

ADDRESS TO PARLIAMENT—17 FEBRUARY 1975

Lok Sabha	—	Fifth Lok Sabha
Session	—	First Session of the Year
President of India	—	Shri Fakhruddin Ali Ahmed
Vice-President of India	—	Shri B. D. Jatti
Prime Minister of India	—	Smt. Indira Gandhi
Speaker, Lok Sabha	—	Dr. G. S. Dhillon

HONOURABLE MEMBERS,

I welcome you all and summon you to another year of hard work in the service of the nation.

We begin the year on a confident note, having responded with determination to the unforeseen and stupendous challenges of the last four years. In the face of continuing rise in prices, the foremost concern of Government in 1974 was to impart a measure of stability to the economy. Government adopted a comprehensive strategy to control inflation and this was put into operation from July, 1974.

Besides increased mobilisation of resources and economies in non-Plan expenditure, money supply was restricted through an appropriate monetary policy. A vigorous drive was launched against economic offences like smuggling, hoarding and tax evasion and against spurious units indulging in malpractices in scarce materials. Consumer expenditure was restrained by limiting dividend incomes and impounding increases in wages and salaries and a part of additional dearness allowance. Public distribution was strengthened and arrangements were made for adequate import of foodgrains and essential raw materials and commodities. The annual plan for 1974-75 was reviewed and outlays on the core sectors were raised to boost production. Vigorous action was also taken to improve utilisation of capacity in power plants, rail transport, coal production, steel plants and other public sector industries.

This concerted action began to yield results towards the end of September, 1974. Despite an unsatisfactory *kharif* crop caused by poor rainfall in many States, prices began to fall and there has been a weakening of the inflationary forces. The availability of essential goods has generally improved. The general outlook for the *rabi* crop is good.

Production in public enterprises has shown a significant rise in the first nine months of this financial year. Fourteen per cent more electricity is being produced by thermal plants and improvement of thirty-four per cent in the production of power by DVC plants merits special mention. Since shortage of power still persists in a number of States, high priority is being given to the completion of power projects. About two million KW of power capacity is being added in 1974-75 and another three million in the coming year. Ten million tonnes more coal will be produced this year. Steel production is going up and public sector engineering industries are doing remarkably well. More railway wagons are being moved daily.

I congratulate workers, farmers and other sections of the people for the determination, courage and identity with national purpose shown by them in supporting the Government's programme of economic stabilisation.

Government is aware that there is no room for complacency as there are still sizeable imbalances between supply and demand in several important sectors of the economy. The international economic situation is also full of uncertainties.

The monetary and fiscal measures and the action against economic offences will be continued with vigour. Simultaneously, Government will intensify measures to remove limitations in the infrastructure and to increase production in vital sectors. In the international sphere, we shall continue to work for the evolution of a just and viable economic order in co-operation with developing countries as well as developed countries which have shown understanding of our problems.

We have been hit hard by the sudden and large increase in the prices of oil, food and fertilizers. Articles of common consumption have been affected and great hardship has been caused to the people. There is a very heavy draft on foreign exchange. Even a significant increase in our export earnings—in the first eight months of 1974-75, the increase was 36 per cent—is not adequate to fill the gap. Special efforts and arrangements are necessary to deal with the problems of oil-importing developing countries. Some of the oil-exporting countries have helped us in this regard. There has also been some action at the international level. But these measures fall short of the needs of the situation. The severe damage caused to the economies of developing countries has to be recognised and redressed through purposeful co-operative effort on a global scale. We shall continue to take appropriate initiatives, in this direction both through bilateral negotiations and in international forums.

In addition to the emphasis on increased production and use of coal, we are going ahead with oil exploration on an urgent basis. The recent discoveries in the offshore Bombay High structure are promising. Government has decided that this oil field should be developed to the production stage

with the greatest expedition. It is being planned that the first stage of production should begin in 1976 and that in another four years, the production from this area should go up to 10 million tonnes. The future outlook for production of oil from offshore and onshore areas is reassuring.

There is understandably some anxiety about the Fifth Five Year Plan. A Plan has a framework and a coherent system of objectives as well as a detailed programme indicating targets and the availability of resources necessary for achieving them. The basic framework of the draft Fifth Plan and its objectives remain unaltered. At the same time, the extraordinary developments in the economic sphere, both external and internal, call for adjustments in the sequence and composition of detailed programmes. Meanwhile, the annual plan for 1975-76 is being prepared giving emphasis to economic stability and increased investment in crucial sectors—agricultural production, irrigation, fertilisers, power, steel, coal and oil exploration. It is also proposed to intensify development programmes benefiting the less developed regions and the weaker sections of the community including scheduled castes and scheduled tribes. Programmes under the Small Farmers Development Agency and those for Marginal Farmer and Agricultural Labour, drought prone areas and the Command Areas are being accelerated.

