

ADDRESS TO PARLIAMENT—16 FEBRUARY 1981

Lok Sabha	—	Seventh Lok Sabha
Session	—	First Session of the Year
President of India	—	Dr. N. Sanjiva Reddy
Vice-President of India	—	Shri M. Hidayatullah
Prime Minister of India	—	Smt. Indira Gandhi
Speaker, Lok Sabha	—	Dr. Bal Ram Jakhar

HONOURABLE MEMBERS,

It gives me great pleasure to welcome you to this session of Parliament, the first in the year 1981. You have a heavy and important schedule of business ahead of you. Let me extend my best wishes for the successful completion of your budgetary and legislative business.

In the thirteen months since assuming office, Government have gone ahead with speed and determination to repair the damage caused to the national economy by three years of drift and lack of direction. Anti-inflationary policies were vigorously pursued. The focus of these policies was the augmentation of domestic supplies through higher production, better capacity utilisation, improved performance of infrastructure, imports of essential commodities and curbing of anti-social activities which affect domestic supplies. The public distribution system was strengthened and adequate supplies of essential commodities were ensured. Selective monetary and credit policy brought monetary expansion under control. The result has been a significant slowing down of the inflationary rate from 23 per cent to 15 per cent.

The unprecedented drought of 1979-80 created a very difficult situation. To avert its disastrous consequences, the Central and State Governments mounted a massive relief operation. This included the supply of foodgrains, provision of drinking water and vigorous implementation of the food for work programme. It goes to the credit of all concerned that such a gigantic task was successfully accomplished.

In 1979-80 production of foodgrains went down by as much as 23 million tonnes. Production of sugarcane and oilseeds also declined. This Government devoted greater attention to agricultural production programmes in 1980-81.

Fertilizers, pesticides and improved seeds were made available. Irrigation facilities were augmented. These measures helped ensure substantial increases in production of *kharif* crops like cotton, jute and sugarcane. The production of nearly 79.5 million tonnes of foodgrains during *kharif* was an all time record. Prospects of the current wheat crop are promising.

Other sectors of the domestic economy are also showing clear signs of recovery. The upturn in industrial activity, which started in June-July 1980, gathered momentum in the second half of the fiscal year. As against a 0.1 per cent drop in production in June, 1980 over June, 1979, there was an increase of 10 per cent in January, 1981 over January, 1980. Significant gains have been registered in the production of key commodities. Power generation is expected to rise by 6 per cent. Coal production is already about 8 per cent higher than the level achieved during the corresponding period of the last year. Railways are now operating at a higher level of efficiency and are speeding up the movement of essential commodities. National income is anticipated to increase by about 6.5 per cent during 1980-81.

Our economy cannot be insulated from the impact of external inflationary pressures. The balance of payments position continues to cause concern. The full impact of the sharp increase in oil prices since 1979 has been felt only during 1980-81. Because of this and other price increases affecting the country's essential imports, total imports registered a sharp rise from Rs. 6,800 crores in 1978-79 to Rs. 8,500 crores in 1979-80 and will exceed Rs. 11,000 crores in 1980-81, trade deficit in 1980-81 is thus likely to increase considerably.

Government are taking steps to increase exports and achieve import substitution to the maximum extent possible. Measures taken to augment production for exports include permitting export production in excess of capacity, favourable treatment for the import of technology for such production and incentives to cent per cent export oriented units. Government have decided to set up an Export and Import Bank to help improve credit availability for exports.

The climate for industrial investment and growth has been improved. Investment limits for small scale and ancillary industries have been raised, the facility of automatic growth extended to more industries, and licensing and approval procedures, streamlined. Other steps include maximisation of production and employment generation, correction of regional imbalances, strengthening of agro-based industries, and faster development of export-oriented and import substitution industries. A new strategy for backward area development has also been evolved.

Six more banks were nationalised and the banking system was required to actively provide financial support to the implementation of the 20-Point Programme which has been activated specifically for the uplift of the weaker sections.

Government are firmly committed to safeguarding the interests of farmers. Prices of foodgrains, sugarcane, pulses, cotton, oilseeds and other commodities have been raised. Marketing support in the post-harvest period was ensured through procurement operations.

The policies of decontrol adopted by the previous Government led to drastic reduction in the production of sugarcane and sugar. As a remedy Government enhanced the cane prices payable to farmers, provided incentives to new factories and expansion projects, rationalised the pricing formula with due regard to the needs of the weaker units and constituted a development fund. As a result of the various steps taken, sugar production in the year 1980-81 increased substantially.

A major area of concern has been the inadequate growth of oilseeds production. Apart from intensification of oilseeds production in about 100 selected districts of the country, two specific projects have been approved for execution during 1981-82 relating to soyabean and groundnut development. A major effort is also being made to expand summer irrigated groundnut in the command of selected irrigation projects. Various other measures to improve oilseeds production will also be taken.

