

ADDRESS TO PARLIAMENT—19 FEBRUARY 1973

Lok Sabha	—	Fifth 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

HONOURABLE MEMBERS,

You have assembled to perform the exacting tasks which lie ahead of you. Not only have you to transact the formal legislative business but also to take stock of the problems that the nation faces and give guidance to the Government and the people.

Barely had the country overcome the extraordinary challenges of 1971, when we were confronted with fresh problems. The after-effects of the influx of refugees and the war were aggravated by drought in several parts of the country. Our hearts go out to all those who have been affected by drought and in certain other areas by cyclone and floods. Works on a large scale have been undertaken in all affected areas to provide employment and relief. Our buffer stock of foodgrains, along with the strengthening of the public distribution system, enabled the Government to meet the situation. In 1972, about 10.6 million tonnes of grains were distributed through the public system.

Inevitably, the drought led to a fall in food production, particularly in the areas of rain-fed cultivation, and this, in turn, influenced prices, which have registered a sharp increase since May last year. This has been a matter of grave concern to my Government. In addition to strengthening the public distribution system, as mentioned above, an emergency programme was launched to increase *rabi* and summer foodgrains production to offset the loss of *kharif* output. We expect a good *rabi* crop this year. None the less, we must husband all available food resources and avoid waste.

Prices of food articles can be brought under check and the interests of the common people safeguarded by taking over the surplus of wheat and rice, by eliminating wholesale traders and by organising distribution of foodgrains, especially to scarcity areas and the vulnerable sections of the

population. The wholesale trade in wheat will be taken over from the coming wheat marketing season. This will be followed by the take-over of wholesale trade in rice. The success of this programme calls for the whole-hearted co-operation of surplus as well as deficit States.

The emphasis on credit policy continues to be one of restraint, consistent with the need to maximise production, meet priorities and attend to hitherto neglected sectors. The Government's programme of market borrowings during the year was designed to absorb the surplus liquidity of the commercial banking system.

The relatively sluggish rate of growth of industrial production in 1970 and 1971 gave place to an upward trend in 1972. Industrial production increased by over 7 per cent during the year. It would have been still higher but for the shortage of power in most parts of the country. Government is taking short-term and long-term measures to improve the generation, transmission and distribution of power.

Government has recently clarified its Industrial Licensing Policy of curbing monopolies and the concentration of economic power, consistent with the objectives and the priorities of production during the Fifth Five Year Plan. Several measures which should stimulate investment on a wide front have been announced. The larger number of applications and approvals for licenses, capital goods, finance from industrial financing institutions, registration of companies and capital issues—all indicate a gathering tempo of industrial activity. Government is also laying emphasis on the active implementation of industrial licenses already granted and is devising practical measures to increase the pace of implementation.

Government has devoted attention to the problems of textile and engineering units which have been lying closed or are facing serious difficulties due to mismanagement and failure to re-invest surpluses and to modernise the plants. The management of a number of these units has been taken over this year in order to revive production and ensure continuous employment. With the restoration of law and order in West Bengal, industrial recovery is gaining momentum under a 16-point programme.

In our steady march towards socialism, an increasingly wide segment of economic activity has been brought under public ownership and management. This covers a major part of transport and communications, power, coal, steel, heavy engineering, banking, insurance and important segments of external and internal trade. As a result of the vigorous steps taken by Government, a definite improvement was discernible in most public sector units last year. Ultimately, production and the quality of service to the people in all these fields depend on the dedication and sense of involvement of managers and workers. In the changed context, both managers and workers have to give up the traditional concept of their roles. Management

has to develop new attitudes and look upon workmen as participants in the service of the people. Workers should not allow trade union rivalry to prevent them from fulfilling their historic role of being in the vanguard of socialist transformation by making our public enterprises successful and models of service to the people. On its part, Government recognises the central role of the worker in the economic process will do everything in its power to ensure that his legitimate rights are protected. I appeal to workers, particularly in vital industries and sectors, to place the country first and keep in mind the conditions of the vast multitude of the low paid and the unemployed.

Government will continue its efforts to bring about a consensus among trade unions on the critical problems of uninterrupted production, increase in productivity, wages and participation in management.

Government has been considering methods of improving the performance of public sector undertakings. Some of these need to be restructured as holding companies so as to combine entrepreneurial vigour with effective public accountability. The Steel Authority of India Ltd. has been set up to reorganise the steel industry on these new lines. Further improvements in management practices and general administrative procedures are under examination.

