

ADDRESS TO PARLIAMENT—22 FEBRUARY 1993

Lok Sabha	—	Tenth Lok Sabha
Session	—	First Session of the Year
President of India	—	Dr. Shanker Dayal Sharma
Vice-President of India	—	Shri K. R. Narayanan
Prime Minister of India	—	Shri P. V. Narasimha Rao
Speaker, Lok Sabha	—	Shri Shivraj V. Patil

HON'BLE MEMBERS,

I welcome you to this session of Parliament.

The most important task before us today is to restore confidence and communal amity which have been shaken by the tragic events of the 6th of December last year and what followed thereafter. The basic promise of secularism and the rule of law has been threatened. Political parties, intellectuals, opinion leaders and others must all strive to counter the communal propaganda that has been let loose so that the country can proceed with the task of building the nation and reasserting our fundamental values. We have to further strengthen the harmony that has always characterised our society.

The central issue of the Ram Janmabhoomi-Babri Masjid dispute has been referred to the Supreme Court under article 143 of the Constitution. Government has also acquired about 68 acres of land in the complex, and is in the process of setting up two separate Trusts for managing the construction of Ram Temple and Mosque. Government's endeavour will be to ensure that the construction is taken up in consultation and cooperation with the two communities concerned and with the active participation of eminent and responsible leaders of the two communities. Government seeks the support and cooperation of all section of the people in this important endeavour.

In Jammu and Kashmir, there has been no let-up in the involvement of forces from across the border in training, arming and providing logistic support to the terrorists. Our security forces, despite having to work under extremely difficult conditions, have been trying to meet this challenge. Government is acutely conscious of the hardships and privations of the

people of Jammu and Kashmir arising from the intimidatory acts of terrorists, frequent calls or bandhs and disruption of economic and commercial activity in the State. There have also been some cases of excesses by security forces operating in the State. Prompt action has been taken in such cases to punish those found guilty. As a first step to redress the grievances of the people and reactivate the political process, a State level multi-party advisory council has been set up to act as a bridge between the administration and the people. Efforts are also being made to set up district level committees to carry the process forward. A Parliamentary delegation visited the valley in October 1992. Discussions have been held by the Union Home Minister with leaders of political parties to create conditions which would enable democratic processes to be restored.

After the democratically elected government assumed office in Punjab, there has been a dramatic improvement in the life of the people of the State. These brave people deserve all credit for sending a clear message against the forces of separatism and disruption. Elections to municipalities were held after a gap of about 13 years and to panchayats, after a gap of about 9 years. These have evoked massive and enthusiastic response. A renewed thrust is being given to the socio-economic development of the State. The Centre remains committed to finding a just and amicable solution to all the outstanding issues in Punjab and will provide all assistance to the State Government in its pursuit of anti-terrorist measures.

The overall situation in the North-Eastern region has been under control. Steps have been taken to accelerate the pace of infrastructure development in the region, particularly in respect of rail, road and telecommunications. State Governments and the North-Eastern Council have initiated new programmes for development of agriculture, horticulture and fisheries. The Central Government is setting up an agricultural university and an institute of technology. In all these programmes of development, people's participation is being emphasised. Elections have been held recently in Nagaland and Meghalaya.

The implementation of Eighth Plan, launched on April 1 last year, is well under way. The total investment has been substantially stepped up to Rs. 7,98,000 crores at 1991-92 prices. Out of this the public sector outlay will be Rs. 4,34,100 crores. We are moving towards indicative planning which is in tune with the changes that have been initiated in our economic policy.

The year 1991-93 witnessed a further consolidation of the economic stabilisation programme and the process of structural reforms. The growth in GDP which was 1.2 per cent in 1991-92 is expected to be around 4 per cent in 1992-93. This growth is significant when viewed against the set-backs of the past year, the comparative slow-down in the industrial sector and problems in the financial sector.

During 1992-93 industrial production recorded an increase of 3.8 per cent for the period, April to October 1992, as compared to a decline of about 1.0 per cent during the same period in the previous year. Similarly, exports recorded growth of around 3.4 per cent in dollar terms during April-December 1992 compared to a decline of 3.7 per cent in corresponding period of the previous year. The recent agreement with Russia on the repayment of debt will help revive our exports to traditional markets in Russia. We have comfortable foreign exchange reserves of US \$5 billion. One of the prime objectives of Government, namely control of inflation has been achieved, as the annual rate of inflation which peaked at 16.7 per cent in August 1991 was brought down to 7.0 per cent in the last week of January 1993.