The economy is on the road to recovery but there is no room for complacency. Demands for higher prices and incomes by various sections aggravate inflationary pressures. Such demands also lead to reduction of resources available for investment and growth. It is thus necessary both in the national interest as well as their own self interest for all sections of the community to exercise restraint in demanding higher incomes and prices.

The Sixth Plan has been formulated in record time, restoring a sense of dynamism to the development process. It provides for an acceleration of the various programmes and an outlay of Rs. 97,500 crores. The Plan seeks to reconcile the requirements of growth and stability, to strengthen the impulses of modernisation, to achieve self-reliance, to reduce inequality, to generate employment and to progressively reduce poverty.

The programme content of the new Five Year Plan has been devised to adequately subserve these objectives. Apart from the necessary provisions in the public sector plan for infrastructure sectors like coal, energy, irrigation and transport, high priority has been given to agriculture and rural development. Additional irrigation potential of about 14 million hectares will be created during the plan period. Social forestry is being given due emphasis. Programmes for the proper growth of cottage, village and small industries have been adequately taken care of. Provision has been made for social services, keeping in view the needs of women and of the socially depressed and economically backward classes. It has also been ensured that the tempo of programmes relating to education, health and family

planning is effectively augmented. The programme for safe drinking water in rural areas will be accelerated.

Conscious of its commitment to equity based growth, central assistance is being provided for the first time to the special plan for scheduled castes. The quantum of assistance for the tribal sub-plans has also been increased. Programmes of direct productive benefit to the poor, which involve the transfer of assets, provision of inputs, credit, training and services, and the generation of wage employment through the National Rural Employment Programme are being undertaken.

The world energy crisis highlights the need for greater self-reliance on internal sources. A massive programme of oil exploration has been embarked upon which will cover both onshore and offshore areas. Exploitation of other traditional sources such as coal and nuclear energy will also be accelerated.

To increase the availability of renewable and other new sources of energy like solar, tidal and wind, the Government have decided to constitute a Commission for new and renewable energy sources. Government are also initiating measures for evolving a long-term energy policy to eliminate waste, to regulate energy consumption, to diversify sources of energy and expedite exploration of oil and other energy sources. Government will also take steps to economise on oil consumption.

Government are aware that optimum utilisation of our sea resources is important for our future economic development. Since a multi-disciplinary approach is required to exploit the vast resources of the ocean, appropriate institutional arrangements are being worked out.

In Science and Technology, the country reached an important milestone in the peaceful uses of outer space with the successful launching of SLV-3 in July last from Sriharikota. A 35 kg. Rohini satellite was put into orbit. Another major step will be the launching of the Indian National Satellite (INSAT) early in 1982. Steps to get the ground systems ready for the use of this operational satellite are well under way. The Space Profile for the decade 1980-90 has been approved.

Government are fully committed to the preservation of the environment. A Department of Environment has already been created. The protection of forests against indiscriminate exploitation is sought to be achieved by making full use of recently enacted legislation.

In order to link the outlying areas to the trunk routes of Indian Airlines, Government has set up "Vayudoot" to operate feeder air services. This Company will initially operate in West Bengal and the North Eastern States and territories. It began operations on 26th January, 1981.

The year 1981 is the International Year of Disabled Persons. Government have drawn up a plan of action for its observance. This will lead to better awareness of the problems of the handicapped and also help them to make useful contribution to society. It is proposed to expand services for the physically handicapped and to take measures for their treatment, education, training, rehabilitation and placement.

Economic growth and social development can flourish only in an orderly environment. The situation had deteriorated considerably because of communal disharmony, caste conflicts, extremists' activities, atrocities on scheduled castes and scheduled tribes, minorities and other weaker sections of society and a general tendency on the part of various interested parties to engineer agitations on different issues. Secessionist activities and regional movements have also aggravated the situation in some parts of the country. All these have resulted in hardship to the people and monetary loss to the nation.

Several administrative and legal steps were, therefore, taken by Government during the last year to control lawlessness and to maintain peace all over the country. The National Integration Council has been reactivated. In the recent past, improvement in the law and order situation has been noticed. It is hoped that with the co-operation of citizens from all walks of life and of all political parties the situation will steadily improve.

The Government have exercised the utmost forbearance and made earnest efforts at various levels to find an early solution to the problem of 'foreigners' in Assam. Several rounds of discussions have been held with the representatives of the agitating organisations, minorities, tribals and leaders of political parties, both at the National and State levels. It is a matter of great regret that despite its conciliatory and constructive approach the agitation has not been called off. The Government will, however, continue their efforts to find a solution acceptable to all concerned.

