

## ADDRESS TO PARLIAMENT—20 FEBRUARY 1986

<b>Lok Sabha</b>	—	<b>Eighth Lok Sabha</b>
<b>Session</b>	—	<b>First Session of the Year</b>
<b>President of India</b>	—	<b>Giani Zail Singh</b>
<b>Vice-President of India</b>	—	<b>Shri R. Venkataraman</b>
<b>Prime Minister of India</b>	—	<b>Shri Rajiv Gandhi</b>
<b>Speaker, Lok Sabha</b>	—	<b>Dr. Bal Ram Jakhar</b>

HONOURABLE MEMBERS,

It gives me great pleasure to welcome you to this first session of Parliament in 1986. I felicitate the new members.

The year has seen Parliament transact its business in a purposeful manner and in an atmosphere of cooperation. I extend to you all my best wishes for the successful completion of the budgetary and legislative business that lies ahead.

In July 1985, the Government took a major initiative to resolve the complex and difficult problems in Punjab. Our prime concern was to strengthen the forces of unity and integrity. Policy was governed by the perspective of serving the highest national interest. The democratic process triumphed over terrorism. The peaceful elections in Punjab testified to the desire of the overwhelming majority of the people for peace and normalcy in the State.

A great responsibility rests on those who have secured the mandate of the people. Their supreme task is to isolate those who are resorting to violence to disturb communal harmony and peace. In this task they will have the support of all political forces committed to the unity and integrity of India. There cannot be, and must not be, any compromise with the forces of disintegration. It is imperative that all secular and democratic forces join hands in a mass campaign to safeguard the values enshrined in our Constitution-nationalism, secularism, democracy and socialism-the bedrock of India's unity.

The Assam settlement was followed by elections to the Legislative Assembly and the Lok Sabha. A new Government has taken office.

Government are committed to the fullest implementation of the Punjab and Assam Accords.

Government express their deepest sympathy with the families of all those who lost their lives, or were injured, or suffered loss of property in violent incidents in different parts of the country. Violence in public life is the very antithesis of the ethos of our civilization. The frequent resort to violence to settle what are perceived as grievances of one group or another should deeply disturb those who uphold democratic values. While governments must firmly put down violence wherever it may occur, it is essential that political parties committed to democratic values should deal with the root causes of violence through purposive and sustained work among the people. The temptation to seek short-term advantages from communal and other types of violence must be eschewed.

Communalism continues to pose a serious threat to national unity. It is being reinforced by religious fundamentalism and fanaticism. These trends represent a reactionary social outlook, directed against the struggle of the poor and the underprivileged against the vested interests. The reconstituted National Integration Council will have to act decisively and systematically to strengthen secularism.

In my Address on January 17, 1985, I had outlined the major policies and programmes of the Government. I recapitulate the main points:

- (i) Commitment to a clean public life;
- (ii) Administrative reforms;
- (iii) Judicial reforms;
- (iv) A new national education policy;
- (v) A new national programme for women;
- (vi) Participation of youth in programmes for promoting national integration and achieving excellence;
- (vii) Establishment of a Wasteland Development Board;
- (viii) Formation of a Central Ganga Authority;
- (ix) A new textile policy; and
- (x) Thorough examination of safety measures for industrial establishments.

My Government have fulfilled in substantial measure the tasks they had set for themselves for the past year.

The anti-defection Act is now on the statute book. Contributions to political parties by the companies have been permitted by law. Government have endeavoured to set a new tone in public life. This has strengthened

national confidence. A strong sense of involvement in public affairs among all sections of the people and a buoyant spirit have characterised the year that has gone by. We have to build on these assets to raise the standards of public life.

Vigorous steps have been taken to combat corruption and to improve the performance of the public services. Strong emphasis has been laid on sound personnel management and training of personnel at all levels. Machinery for redressal of public grievances is in place. Its results are being continuously evaluated. A new Ministry has been set up to monitor the implementation of various programmes. All Departments of Government have been directed to formulate detailed action plans for the coming financial year, against which their progress will be judged. Administrative reform is a continuous process. Detailed exercises are underway to reorient the system to speedier decision making and better implementation.

