

ADDRESS TO PARLIAMENT—20 FEBRUARY 1997

Lok Sabha	—	Eleventh 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 H. D. Deve Gowda
Speaker, Lok Sabha	—	Shri P. A. Sangma

HONOURABLE MEMBERS,

It gives me great pleasure to welcome you to the first Session of Parliament in 1997. I felicitate the new Members and extend to you all my best wishes for the successful completion of the budgetary and legislative business that lies ahead.

This is my first address to Parliament after the present Government assumed office. The Common Minimum Programme of the United Front contains the basic agenda on crucial areas of national development, equity, social justice and secularism. It is a bridge for our society and people towards greater prosperity and well-being. It contains specific policies and guidelines for strengthening our federal structure, empowerment of disadvantaged sections, especially the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and the minorities, for providing basic minimum services and for eradicating poverty and ignorance. The Common Minimum Programme also lays emphasis upon evolving policies for rapid economic growth by attracting massive investments in industry and infrastructure.

This programme thus strikes a fine balance between economic growth on the one hand, and concern for equity and distributive justice on the other. The Government is fairly committed to achieving these objectives.

Under our democratic federal polity, coalition Governments can be stable and promote durable socio-economic development. The Constitution has excellent features defining the relations between the Union and the States. The Government will respect the constitutional provisions without any discrimination and endeavour to strengthen the arrangements for a cooperative approach to our national problems. We are sure that all States will extend their cooperation in preserving these institutions and in making their deliberations more useful for the Union and the States.

The Government has imparted a measure of dynamism to the Inter-State Council, the National Development Council, the Planning Commission and also held periodic conferences of Chief Ministers. The Inter-State Council at its meeting on October 15, 1996 accepted a majority of the recommendations of the Sarkaria Commission for implementation by the Government. A Standing Committee, which shall be a permanent Committee of the Inter-State Council, has been set up to review the remaining recommendations of the Sarkaria Commission, especially those relating to devolution of financial powers to the States and changes required in Article 356 of the Constitution. The unanimity shown at the conferences of Chief Ministers on Basic Minimum Services and on problems of the power sector have led to the formulation of time-bound programmes for improving the quality of life in rural areas and to the adoption of the National Common Minimum Action Plan for Power. The approach document for the Ninth Five Year Plan was prepared by the Planning Commission in record time, and was unanimously endorsed by the National Development Council at its meeting on January 16, 1997. This spirit of cooperation augurs well for the timely launch of the Ninth Five Year Plan.

Panchayati Raj institutions and Nagar Palikas provide an ideal framework for planning, formulating and executing programmes for economic development and social justice. The Government is keen to secure adequate devolution of powers and funds to these institutions. The passage of law by Parliament during its last session extending Part IX of the Constitution to the Scheduled Areas is a historic event and amply demonstrates this commitment.

Integrity and impartiality in public life and in the conduct of all public servants are the foundations of democracy. To increase transparency and accountability in administration at all levels, the Government has initiated a national debate on Effective and Responsive Administration. The Government intends to consider various views on this subject and place an action plan before a Conference of Chief Ministers soon. The Government is concerned about corruption in public life and is determined to take effective steps to eradicate this evil. The Lok Pal Bill has been introduced in the Lok Sabha and a beginning has been made to reform the electoral process with the passage of the Representation of the People (Amendment) Act 1996. Efforts are on to introduce a more comprehensive Bill in Parliament on this subject in consultation with all political parties.

The challenges to internal security of the nation cannot be underestimated. These establishing influences emanate both from within the country and from outside. The Government is fully conscious of these forces and have met these challenges with determination. The sustained operation against terrorists coupled with vigorous welfare and development efforts have brought about a qualitative improvement in the situation in

Jammu and Kashmir. The successful conduct of assembly elections and the installation of a popular Government in Jammu and Kashmir have been major steps forward in the process of restoration of normalcy. The Prime Minister had announced a special economic package for the revival of the State's economy during the last Monsoon Session of Parliament. Action has already been taken to implement it.

