

ADDRESS TO PARLIAMENT—20 FEBRUARY 1970

Lok Sabha	—	Fourth Lok Sabha
Session	—	First Session of the Year
President of India	—	Shri V.V. Giri
Vice-President of India	—	Shri Gopal Swarup Pathak
Prime Minister of India	—	Smt. Indira Gandhi
Speaker, Lok Sabha	—	Dr. G.S. Dhillon

MEMBERS OF PARLIAMENT,

I welcome you to your labours in a new session of Parliament. I wish you another year of dedicated work in the service of our country.

This is the first Budget Session of a new decade. Behind us lies the decade of the sixties. This period has been one of anxiety, of trials and tribulations and also of achievement. India had to face two wars and two years of unprecedented drought. All citizens stout-heartedly faced this period of trial. The wars brought home to us the inescapable necessity for self-reliance and the drought focussed our energies on augmentation of agricultural production. Indeed, a new strategy for agricultural development was implemented during this period and its success has attracted world-wide attention.

The challenge posed by the industrial recession was also met in a variety of ways. Many industrial units began diversifying their production. The search for markets for our goods was intensified.

Taking stock of our record during the period beginning with our independence and ending with the decade of the sixties, Hon'ble Members will recognise the range and scope of our country's achievement in industry and agriculture, in science and technology, and in education and the arts.

The path of progress tends to be uneven and beset with reverses, frustrations and hardships. However, our country today is no longer stagnant. It is in ferment. The aspirations of our people and their hopes have been aroused. They are vocal and impatient—conscious of their needs and rights. Against the background of a highly stratified society, which had invented the perverse concept of untouchability, we now see the pride and self-assertion of groups and classes who once were regarded as beyond the pale.

There has been an unleashing of a vast amount of human energy and enthusiasm. Ideas, attitudes and even habits are rapidly changing. And this transformation is taking place by consent and within the framework of a political democracy. Government are determined to give to these vast forces, which have been unleashed by the developments of the last two decades, a new sense of direction and purpose as well as a realisable goal.

Government are acutely aware of the inequalities in the country which become glaring when contrasted with the prosperity of some sections of the community. Consequently, change in the social structure and the removal of poverty are two aspects of the same question. One cannot be achieved without the other.

Government are resolved to go forward at a faster pace towards the achievement of a social order which is just and humane, by taking particular care of the weaker sections of the community and by ensuring that the meagre wealth of the nation is augmented by hard and dedicated work. It is my Government's unswerving purpose to build, brick by brick, a society which is democratic and socialist. The task is long and hard and there are no models to copy. The problems of India require uniquely Indian solutions, taking into account our way of life, our history and our tradition.

The present economic situation in the country augurs well for the acceleration of the pace of development. Despite the deficiency of the monsoon in some parts of the country such as Western Rajasthan, Saurashtra and Kutch, and the somewhat belated onset of winter rains, it should be possible to reap an even better harvest than during the past two years. While the movement of prices has been subject to seasonal fluctuations and some increase has been noticed in respect of certain commodities, the price situation is on the whole well under control. The food position is satisfactory and we have been able to augment our buffer stocks. However, constant vigilance is necessary to maintain price stability. The balance of payments has remained satisfactory and we should be able to end the year with an increase in reserves even after substantial repayments to the International Monetary Fund. We have also received the first instalment of the Special Drawing Rights which marks an important advance in the evolution of a rational international monetary system. Industry in general has registered satisfactory growth, and the outlook, especially in the engineering field, is now distinctly more favourable.

The Central and State Governments have further intensified their efforts to raise agricultural production under the new strategy. The area under high-yielding varieties has risen from 1.9 million hectares in 1966-67 to about 9 million hectares in 1968-69. The coverage will be extended further in 1969-70. For the first time the supply position of fertilizers in the country is comfortable. We are formulating measures to promote their increased use. The gathering momentum of the technical transformation of our agrarian economy is evident in the keen demand for tractors which

Government are striving to meet through maximum indigenous production and large scale imports. A big programme for the setting up of agro-service centres by small entrepreneurs, particularly engineers and technicians, is proposed to be implemented vigorously with assistance from the banking sector.

