

ADDRESS TO PARLIAMENT—10 FEBRUARY 1958

Lok Sabha	—	Second Lok Sabha
Session	—	First Session of the Year
President of India	—	Dr. Rajendra Prasad
Vice-President of India	—	Dr. S. Radhakrishnan
Prime Minister of India	—	Pt. Jawaharlal Nehru
Speaker, Lok Sabha	—	Shri M. Ananthasayanam Ayyangar

MEMBERS OF PARLIAMENT,

I am happy to welcome you once again to your labours in a new session of Parliament.

We are about to complete the second year of our Second Five Year Plan. Our economy, as you are well aware, has been under considerable stress since the beginning of the Second Plan period. In my address to you last May, I said that:

“It would be the easier, but not the gainful or constructive way, to bridge the gaps to which I have referred, by halting development. This will, however, provide no real or long-term remedy. Our endeavour has to be to mobilise and conserve resources for greater productivity and for maintaining and improving development. My Government are fully aware of the problem and of the effort required. They are equally concerned that our temporary difficulties should not lead us in the direction of retarding progress and development, but that the difficulties should be overcome, where necessary, by reconsideration and revision of methods and by planned mobilisation of resources, and not by either the abandonment or slowing down of the progress towards our objectives.”

My Government have taken, in many spheres of our economic and social life, steps that are very stringent to enable our economy and our planned development to absorb the shock of these stresses, thereby controlling to a great extent inflationary factors and meeting the situations resulting from the position in regard to foreign exchange resources and for the completion of the tasks under the Plan. The measures my Government have taken in this regard have yielded results and in recent months, I am

happy to say, there has been some improvement. The measures adopted by my Government to restrict imports and to earn more foreign exchange have resulted recently in some diminution in the rate at which our foreign assets were falling. My Government have also endeavoured and succeeded in some measure in obtaining foreign assets by way of loans, arrangements in regard to specific projects, deferred payments for essential capital goods and severe limitation of allocation of foreign exchange to all but the most essential capital or consumption requirements. I should like to express my gratitude to the countries from whom we have received assistance in this respect. In this connection I would like to mention the Soviet Union, Canada, Germany, Japan and, more particularly, the United States of America.

Increased production, which would both help reduce foreign exchange requirements and help earn it, and domestic savings, which help check inflation and provide the internal resources required for the fulfilment of our plan tasks are, however, imperative. These call for both understanding of problems and sacrifices from our people, for vigilance, economic and the support of public opinion.

The series of measures taken by my Government in regard to fiscal and foreign exchange matters have assisted in maintaining the stability of our economy. Prices which had been rising in 1956 and the early part of 1957, have not only remained steady but also registered a slight fall towards the end of last year, which is continuing. There has also been an appreciable decline in our Balance of Payments deficit. The credit position is considerably easier than it was last year. The resources of the banking system have improved and the increase in the advances has been moderate. The Reserve Bank proposes to watch the situation carefully with a view to keeping down any speculative tendencies.

The availability and price of foodgrains very largely govern our internal price levels and our external payment position. The damage to crops as a result of drought in certain parts of the country has been a very disquieting feature. My Government have at their disposal reserves of food which would be maintained at adequate levels by further imports; and have also imposed a degree of limited but essential controls on the movement of foodgrains. My Government have also regulated the supply of bank credit for foodgrains to prevent hoarding and arranged for distribution of large quantities of foodgrains from Government stocks through Fair Price Shops. These measures have appreciably helped restrain the upward trend in prices.

In 1956-57, even though the harvest was not good, the production of foodgrains almost touched the peak level reached in 1953-54. It was 68.7 million tons which was more than 5 per cent, higher than the figure for 1955-56. The all India index of agricultural production showed an increase of about 6 per cent over the previous year. The production of commercial crop also recorded a significant increase. This was 18 per cent in regard to

cotton, 13 per cent for sugarcane and 6 per cent for oil seeds. All possible efforts are being made to increase food production at a higher rate than hitherto. It is essential that self-sufficiency in food should be attained.

Industrial production has maintained steady improvement. One wholesome result of the severe restrictions on imports, necessitated by the paucity of foreign exchange, is greater employment of domestic resources and skills and their development. Progress in this direction, which is the aim of my Government to encourage and promote, both in regard to Governmental requirements and industry, generally, is essential, if productivity and the growth of our economy are not to be retarded. The success of these developments, although brought about by necessity, would have the effect of making our industry less dependent on outside sources.