The Approach to the Fifth Five Year Plan has been approved by the National Development Council. The Approach indicates the effort necessary to attain the twin objectives of self-reliance and the removal of poverty within a reasonable period. A number of programmes proposed to be taken up in the Fifth Plan—the National Programme of Minimum Needs, the Employment programme, the accent on the development of backward classes and backward regions and the reorientation of the pattern of production with emphasis on goods of mass consumption—are designed directly to attack the problem of poverty. The Approach is based on Government's considered view that growth and social justice are interlinked. Social justice needs growth to be meaningful and growth needs social justice to be sustained and durable. The quality and content of growth are more important than growth by itself.

The new directions given to the Fifth Plan and the magnitude of its targets call for major efforts on the part of all sections of our people. We have to sustain and transfer the unity, morale and confidence, which we demonstrated in meeting external danger, to the fields of economic and social transformation of the country. I have no doubt that the people will respond to this challenge. It will be the privilege of this fifth Parliament of our Republic to give shape to the Fifth Five Year Plan and make it the turning point in our advance towards economic independence.

A number of programmes intended for the benefit of rural masses have been in operation for the last two to three years—the Small and Marginal Farmers' Programme, the programme for Rural Employment, Drought Prone Areas Programme, provision of house sites to landless labour in rural areas and the Nutrition Programme. A special programme to provide employment opportunities for 5 lakh educated persons in the coming year has been formulated. These schemes for the provision of house sites to landless labour, creation of rural employment as also provision of water supply and electricity to rural areas will be further accelerated. The implementation of land reforms will be expedited.

Simultaneously, a programme of advance action for the Fifth Plan has been prepared. It is proposed to increase the production of pulses, oilseeds, sugarcane and cotton, and to accelerate irrigation projects, improve the working of power stations and hasten the commissioning of those which are nearing completion. The production of steel and fertilisers is also being increased.

Realising the significance of education, both for social transformation and economic growth, Government has decided to take steps, in concert with State Governments, for programmes of educational reconstruction and development in the Fifth Five Year Plan.

A Science and Technology plan, which will form an integral part of the economic plan, is being prepared. This will help us to harness science and technology in a more purposive way for self-reliance and economic growth. At the same time, we must take measures to preserve the quality of the natural environment.

A new Department of Space and a Space Commission have been constituted to utilise fully the benefits that can accrue to the country as a result of the peaceful uses of outer space.

Government has been deeply concerned at the recent developments in Andhra Pradesh. The problem in that State has a long history. We view with grave anxiety the resort to violence in an attempt to settle this problem. Such violence is opposed to the basic values we cherish; it has resulted in the loss of valuable lives and extensive damage to public property. I express my sympathy, and sorrow for those who have suffered. There is no problem for which a reasonable solution cannot be found through calm and rational discussion. Government's sole consideration is to safeguard the interests of all sections of our people. I appeal to the people of Andhra Pradesh to co-operate fully with the Government in finding a peaceful solution.

I now turn to relations with neighbours, near and far. We have desired the establishment of mutually beneficial and friendly relations with Pakistan. We signed the Simla Agreement as the first step towards the establishment of durable peace. The Agreement lays emphasis on bilateralism for the

solution of differences by peaceful means and excludes outside agencies and third party involvement. I am glad that India and Pakistan have been able, through bilateral negotiations, to determine a line of control in Jammu and Kashmir which is to be respected by both sides. Similarly, both sides have withdrawn their troops to the international border; in the process, India has vacated about 5900 sq. miles of Pakistan's territory. This by itself is concrete evidence of India's friendly intentions towards Pakistan.

The prisoners of war of the Western front have been exchanged. It is hoped that Pakistan will create the necessary conditions which would enable the three parties to the conflict in the Eastern theatre to hold discussions for the repatriation of the prisoners of war who surrendered to the joint command of India and Bangladesh Forces. The Simla Agreement holds promise not only of improving and normalising relations between India and Pakistan but also of establishing durable peace in the sub-continent as a whole. This will enable the countries of the sub-continent to devote their energies and limited resources to the urgent task of furthering the economic and social well-being of their peoples.