Hon'ble Members, I now come to our relations with other countries. As we enter the eighties, we apprehend increased threats to the process of *detente* between the big powers. Events in Afghanistan, West Asia and growing military activities in the Indian Ocean involving the big powers have seriously affected our security environment. Government are determined to continue their endeavour to strengthen the forces of tolerance and understanding. India's commitment to peace, apart from being deep-rooted in its ethos and traditions, arises from a perception that reason rather than military force, fair play rather than economic manipulation should be the fundamentals on which the international system should be built. Consistent with this ethos, Government will continue to work for the defusing of tensions and the creation of conditions in which mankind can prosper and live in peace.

We were happy to host the recent meeting of the non-aligned Foreign Ministers in New Delhi. The relevance of the Policy of non-alignment was reaffirmed, and the unity and solidarity of the Movement to which we are deeply committed was consolidated at the meeting. The conclusions reached as well as the New Delhi Appeal issued by the Special Session commemorating the 20th anniversary of the first Summit, demonstrated the continuing determination of the non-aligned countries to make a positive contribution to world peace and progress. The Conference reiterated not only certain basic principles which should govern relations between States but also its opposition to any form of outside interference in the internal affairs of any country. We were happy that in the final declaration of the Conference the demand for the establishment of Zone of Peace in the Indian Ocean was reiterated. Thereby the demand of the littoral states made almost ten years ago was endorsed.

The continuing conflict between Iran and Iraq, two countries with which we have the friendliest of relations has been causing concern. We have participated in and supported all processes which can culminate in a solution honourable to both countries. Government intend to pursue these efforts in the larger causes of peace and non-alignment.

The exchange of visits at the highest level with the Soviet Union has further strengthened our time-tested friendship. Our relations with other East European countries have also grown in volume and variety. The evolving pattern of these relations confirms our conviction in the principles of peaceful co-existence. This reinforces our belief that international peace and stability can be nurtured by countries with differing socio-political systems and ideologies co-operating with one another.

With the USA, we share common values and ideals. It will be our endeavour to strengthen the existing multi-faceted relationship between the two countries. We are heartened at the emergence of a new mutuality of interests with countries of Western Europe, with whom we expect to expand our relations in all spheres.

The Government and people of India were happy to welcome in their midst, last September, the Commonwealth heads of States and Governments belonging to the Asian and Pacific Region. We had meaningful discussions with them on issues of importance to us all.

Consistent with the imperatives of history and geography our relations with our neighbours have continued to develop in a spirit of mutual trust, advantage and good neighbourliness. Government are determined to further develop and consolidate these relations on the basis of equality, reciprocity and mutual benefit so that the peoples of this subcontinent can live in peace and harmony.

From our side, we have made it amply clear that we are determined to expand and strengthen the process of normalisation of relations with Pakistan set in motion by the Simla Agreement. It is our earnest hope that our neighbour will also exert the political will to pursue this path and continue the healthy trend towards settling differences bilaterally and in a spirit of mutual accommodation and reciprocity.

Our willingness to further normalise our relations with China and to discuss all outstanding problems has been made clear repeatedly. We hope that Chinese will demonstrate their willingness to reciprocate.

The visit of Mr. Yasser Arafat and India's granting of full diplomatic status to the PLO mission in New Delhi was in continuance of our support to the just struggle of the people of Palestine for the attainment of their inalienable rights.

The conferment of the 1979 Jawaharlal Nehru Award for International Understanding to the hero of the freedom struggle of South Africa, Nelson Mandela, was symbolic of India's commitment to the cause of the people of South Africa. We rejoiced in the independence of the people of Zimbabwe; we remain steadfast in our support to the cause of the freedom of Namibia. Our relations with other African countries remain close and friendly.

The recent visit of the President of Mexico has added a new dimension to our relations with Latin America. It is our endeavour to build further bridges of understanding and co-operation with the people of Latin and South America.

The international economic situation has further deteriorated. The discussions relating to the Second United Nations Development Decade came to naught and the prospects for bringing about a new international economic order do not appear bright. The developing countries are in a serious predicament in regard to the availability of resources and technologies. It is only by co-operation and mutual give and take that a better future for all can be ensured.

Hon'ble Members, from what I have outlined, it is clear that the country is over the hump, economically and socially. The damage caused to the national economy has been repaired to a large extent, agriculture is expected to reach record levels of production, and the law and order position is better. With unity of effort there are immense possibilities of sustained progress to build a just social and economic order. In a country as large and diverse as ours, there will always be differences of approach. To optimise national endeavour it is necessary to strive for identity of purpose, to harmonise differing points of view in a spirit of accommodation and not to fritter away our energies in fruitless controversies and conflicts.

In the the present session, besides dealing with the pending business, a large number of fresh legislative measures will come up for your consideration. Among these are the Export-Imports Bank Bill, 1981 and the Constitution Amendment Bill, 1981 for redefining the expression "tax on sale and purchase of goods" in the Constitution.

May I urge all sections of the House to approach the urgent and onerous tasks facing the nation in a spirit of co-operation while keeping in mind the need to serve the interests of our people. I wish you all success in your efforts.

Jai Hind.