulties and setbacks that may arise from time to time.

There is an all-round strengthening and improvement of India's relations with various nations of the world. It is our firm belief that the simulated distrust and suspicion of India assiduously spread by Pakistan, and the distorted image of our country which China projects through its ideological prism, will both succumb to the realities of the situation. Government have expressed more than once with frankness and sincerity their desire to have friendliest of relations with both our neighbours consistent with our sovereignty, territorial integrity and on the basis of absolute non-interference in each other's internal affairs.

Government's stand on Vietnam, which was always based on a realistic appraisal of the interplay of forces, has stood vindicated. Whatever the difficulties ahead, there must be firm resolve to overcome them through negotiations now in progress in Paris. The courageous people of Vietnam who have suffered so much should be able to fashion their own destiny without outside interference. The situation in West Asia demands a most urgent solution of the continuing crisis in that part of the world. There is not much time to lose in implementing the Security Council Resolution of November 22, 1967. Government hope that the consultations now in progress between the USSR, the USA, Britain and France will lead to an early restoration of peace in the area.

The major aim of our policies remains the strengthening of relations and the promotion of international co-operation. This has been the purpose of the visits to foreign countries undertaken by me and the Prime Minister. I visited Nepal, the Soviet Union, Hungary and Yugoslavia last year. Apart from visits to Australia, New Zealand, Malaysia and Singapore, the Prime Minister visited Argentina, Brazil, Chile, Colombo, Guyana, Trinidad and Tobago, Uruguay and Venezuela. The welcome accorded to me and the Prime Minister in all these countries testified to the regard in which India is held by these nations. The Prime Minister addressed the General Assembly of the United Nations and it is a matter of deep satisfaction that enunciation in her address of the basic principles of India's foreign policy evoked a heartwarming, widespread response. The Prime Minister also attended the Commonwealth Prime Ministers' Conference in London. It provided a welcome opportunity for exchange of views with the large number of Heads of States and Prime Ministers assembled there.

We have been privileged to receive many Heads of State and Governments in our midst. Most recently, Their Imperial Majesties the Shahanshah Aryamehr and Shahbanu of Iran, and the Prime Ministers of Ceylon*, Bulgaria and New Zealand were in India.

While Government and the entire country ardently desire peace and are dedicated to promoting peace, we have to be very vigilant in the matter of defence preparedness. Considerable progress has been made in

* Now known as Sri Lanka.

re-equipping and modernising our Armed Forces. Our fighting forces are in a good state of training and their morale is high. Some measures have been taken to improve the service conditions of our soldiers, sailors and airmen. Improvements have been effected in their pay scales and in their pensionary terms and the rates of certain allowances. The need for economy in defence expenditure has always been kept in view.

The first frigate built in the country, INS Nilgiri, was launched recently. This is an important landmark in the history of the Indian Navy.

A survey of our internal and external affairs must inevitably include a reference to the legislative and other business which will come up before you.

The estimates of receipts and expenditure of the Government of India for the next financial year 1969-70 will be presented to you for consideration shortly.

Government propose to bring before Parliament the following legislative measures during the current session:

- (a) Bills to replace the existing Ordinances:
 - (i) The Limitation (Amendment) Ordinance, 1968.
 - (ii) The Public Wakfs (Extension of Limitation) Amendment Ordinance, 1968.
 - (iii) The Customs (Amendment) Ordinance, 1969.
 - (iv) The Payment of Bonus (Amendment) Ordinance, 1969.
- (b) New Bills:
 - (i) Bill to provide Statutory Basis for the Machinery of Joint Consultation and Compulsory Arbitration for Central Government Employees.
 - (ii) The Indian Council of Agricultural Research Bill, 1969.
 - (iii) The Essential Commodities (Amendment) Bill, 1969.
 - (iv) The Tea (Amendment) Bill, 1969.
 - (v) The Prevention of Water Pollution Bill, 1969.
 - (vi) The Delhi Motor Vehicles Taxation (Amendment) Bill, 1969.
 - (vii) Bill to extend certain Central Labour Acts to the State of Jammu & Kashmir.

I should now like to conclude this Address by recalling that this year we celebrate Gandhiji's birth centenary. Many ideas, emotions and images rise to one's mind and the whole panorama of the history of our country unfolds itself. We are inheritors of a great heritage. Our country is rich in

resources. Our people are skilled craftsmen. Our scientists and technologists are some of the best which any country could boast of. While we can argue with one another within the limits of reason and rationality about the best means and methods to be adopted for reconstructing our society, we can all unite in a purposive effort to build the India of Gandhiji's dreams and to endeavour to wipe every tear from every eye. Only thus shall we be able to serve the common people and fulfil the pledges of the founding fathers of this great Republic. I wish your labours all success.