A review of the national effort in 1974 will not be complete without reference to the major advance that we made in the nuclear field—the underground experiment of 18th May, 1974. I congratulate our nuclear scientists and engineers on this signal achievement. We have reaffirmed our determination to use nuclear energy only for peaceful purposes and our reasons for undertaking the experiment have been appreciated by most countries. Government will continue to give a place of importance to science and technology as instruments of economic advancement.

I am happy that the extensive talks held between the representatives of the Government of India and the leaders of the State of Jammu and Kashmir have yielded positive results. Government will shortly make a statement in this regard. We wish the people of Jammu and Kashmir speedy progress as an integral part of the nation.

Hon'ble Members, when the nation is straining every nerve to meet formidable challenges, it is regrettable that some groups have been doing every thing possible to weaken the will of the people and to sap the cohesion and unity of purpose, so vital at such times. They claim that their object is total revolution and elimination of corruption but the actual result is violence and disruption of political and economic life. Government is fully conscious of the need for reform in several spheres of national life and welcomes suggestions. Indeed, our objective is to bring about a transformation of society and to change the quality of life. It is the essence of the democratic system that changes are brought about through the

widest possible discussion and agreement. Mere disruption of the existing system or institutions, with no better and workable alternative, will only endanger the stability and progress of our country.

Government is anxious that the Lokpal and Lokayukthas Bill, which has been before you for some time now, should be considered and finalised during this year. This will provide the legal framework to deal with corruption among political executives and in administration. Government will shortly discuss with the leaders of political parties proposals for changes in the electoral law. Whatever reforms are introduced should be such as will command the widest possible public support and consolidate the system of parliamentary democracy enshrined in our Constitution.

As regards education also, Government has worked out programmes for reform of the examination system, vocationalisation of secondary education, regulation of enrolment for higher education and introduction of a system of non-formal education. Previous experience shows that schemes of educational reform fail to gather momentum unless they are widely accepted by State Governments, teachers, parents and students. Meanwhile, considerable disturbance is caused in the scholastic career of millions of young people. State Governments have taken steps to implement some of the programmes of reform. We are anxious that more far-reaching changes in the educational system are introduced through the widest possible discussion.

I appeal to all sections of the people to ponder seriously over these fundamental issues, offer positive and constructive suggestions and criticisms and co-operate with the Government in working out national solutions. This is the democratic way. Any other way will lead only to chaos and disillusionment.

I may now refer to developments in Sikkim. Elections were held there for the first time in April, 1974. On the unanimous resolution of the elected Assembly, a new constitutional framework was promulgated by the Chogyal on the 4th July, 1974. Responding to the expressed wishes of the people of Sikkim, you approved a Constitution Amendment Bill in September, 1974 incorporating specific provisions for strengthening Indo-Sikkim relationship, including the representation of Sikkim in our Parliament. We congratulate the People of Sikkim on the progressive realisation of their democratic aspirations.

In our relations with the outside world, we have naturally continued to attach special importance to the consolidation of friendly relations with our neighbours.

In December, 1974, we had the privilege of welcoming the King of Bhutan. The visit served to consolidate further the traditional warm friendship between India and Bhutan.

An event of significance in our close relations with Bangladesh was the conclusion of an Agreement, during the visit of Bangabandhu Sheikh Mujibur Rahman in May last, settling the land boundary questions which had remained unresolved for nearly a generation. I feel confident that the two countries will resolve any issue which may arise in the same spirit of understanding and co-operation.

There has been increasing co-operation with Afghanistan in the political and economic fields. We look forward to the visit of President Daoud next month.

During the recent visit of the Prime Minister of Nepal, there was a detailed exchange of views on various aspects of Indo-Nepal relations. It was recognised that it was in the interests of both India and Nepal to do their utmost to strengthen bilateral relations keeping in view, at all times, the principles of reciprocity and mutual benefit.

I am particularly gratified that the cordial relations between Sri Lanka and India were further strengthened by the amicable settlement of the long outstanding questions of Kachhativu and the maritime boundary in the waters of the Palk Bay as well as the status of persons of Indian origin in Sri Lanka.

The exchange of visits between the Prime Ministers of Maldives and India strengthened the friendly relations between the two countries.

The visit of the Prime Minister of Mauritius, Sir Seewoosagur Ramgoolam, helped to further strengthen our close ties with that country.

The goodwill visit of President Ne Win of Burma* in April, 1974 consolidated our mutual co-operation and understanding on bilateral and international questions.

Several steps were taken towards normalising relations with Pakistan. Progress has been slow but not discouraging. Agreements have been worked out for the resumption of postal services, telecommunication links, travel facilities and trade between the two countries. We hope that the healthy trend towards settling differences bilaterally and through peaceful means will gather momentum and that Pakistan will realise the futility of rearming itself by procuring arms from various sources, as this will hinder reconciliation and the establishment of durable peace on the subcontinent.

