

## ADDRESS TO PARLIAMENT—21 FEBRUARY 1991

Lok Sabha	—	Ninth Lok Sabha
Session	—	First Session of the Year
President of India	—	Shri R. Venkataraman
Vice-President of India	—	Dr. Shanker Dayal Sharma
Prime Minister of India	—	Shri Chandra Shekhar
Speaker, Lok Sabha	—	Shri Rabi Ray

HONOURABLE MEMBERS,

It is my privilege to welcome you to this new session of Parliament. I wish you the very best for the successful completion of the budgetary and legislative business before you.

You are meeting at a time of great stress and challenge. The unity and integrity of the country are under severe threat. Communal and fissiparous elements pose a menace to the nation. The economic situation is a difficult one. Inflation and an adverse balance of payments position, aggravated by the Gulf crisis, are matters of grave concern. The post World War II structure of international relations has undergone a profound transformation and the new evolving pattern will pose fresh challenges for us. The situation with which we are faced demands, more than ever before, that the people of India come together as one to lift the country out of its present crisis and set it on the road to prosperity and progress. We must set aside internal differences, and petty squabbles, all that is narrow, selfish and divisive and rise as one people in the interest of our nation. In these difficult times we must reaffirm our commitment to the basic principles—democracy, secularism and socialism—the very pillars of our nationhood.

The overall law and order situation in the country deteriorated last year. Violence in Jammu and Kashmir and Punjab has continued. There was a sharp rise in the activities of the ULFA in Assam. The communal scene deteriorated during the second half of the year and caste violence also increased. Andhra Pradesh and Bihar remained affected by extremist violence.

The situation in Punjab is being constantly reviewed. The Government shares the grief and sorrow of all those who have been victims of the senseless violence unleashed by terrorists. Government is determined to

put down terrorism and secessionism with a firm hand. Security measures have been tightened with a view to curbing terrorism and restoring peaceful conditions. Intensive combing operations are being undertaken. Steps have been taken to check infiltration and smuggling of arms and ammunition from across the border. Government is of the opinion that the Punjab problem needs a political solution and has therefore taken a number of initiatives. Apart from holding discussions with political parties, Government proposes to hold discussions with even the militants for the purpose of drawing them into the mainstream of peaceful, democratic activities.

In Jammu and Kashmir, secessionists and certain fundamentalist elements, aided and abetted from across the border, have been carrying out terrorist and subversive activities for quite some time. Government feels that if extraneous assistance to the extremists is eliminated a great deal of subversive activities in Jammu and Kashmir will abate. Government hopes that the dialogue with our neighbouring country will bring about a change in the situation and lead to a restoration of normal life in the State.

During the year there was an increase in the secessionist activities in Assam. A situation was created in which elections to the State Assembly could not be held in a free and fair manner and the Government of the State could not be carried on in accordance with the provisions of the Constitution. President's Rule was therefore, imposed and the State Assembly was suspended. To deal with the secessionists, the State of Assam was declared a "disturbed area" and ULFA declared an unlawful association. Army and Central para military forces have been deployed with visible success. Elections will be held as soon as conditions become conducive to their being conducted in a free and fair manner.

Government wish to reiterate its firm resolve to find an acceptable solution to the problems in Punjab, Kashmir and Assam within the framework of the Constitution of India.

With the worsening situation in the north-eastern province of Sri Lanka, there has been large scale influx of refugees, mainly into the State of Tamil Nadu. Besides the refugees, many militant LTTE cadres have been attempting to use places in Tamil Nadu as a base for their activities. Despite the concern expressed by the Central Government, the situation in Tamil Nadu continued to deteriorate and it was generally perceived that the LTTE could carry on their activities with impunity. In one unfortunate incident the LTTE cadres were able to not only kill 15 persons of arival Tamil Group but also make good their escape. Policing in sensitive coastal areas left much to be desired and offers of assistance from the Centre were not availed of by the State Government. Reports of several unlawful activities on the part of the LTTE and the failure of the State Government to discharge its primary duty of maintaining Public order had left the Government with

no other alternative but to impose the President's Rule in the State of Tamil Nadu. Government, however, is keen to restore a popular government in the State as early as possible.

Communal harmony in the country has been vitiated mainly due to the Ram Janambhoomi-Babri Masjid controversy. The Government has taken a fresh initiative to resolve the issue through discussions with religious leaders and others so that a mutually acceptable solution can be evolved. It is the firm resolve of the Government to ensure absolute equality of treatment to the people belonging to all religions without discrimination and to promote communal harmony in the whole country.

