

ADDRESS TO PARLIAMENT—19 FEBRUARY 1979

Lok Sabha	—	Sixth Lok Sabha
Session	—	First Session of the Year
President of India	—	Dr. N. Sanjiva Reddy
Vice-President of India	—	Shri B. D. Jatti
Prime Minister of India	—	Shri Morarji Desai
Speaker, Lok Sabha	—	Shri K. S. Hegde

HON'BLE MEMBERS,

It gives me great pleasure to welcome you to this session of Parliament, the first in 1979. You have a heavy schedule of business ahead of you, and at the outset, let me wish you godspeed in the completion of your budgetary and legislative business.

Last year we had unprecedented floods which were the worst within living memory. Many lives were lost; crops were damaged over large areas and there was heavy loss to both private and public property. We cannot but admire the courage and fortitude with which our people faced this calamity. The State Administrations met the extremely difficult situation arising out of these floods with commendable speed and efficiency. The Central Government allocated assistance liberally both in cash and kind. The Defence Services and police personnel also played a notable role in affording relief and I wish to place on record our tribute to all of them. I would also, at this stage, like to record my gratitude to the various agencies and individuals, both in India and abroad, who came forward with donations in cash and kind and also rendered service in various forms. In the light of the experience of such large scale floods, the Government is giving special attention to an integrated approach for their control.

Last year, I referred to the repeal of the amendments made in the Representation of the People Act in 1974 and 1975, so as to restore the democratic elements obtaining prior to these amendments. Government has under consideration basic reforms in electoral laws and procedures in order to make the electoral process more equitable, and less susceptible to pernicious influences. The detailed proposals evolved will be discussed with the political parties.

It needs to be noted that our system has withstood the strains and stresses of the times, largely as a result of restoration of civil liberties, the free play of democratic processes and the containing of inflationary pressures. In the years before 1977 there was a period of high inflation followed by a period of repression of all demands. Many of the demands of today only seek to make up for the denials of the earlier period. Yet it is somewhat unfortunate that some of these demands should have their origin more in politics than in economics.

Government continued its efforts at freeing the democratic processes from the shackles of the Emergency, and restoring the rule of law. The Constitution (Forty-fifth Amendment) Bill, which has been passed by both the Houses of Parliament, is now before the State Legislatures for ratification. Action is being taken on the reports of the Commissions which inquired into the excesses of the Emergency and the alleged misuse of their high positions by certain individuals. The Government proposes to bring forward legislation to constitute Special Courts for trial of offences committed by persons holding high political and public office during the Emergency. The Working Group appointed to study the question of giving greater autonomy to *Akashvani* and *Doordarshan* submitted its report. The Government proposes to introduce legislation on the subject as early as possible.

Over the last few years, the centre of gravity of political processes has been shifting from urban to rural areas. The rising tide of expectations has made the rural community extremely sensitive to economic factors. This shift is also accompanied by an increase in social tensions. The success of our democracy will depend upon our ability to manage this shift, both in political and economic terms, in an orderly manner.

Last year, I had referred to the directional changes being undertaken by the Government by reorienting the strategy of development and launching a frontal attack on the problems of poverty and mass unemployment, particularly in rural areas. The Plan reflects this primary concern of the Government. The basic approach of the Government has been endorsed by the National Development Council.

Considering the role the States are required to play in the development of the country, it is appropriate that they should be enabled to do so financially. The Seventh Finance Commission provided for substantial devolution of financial resources to the States. The Government of India accepted the recommendations of the Commission. The National Development Council directed that a review be made of Centre-State financial relations, having regard to the provisions of the Constitution, and appointed a Committee to go into this. In 1978-79, for the first time since the inception of the planning process, the total of the States' Plan outlays exceeded those of the Centre.

The year 1977-78 witnessed a growth of national income of about 7.4 per cent (at 1970-71 prices) as against 1.4 per cent in the previous year. The high priority accorded to agriculture and rural development has started yielding encouraging results. In the current year inspite of the extensive flood damage in Bihar, U.P. and West Bengal, the *kharif* foodgrains production is likely to be around that of the last year. The output of groundnut, oilseeds, cotton and jute is likely to surpass last year's level. Prospects for the current *rabi* crops are also bright.

Additional irrigation potential of 26 lakh hectares was created in 1977-78, the highest ever achieved by any country in a single year. For the current year the target is 28 lakh hectares. The consumption of fertilisers in 1977-78 recorded a 26 per cent increase over the previous year, and this year too the upward trend has been maintained. The irrigation and fertiliser consumption data underline the success of the policy of increased attention to the agricultural sphere, and with obvious results.