The activities of militant groups in a few States in the North-East continue to cause concern. These groups are taking advantage of the difficult terrain along the long international borders. The Government has taken major diplomatic initiatives with our neighbours to tackle this problem. It is also taking effective steps to tackle the situation in this region through a multi-pronged strategy, including the economic uplift of the region. A comprehensive package aimed at accelerating the pace of development in the North-Eastern region was announced in October last. A High-Level Commission on Infrastructure Development and Basic Services and a High Level Expert Committee on the creation of employment opportunities for the educated unemployed have been set up.

In Punjab, the successful conduct of elections to local government institutions and the State Assembly demonstrates the abiding faith of the people of the State in democracy and their commitment to peace and harmony.

The Indian economy is firmly set on a high-growth path and our objective of ensuring at least 7 per cent growth during the Ninth Plan period is feasible. During the last three years, the economy has been growing at an average rate of about 7 per cent per annum. While agricultural production has been growing at about 2.6 percent, industrial production has grown at an average rate of over 10 per cent. The foreign currency reserves have grown steadily and are presently at about 19.5 billion US dollars.

The Government is committed to economic reforms aimed at faster economic growth. To create an environment conducive to private investment, laws and policies are being suitably adapted for each sector. Procedures have been simplified to provide for quicker clearance of proposals and to make the process transparent. Action has also been initiated to create the confidence that investors will get fair and equal treatment.

The Foreign Investment Promotion Board has been thoroughly revamped to ensure that decision making is quicker and more transparent. Foreign Investment Promotion Council has been set up to promote smooth inflow of foreign capital. The list of industries eligible for automatic approval has been further enlarged. Specific guidelines for foreign investment have been laid down for each sector. We are committed to achieving our goal of attracting at least \$ 10 billion a year as foreign direct investment.

Similarly, in the financial sector, the banking system is being geared up to conform to international norms. With the introduction of depositories and modernisation of stock exchanges, settlements are expected to be faster to attract institutional investment. We are taking steps to attract long term pension and insurance funds from abroad.

However, to sustain this buoyancy in the economy, substantial augmentation of investment in crucial infrastructure areas such as power, transport and irrigation is essential. The formation of the new Infrastructure Development Finance Company will fill critical gaps in financing viable infrastructure projects. In the all important power sector counter guarantees have been extended to five fast track power projects in the private sector. The adoption of the Common Minimum National Action Plan for Power is an important initiative towards devolution of decision-making authority to the States, the restructuring of State Electricity Boards and the rationalization of tariff. Recently the Government has decided to allow private investment in power transmission.

In the case of ports, a comprehensive policy has been announced for attracting private investment and providing for automatic approval for foreign equity upto 74 percent. Development of highways in India on modern lines will receive impetus through expansion of the capital base of the National Highways Authority of India. An ordinance has also been promulgated amending the National Highways Act, 1955, and the National Highways Authority of India Act, 1988, paving the way for speedy acquisition of land and private investment in road building. The Government has also made a systematic effort to extend the Railway network in areas hitherto neglected, such as the North-East.

The process of opening up the mining sector to allow foreign and Indian private investment has taken a step further with the issue of guidelines for granting large areas for prospecting licences in October, 1996. A fresh ordinance for establishing a statutory telecom regulatory authority has been promulgated. The Government is set to make basic telecom services operational by resolving pending issues.

The oil and gas policy has to subserve the growth of the economy as a significant industrial power in the next decade. With increased growth in the demand for these products and the recent increases in the international prices of petroleum products, the deficit in the Oil Pool Account will reach about Rs. 15,500 crore by the end of the current year. Healthy development of the oil sector in the country demands that the Oil Pool Account is in balance. We have to make massive investment in the oil sector to step up exploration and production. We should generate enough resources not only to cover current costs but also to take care of fresh investments.

Vigorous growth in agriculture has to go hand in hand with fast industrial development. This is essential both for removing poverty and for meeting the increasing demand for agricultural products. Agricultural development in rainfed, drought-prone and degraded land is a matter of high priority. The watershed development approach, combining modern land management and water conservation practices, is the most appropriate instrument to bring quick and sustained growth to the poor living in these areas. The Government is committed to bringing together all the sub-systems constituting watershed-based development under one umbrella to facilitate sharper focus, better integration and more efficient micro-level planning and programme implementation.