In my address to you in March last year. I had mentioned about Government's intention to set up an Inter-State Council to serve as a forum for better coordination between States and for securing consensus on issues of national importance. I am glad that the Council has been set up and it has held its first meeting in October, 1990.

The economic situation in the country causes grave concern. The budgetary deficits, the oil crisis, the deteriorating balance of payments and the spiral of inflation have caused untold hardships to the people, more particularly the vulnerable sections of the society. Government has launched a multi-pronged strategy for combating these ills which includes, *inter alia*, drastic curtailment of public expenditure and money supply, improved management of supply and demand of essential commodities in the short run and increased production in the long run. Fiscal imbalances continuously indulged in the past have left a legacy of inflation behind. These cannot be corrected overnight or by a single stroke of action. Hard options and stern correctives need to be applied to retrieve the situation. Government had announced a package of measures in December 1990 to mobilise additional revenues and curb expenditure during 1991. There is an urgent need for a national effort to tackle the daunting situation. It is proposed to set up a National Reconstruction Fund to supplement budgetary resources for development work and reconstruction of damaged public property.

The balance of payments has come under further strain and there is likelihood of an additional burden of over Rs. 6,000 crores being imposed on account of Gulf crisis. It is a matter of satisfaction that our advanced planning to deal with any contingency arising out of the Gulf crisis has stood us in good stead. We have taken timely action to ensure that our stocks of petroleum products remain at a satisfactory level. Measures being taken to relieve the strain on the balance of payments in the short term include export promotion, import restraints and securing larger foreign capital inflows.

The foreign trade situation this year is not a happy one. Exports grew at only 12.9 per cent in dollar terms in the period April-November, 1990

over the corresponding period last year, while imports grew by 20.4 per cent. However, there were some positive trends and exports of a few products registered impressive growth. The export performance of engineering good, cotton fabrics and ready-made garments, leather and leather manufactures and marine products has been encouraging. The Government will accord high priority to export efforts. Larger industrial houses in particular will be required to improve their contribution to exports. Continuous attention will be paid to upgradation of technology and improvement of quality to ensure competitiveness of Indian industry. Efforts will be made to restructure the industrial sector whenever necessary to improve overall efficiency. The export strategy for 1991-92 prepared by the Government incorporates these considerations.

It is against this background of a difficult economic situation that we are engaged in formulating the Eighth Five Year Plan. The situation, though grim, need not cause despondency. Our economy and polity have resilience to cope with the current difficulties. Our greatest asset is our manpower which we can utilise to advantage. Our performance in the agricultural sector also imparts strength to our economy. Most parts of the country experienced a good south-west monsoon. The prospects of *rabi* crops also appear bright. The foodgrain production in the current year may be around 175.5 million tonnes. Our reserves of foodstock are at a satisfactory level.

The Plan document will be finalised by March 1991. Its main thrust will be on removal of mass poverty, expansion of opportunities of productive employment and meeting the basic needs of our people. Given the resource constraints, we are required to evolve a much tighter scheme of priorities. Essential infrastructure, particularly energy, completion of ongoing projects, irrigation, food security at the household level, safe drinking water, primary health care, primary education and the welfare and development of dalits and tribals, women and children would receive priority in the Eighth Plan. The other key features of the Eighth Plan will be protection of the environment and prevention of degradation of land and water resources; maximum use of science and technology to improve agricultural productivity and rural economy; more systematic attention towards agricultural research; strengthening the agricultural credit system; special focus on maximising returns from investments already made through better productivity and efficient management; and appropriate decentralisation of development administration. Government accord very high priority to agricultural development. The Agricultural Policy Resolution is expected to be placed before Parliament in this session itself.

Sound water management is vital for increasing agricultural productivity. Efforts will be made to augment water resources with special attention to minor irrigation and to better utilise the available supplies through scientific methods like sprinkle irrigation, etc.

During the year 1990-91, a number of steps have been taken to diversify and give a new direction to the Integrated Rural Development Programme (IRDP). These include the extension of group approach for larger coverage of women under the IRDP to all districts and earmarking of 3 per cent target for the physically handicapped persons. The target of coverage of Scheduled Caste and Scheduled Tribe families and of women has been increased. Under the Programme of Training of Rural Youth for Self Employment (TRYSEM) it has been decided to double the numbers of trainees during 1991-92. The Jawahar Rozgar Yojana has been continued.