The record level of foodgrains production, which was 125.6 million tonnes last year, has resulted in a comfortable food supply situation. Cereal supplies have been plentiful and their prices stable. The disparity in foodgrains' prices between surplus and deficit areas has narrowed in the absence of restrictions on movement.

Sugar production achieved a new peak of 64.7 lakh tonnes in 1977-78, an increase of nearly 34 per cent over the previous year's record. Consumption of sugar increased by 20 per cent to nearly 45 lakh tonnes. Control on sugar distribution and prices was removed with effect from 16 August, 1978, and thereafter sugar prices declined, benefiting the consumer. A package of measures to protect the growers' long-term interests has been worked out.

The increased foodgrains and industrial production is reflected in price-levels remaining stable and essential commodities and consumer goods being easily available throughout the country. The wholesale price index moved within a narrow range of less than 2 per cent during the greater part of the current year. In fact, the index for April-October, 1978 was, on an average, 1.1 per cent lower than that for the same months of 1977, which itself was a period of relative price stability. Price stability has been achieved through monetary and fiscal discipline, appropriate pricing policies, increased production, availability of essential consumer items' supply like edible oils through imports, and regulation of export of essential commodities. However, there are still certain sensitive commodities like pulses, oilseeds, and cement whose prices and availability are a matter of concern. Programmes for increased production of these commodities have been taken up.

The steps taken by the Government to relax the regime of controls are bearing fruit. The removal of restrictions on movement of foodgrains and

relaxations in the industrial licensing and import policies and procedures have led to benefits both to producers and consumers. A committee is going into the question of further possible relaxations in the regime of controls.

For ameliorating the economic conditions of the rural poor, a significant step taken in 1978-79 was the introduction of the programme of Integrated Rural Development. The new programme attempts to mount a frontal attack on rural poverty through intensification of developmental activity in rural areas. Out of a total of 5,004 blocks, 2,300 have been selected for intensive development, and are to be given special assistance of Rs. 5 lakhs per block for formulating schemes of benefit to the weaker sections, over and above the outlay under the normal development programmes of the block. Such additional assistance will generate gainful employment for the rural unemployed and underemployed, raise their incomes, and nutritional and living standards. Durable community assets will be created, thereby strengthening the rural infrastructure. The Food for Work programme has become a major instrument of rural development and employment. Last year, 2.04 lakh tonnes of wheat was distributed under this programme through the States, while this year 10 lakh tonnes is targeted. Forty crore man-days of work are expected to be created by this year's Food for Work schemes.

A Committee under the chairmanship of Shri Asoka Mehta inquired into the working of Panchayati Raj institutions and suggested measures for a more effective and decentralised system of rural planning and development. Its report is to be discussed with the States in the near future.

Government attaches great importance to speedy implementation of land reform measures. The protection afforded by the Ninth Schedule of the Constitution will be extended to all new land reform laws. Up to November, 1978, 6.48 lakh hectares of land had been distributed to the landless. More than fifty per cent of the beneficiaries belonged to the Scheduled Castes and Scheduled Tribes. The State Governments have been urged to close the gap between declaring of surplus areas and their distribution. Attention of the State Governments has also been drawn to the need for proper maintenance of land records including their updating. Surveys and settlement operations are being taken up on a large scale, and special drives have been undertaken by the States for disposal of pending cases.

Agricultural credit to the weaker sections of the community such as small and marginal farmers, agricultural labourers, rural artisans, tenants, share-croppers, scheduled castes and scheduled tribes has been emphasised. The volume of agricultural credit is expected to be of the order of Rs. 2,215 crores by the end of 1978-79, against Rs. 1,676 crores the preceding year. Over one-third of the total institutional credit is drawn by weaker sections of the community.

In accordance with the National Cooperative Policy Resolution, steps have been taken to see that cooperatives provide the requirements of credit, fertilisers and other agricultural inputs. Cooperatives are also marketing and processing agricultural commodities and providing price support for them. The supply of essential articles of mass consumption at reasonable prices is being done through a large number of cooperative outlets, especially in the rural areas.

In order to create employment opportunities through development of decentralised rural, small and cottage industries, the Government is setting up district industries centres in every district of the country. About 250 such centres have been sanctioned so far, and the rest are proposed to be set up in the coming year. The assistance programmes of the Khadi and Village Industries Commission have been strengthened. The number of items reserved for exclusive development in the small sector has been increased from 504 to 807, and legislation to provide protection to small and cottage industries is proposed to be undertaken.