Government are determined to eliminate delays in dispensation of justice. The experiment of Lok Adalats has proved that an innovative approach is required to cure this malady. The establishment of Administrative Tribunals will also lighten the burden of the courts, enabling them to devote more time to the liquidation of arrears. However, these are just the first steps in tackling the basic problem of making justice inexpensive and easily accessible to the poor. Drastic changes are needed. Government have entrusted to Law Commission the task of recommending such changes.

Government published in August 1985, a status paper entitled "The Challenge of Education". This was intended to stimulate wide and intensive national debate on issues and alternatives. Government note with satisfaction that the debate has involved all sections of the people and many useful ideas and approaches have emerged. A draft of the new Education Policy will be presented shortly to Parliament.

Government have set up a new department to look after the development of women. A comprehensive national programme for women is being worked out. It will aim at enabling women to play their full part in developing a strong and modern nation.

Programmes for youth development have made considerable headway but much more has to be done in this area.

The Wasteland Development Board has been set up and has started work on an ambitious programme of afforestation. In a recent meeting, all the State Governments endorsed an integrated approach to a National Land Use Policy as well as the strategies and policies for wasteland development.

The Central Ganga Authority has come into existence. With the cooperation of the concerned State Governments, work has started in full swing on stopping the pollution of the Ganga.

A new textile policy was announced in June 1985. It aims at production of cheaper cloth for the people. An equally important objective of the policy is to protect the interests of handloom weavers. It is envisaged that in the Seventh Plan the entire production of 700 million sq. metres of controlled and Janata cloth will be transferred to the handloom sector. The Handlooms (Reservation of Articles for Production) Act, 1985 has been passed to strengthen this vital sector which provides livelihood to millions. Steps are being taken to ensure full and efficient implementation of the policy.

Government have completed examination of issues relating to industrial safety and management of hazardous substances and legislation will be introduced in this session of Parliament.

Government will establish seven zonal cultural centres-three have already been set up-to promote a sense of cultural cohesion. These centres, cutting across territorial and linguistic boundaries, would project the rich diversity of regional cultural traditions and their underlying unity. They would take the best of our culture to the masses, harmonising it with their lives and struggles. Their essential thrust would be to break the artificial barriers created during the colonial era between the masses and the living tradition of India's age-old culture in all its forms. The centres will also aim at revitalising folk art which has enriched the country's cultural life.

I would now refer to the major trends in our economy.

The Seventh Five Year Plan was approved by the National Development Council. The basic strategy of the Plan is cast in a longer term perspective of eradication of poverty and building a strong, self-reliant and modern economy. The Plan sharpens the focus on the anti-poverty programmes which will have an expanded coverage. It also envisages adequate investments in the core sectors to strengthen the growth potential of the national economy.

The fulfilment of the Plan requires total commitment and determination to mobilise adequate resources for investment. To translate the vision of a strong, prosperous, self-reliant India into reality requires unremitting toil and capacity to sacrifice and to bear hardship. Adequate savings have to be mobilised to pursue a non-inflationary path of development. More importantly, these savings have to be used effectively. The challenge has to be met. There are no shortcuts to development, no alternatives to hard work.

Vigorous implementation of anti-poverty programmes yielded significant results. The Sixth Five Year Plan aimed at assisting 15 million families under the Integrated Rural Development Programme; 16.6 million families were actually covered, of which 6.4 million belonged to the Scheduled Castes and Scheduled Tribes. These programmes are being strengthened and surplus foodgrains stocks will be used in 1986-87 to expand the National

Rural Employment Programme and the Rural Landless Employment Guarantee Programme to cover one million additional families. An amount of Rs. 100 crores has been provided annually during the Seventh Five Year Plan for the construction of housing for the Scheduled Castes/Scheduled Tribes and freed bonded labour.

By the end of March, 1985, of a total of 2.31 lakh problem villages lacking safe drinking water supply, 1.92 lakh villages had been provided with at least one source of water supply. During 1985-86 the programme was further accelerated.