The Government will take necessary measures to accelerate the pace of industrial development. To provide further impetus to industrial growth, particularly in backward areas, Government has decided to implement the new Growth Centres Scheme throughout the country during the Eighth Plan. Government will also lay emphasis on rural industrialisation, particularly through development of Khaddi and Village Industries. Every endeavour will be made to promote the development of the small scale sector which has been playing an important role in employment generation and in the country's export efforts. A statement on Industrial Policy will be placed before Parliament in this session.

Government is aware of the tremendous growth potential of the electronics industry, particularly in the area of exports, and will take measures to ensure that this potential is realised. It will be the endeavour of the Government to develop the textile sector and food processing industries.

The Government will pay close attention to the infrastructure sector. Coal resources will be developed and power generation stepped up. In the area of mineral development the productive process will be modernised. Self-sufficiency in steel will be the aim through modernisation and expansion of capacity. Government attaches utmost importance to stepping up indigenous production of crude oil. Even while encouraging oil conservation measures, Government is conscious of the need to protect industrial and agricultural production. Special priority will be accorded to the requirements of the agricultural sector. Efforts to promote the use of non-conventional and renewable energy sources will continue. In the area of communication, Government will take necessary steps to provide for the rapid expansion of telecommunication services.

The public sector continues to play a pivotal role in the economic development of the nation. There is, however, considerable scope for improving the performance of the public sector enterprises. The current strategy of improving efficiency through the system of Memorandum of Understanding will be further extended to cover more undertakings.

Our scientists have played a crucial role in the country's development efforts. The successful launching of INSAT-1D in June, 1990 has been a very significant achievement. The development of INSAT-2 satellite and the design development of the second generation IRS series of satellites is progressing satisfactorily. In biotechnology, one of the most important emerging fields of science and technology, rapid advances are being made in upstream areas like immunology, protein engineering and human genetics. It will be the aim of our science policy to use scientific development for tangible benefits to the people.

The pattern of development which we should aim at must be a sustainable one. Development which destroys the environment destroys the very basis of life and is self-defeating. Major initiatives are on the anvil to protect the environment. A ten-year National Forestry Action Plan has been prepared with emphasis on people's participation. A conservation strategy is being formulated to form an integrated frame work for development planning. The policy on prevention and abatement of pollution will promote technological inputs and preventive measures for waste minimisation. Environment friendly products will be identified to encourage manufacture and use of products less harmful to the environment. The concept of civil liability will be codified to help provide relief to those who suffer from environmental damage.

An important task before the Government is to provide effective relief to the victims of the gas tragedy at Bhopal. No effort will be spared to secure fair compensation for the unfortunate victims and their families.

Our Armed Forces have done us proud, their valour, professional skill and devotion to duty have stood India in good stead. The nation acknowledges with gratitude the sacrifices which they have made for the motherland. The morale of our Armed Forces is high and they are ready to meet any external threat successfully. The Government continues to attach high priority to welfare schemes, both for serving and retired personnel. We can also look back with a sense of pride to the notable landmarks achieved by our scientists and technologists towards self reliance in meeting the critical requirements of our Armed Forces. Spectacular progress has been made in the Integrated Guided Missile Development Programme. Having successfully flight tested Surface-to-Surface Missile 'Prithvi' and Re-entry technology Demonstrator Project 'Agni' last year, we have been successful, this year, in flight testing the Medium Range Surface-to-Air Missile 'Akash' and the third Generation Anti-tank Missile 'Nag'.

Our efforts at preserving the unity and integrity of the country, and our efforts at economic development, can be successful in the long run only with the whole-hearted involvement of the people. Our democratic polity provides the frame work for people's participation in the nation building

process. Government is committed to strengthening democratic institutions and in creating conditions which will make democracy more vibrant and real.

Our labour force, both in the industrial and agricultural sectors, is perhaps the most important segment of our population. Upon their sweat and toil rest the fortunes of this country. Amidst all the social turmoil, industrial relations in the country have been marked by stability. This is reflective of the maturity that our industrial system has acquired over the years. All efforts will be made to ensure that the rights of workers are protected and that they get their due share. Special attention will be paid to the enforcement of labour laws for special categories of unorganised labour.

The task of strengthening democracy can never be complete without the full involvement of the nation's youth. We must provide our youth every opportunity for their development and progress. We must create for them conditions in which they can use their skills for their own advancement, the advancement of society, and the advancement of the country. Government will pay special attention to the generation of productive employment opportunities for youth in both urban and rural areas. It will be the endeavour of Government to involve youth more closely in efforts at fostering national integration and strengthening the unity of the country. A meeting of the National Youth Council was held recently. Its deliberations will be taken into account in formulating a national policy for youth.