Government recognises the necessity of making available to the rural community its basic minimum needs in the shape of drinking water supply, rural roads, healthcare, elementary and adult education (especially for women), house-sites for the homeless, and programmes have been approved for all of these. For example, the aim is to provide safe drinking water to over 1,13,000 "problem" villages by March, 1981. Of these, 18,000 villages were covered last year, and 27,000 more are likely to be covered this year. Also, housing for the weaker sections in both rural and urban areas is being provided, and a large amount is being specifically earmarked for rural housing. The scope of the Rural House Sites Scheme, under which 7.46 million landless families have already been given house-sites, is being expanded to provide financial assistance for the construction of low cost houses by these families. I hope that the State Governments will implement the minimum needs programme in right earnest.

A viable production-cum-distribution scheme has been drawn up in accordance with the recommendation of the National Development Council and approved by the Union and State Governments. The scheme consists of a package of measures covering production, procurement, storage, transportation and distribution. The bulk of the beneficiaries of the proposed system will be the weaker sections of society. The scheme will be taken up for implementation throughout the country with effect from 1st July, 1979.

Six new railway lines to serve the transport needs of the north-eastern part of the country have been sanctioned. With these, every State and Union Territory of the region will be connected by the railway system.

Government announced a programme of action to achieve an industrial growth rate between 7 and 8 per cent in 1978-79. This goal is likely to be

achieved, despite widespread floods which seriously affected vital sectors like coal, steel and the railways. Effective monitoring helped overcome bottlenecks, and during April-November 1978, the rate of growth was about 8 per cent. Targets for next year, now under finalisation, will be higher than what is achieved this year. Electricity generation which is up by nearly 13 per cent this year so far over last year, is no longer a constraint, while total steel production is up by nearly 6 per cent over last year. Production of fertilisers, commercial vehicles and aluminium is well over last year's levels. A strategy has already been finalised by the Government to meet the overall requirements of the country in certain hard-core sectors, such as, fertilisers, oil and gas, steel, cement, paper, aluminium and other non-ferrous metals so that the country does not have to face continued shortages in these basic areas of our economic development as in the past. The state of health of the Indian shipping industry is also of concern to Government. In view of its importance, Government has decided to extend assistance to deserving shipping companies to overcome their acute cash flow difficulties. For dealing with industrial sickness generally, Government has laid down a set of guidelines which will govern the taking over of sick units with discrimination, in place of the *ad hoc* approach formerly adopted. A high powered Screening Committee examines all such proposals and recommends appropriate action.

In view of the importance of the textile sector in generating new employment opportunities, an integrated textile policy was announced in August 1978, which lays emphasis on development of handlooms for purposes of meeting the clothing requirements of the masses as well as for generation of further employment opportunities. Arrangements for distribution of controlled cloth have been strengthened, and the NTC has been given the major responsibility for production of cheap cloth. Output of cotton yarn in the first eight months of the financial year increased by over 9 per cent, which is a record. The output of cloth in the mill sector increased by only 2 per cent, which indicates that, as envisaged in the new policy, a major part of the yarn output has gone to increased production in the decentralised sector.

The Industrial Relations Bill now before Parliament constitutes a comprehensive approach to the establishment of sound labour-management relations. The Bill deserves earnest and early consideration by Hon'ble Members.

Government has initiated action to fulfil its undertaking to spread literacy. A massive National Adult Education Programme has been launched to cover 100 million adult illiterates in the next five years. A programme to universalise elementary education within the next decade is also being put into operation. Concurrently, programmes have been initiated to recast the content of education at all stages with a view to making education

functional and related to the lives of the people and the environment. For women, functional literacy programmes are to be undertaken to impart educational and vocational skills to adult women.

The International Year of the Child is being observed in 1979 in accordance with the resolution of the United Nations General Assembly. Government proposes to expand integrated health, nutrition, immunisation and educational services for pre-school children along with functional literacy for adult women and training of child welfare workers. A National Children's Fund is being setup to help voluntary organisations take up programmes for child welfare.

Based on the recommendations of the Kothari Committee and the UPSC, Government has approved a modified system of examination aimed at broadening the base for selection. Under the system there will be a screening test, and candidates will be allowed to write in any of the languages of the Eighth Schedule.