Research through Indian Council of Agricultural Research and State Agricultural Universities has to be stepped up to address specific problems of local areas and for taking fruits of the frontier areas of science to the farmer. Soil testing facilities have been extended to a large part of the country. Tissue culture research in our country has provided an impetus to the commercialisation and large-scale application of this technology for horticulture and afforestation of wastelands. Hybrid rice is one of the main avenues for enhancing productivity and production of rice. The Indian Agricultural Research Institute is releasing a Basmati hybrid rice variety which will boost production and export of quality rice. Five hybrid varieties of rice have already been released for commercial cultivation. Thus India has emerged as the second largest hybrid rice growing country in the world. This year also witnessed the opening of the National Gene Bank in New Delhi which is one of the largest in the world. A High-Level Committee has been set up to examine comprehensively the issues involved in the application of advancements in frontier sciences at the farm level.

Irrigation has always been a thrust area for agricultural development. However, targets for increasing the potential of irrigation have suffered a set-back in the Eighth Plan. The government initiated the Accelerated Irrigation Benefit Programme in 1996-97. The Rural Infrastructure Development Fund of NABARD has been strengthened to achieve similar results in rural infrastructure, especially in irrigation and watershed development.

Provision of irrigation facilities for small and marginal farmers, especially those belonging to the Scheduled Castes and the Scheduled Tribes, has received impetus through a new programme called "Ganga Kalyan". Under this programme, farmers will be supported to take up schemes for ground water and surface water utilisation through liberal subsidy, maintenance support and credit arrangements.

A National Commission has been set up to prepare an integrated water conservation and utilisation plan and recommend steps for the use of surplus waters in an efficient manner to meet the requirements of water deficit

areas. The government is also working towards a National Policy for Irrigation Management and for humane resettlement and rehabilitation of persons displaced by large irrigation projects.

The fundamental objective of our economic development is the removal of poverty. Programmes for generation of employment, creation of assets, improvement of skills and the raising of incomes of very poor people have all been strengthened. Outlays on these programmes for reduction of poverty will be doubled during the 9th Five Year Plan.

The Employment Assurance Scheme and the Mid-Day-Meal Scheme are being extended to the entire country by April, 1997. Similarly, the Schemes for self-employment are being strengthened. These programmes are being reoriented and directed towards artisans and craftspersons, educated unemployed youth and other groups of the poor. At least one million educated unemployed youth will be supported every year to start viable enterprises and businesses through better subsidy, training and credit arrangements.

A major priority of the Government is to initiate and implement a set of concrete measures for providing basic minimum services to improve the quality of life of the poor. Expenditure on these Basic Minimum Services will not only provide much needed social amenities, but will also generate employment and play a major role in reviving the rural economy and society in the most backward regions of India. This is the only way to enable our workers, farmers and artisans to participate in the process of economic transformation. At the Conference of Chief Ministers held in July, 1996 it was decided to implement a time-bound programme for achieving seven basic minimum services. These are:

- (1) Provision of Safe Drinking Water in every habitation;
- (2) Provision of efficient Primary Health-Care for every group of 5000 persons;
- (3) Universal and Compulsory primary education and measures to spread literacy;
- (4) Provision of Public Housing Assistance to shelterless poor persons;
- (5) Connecting villages/habitations with link roads to the nearest market or the main road;
- (6) Nutrition support to children belonging to poor families during pre-school and elementary education stages; and
- (7) Streamlining the Public Distribution System with focus on the poor.

Special Central assistance of Rs. 2216 crore was placed at the disposal of the States for implementing these programmes blending national commitment with local initiatives. A new and targeted Public Distribution

System has been announced to benefit the population below the poverty line, with foodgrains at specially subsidised prices. As many as 32 crore people below poverty line will benefit under the new system, in addition to those participating in rural wage employment schemes such as Employment Assurance Scheme and Jawahar Rozgar Yojana.