It is matter of concern that women continue to be discriminated against and are subject to many indignities. Government will take decisive action to protect women and secure for them their rights. The socio-economic rights of women and the rights of children in terms of access to nutrition, health, education and security would receive urgent consideration of the Government. Steps have also been taken to improve the condition of female child, in the context of the celebration of 1990 as the SAARC Year of the Girl Child.

The nation cherishes the memory of Dr. B.R. Ambedkar. His portrait was unveiled in the Central Hall of Parliament on 12th April, 1990. On 14th April, 1990, the nation's highest honour, the Bharat Ratna, was conferred on Dr. Ambedkar. Government is fully alive to the urges and aspirations of the weaker sections and backward classes and is committed to protect and promote their interest and help provide them with productive employment. Efforts will be made to make the Scheduled Castes Special Component Plan and the Tribal Sub Plan more effective with a view to promoting economic well being, educational advancement and removal of social disabilities of Scheduled Castes and Scheduled Tribes. Disadvantaged and vulnerable groups among the Scheduled Tribes, such as primary tribes and groups, shifting cultivators and bonded labourers would continue to receive special attention

of the Government. The development of predominantly tribal areas is a matter of special concern to the Government. It will be the endeavour of the Government to ensure that the pace of development of these areas is accelerated and that regional imbalances are rectified.

The Public Distribution System has played a useful role, particularly in times of scarcity. Its effectiveness requires to be enhanced further. Government are convinced that the Public Distribution System must become a major component of our strategy for growth and social justice. The Government's thrust will be to target the Public Distribution System in a meaningful way to serve the needs of the poor, especially in rural areas. Government is vigilant in protecting the interests of the consumer and all steps will be taken to check blackmarketing and hoarding.

It will be the endeavour of the Government to expand the coverage of health care and improve its quality. Greater emphasis will be laid on the promotion of indigenous systems of medicine and the out-reach of primary health care services to the poor sections of society. Improvement in health services for children and mothers will be an important component of programmes in the health sector. Greater emphasis will be given to reducing the growth rate of population so that the benefits of our development efforts are not diluted by ever increasing numbers.

The bedrock of democracy is education and literacy. Mass illiteracy and low standards of education are major impediments to the successful implementation of programmes geared towards uplift of the weaker sections and the creation of a more just social order. The removal of illiteracy will be a major thrust area. Government will launch a new programme to eradicate illiteracy and will seek the cooperation of universities, schools and voluntary agencies in this endeavour. The Government will accord the highest priority to primary education and vocationalisation of secondary education.

Government accords great importance to creating facilities to help people secure adequate housing. A National Housing Policy is being formulated. It is proposed to step up allotment of house sites to rural landless families by conferring homestead rights on them. Construction assistance will also be stepped up under the Minimum Needs Programme. The programme of construction of night shelters in urban areas will be expanded.

The international situation has witnessed rapid changes; the cold war has waned and is replaced by greater understanding and cooperation between nations which were arrayed in opposite camps. This poses new challenges and offers opportunities for our foreign policy. Our approach continues to be firmly rooted to the principles of non-alignment and to peace, disarmament and a more just and equitable world order. As a member of



the UN Security Council since January 1991, we will continue to strive for the achievement of these objectives and uphold the purposes and principles of the UN Charter.

The Government attaches the highest priority to improving relations with our neighbours and strengthening the process of regional co-operation, consistent with global trends. The South Asian region is one of the world's poorest. Peace and stability in our region are indispensable for development and for achieving a fair standard of life for our people.

A renewed impetus has been given to the process of regional cooperation at the Fifth SAARC Summit in Male held after a gap of almost two years. At our initiative, the Summit agreed to consider some fresh approaches and extend cooperation to some new areas. We are confident, that given the political will, SAARC can move towards co-operation in core economic areas of direct benefit to our peoples.

We look forward to working closely with the democratically elected Government of Bangladesh for resolving outstanding issues through dialogue and further strengthening our bilateral cooperation.

Our close relations with Bhutan and Maldives have been maintained and strengthened through high level dialogue.

We have welcomed the adoption of multi-party democracy in Nepal. Our traditionally close bilateral relationship with Nepal has been restored. The significance we attach to our relations with that country is underlined by the fact that our Prime Minister's first bilateral visit was to Nepal. We look forward to expanding our co-operation with Nepal in several areas including harnessing the waters of our common rivers and protection and management of the environment.