The production of coal during 1957 reached a new limit of 43 million tons as against 39 million tons in 1956. Drilling and prospecting have been almost completed in many important new areas and it is expected that several new collieries will be working within a few months.

An agreement has recently been concluded with the Assam Oil Company for the formation of a Rupee Company in which Government will participate to the extent of $33\frac{1}{3}$ per cent for the production of oil from the Naharkatiya oil fields and for transportation of oil therefrom. Two refineries, one in Assam and the other in Bihar, are also to be set up. Prospecting and drilling for oil are taking place in other parts of the country also.

A non-lapsable Shipping Development Fund, with a view to finding an assured source of rupee finance for the rapid growth of Indian shipping has been established.

The multi-purpose river valley projects have made considerable progress. Maithon Dam in the Damodar Valley was inaugurated in September last. In the Bhakra project work is proceeding ahead of schedule. In Nagarjunasagar construction of the dam began in July last. Progress in regard to the other multi-purpose projects has also been generally satisfactory.

In the field of heavy industry, much progress has been made. In the public sector, a heavy machine building plant and a number of other projects will be financed out of a special credit offered by the Government of the U.S.S.R. A heavy foundry and forge will be set up with Czechoslovak collaboration. A fertiliser factory at Nangal is being built with the help of credit terms from the United Kingdom, France and Italy. It is proposed to build another fertiliser plant at Neyveli. The heavy electrical plant at Bhopal is being taken in hand with British collaboration. Good progress has been made in the construction of the three major steel plants at Rourkela, Bhilai and Durgapur.

The Malaria Control Programme, which was inaugurated in 1953, has made considerable progress and reduced greatly the incidence of malaria. From control, our efforts are now being directed to a complete eradication of malaria. In regard to filaria control also, good progress has been made. Provision has been made for slum clearance and development programmes.

Marked progress continues to be made in the field of science and technology, and our National Laboratories are directing their efforts to the solution of scientific problems related to industrial and national development plans. In particular, efforts are being made for the rapid increase of technical manpower.

The work of the Department of Atomic Energy has expanded greatly during the last year. Two more reactors and several new plants are under construction. Uranium metal of atomic purity and fuel element for the reactors will be in production before the end of the current year. My Government have under consideration the construction of one or more Atomic Power Stations during the current Five Year Plan period.

The State Bank of India, which was nationalised a little more than two and a half years ago, has made considerable progress. Measures are under consideration to integrate more closely with the State Bank of India certain other State associated banks of intermediate size, which will be managed as subsidiaries of the State Bank.

The Planning Commission is engaged in working out the annual plans for the States and the Centre and the necessary adjustments in the Plan as a whole, having regard to the available resources and, at the same time, to the imperative consideration of not permitting any impairment to the growth of our economy. My Government will place before you in the current session the results of these studies in regard to what is spoken of as the 'Core of the Plan'.

The Community Development and National Extension Service Projects have made significant progress. There are now 2,152 Blocks which comprise 2,76,000 villages and cover 15 crores of population. The National Development Council having decided that the Block should be the unit for planning and development and the common agency of all development departments, steps have been taken to integrate Departmental Development Budgets in the Block Budget. The Block Development Officer is being placed in operational control of this budget. The Development Council have also decided on greater decentralisation in regard to administration and the transfer of greater authority to people's organisations at the village block and district levels. The pattern of such devolution will be worked out by the States according to local circumstances. A scheme for training village farm leaders has been initiated to encourage the adoption of improved agricultural methods.

The recommendations of the Official Language Commission which are being studied by a Committee of 30 Members of Parliament are under examination. Members of Parliament, you will have an early opportunity of discussing this Report and the opinions of your Committee before any directives are issued.

Requisite action in pursuance of the Delhi Municipal Corporation Act of 1957 to establish a Corporation in the beginning of the next financial year has been taken.

Tripartite Wage Boards have been set up in the textile and sugar industries. My Government have under consideration the setting up of similar wage boards for other major industries in due course. With a view to securing the progressive participation of workers in industrial management, schemes to this end are being introduced initially in a few selected undertakings. The Employees' State Insurance Scheme is being extended and the Employees' Provident Fund Act of 1952 has been extended now to cover 19 industries. 6,215 factories and establishments are now covered under the Act. The total amount of contributions collected are about 100 crores of rupees.