Rural electrification programmes, in conjunction with the exploitation of ground water resources have an important part to play in stepping up agricultural production and in dispersing its benefits widely. State Electricity Boards have been enabled to borrow from the banking system on a bigger scale in the wake of nationalisation. A significant part of these resources will be utilised by them for the extension of electricity to rural areas. Hon'ble Members are also aware that a Rural Electrification Corporation has been formed to provide funds to the Electricity Boards so that they can energise a larger number of pump sets for lift irrigation.

The breakthrough in agriculture which is at present limited to irrigated areas growing high-yielding varieties has to become universal. In the coming years, Government will concentrate their attention on the problems of the dry areas. While research on the development of suitable technology for dry areas will receive high priority, my Government propose to begin with a few pilot projects in different parts of the country to implement a package of new practices and to enlarge the programme progressively.

My Government have decided to appoint a National Commission to survey the problems and policies relating to agriculture. Such a survey was last made forty years ago. Since then a great many developments have taken place, both in India and abroad, which render a fresh survey essential. My Government have also decided to set up a Committee of Enquiry to make a comprehensive study of the problems of the sugar industry.

Government are deeply conscious of the developing imbalances in the countryside and the resulting tensions which have regrettably led to violence in some parts of the country. These are no doubt problems of public order but they cannot be divorced from their socio-economic setting. An unfair tenurial system impedes the attainment of a high rate of growth in agricultural production. Hence, all State Governments have been asked to accord high priority to land reforms, with special emphasis on security of tenure, fair rents, strict enforcement of ceilings, distribution of land to the landless and assured supply of agricultural inputs to small farmers. The problems which are associated with land reforms are of national importance. My Government earnestly hope that the State will see the realities of the situation and take urgent and imaginative remedial measures. The vigorous implementation of land reforms will also promote the social and economic advancement of scheduled castes, scheduled tribes and other backward classes, whose welfare is of special concern to my Government.

After the set-back in 1966 and 1967, there has been a significant increase in the tempo of industrial activity. Present indications are that industrial production will have increased by a little over 7 per cent in 1969. A particularly heartening feature of the current industrial situation is the recovery noticed in a large number of industries manufacturing capital goods and equipment.

Government have formulated a new licensing policy in the light of the recommendations of the Industrial Licensing Policy Enquiry Committee. This policy seeks to promote industrial growth while embodying adequate safeguards against monopolistic trends and the concentration of economic power. The encouragement of new entrepreneurs, small and medium, is one of its important features. Government are also keen to encourage the growth of small-scale industries. The list of industries reserved for the small-scale sector has therefore been enlarged.

My Government are of the view that there is considerable scope for large-scale industrial units in the public as well as in the private sectors, to farm out the production of components to ancillary units. Government's licensing and financial policies will seek to encourage coordinated development of large and small-scale industries. The need to redress regional imbalances has also received the special attention of the Government in the last few months. An integrated policy has been evolved to identify industrially backward areas and give them special incentives for industrial development.

The policies of financial institutions are being progressively reoriented towards the promotion of industries in backward areas. While these policies are designed to accelerate the flow of finance for industrial development in backward areas, they will succeed only in so far as the requisite infrastructure is built up imaginatively and speedily. The primary responsibility in this regard is that of State Governments and it will be the endeavour of my Government to work in close harmony with them in promoting balanced regional development.

The revival of industrial production in the current year is reflected in the increased demand for steel and steel products. While arrangements had to be made for imports of steel to meet, to an extent, the pressing shortages, it is our aim to maximise production in existing plants and establish additional capacity as early as possible.

Government have now decided to take in hand immediately the work on the second stage of the Bokaro Plant. Indeed it is our objective to initiate action for the establishment of other steel plants also at suitable sites so as to ensure the fruition of additional capacity according to a phased programme. The Fourth Plan, which is now being recast, will reflect the current thinking of Government on the possibilities of further expansion

of steel capacity in the country. An important consequence of these decisions will be the fuller utilisation of capacity in our heavy engineering units.