Major changes have been made recently to liberalise foreign exchange controls. The new economic policy has also led to major liberalisation in our procedures for foreign direct investment. The total equity investment approved from August 1991 to the end of January 1993 is over \$ 2.3 billion, which will account for projects of a value of about Rs. 35,000 crores. A number of other proposals are also in the pipeline, with a foreign equity component of about \$ 250 million, generating projects with a total value of Rs. 7,500 crores. Most of these investments are in priority sectors: 24 per cent in energy, 26 per cent in petroleum, about 8 per cent in chemicals, about 12 per cent in food processing industry and 8 per cent in electrical industry. The remaining 22 per cent includes transportation, textiles, telecommunications and industrial machinery. Non-priority consumer items account for a little less than 4 per cent.

The National Renewal Fund was set up and operationalised so that industrial workers are not hurt in the process of restructuring. The first major programme being taken up is the turnaround of the National Textile Corporation in which the National Renewal Fund will provide funds for working capital, retraining and rehabilitation measures and voluntary retirement schemes. The scheme has been making steady progress so far and about 22000 workers have been covered.

Government has held consultations with labour representatives on general issues concerning the reform process as well as sector-specific matters. A meeting of the State Labour Ministers and the Indian Labour Conference has also gone into the manner of revamping our industrial relations laws. Government attaches high priority to these changes as they are expected to lead to increase in production and productivity, high wage earnings and harmonious industrial relations.

The small scale sector is of very great importance in our industrial economy because of its potential for high levels of employment generation and the dispersal of industrial activity across the country. In 1992-93 the employment in the sector was estimated at 129 lakh persons and total

production was expected to be at Rs. 1,66,400 crores, representing a rate of growth of 4 per cent over the previous year. In view of the slowdown in the industrial sector, this was creditable. With revival in industry as a whole, the performance of the small scale sector is expected to improve very significantly in 1993-94. An important initiative to ensure prompt payment by other industries of the dues of the small scale units has been taken. Payments are now required to be made within thirty days of acceptance of goods or rendering of service.

In the world that is emerging, the economic strength of a nation will depend on its ability to compete in the international market place, on the basis of quality, reliability and price. It should be our endeavour to achieve a sustained growth rate of exports of 15.20 per cent per annum in dollar terms within the next few years. It would be a basic plank of Government policy to encourage exports in every possible way and to remove all impediments or constraints that affect their growth.

Agriculture is the mainstay of the Indian economy and its people. As it is still essentially dependent upon rainfall, there was a drop in foodgrains production in 1991-92 by about 9 million tonnes and was estimated at 167 million tonnes. This brought the Public Distribution System and consumer prices, under pressure. However, the timely decision to import a limited quantity of wheat has had a positive impact on its price behaviour. The increase in prices between May and December 1992 was restricted to 3.6 per cent compared to a rise of 35 per cent during the corresponding period in the previous year. I am happy to say that in the current year, the monsoon has been good excepting in parts of Bihar and in parts of a few other States. The total *Kharif* foodgrains production is estimated at 100 million tonnes against last year's 91.42 million tonnes. Procurement of *Kharif* rice has been proceeding satisfactorily and has already crossed 9 million tonnes. The prospect of *Rabi* food production is good and it is expected to be around 76 to 77 million tonnes. *Kharif* oilseeds production has been higher by about 16 lakh tonnes. Our sugar production was 133 lakh tonnes in the sugar year ending October 1992, thus making India the world's largest sugar producer. All this has had a salutary effect on prices as well as availability. The country's achievements in the agricultural sector bear eloquent testimony to the hard work and enterprise of our farmers.

Our plans for agriculture go beyond mere self-sufficiency. We see it as an area with great potential, capable of yielding much higher incomes to farmers and rural labour. To stimulate growth in this sector the minimum support prices for paddy were increased by Rs. 40 per quintal in August 1992 and for wheat for the marketing season starting 1 April 1993, by Rs. 55. It has also been decided to pay a bonus of Rs. 25 per quintal for wheat. The statutory minimum price of sugarcane was raised by Rs. 3 per quintal

to Rs. 26 for the sugar during the year 1991-92. This has been further raised to Rs. 31 per quintal for the sugar during the year 1992-93. The decontrol of phosphatic and potassic fertilizers has no doubt led to increase in their prices in the short-term. To cushion the impact of this increase, Government provided Rs. 340 crores to the State Governments and Union Territories as a one-time support. The price of urea was decreased by 10 per cent. Government has also announced a Rs. 500 crore package to develop agricultural infrastructure meant for the small and marginal farmers. These measures and the increased attention that dry farming would get in the coming year will serve the interests of the farmers in a big way.