The real benefits of these development programmes would accrue only if the growth in population is curbed. The new orientation given to the Family Welfare Programme by doing away with the system of setting targets and replacing it by decentralised participatory planning at the primary health centre level is expected to bring about greater involvement of the service providers leading to improvement in quality of services and acceptance of the small family norm.

The Government is committed to bridging the gap in the levels of development of the Scheduled Castes, the Scheduled Tribes, backward classes and minorities and to bring them on par with the rest of the society. The idea is to eliminate all forms of exploitation and enhance the flow of funds for their social and economic progress through sub-plans, special central assistance and the National Finance and Development Corporations. For better training and rehabilitation of Safai Karamcharis, the National Safai Karamchari Finance and Development Corporation has been established. We are also keen to promote gender equality and removal of discrimination against women. As you know, the Government has already introduced a Bill for reservation of seats for women in the Lok Sabha and State Assemblies to ensure their better participation in policy-making.

The Government is committed to protect the interests of all workers, especially those in the unorganised sector. Towards this end, two Bills were passed this year to promote health, safety and welfare of 90 lakh construction workers. We have launched a concerted drive for effective enforcement of laws on minimum wages, child labour and bonded labour. A Central legislation for agricultural workers to guarantee them minimum wages and fair conditions of work is being introduced in Parliament soon.

The Government is committed to implementing the law relating to provision of equal opportunities, protection of rights and full participation of disabled persons. Rules under this important legislation have already been notified by the Centre and State Governments are being requested to take similar action at the earliest. A National Corporation for creating more job opportunities for the disabled persons has already been established.

The Government recognises that science and technology are important for economic progress. In the everchanging global scenario, our research and development, technology transfer and diffusion are the critical determinants of our competitiveness. There is now a need for a massive renewal of our science and technology infrastructure in both public and

private sectors. The Government has recently approved a revised apex-level structure for coordinating science and technology activities.

Our nuclear science and technology have achieved noteworthy progress in harnessing nuclear energy for electricity generation with the reaching of criticality of the Kamini reactor at Kalpakkam. India is in the forefront in the application of space technology for national development. The success of PSLV has made our country self-reliant in the launching of IRS class of satellites and substantial progress has been made in the development of Geo-Synchronous Satellite Launch Vehicle. The resolution of imagery from Indian satellites with our own cameras is among the best in the world, and our space products are now being sold in the global markets. I must congratulate all scientists working on these projects.

Men and officers of the Army and Para-Military Forces have continued to render valuable assistance to civil authorities, including in the peaceful conduct of Parliamentary and Assembly elections in Jammu and Kashmir, despite sustained efforts from across our border to foment trouble. The contribution of our Armed Forces in difficult relief and rescue missions has been exemplary.

The Armed Forces remain in a state of constant preparedness to safeguard our territorial integrity. Strengthening the defence of the nation is among the foremost priorities of the Government on which there can be no compromise. The Government is conscious of the urgent need for modernising the Armed Forces, and is committed to provide all the inputs which may be needed for fulfilling this objective. Acquisition of technologically superior armament, along with the continued upgradation of our existing equipment, will help to considerably strengthen the defences of the nation.

The Ten Years' National Mission for enhancing self-reliance in Defence Systems is making excellent progress. The production of the versatile Main Battle Tank Arjun will start from this year. The country has attained the capability to design and field any type of missile systems needed by the Services. The modernisation of the Navy is a matter of urgency and a number of steps to upgrade and equip our Navy for its needs are being taken. The Light Combat Aircraft project is also making steady progress towards its flight trial during this year.

The positive results of our constructive and pragmatic foreign policy are becoming increasingly evident as far as relations with our immediate neighbours are concerned. We have consistently sought mutually beneficial relations with them, both on a bilateral basis as well as through the South Asian Association for Regional Cooperation. The active role played by India as the current chairman of SAARC in strengthening the Association, and enlarging its activities has been widely acknowledged.

During the visit of the Prime Minister of Bangladesh to India in December, 1996, the two countries signed a historic treaty on the long-term sharing of Ganga waters heralding a new era of friendship in India-Bangladesh relations.