The situation in the Naga Hills area has improved considerably. Government accepted the demands of the leaders of the Naga People's Convention held at Kohima in August 1957 and, as a result, a new unit comprising the Naga Hills and the Tuensang Frontier Division was created by Act of Parliament in November last.

Sixty-eight Bills were passed by Parliament during 1957 and eight Bills are pending before you. My Government propose to introduce legislation in the current session in regard to Merchant Shipping and Trade Mark and Merchandise Marks. Certain other amending legislation in regard to various matters will also be submitted to you.

A statement of the estimated receipts and the expenditure of the Government of India for the ensuing financial year will be laid before you.

Our relations with foreign countries continued to be friendly. Since I addressed Parliament last, we have had the privilege of receiving as guests of the Republic, the Presidents of Indonesia, the Republic of Vietnam, and the Democratic Republic of Vietnam, the Vice-President of the Yugoslav Federal Executive Council, the Prime Ministers of Burma*, Ceylon**, Czechoslovakia, Japan and the United Kingdom, the Foreign Ministers of France and Morocco, the Finance Minister of Ghana, the Education Ministers of Ghana and Mauritius, and cultural delegations from several countries.

My Prime Minister attended the meeting of the Commonwealth Prime Ministers in London at the end of June. He also visited Syria, Denmark, Finland, Norway, Sweden, Egypt, Sudan, Japan, Burma* and Ceylon**. The

* Now known as Myanmar.

** Now known as Sri Lanka.

Vice-President was also able to pay goodwill visits to China, Mongolia, Vietnam, Cambodia, Laos and Ceylon*.

The world situation, while it presents no aspects of an immediate crisis, is ominous with the ever present danger of deterioration into conflict which might become world wide, unless the present deadlocks and world tensions are eased and the way is found for peaceful co-existence of nations, more particularly between the Great Powers.

The launching of the earth satellites by the Soviet Union and the United States of America marks an epochal advance by man in the conquest of Time and Space. They are great scientific advances, but in the context of world tensions and the presence of intercontinental ballistic missiles and other weapons, every such scientific advance can well become another threat to world peace.

The efforts towards achieving progress in disarmament stand deadlocked. Any effective solution requires the joint participation of the two Great Powers—the United States of America and the Soviet Union—and their agreement in regard to any solutions. At the last General Assembly of the United Nations, some progress was made in this direction, but the deadlock continues. That General Assembly, however, passed a unanimous resolution on peaceful co-existence which, following as it did the deadlock over disarmament, gives some hope that a fresh approach may still be made.

My Government holds the opinion that a meeting at high level of the great States with any others, on whom they might agree, would help to ease tensions, would bring about an atmosphere of peaceful tolerance, as provided in the United Nations Resolution of December 14, 1957, and open the way towards the easing of tensions and some progress in the field of disarmament.

My Government have engaged themselves at the United Nations in continued efforts to help ease tensions and advance the view that on co-existence and respect of each other alone can solutions be found.

India has been elected as a member of the Disarmament Commission. The Commission can, however, meet effectively only if all countries concerned are willing to participate. My Government intend to do their utmost to help bring about a solution.

My Government continue to press in the United Nations and elsewhere for the suspension of nuclear explosions, the dangers of which are becoming more and more the concern of scientists and indeed of peoples all over the world. My Prime Minister made an appeal to the heads of the United States of America and the Soviet Union in regard to suspension of these tests as

* Now known as Sri Lanka.

a first step towards disarmament. My Government will continue their efforts in these fields.

The International Supervisory Commission in Indo-China, of which India is Chairman, have continued to function effectively despite difficulties, and peace in that area has been maintained. A welcome development has been an agreement reached in Laos between the Royal Laotian Government and the Pathet Lao leaders and a political settlement there is within sight.

My Government have heard with regret and surprise reports that some countries had sought at a recent meeting of the Baghdad Pact to be equipped with atomic weapons. We profoundly believe that none of the Great Powers will give encouragement to these desires and the outlook that persists.

For ourselves, my Government desire to make it clear beyond all doubt, that while we could, if we so decided, unwisely, produce atomic weapons, with the resources and skills that we have and can develop, we have no intention whatsoever of acquiring, manufacturing or using such weapons or condoning their use by any State. Our endeavours in the atomic field will remain confined to the peaceful use of atomic energy.

Members of Parliament, I wish you success in your labours, and trust that they may help bring greater prosperity and contentment to our people and peace and co-operation in the world.