One of the important programmes being implemented by the Government to protect the interests of the vulnerable sections of the society is the Revamped Public Distribution System. Government has decided to set apart and distribute an additional 20 lakh tonnes of foodgrains every year in the 1,700 blocks in the tribal, drought-prone, desert and designated hill areas of the country, identified under the scheme. Since the inception of the Revamped Public Distribution Scheme, 10121 new fair price shops have been opened in these blocks and 26 lakh additional ration cards have been issued.

During the current year, work relating to the setting up of district level consumer redressal agencies was carried forward and the entire country was covered by District Forums except the State of Meghalaya. Presently 447 District Forums are functioning in the country.

The thrust of the Eighth Plan in the field of rural development is to integrate the Jawahar Rozgar Yojana and the Integrated Rural Development Programme with other ongoing programmes for strengthening rural economic infrastructure so as to create durable and productive economic assets which in turn generate further employment. The outlay for rural development for the Eighth Five Year Plan has been increased to Rs. 30,000 crores as compared to an allocation of Rs. 6,179 crores and an actual expenditure of Rs. 10,956 crores in the Seventh Plan.

The Constitution (72nd Amendment) Bill, 1991, which has been passed by both the Houses of Parliament in the last session when enacted, will effectively strengthen Panchayati Raj Institutions by ensuring regular elections and sufficient devolution of powers and financial resources. Provision for reservation of seats in the Panchayats for Scheduled Castes and Scheduled Tribes has been made in proportion to their population in the village. Out of the seats for which direct election will be held, one-third are reserved for women. Furthermore, out of the seats reserved for the Scheduled Castes and the Scheduled Tribes, one-third will be earmarked for Scheduled Caste and Scheduled Tribe Women. The law has provision for enabling reservations to be made for the office of Chairperson also. The State legislatures, if they so desire, can make reservations in favour of backward classes.

To strengthen municipal Government and to ensure that municipalities perform as effective units of local self-government, Parliament has passed the Constitution (73rd Amendment) Bill, 1991. Provisions for reservation for members of the Scheduled Castes and Scheduled Tribes, Women and Backward Classes have been made as in the case of Panchayats.

During the year 1992-93, Government gave priority to disease control programmes. These include control of AIDS, eradication of leprosy by the year 2000 AD, malaria control in tribal areas and short-term chemotherapy for tuberculosis in backward areas. An intensive programme is proposed to be taken up in seven States for dealing with cataract-induced blindness.

According to the 1991 Census, the average annual exponential growth rate of population which had reached a level of 2.22 per cent in the 1971-81 decade has come down to 2.14 per cent. The birth rate has come down to 29.3 per 1,000 population in 1991 from a level of 30.2 in 1990. However, the present natural growth rate of 1.95 per cent is still very high and stabilisation of population will, therefore, be an overriding national priority.

A massive programme has been launched for the liberation and rehabilitation of 4 lakh safai karmacharis during the next five years. A statutory National Commission for safai karmacharis is being constituted to be in charge of this programme.

The authorised share capital of the National Scheduled Castes and Scheduled Tribes Finance & Development Corporation has been raised from Rs. 75 crores to Rs. 125 crores. The Corporation will continue to assist in the flow of funds for income generating schemes for the benefit of Scheduled Caste and Scheduled Tribe entrepreneurs. So far, the Corporation has sanctioned 312 schemes of a value of Rs. 277.63 crores towards which it has disbursed Rs. 54.05 crores. The Corporation is also organising training programmes in skill upgradation for employment and self-employment. To raise the levels of literacy and education amongst the Scheduled Castes and Scheduled Tribes, it is proposed to start residential schools in 48 districts.

As a tribute to the memory of Dr. B.R. Ambedkar during his Centenary Celebration Year, the Dr. Ambedkar Foundation was set up to administer schemes like the Dr. Ambedkar National Award, Dr. Ambedkar National Library, Dr. Ambedkar Chairs in Universities, and Dr. Ambedkar Overseas Fellowships. In addition, the Government has also taken up the translation and publication of the complete works and speeches of Dr. Ambedkar. A full-length feature film on Dr. Ambedkar will also be produced.

The National Backward Classes Finance and Development Corporation (NBCFDC), with an authorised share capital of Rs. 200 crores, will provide an additional channel of finance and assist in upgrading the technical and entrepreneurial skills of the socially and educationally backward classes.