Notwithstanding Pakistan's support to terrorist and secessionist activities in Punjab and Jammu and Kashmir, we have continued our endeavour to reduce tension with Pakistan and have agreed to resume discussions over a wide range of bilateral issues. We have impressed on the Government of Pakistan the need to abide fully by the Simla Agreement. We hope that the Government of Pakistan will be guided by the longer term interests of the two countries and both our peoples.

Hostilities in the North-East Province of Sri Lanka have led to a heavy influx of Sri Lankan refugees into India. We have conveyed our concern and stressed the need for a peaceful political settlement which meets the legitimate aspirations of the Sri Lankan Tamils within the framework of Sri Lanka's unity and integrity.

Our traditional friendship with Afghanistan was further strengthened with the visit of President Najibullah to New Delhi in August, 1990. We

hope that bloodshed and violence in Afghanistan will cease. The need of the hour is a political solution, arrived at by the Afghans themselves, that would ensure Afghanistan's status as a sovereign, independent and non-aligned country.

We have continued the process of seeking a better understanding with China. Our bilateral cooperation has grown and we have also begun to consult each other more closely on international issues. Negotiations in the Joint Working Group are continuing with a view to resolving the boundary question in a fair, reasonable and mutually acceptable manner. We believe that closer cooperation between India and China will be in the interest of peace and stability in Asia and the world.

We have a special relationship with the Soviet Union and our bilateral cooperation extends over a wide range. We wish the Soviet Government and people well in their efforts to bring about political, economic and social transformation. The Soviet Union has stood by India in times of need, and we will reciprocate their warmth and friendship with understanding and cooperation at all times.

There has been a steady improvement in our relations with the United States of America. There is now a better understanding of each other's concerns and interests. The United States is our largest trading partner and an important source of high technology. We look forward to developing our cooperation further in areas of mutual interest.

Japan has emerged as one of our major economic partners. As an Asian country, we admire the progress that she has made and look forward to further expansion of bilateral cooperation. A closer partnership between India and Japan would be a positive factor for peace and progress.

We have welcomed the unification of Germany which is an event of great historic significance. We look forward to the forthcoming visit of the President of Germany to India and to the expansion of our close and cordial relations with the unified Germany. Our friendly relations and cooperation with other European nations have been maintained and strengthened.

We are deeply concerned at the outbreak of hostilities in the Gulf in spite of all efforts, including our own, to avert this tragic turn of events. The conflict is fraught with grave consequences for international peace and security and for the world economy. The economies of the developing nations in particular will be seriously affected. We hope that hostilities will cease. We are continuing our efforts, in consultation with the Chairman and Members of the Non-Aligned Movement for an immediate ceasefire and simultaneous announcement by Iraq of the withdrawal of its forces from Kuwait, in accordance with the United Nations Security Council Resolutions. At our initiative a meeting of a group of Non-aligned Foreign Ministers was

held in Belgrade. We have also been in touch with the Members of the Security Council and other nations to evolve a consensus for cessation of hostilities and a peaceful resolution of the problem.

We extend full support for the just struggle of the Palestinian people for their inalienable right to homeland of their own. There can be no lasting peace and stability in West Asia without a just resolution of the Palestinian question. This problem has been allowed to prolong far too long and must be addressed with full seriousness and urgency. We will continue to press for the urgent convening of an international conference, with the participation of all concerned, to find a peaceful and durable solution.

We support the efforts to find a peaceful solution to the tragic conflict in Cambodia and are ready to assist in this process. Such a settlement must ensure the sovereignty, territorial integrity, independence and non-aligned status of Cambodia.

In Southern Africa, there are stirrings of profound change. Namibia, the last African colony, attained independence on March 21, 1990. In South Africa, several initiatives have been taken which could pave the way for negotiations to end apartheid. The visit of Dr. Nelson Mandela, to India in October 1990 was an historic event with the entire nation welcoming him as a symbol of the struggle against apartheid.

We are strongly opposed to the efforts to institutionalise discrimination on the basis of race in Fiji, as elsewhere.

Hon'ble Members, you will be called upon to consider a number of legislative measures and financial business during this session.

I now bid you to your arduous tasks. In this hour of crisis the people of India look to your sagacity and wisdom. We have in the past displayed a sense of purpose, tremendous resilience and a capacity to rally together in the face of challenge. I am sure that these qualities will help us build a strong united and prosperous India.

I wish you success in your endeavours.

Jai Hind.