Our friendship with Bangladesh has taken concrete shape in the historic Treaty of Friendship, Co-operation and Peace and in Agreements on various matters of mutual interest. Bangladesh has made remarkable recovery from the ravages of the liberation struggle. Within a year, Bangladesh has adopted a Constitution and is about to hold her first General Elections. Seldom has a nation which has been through so harrowing an ordeal progressed so rapidly on the road to political stability and economic recovery. We hope that Bangladesh, which has been recognised by 95 countries, will take her rightful place in the United Nations. We share Bangladesh's concern for her nationals who are detained in Pakistan and hope that they will soon be released.

Our friendly relations and close co-operation with Nepal continued to grow during the year. In April-May 1972, we had the pleasure of receiving the Prime Minister of Nepal, the Right Honourable Shri Kirti Nidhi Bista, as our guest. Our Prime Minister paid a visit to Nepal earlier this month and a useful exchange of views took place during the visit. These visits have helped to further strengthen the already close, friendly and mutually beneficial relations between the two countries.

In the death of His Majesty Jigme Dorji Wangchuk, Bhutan lost a great statesman and India a dear friend. The news of his demise in Nairobi was received in India with a deep sense of shock and sorrow. We extend our co-operation to the new King, His Majesty Jigme Singye Wangchuk and are confident that during his rule existing ties of close friendship between Bhutan and India will be further strengthened.

We are happy that the long-delayed peace agreement in Vietnam has been concluded and that the terrible war that raged for a whole generation, causing great suffering and hardship to the people, has ended. We hope that the cease fire will lead to a durable peace which will enable the people of Vietnam to address themselves to the tasks of reconstruction. We hope also that peace and order will come to the neighbouring States of Laos and Cambodia.

We have strengthened our ties of friendship, mutual understanding and co-operation with all countries. It is gratifying that with many of them our trade has also registered an increase. We value our close ties with the Soviet Union and will continue to strengthen them.

It is our earnest desire to improve understanding and co-operation with the United States of America.

The emergence of a new Western Europe, following the entry of the United Kingdom, Denmark and Ireland into the enlarged European Economic Community is a major development. It is our hope that this bigger European Community will look outward rather than inward and pursue a helpful approach to the problems of the developing countries.

We welcome the positive trends in the international situation which have created an atmosphere of *detente*. My Government would like to normalise relations with China. We view the moves towards reconciliation between the United States of America and China, Japan and China, and between North and South Korea as positive steps in favour of the relaxation of tensions. In Europe, the acceptance by the Federal Republic of Germany of existing frontiers has led to relaxation of tensions between the Federal Republic of Germany and German Democratic Republic, in particular, and other European States in general.

We shared with the Zambian people their shock and anger when Rhodesia closed its border with Zambia and stopped the transit over Rhodesian soil of all Zambia's imports and exports. We have offered to help the Zambian Government with such assistance as we can give. We regret that because of the situation created by the Rhodesian action, the Zambian President, Dr. Kenneth D. Kaunda, could not pay his State visit to India last month.

The expulsion of Asians from Uganda has been a matter of serious concern to the Government as it has led to the uprooting of several thousands of people of Indian origin who had made Uganda their home and had contributed to its development. During my visits to Ethiopia, Tanzania and Zambia, I found how these actions had embarrassed enlightened opinion in various countries which are striving for rapid economic development and racial equality and tolerance. We continue to make common cause with the people of Africa who are fighting against colonialism, injustice and oppression. I am happy that our technical and economic co-operation with African countries is rapidly increasing.

We regret that there has been no progress towards a solution of the problem created by Israel's occupation of Arab territories. Our stand on this critical issue is based on principles which we have again supported in the last resolution in the United Nations calling on Israel to vacate these territories.

Honourable Members, the correctness of our internal and external policies and the basic vitality of our economy, our institutions and our people have been proved time and again whenever the country has had to face grave situations. I am sure that our present difficulties are temporary and that we shall overcome them and emerge more united and disciplined. We shall have to work with clarity of vision and unity of purpose to meet these challenges.

During your present Session, you will be dealing with the Demands for Grants for the next financial year as well as with legislative business. Government will bring before Parliament a Bill to replace the Coal Mines (Taking over of Management) Ordinance, 1973. Government also intends to bring before Parliament a comprehensive Taxation Laws (Amendment) Bill. In addition, legislation to regulate foreign contributions and to establish a Newspaper Finance Corporation for rendering financial assistance to small and medium newspapers as well as Bills to amend the Election Law, the Cinematograph Act and the Delhi Development Act will be among the measures that will be brought before Parliament.

Honourable Members, I summon you to your new endeavours and wish you well.