The National Commission for Minorities Act, 1992, has been passed by Parliament providing statutory status to the Commission and clothing it with the powers of a Civil Court. The main functions of the Commission would be to evaluate the progress of development of the minorities, monitor and make recommendations on the working of Constitutional safeguards, to look into specific complaints, undertake studies and research, suggest appropriate measures and make periodical reports to Government.

Government has initiated action to implement the judgement of the Supreme Court on issues relating to the reservation of jobs in Government for Backward Classes. Government will specify the basis, apply the relevant and requisite socio-economic criteria, to exclude socially advanced persons and sections, the creamy layer, from other backward classes. An ordinance has been promulgated to constitute a permanent body for entertaining, examining and recommending upon requests for inclusion and complaints of over inclusion and under inclusion in the lists of others backward classes of citizens. The advice tendered by such a body shall ordinarily be binding upon the Government.

Government proposes to set up the *Rashtirya Mahila Kosh* to meet the short-term and medium-term developmental credit needs of poor women in the informal sector, through intermediary agencies like non-Government organisations. Funds have been allocated to this programme as part of the Social Safety Net efforts.

A review of the 1986 National Policy on Education has been undertaken and necessary modifications in the Policy were effected in May 1992. Universalisation of elementary education, achievement of total literacy, equal access to educational opportunities, women's education and development, vocationalisation of secondary education, consolidation of higher education, modernisation of technical education, and improvement of the quality, content and process of education at all levels continue to be the priority areas of national endeavour in the field of education. In elementary education, we have shifted the focus from mere enrolment to retention and achievement. The revised policy resolves to ensure that free and compulsory education of satisfactory quality is provided to all children upto 14 years of age within a decade. The National Literacy Mission based on the Total Literacy Campaign strategy has achieved commendable results and 75 per cent of the districts in the country will be covered under this Mission by 1996-97. The emphasis during the coming years will be on infusing sound management principles in the education system and on decentralising education management.

There has been encouraging progress in the sphere of science and technology. The successful launch of ASLV in May, 1992 is a significant development in indigenous launch technology. The launch of INSAT-2A in

July, 1992 and its successful commissioning is an indication of our ability to build sophisticated multipurpose satellites. The planned launches of INSAT-2B and the PSLV in June this year will provide a further fillip to our Space programme. Another noteworthy development of 1992 was the completion of the 11th Scientific Expedition to Antarctica and the launch of the 12th expedition. Ongoing efforts to harness the benefits of biotechnological tools, with relevance to agriculture and health, would be sustained.

The highlight of this year's achievements in the field of Atomic Energy has been the 220 MW Kakrapar Atomic Power Station Unit-I achieving criticality on September 3, 1992 and its synchronisation to the grid on November 24, 1992.

Our Armed Forces remain prepared to safeguard our territorial integrity. Improvements in manpower planning and management practices and investments towards self-reliance in defence technologies are yielding results.

The Armed Forces assisted the civil authorities in maintaining law and order and organising relief and rescue measures on a number of occasions during the year, carrying out their tasks with commendable dedication.

In the field of defence production, determined efforts have been made towards indigenisation and self reliance, particularly in spare parts. In keeping with the changes in industrial policies, steps are being taken to foster mutually reinforcing linkages between production units in the defence and civil sectors.

Government remains committed to enhance the welfare of serving and retired Armed Forces personnel.

Our foreign policy objectives were pursued both bilaterally and in international forums. Emphasis was placed on building up relations with our neighbours. Important visitors from these countries included the President of Sri Lanka, the Prime Minister of Bangladesh, the Prime Minister of Nepal and the King of Bhutan. Our ties with these countries have been strengthened as a result of these visits. During the visit of the Bangladesh Prime Minister, our commitment to lease the Tin Bigha corridor to Bangladesh was fulfilled. A Memorandum of Understanding between the two countries on detailed investigations for the important Sankosh multipurpose project was signed during the visit of the King of Bhutan.

Despite Pakistan's continuing support for terrorism and sub-version in Jammu and Kashmir and Punjab, efforts were made by us to resolve various bilateral issues. With this objective in mind, the Prime Minister had two meetings with the Prime Minister of Pakistan in the course of the last year. Our efforts have unfortunately not made much headway. We urge Pakistan to eschew its path of deliberate and provocative confrontation and its temptation to gain unilateral advantage in its relationship with us. There can be no alternative to the process of bilateral dialogue.