Similarly, India-Nepal relations have gained a new dimension with the conclusion of the Mahakali Treaty, which envisages joint utilisation of water resources and opens up tremendous possibilities for bilateral economic cooperation. With Bhutan, Sri Lanka and Maldives, India continued to maintain warm and friendly relations.

The recent visit by the President of the People's Republic of China marked a new threshold of cooperation between the world's two most populous countries. The Agreement on Confidence Building Measures signed during the visit is of great significance and is expected to strengthen bilateral relations further.

With Pakistan, we are committed to ending confrontation and establishing a harmonious relationship and durable peace, as provided for in the Shimla Agreement. We believe that fostering people-to-people contacts and promoting trade and economic links will contribute to this process. We are ready for a dialogue with the new Government of Pakistan and hope for an early resumption of talks.

India is concerned at the continuing foreign interference and consequent instability in Afghanistan. There can be no resolution of the Afghan problem without cessation of foreign interference. Our traditional role as a friend and a well-wisher of Afghanistan is recognised and our humanitarian assistance for the suffering people of Afghanistan will continue.

Japan was the first Asian country to participate as Partner Country in the Indian Engineering Trade Fair earlier this month. This symbolises the growing economic cooperation between the two countries and we look forward to intensifying our relations with Japan.

Our mutually beneficial interaction with Association of South East Asian Nations has been growing and reached a new level last year. We are confident that this process will continue and that we will play our due role in the affairs of the Asia-Pacific region.

Our relations with the Arab countries continue to be marked by traditional friendship, mutual understanding, and growing cooperation. India has supported the Middle East peace process and welcomed the progress made so far; we look forward to its expeditious conclusion. The recent visit of Israel's President to India has given an impetus of our steadily growing economic and technological cooperation with that country.

Relations with Russia continue to be of high priority and are characterised by continuity, trust and mutual understanding.

We look forward to the continued growth of Indo-US relations during the second-term of the Clinton Administration. As two mature and friendly democracies, both India and the US recognise the importance of developing an expanded base for mutually beneficial relations.

With West Europe we share ties of history and a common commitment to democracy, now being strengthened by close economic linkages. We welcome and reciprocate the intention of the European Union, which is our largest trading partner to work towards an enhanced relationship with India, embracing political, economic and cultural relations.

Our commitment to the Non-Aligned Movement remains strong and India will continue to give the fullest support to its objectives and principles. India will host the next Ministerial Conference of Non-Aligned countries in New Delhi in April this year.

Coming to legislative business, thirty three Bills are pending before you including the Lokpal Bill, 1996, the Criminal Law Amendment Bill, 1995 and the Constitution (81st Amendment) Bill, 1996 providing for reservation of seats for women in the Lok Sabha and the Legislative Assemblies of the States. The Government intends to bring before Parliament in the current Session, the following important Bills:

- (1) The Broadcasting Bill, 1997.
- (2) The Prasar Bharati (Broadcasting Corporation of India) Amendment Bill, 1997.
- (3) The Consumer Protection (Amendment) Bill, 1997.
- (4) The Electricity Laws (Amendment) Bill, 1997.
- (5) The Multi State Cooperative Societies Bill, 1997.
- (6) The Indian Telegraph (Amendment) Bill, 1997.
- (7) The National Highways Authority of India (Amendment) Bill, 1997.

In August this year, we will commence celebrating the Fiftieth Anniversary of our Independence. Our freedom struggle was unique in the history of the world, based as it was on non-violence. Today, India is a beacon for sustaining democratic values, Rule of Law, human rights and secularism. Our policies have produced a balanced achievement of freedom and economic betterment. We were fortunate to have in our midst, towering leaders of this century to guide us through the formidable challenges to our democracy and stability.

The remaining four years of this century represent a crucial period for India's national development, in which it must build further on the past achievements and herald a new future. Today, India is on the threshold of unprecedented opportunity as it prepares itself for entering the 21st century

with hope and confidence. Whether we move forward boldly and realistically or remain stuck in the traditional modes of thinking, is going to ultimately determine our place in the world. At the beginning of the next millennium, all of us should ponder over this and deal with the basic issues, so that our destiny as an emerging giant and as a developed nation early in the next century is fulfilled.

Jai Hind.