Oil exploration is another important element in our strategy for economic self-reliance. Progress has been maintained in the current year in the exploration and production of oil. The aggregate production of crude oil during 1969 was 6.7 million tonnes as against 5.8 million tonnes in the previous year. A specially significant development has been the extension of exploration to the offshore areas of the Gulf of Cambay. We expect to spud the first well in shallow waters shortly and are poised to undertake the preparatory work to begin exploration in the deep waters of the Gulf of Cambay. Production has already commenced in the Oil and Natural Gas Commission's offshore joint venture with Iran.

Apart from steel and oil, the production of fertilisers has been given the highest priority in our Plan. During the current year, two new fertiliser plants have gone into production, raising the total installed capacity to 1.34 million tonnes of nitrogen. Three more projects—in Durgapur, Cochin and Madras—with a total capacity of nearly 500,000 tonnes are expected to be commissioned during 1970. Work on coal-based plants will also commence shortly. We shall continue to pursue self-sufficiency in this important field with unabated vigour.

A steady and significant increase in our exports is essential to maintain the momentum of development. Last year witnessed very gratifying progress towards external viability. Despite the recent pick up in industrial recovery, imports have continued to fall, thus affording some evidence of the success of import substitution. Exports, however, have not done so well in the first seven months of the current year, for a variety of reasons, external and internal. My Government have, therefore, undertaken a crash programme to increase exports as much as possible.

In securing a better equilibrium in our balance of payments, earnings on invisible account are of very great importance. During the year, certain progress has been registered. It is gratifying to note that a larger number of tourists visited India during 1969 compared to 1968, resulting in an increase in our foreign exchange earnings on this account from Rs. 27 crore to roughly Rs. 32 crore. Likewise, with the steady increase in our shipping tonnage, our overseas trade is being carried in a larger measure by Indian ships whose share is at present between 18 and 20 per cent.

A perceptible increase in the standards of living of our people is also linked with the vigorous implementation of family planning programmes. The rising rate of population erodes the gains of development. Our family planning programme has gained momentum in the last four years. But very much more needs to be done if the national aim to reduce the current birth rate of 39 per thousand to 25 per thousand in a decade is to be achieved on time.

Increased production and better distribution of wealth and income generating opportunities for employment should be the parameters of our economic policy. These priorities will be reflected in the Fourth Plan document which will shortly be finalised and placed before you. My Government are aware that unemployment is the most serious problem facing the economy and an early and effective solution to it must be found. The increase of 2 per cent in employment in the organised sector after comparative stagnation in the two preceding years is an encouraging factor.

The selective increase in the level of outlays now envisaged in the public sector in the Central and State Plans has, among other things, inspired Government's desire to enlarge opportunities for employment. At the same time, special steps have to be taken to impart an employment bias to development. Programmes with large employment potential will be identified and given a special impetus. Some steps have already been taken towards this end. In the current year, the States have been enabled to earmark larger outlays for programmes such as major and minor irrigation, and rural electrification which provide employment to a large number of engineers and technicians. Land reclamation, the renovation of minor irrigation works, construction of roads linking villages with marketing centres and similar programmes can make a substantial impact on rural development and employment.

A large scale rural works programme, pooling together the resources available under the Plan, will be drawn up and implemented vigorously within a period of 12 to 18 months. This is a task which calls for much detailed planning and local initiative at State level. Construction activity can also contribute to employment among engineers, technicians, skilled and unskilled workers. My Government therefore propose to direct larger resources towards programmes such as the bulk acquisition and development of land for the allotment of house sites, housing for low income groups and slum clearance, particularly in metropolitan areas where the housing problem is most acute.

Our technical education programmes have to be reoriented so as to subserve the needs of employment. The education now imparted in our polytechnics has to be linked with practical experience in industry. This involves a fundamental change in education in polytechnics so that theory can be related to practice and teaching to industrial work. We have simultaneously to provide greater opportunities to other students also to gain work experience. The programme of national service for students studying in the first two years at degree level is now proposed to be expanded to cover all universities on a selective basis. It is expected that nearly one lakh students will participate in the scheme. The students will thus get an opportunity to engage in social service and in the process acquire a sense of involvement in various national development programmes.