Government has been consistently pursuing a policy of achieving good neighbourly relations with China overcoming the difficulties of the past. We are also working for a fair, reasonable and mutually acceptable settlement of the boundary question. Among the several high-level visits exchanged between the two countries last year was that of our former President, Shri R. Venkataraman. The Chinese Foreign Minister is expected to visit India this year. The Prime Minister will also be visiting China.

We look forward to working together with President Clinton and his administration in the United States in building a strong relationship between our two countries based on mutual understanding, trust and shared values and interests. The changed international environment following the end of the Cold War has given an impetus to the strengthening of Indo-US ties, which now reflect a greater degree of understanding at the political level along with growing cooperation in various other areas.

The visit of President Yeltsin provided the opportunity for a detailed exchange of views on all bilateral and global issues of concern. Our stand on Kashmir was explained. President Yeltsin categorically affirmed his country's full support for India's position. During this visit the debt repayment issue was resolved and several other agreements were signed which have laid a durable foundation for future friendship and close interaction between the two countries.

We had the pleasure of welcoming in our midst three distinguished Heads of Government from Western Europe. The British Prime Minister, Mr. John Major, was here as Chief Guest at our Republic Day celebrations. His visit underscored India-UK friendship and cooperation and reconfirmed British understanding of our actions to uphold democracy and secularism. He extended full cooperation in combating terrorism. A further significant outcome of the visit was the stimulus it gave to India-British economic and commercial cooperation. Earlier this month, we welcomed the President of the Government of Spain, Mr. Felipe Gonzalez. Most recently, Dr. Helmut Kohl, Chancellor of Germany visited India to receive the Jawaharlal Nehru Award for International Understanding. These significant visits reflect appreciation overseas of our resilience in addressing the various issues that face the country as well as the strength of our democratic and secular system. They have also resulted in greater appreciation of our foreign policy as well as in support for our economic reforms programme.

The Prime Minister's visit to Japan in 1992 coincided with the 40th anniversary of the establishment of diplomatic relations between India and Japan and the signing of a peace treaty between the two countries. Japanese interest in our economic liberalisation is underscored by the increase in direct Japanese investment in India. We are committed to strengthening our ties with Japan at all levels.

The strengthening of our relations with the newly independent countries of Central Asia with whom we have had age-old cultural ties, is a major thrust of our policy. The visits to India last year of the Presidents of Uzbekistan, Kazakhstan, Kyrgyzstan and Turkmenistan were followed up with high level visits from India to Central Asia. The Prime Minister of Tajikistan visited India a few days back. Agreements were signed during these visits which gave our relations with the individual Central Asian States a new and long term perspective.

We welcome the START-II Treaty between the United States and Russia for reduction in strategic nuclear arsenals as a step in the right direction. In the field of multilateral disarmament, a noteworthy event has been the successful conclusion of the Chemical Weapons Convention, which eliminates an entire class of weapons of mass destruction. This is a universal and non-discriminatory treaty which should be regarded as a model for future multilateral disarmament negotiations. It provides a strong underpinning to the Indian Action Plan for Global Disarmament that the then Prime Minister Rajiv Gandhi had presented to the United Nations in 1988. A global, and not regional or sub-regional, approach is needed for a worthwhile result in the area.

A reinvigorated United Nations with a more sharply focused agenda is the need of the hour. The effectiveness of the United Nations will depend on its ability to democratise and reorder its structures to accommodate and reflect the concerns of its members.

Our participation at the multilateral level in UN, NAM, the Commonwealth and the G-15 has been within the overall framework of our priorities and concerns. The Prime Minister's address at the inaugural session of the Non-Aligned summit in Jakarta last September set the tone of its deliberations, reaffirming the continuing relevance of the Non-Aligned Movement and prioritising its future agenda so as to concentrate upon issues of specific concern to it.

At the UN Conference on Environment and Development (UNCED) in Rio de Janeiro in June, 1992, the Prime Minister's address emphasised the integral link between environment and development, thus marking a milestone in international cooperation in tackling environmental and development issues. India's proposal for transfer of technology, and additional resources for developing countries to enable them to join their developed country partners in the global effort at preserving the environment, was widely welcome and endorsed by the Conference.

Honourable Members, the crisis the country is faced with today places a grave responsibility on your shoulders. You saw remarkable levels of cooperation as also strong areas of dissent last year. These are the essential manifestation of a living democracy. I am sure you will set the tone for the

entire country to deal with its problems this year with exemplary conduct and leadership. The nation expects nothing less from its representatives here. You have to guide the nation with courage, wisdom and discipline.

I commend you to your tasks in this session and wish you all success.

Jai Hind.