In 1985-86, agriculture continued to make steady progress. In November, 1985, foodgrains stocks with Government were higher by nearly 15 per cent over 1984. This has enabled Government to launch a scheme for distributing wheat and rice at specially subsidised rates in tribal areas and to other vulnerable sections, especially the Scheduled Castes, expectant mothers, children, etc. A comprehensive crop insurance scheme has been introduced in specified areas for the *kharif* crop. Government are considering further expansion of such schemes.

During the first seven months of 1985-86, industrial production grew at the rate of 6.3 per cent. The policy initiatives of Government have created a buoyant investment climate. The infrastructural industries have performed well. Compared with the first nine months of the last year, power generation was up by 8.2 per cent; saleable steel production by 12.9 per cent; fertilizer production by more than 10 per cent. Our ports handled 13.2 per cent more cargo and the railways created an all time record in freight traffic movement.

In 1985-86 Central Plan outlays were stepped up by 15 per cent over 1984-85, specially on anti-poverty programmes, human resource development, and infrastructure. There was considerable increase in the outlays of State Plans. Government will have spent in 1985-86 Rs. 1650 crores on food subsidy and ₹ 2050 crores on fertilizer subsidy. Public distribution system was strengthened and prudent management of supplies prevented shortages. It is gratifying that a significant increase in public investment was achieved.

Tax collections have been buoyant, belying gloomy forebodings. The collection of direct taxes is up by about 23 per cent compared to the corresponding period last year. Indirect tax collection has increased by 22 per cent. Total tax collections have increased by 22 per cent which is the highest in the last decade. An effective drive was launched against tax evaders, smugglers and blackmarketeers. Action has also been taken against personnel found guilty of colluding with economic offenders. Government are determined to cleanse the economic life and to fight the evil of black money.

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For the first time, a long-term fiscal policy co-terminous with the Five Year Plan has been announced. A long-term direction to economic policy has been provided. Government are confident that the policy will ensure economic growth and speedier expansion of productive investment and employment opportunities.

It is necessary to focus attention on the structural problems of the economy to further our basic objective of growth with social justice. India's development depends upon steadily rising levels of public investment. How are these investments to be financed? Massive investments made in the previous Plans must yield adequate returns. Costs of production have to be reduced. Every paisa of national savings has to be put to the most productive use. Otherwise it will be difficult to find real resources for the larger and larger investments required for maintaining the tempo of self-reliant growth, for enlarging our anti-poverty programmes and for preserving our economic independence. Sooner or later, sooner rather than later, we have to face the realities of the situation. No one should be under the delusion that growth, social justice, price stability and self-reliance are achievable without efficiency, discipline and sharing of burdens. Contemporary history warns us of such pitfalls.

We must reduce the costs of our inputs and prices of final products and services. We cannot afford the luxury of pricing ourselves out of both the domestic and the export markets. A modern industrial society cannot rise on the basis of continuing low levels of productivity and high costs of production. New jobs cannot be created if existing enterprises incur losses year after year. Operational inefficiency increases the cost of production and is inevitably reflected in increased prices which are a burden on the people. It raises costs all round, reducing real investment.

The future of the planning process depends on our capacity to face up to difficult questions and to take hard decisions, decisions that may involve sacrifices but without which forward movement will not be possible. Growth is absolutely vital to raise the standards of living of the poor. Can we evade decisions that protect and strengthen this development process? Nations are built by generations that sacrifice for a better tomorrow.

The balance of payments position poses a similar challenge. Our exports have remained sluggish in 1985-86 but our imports have increased. The imports of petroleum products and edible oils are well above the limits the country can afford. The question basically is whether we want to stand on our own feet or not. If we do, there is no question that we have to curb the growth of consumption of petroleum products and we have to be self-sufficient in oilseeds. We also have to have a fresh look at our imports of capital goods. We do not want to shut out new technology because that will harm us, but we have to make sure that such technology meets the rigorous

criteria of essentiality. External financial flows are needed but Government are determined that India is never at the mercy of foreign banks and institutions. Economic independence and self-reliance are central to our philosophy of development. We shall pay whatever price is required to maintain our economic independence.