Greater employment will thus result from investment, which in turn calls for the mobilisation of larger savings. This will be one of the important objectives of nationalised banks. With their present bold programme for branch expansion, they are expected to mobilise deposits on a much larger scale than hitherto. At the same time, assistance for viable and productive schemes will flow from the banks in a greater measure to the weaker sections of society. The spirit underlying the policy of nationalisation is beginning to inform the activities of the banks which have begun to assist productive and gainful activities in agriculture, servicing industries and the retail trade which had so far been grievously neglected. The salutary processes, which have already been initiated, will be further activated when legislation regarding the nationalisation of banks is suitably re-enacted in the light of the recent judgement of the Supreme Court.

I should like, at this stage to refer to Government's labour policy. It has always aimed at ameliorating the living and working conditions of labour, improving their wages and emoluments and assuring them a degree of job security. In pursuance of this policy, Government have recently decided to accept the principal recommendations of the Wage Boards on Ports & Docks and have encouraged the setting up of a bipartite negotiating machinery for revision of the wage structure in the iron and steel industry. The National Commission on Labour, whose report the Government have recently received, has made several recommendations for strengthening the Trade Union movement and promoting effective collective bargaining. My Government specially appeal to all sections of organised labour to support the efforts of Government in stepping up production and productivity. Without discipline and sustained hard work, the country cannot achieve its socio-economic goals.

But all these efforts at socio-economic advancement can succeed only in an environment of peace and harmony, and a firm adherence to democratic principles. The continuing trend towards violence in the country is, therefore, a cause of deep concern. The problem transcends political divisions and the Government seek the co-operation of all political parties, and indeed of all responsible citizens, in dealing with it.

Of all the manifestations of violence the most disturbing, because it is destructive of all values of civilised life, is the one between different religious communities. After the meeting of the National Integration Council in 1968, there were signs of improvement in communal relations. But then came the shocking happenings in Ahmedabad, causing national humiliation and leaving a blot on our honour. Those happenings are a challenge to all who have faith in secularism and the dignity of the individual, and respect for human life. We view with particular concern the continuing resort to violence by certain extremist political groups. At the root of their activities is a political ideology which exploits social discontent to pursue its disruptive

aims. While we are anxious to remove genuine causes of social discontent, violent activities have to be dealt with firmly.

At a critical period in our history, the Princes showed patriotism and imaginative understanding of the aspirations of the people and made a major contribution to the smooth and peaceful unification of India under a democratic regime. I have every hope that in the same way they will recognise the social imperatives of the present times and, in the wider interest of the country, once again exhibit a spirit of co-operation and goodwill. The concept of Rulership, with privy purses and special privileges unrelated to any current functions and social purposes, is incompatible with an egalitarian social order. Government have, therefore, decided to abolish the privy purses and privileges of the Rulers of the former Indian States, and legislation will be introduced to give effect to this decision. It is, however, our intention to make certain transitional arrangements so that the former Rulers may have time to adjust themselves to changed circumstances.

My Government earnestly hope that the decisions regarding Chandigarh and part of the Fazilka tehsil will enable the people of the two neighbouring States to devote their energies to the constructive tasks which lie ahead. When emotions are aroused, a decision capable of satisfying everyone is not possible. But it is Government's belief that the decisions reached have been just and fair. Government will soon appoint a Commission to go into other claims by Punjab, Haryana and Himachal Pradesh for the re-adjustment of their present boundaries and will also consider such modifications as are necessary in the present arrangements relating to the management of the Bhakra Project and the construction of the Beas Project.

Our next decennial Census of population will be held early in 1971, marking the completion of a hundred years of census-taking in the country. The Indian Census is the largest administrative operation of its kind in the world and the success of an operation of such intricate nature and magnitude is possible only through the co-operative effort of the Central and State Governments, local authorities, and, indeed, of every citizen.

In the sphere of external affairs, we have sought to promote and further strengthen our friendship with other countries. We continue to adhere to the pursuit of peace, international understanding and mutually beneficial co-operation.