A high rate of population growth reduces the country's economic gains. The Government is determined to pursue the family planning programme vigorously. The urgency of the problem calls for the fullest possible cooperation of the State Governments and the people. The country as a whole must accept the concept of a small family.

Government is committed to the Science Policy Resolution, 1958. The outlay proposed for scientific research in the 1978-83. Plan is Rs. 2,491 crores, which is almost double of that in the Fifth Plan. The Government intends shortly to issue a statement on technology policy.

In our relations with the rest of the world, the Government has steadfastly pursued the policy of non-alignment and positive cooperation with all countries. It is a matter of deep gratification that our foreign policy is better understood now and respected by all countries as contributing to the process of regional and global peace and security.

India's relations with major powers are based on our deep commitment to non-alignment, mutuality of interest, reciprocity and constructive cooperation. The visit of the Prime Minister to Washington in June, 1978 has given further impetus to improved relations between India and U.S.A. While our views may not coincide with those held by them on all issues, we share with the U.S.A. many fundamental values. With the U.S.S.R., we have initiated a programme of long term cooperation and are confident that the multiple links that bind our two countries will be further consolidated during the forthcoming visit of Premier Kosygin to this country. The visit of the Prime Minister to the Headquarters of the European Economic Community at Brussels was similarly productive of greater understanding. Steps have been initiated towards the normalisation of our relationship with the People's Republic of China on the basis of 'Panchsheel.' Hon'ble Members are aware of the recent visit of the Foreign Minister to China.

We are gravely concerned at the latest developments on the Sino-Vietnamese Border which carry the potential to endanger international peace and stability. Fighting should end immediately and, as a first step, Chinese forces should withdraw from Vietnam.

In the international forums and U.N. Conferences we continue to work actively for the cause of disarmament, especially nuclear disarmament. At the special session of the United Nations devoted to disarmament and subsequently in the U.N. General Assembly sessions we have consistently campaigned against the attempt to freeze the international power structure on the basis of nuclear weapon status and we have outlined steps that must be taken to ensure progress towards the goal of complete disarmament under effective international control. We firmly believe that commitment to disarmament is an essential step for setting mankind on the path of peace, progress and sanity.

The Government is seriously concerned about the protectionist measures being adopted by developed countries. These have materially affected the country's exports. The growing trend towards protectionism in the developed countries underscores the need for greater collective self-reliance on the part of developing countries. Towards this end, the Government has taken several initiatives in bilateral and multilateral forums.

The search for an enduring and just peace in West Asia continues to defy solution. India's consistent policy to support the just cause of the Arabs remains unchanged and we continue to hope for a comprehensive solution to the problems of the withdrawal of Israel from all occupied territories and the restoration to the Palestinian people of their inalienable rights to self-determination and to a State of their own. Our economic and technological cooperation with the Arab world has grown both in depth and dimension.

In South-East and East Asia, and the Pacific, we have continued to pursue the existing friendly ties and strengthen economic and technological cooperation between our country and those in this region. Steps have been initiated for a dialogue with the Association of South-East Asian Nations (ASEAN). The importance we attach to Indo-Japanese relations as a factor contributing to general peace and stability is symbolised by the institution of annual consultations at the level of Foreign Ministers.

Our bilateral relations with countries in Africa have been further strengthened through increased economic cooperation. The situation in Southern Africa continues to cause us concern. Hopes raised for a just and peaceful settlement of the problems of Namibia and Zimbabwe were belied by the ambiguous postures and manoeuvres of the racist regimes. However, it is our sincere hope that freedom will come to Namibia and Zimbabwe in the near future. We have continued to extend moral and material assistance to the liberation movements in Southern Africa.

While we shall pursue our policy of peace and cooperation around the world, and especially so with our immediate neighbours, we recognise the need to maintain effective defence preparedness at all times. I am happy to say that the state of morale and training of our Defence Forces continues to be excellent. Steps are in hand to modernise their equipment. In this task, our defence industries continue to play a significant part. Progressive self-reliance and indigenisation are the main goals in their further development.

Hon'ble Members, in what I have outlined, there is considerable evidence to justify hope and confidence about sustained progress of this country towards building up a just social and economic order provided there is unity of effort to achieve this goal. While there may be different approaches, we should strive for identity of purposiveness in our efforts and avoid actions, postures and pronouncements which would be self-defeating from the point of view of achieving our national goals. In this spirit of unified national endeavour I commend to you the business of this session and wish you all success.

Jai Hind.