The primary objectives of our foreign policy continue to be the promotion of non-alignment, advocacy of peace and nuclear disarmament, enlarging the area of friendship and cooperation and building of a just world order.

We welcome the resumption of high level dialogue between the USSR and USA. It is imperative to take urgent steps to bring about a freeze in the nuclear arms race and a comprehensive nuclear weapon test ban treaty. The Six-Nation initiative has called for these measures. The Delhi Declaration of January, 1985 has had a good impact on public opinion throughout the world. The leaders of the six countries are in touch with one another about further steps.

During the last one year the atmosphere in the subcontinent has distinctly improved. We have succeeded in making progress with our neighbours in many fields. But we remain concerned about the ethnic situation in Sri Lanka and Pakistan's continued pursuit of a nuclear weapon capability. We remain convinced that the situation in Sri Lanka can be settled only through political means; attempts to seek a military solution will fail and will only result in the loss of a large number of innocent lives.

The Government welcome the establishment of South Asian Association for Regional Cooperation (SAARC) launched in Dhaka in December, 1985. We expect that it will help strengthen forces of friendship and cooperation in our region.

The Government have made untiring efforts towards the resolution of the major areas of tension. At the Commonwealth Meeting in the Bahamas in October, in which the Prime Minister participated, our delegation played a leading role in the adoption of the Commonwealth Accord on South Africa. We continue to demand comprehensive mandatory sanctions against the racist regime in South Africa. If the authorities there, and other Governments in a position to influence South Africa, do not act in time, violence on large scale will become unavoidable.

The Prime Minister also attended the 40th anniversary of the United Nations. The Nassau Declaration on World Order, adopted by Commonwealth leaders, contained a strong plea for adherence to international norms and principles and the strengthening of the United Nations. Support for the United Nations system is one of the corner-stones of our foreign policy. We are concerned at the growing threat to the multilateral institutions and the increasing tendency to resort to unilateral action. Government support

international efforts to combat international terrorism, while recognising the rights of people under colonial occupation to use all means to attain their just objectives.

The Government deplore the fact that the Palestinian people continue to be denied their inalienable rights, including the right to an independent homeland of their own. Until this basic problem is tackled, West Asia will not see a lasting peace.

The Prime Minister paid official visits to the USSR, Egypt, France, Algeria, the USA, Bhutan, the UK, Cuba, the Netherlands, Vietnam, Japan, Oman and Maldives. Our traditionally close and friendly relations with the USSR have been further strengthened following the Prime Minister's discussions with Soviet leaders in Moscow. The visit to the USA has significantly enlarged the content of our bilateral relations with the USA. The Prime Minister visited Dhaka to express our solidarity with the people of Bangladesh during the cyclone disaster and participated in the meeting of Heads of State and Government for launching the South Asian Association for Regional Cooperation. The Prime Minister addressed the UNESCO during his visit to France. He addressed the annual conference of the I.L.O in Geneva. We had the privilege to host visits by the Kings of Nepal and Bhutan, the Queen of the Netherlands, the Presidents of Mexico, Maldives, SWAPO, Sri Lanka, Tanzania, Indonesia and Pakistan, the Chairman of PLO, the Head of State of Ethiopia, and the Prime Ministers of Poland, Yugoslavia, Mauritius, Britain, New Zealand, People's Democratic Republic of Yemen and Trinidad & Tobago. The Crown Prince and Princess of Norway and the Pope also visited India.

Let me now outline some priority areas for 1986-87 and beyond.

The need of the hour is to enable the poor to better their lives. Science and technology have to support this fundamental objective. To this end, Government are mounting technology missions in the following areas:

- (i) Drinking water for all villages;
- (ii) Eradication of illiteracy;
- (iii) Vaccination and immunisation of children;
- (iv) Production of oilseeds and manufacture of edible oils;
- (v) Improved communications.

In the course of the year more thrust areas will be identified with the object of using technology for improving productivity in industry and agriculture. In selected areas science and technology missions will endeavour to place India in the front rank of scientific activity.