The concept of peaceful co-existence has been steadily gaining acceptance. We feel that the area of peaceful co-existence should steadily be widened and given a new dimension of friendly co-operation. We believe that, with the lessening of the rigidities of the military blocs and easing of tensions between the power blocs, there is now greater acceptance of the concept of non-alignment and widening of the opportunities to advance the cause of the freedom, prosperity and stability of nations.

It is a matter of gratification that our relations with our neighbouring countries—Ceylon*, Burma®, Nepal, Afghanistan and Iran—have been developing fruitfully. New vistas of mutual co-operation and understanding continue to be discovered with these and other countries.

It has been Government's policy to pay increasing attention to the development of our bilateral and multilateral economic relations with all countries. We are paying particular attention to promoting such relations with the developing countries in general and the countries of the Asian region in particular. Now that agricultural and industrial development of India has reached a significant stage, it is possible for our country to make a contribution to international co-operation. We have, therefore, supported the setting up of a broad-based regional arrangement through the Council of Ministers for Asian Economic Co-operation under the ECAFE.

Government earnestly desire the understanding, co-operation and friendship of the people and Government of Pakistan. We have made various suggestions and constructive proposals to the Government of Pakistan to break the present impasse. Unfortunately, there has been no positive response from Pakistan to the initiatives we have taken. My Government will persevere in their efforts to promote relations with Pakistan in a co-operative spirit and on the basis of amity and good neighbourliness.

With China also our aim has been to conduct our relations on the principles of mutual respect of each other's sovereignty and territorial integrity and non-interference in each other's internal affairs. We expect China to respect our right to pursue our own domestic affairs and foreign policy.

My Government are deeply concerned that the conflicts in West Asia and in Vietnam have remained unresolved. Both these conflicts have an unsettling effect on the peace and stability of the world. The tensions in West Asia are reaching a dangerously explosive level. It is necessary for the U.N. to ensure implementation of the Security Council Resolution of November 22, 1967. In Vietnam, the hostilities still continue. My Government have consistently advocated the withdrawal of all foreign forces so that the people of Vietnam are able to fashion their own destiny without any outside interference.

We have had the privilege of receiving many distinguished Heads of States and Governments in our midst. During the past year, I visited our friendly neighbour Ceylon* and the Prime Minister visited Burma®, Afghanistan, Japan and Indonesia. These visits contributed to the growing understanding and friendship with these countries.

We are dedicated to the cause of peace but have to be vigilant to maintain our defence preparedness at a high level. Steady progress has been made in achieving self-reliance in equipping our defence forces.

* Now known as Sri Lanka.

® Now known as Myanmar.

A self-supporting industrial base for defence is being built up in the country. We are now self-reliant in respect of many important categories of arms and ammunition. We have also made appreciable progress towards indigenous production in the vital fields of electronics, aeronautics and construction of warships.

The estimates of receipts and expenditure of the Government of India for the next financial year (1970-71) will be presented to you for consideration shortly.

Government will bring before Parliament a Bill for replacing the recent Ordinance re-nationalising the 14 banks. A Bill is already pending in the Rajya Sabha which will replace the Essential Commodities (Amendment) Continuance Ordinance, 1969. Government also propose to bring forward a Bill in replacement of the Haryana and Punjab Agricultural University Ordinance, 1970. Government also intend to bring before Parliament the following legislative measures during the current session:

1. A Bill to amend the Press Council Act.
2. The Prevention of Insults to National Honour Bill, 1970.
3. The Foreign Assistance (Regulation) Bill, 1970.
4. The Crop Insurance Bill, 1970.
5. A Bill to set up a Newspaper Finance Corporation.
6. A Bill to amend the Untouchability (Offences) Act, 1955.
7. The National Co-operative Development Corporation (Amendment) Bill, 1970.
8. A Bill to set up an autonomous statutory corporation for the management of the four international airports in India.

Members of Parliament, you meet at a moment of great expectations among our people. May you truly reflect their urges and aspirations, and may your deliberations and wisdom bring them nearer fulfilment.