A continental shelf boundary Agreement was concluded with Indonesia. We were honoured to receive the King and Queen of Malaysia in December, 1974. Their visit served to underscore the friendship and understanding between our two countries.

* Now known as Myanmar.

There is a marked increase in the tempo of our political and economic relations with the countries of East Asia. With Japan, our relations remain friendly and our trade ties are growing.

As you are aware, Government is taking steps to establish formal contacts and more direct relations with the Provisional Revolutionary Government of South Vietnam.

Our traditional ties with the Arab World have continued to be marked by solidarity and close co-operation. We have had exchange of visits at the highest level with a number of Arab countries such as Iraq, Sudan, the Arab Republic of Egypt and the United Arab Emirates, during which we have had discussions on our common policies and have entered into a number of agreements in the economic and technical fields. The situation in West Asia is a cause for grave anxiety. Lasting peace in West Asia will not be achieved until justice is assured to Palestinians and Arab territories seized by aggression are vacated. We welcome the presence of the Palestine Liberation Organisation in the United Nations.

Our Prime Minister's visit to Iran and the visit of the Shahanshah of Iran to India contributed to the strengthening of relations between the two countries. We have agreed on a number of long term projects which should bring our countries closer in economic and other fields.

An event of great significance to the cause of liberty and freedom in the world was the change in the Government in Portugal. An Agreement has been entered into for resumption of diplomatic relations between India and Portugal. We welcome the opening of a new chapter of friendship and co-operation with that country.

In the progress of the African peoples towards independence, a new era has dawned. Some of the Portuguese colonial territories are on the threshold of independence, in others the process has begun. Apparently, these events are having an impact on the illegal regime in Rhodesia; we have no doubt that in Zimbabwe too a settlement will be reached for the establishment of majority rule and the end of discrimination. South Africa cannot remain unaffected and we sincerely hope that the logic of these events and the inevitability of the outcome will be clear to this last bastion of colonialism and racialism and that there will be an end to the suppression of human liberty and other forms of persecution which have earned them the censure of the civilised world.

The visits of Dr. Kenneth Kaunda, President of Zambia and Mr. Kawawa, Vice-President of Tanzania further strengthened economic and technical co-operation between India and these countries.

We wish to strengthen our ties with the developing countries of Asia, Africa and Latin America through economic and technical co-operation. We have developed expertise in a number of fields and have a large reserve

of trained and experienced manpower and thus have the capacity to respond to the requests of friendly developing countries for co-operation in economic development. Similarly, many of these countries can help us in several ways. A positive aspect of the oil situation is the enormous possibilities it has opened up for mutual co-operation between developing countries.

We greatly appreciate the support given by the USSR to our policy of non-alignment and friendship among all nations and to the initiatives taken by us to expedite the process of normalisation on the subcontinent. Indo-Soviet co-operation is growing in all fields.

During 1974, we had the privilege of receiving the Prime Ministers of Bulgaria, Czechoslovakia, the GDR and Hungary. The exchange of views with these leaders has deepened our mutual understanding.

India and Yugoslavia have continued their close co-operation in the Non-aligned Movement and at the United Nations and other international forums.

During the visit of Dr. Henry Kissinger to India in October, 1974, there was expression of mutual desire for better understanding and a mature relationship between India and the United States of America. An Indo-US joint Commission, which will provide an institutional framework for co-operation, was formed. We hope that the United States will continue to support the trend towards normalisation on the subcontinent and will not take any step, which may adversely affect it.

The European Economic Community is taking a progressively more liberal attitude towards the problems of development. Over a third of India's trade is with the countries of the Community and we look forward to increasing co-operation with them.

Relations with Australia and New Zealand have remained close and cordial based on a growing understanding of Asian questions. Both these countries have shared the concern of the littoral States regarding the need to maintain the Indian Ocean as a Zone of peace, a matter to which we attach very great importance.

We are convinced that the crisis in the international economic order and the enormous problems facing developing countries can be resolved only if there is peace and absence of tension throughout the world.

Hon'ble Members, during this Session you have to consider the Statement of Receipts and Expenditure and the Demands for Grants for the coming financial year, which is crucial from the point of view of further stabilising the economy and giving it a firm direction. Of the new legislative measures that will be presented to you, the most important one deals with the imposition of ceiling on urban land. You have as many as 34 Bills pending

before you in various stages. Some of these are of far-reaching importance. You have a full and strenuous programme ahead of you. I appeal to one and all not to fritter away national energies on acrimonious controversies and agitations but to give a constructive and confident lead to the people of India, who have a proven capacity to overcome challenges.

I wish you success in your endeavours.