A comprehensive agriculture policy will be formulated to promote an optimal cropping pattern, to improve water and soil management, to increase productivity of all crops, to enhance the incomes of small and marginal

farmers and to enlarge our hard-won self-sufficiency in foodgrains through higher production of oilseeds and pulses. A time-bound action plan will be drawn up to take the green revolution to the eastern region.

It is gratifying that a national consensus has emerged on treating water as a national resource. Government attach high priority to the evolution of a national water policy which would optimise the use of water for agricultural, industrial and other social needs.

Government have carried out an in-depth analysis of our family planning programmes. Profiting from the experience of the past, a more effective strategy for family planning is being worked out and will be announced shortly.

The focus on anti-poverty programmes will be sharpened. A new programme, which builds on the success achieved by the revised 20-Point Programme is being formulated and will be announced soon. It will bring together all the elements, policies and programmes for a major national effort to tackle the problem of mass poverty in all its manifestations, specifically the problems of Scheduled Castes and Scheduled Tribes. Programmes for the social, economic, educational and cultural development for the Scheduled Castes, Scheduled Tribes and other weaker sections will be vigorously implemented. The implementation of the 15-Point Programme for the development of minorities, with special emphasis on increasing economic opportunities, will be closely monitored.

To rapidly increase employment to stimulate development in backward areas and to enhance the efficiency of Indian industry to serve the masses better, a more comprehensive framework of industrial policy is required. Many changes have already been made in our industrial policy which now reflects the new thrust for modernisation, absorption of new technologies and promotion of indigenous technologies. High cost and inefficient industry hurts the poor, because it absorbs resources that are needed to create new jobs for them. A vast increase in the production of goods and services for the masses in rural and urban areas is central to our strategy for the removal of poverty. This necessitates a fresh look at policies governing scale of production, capacity utilisation, the role of indigenous technology, labour productivity, the detailed regulatory mechanism, the future perspectives for small and medium industry and the existing administrative and management apparatus. Industry must serve the large masses.

To meet the challenge of maintaining a viable balance of payments position, a major thrust for promotion of exports and tourism is called for. Any slackening of progress on this front will jeopardise our overall development strategy. Government will take new initiatives in this critical area.

It is imperative to effect changes in our administrative system to bring it in tune with the objective of growth with social justice. Management in Government has to be imbued with a new social outlook. It is not a question of imposing something from above. The impetus to reform must come from within. The national community as a whole must debate issues affecting the working of the administrative system. A concrete agenda of action will thus emerge for implementation. Our watchwords must be improvement of efficiency and enforcement of accountability.

To safeguard the health and vitality of our basic political institutions, changes will be needed in our electoral and other laws. Government will hold wide-ranging consultations with the leaders of political parties with a view to formulating concrete proposals to ensure cleaner public life.

The vision of a mighty India will be realised only in the actual lives of men and women who have strength of character, tenacity of purpose and commitment to excellence. Government's strategy for human resource development aims at developing these qualities in our national life. The new education policy will be an integral part of this strategy. It will aim at the physical, intellectual, cultural and moral development of society in a harmonious fashion.

It is not enough to state objectives. A national mobilisation is essential to ensure that the resources required to implement the education policy are forthcoming. Even more important is the involvement of the youth, students, teachers, the intelligentsia, workers and farmers in giving a new direction to the national effort in this area. Education has to be transformed from an activity in the classroom to a social process for building the India of our dreams. It has to be integrated more closely, both with production and our commitment to conserve and enhance our cultural heritage—to make us proud to be Indian.

The years ahead are years of challenge. Government have taken a number of measures to accelerate growth, to modernise the economy and to give new content to our programmes for achieving social justice. It is imperative to impart a sense of urgency to the task of implementation.

Much has been achieved this past year, and the hopes and expectations of our people are high. As their representatives, you have the onerous duty to fulfil their aspirations. Above all, people's representatives and organisations of all political persuasions should work together to strengthen the secular and democratic foundations of our society. The forces of violence and fanaticism have to be fought. The economic capabilities we have built up since independence have brought us to a point where determined and concerted efforts to take us forward and to remove poverty are feasible. Now is the time to ensure greater political cohesion so that the battle against poverty and backwardness can be won. I wish you all success in the tasks ahead.

Jai Hind.