

## ADDRESS TO PARLIAMENT—11 JULY 1991

<b>Lok Sabha</b>	—	<b>Tenth Lok Sabha</b>
<b>Session</b>	—	<b>First Session after the 10th General Election</b>
<b>President of India</b>	—	<b>Shri R. Venkataraman</b>
<b>Vice-President of India</b>	—	<b>Dr. Shanker Dayal Sharma</b>
<b>Prime Minister of India</b>	—	<b>Shri P. V. Narasimha Rao</b>
<b>Speaker, Lok Sabha</b>	—	<b>Shri Shivraj V. Patil</b>

HONOURABLE MEMBERS,

It gives me great pleasure to welcome you to this joint session of Parliament. I felicitate the Members of the new Lok Sabha.

May 21, 1991 was a nightmare. The heinous assassination of Rajiv Gandhi plunged the country into gloom. His assassination was an inhuman act of the worst kind. He had provided leadership at a moment of grave crisis in the history of our nation. In his death the country has lost a promising leader. Rajiv Gandhi's vision of the future, the optimism which he exuded, his great patriotism, his commitment to the poor, his striving for world peace will continue to inspire the people of India as well as peace loving people the world over.

The previous government constituted a Commission of Inquiry consisting of Mr. Justice J.S. Verma, a sitting Judge of the Supreme Court of India, to inquire into the assassination of Shri Rajiv Gandhi. Government is of the opinion that the terms of reference of the Commission should be enlarged and made comprehensive.

The people of India have faced this crisis with fortitude and maturity. Forces which tried to subvert democracy and destabilise the country stand frustrated. The recently concluded General Election has once again demonstrated the strength and vitality of the democratic process in India.

The assassination of Rajiv Gandhi has brought into sharp focus the need to arrest the growing cult of violence in the country. The law and order situation in the country has been a cause of great concern for sometime now. Violence has continued in Punjab and Jammu and Kashmir. The situation in Assam, Nagaland and Manipur has continued to cause concern. Extremist

activity in some States has also put the law and order machinery under severe pressure.

Violence and terrorism in Punjab continued unabated. It is, however, heartening that the people of Punjab have maintained communal harmony in spite of the nefarious tactics of the terrorists who constitute a small fraction of the population. Assisted by the Army in the border areas, security forces have been relentlessly fighting to contain the senseless killings, extortions and kidnappings by the terrorists. To check infiltration from across the border, the work on border fencing and flood lighting in Punjab was expedited and has been completed as planned. Elections to the legislative Assembly and the Parliamentary Constituencies in Punjab were to be held on 22nd June, 1991. However, the large scale killing of candidates and the atmosphere of the fear and terror created by militants tendered it impossible to ensure a free and fair poll, Polling has, therefore, been postponed to 25th September, 1991. Government will continue to deal firmly with terrorism and secessionism. Government is committed to restore normalcy and to start the democratic process in Punjab at the earliest. However, militants and secessionists will not be allowed to misuse the elections for their ends. Government stands by the Rajiv-Longowal Accord. Negotiations are always possible with those who eschew violence and accept the frame work of our Constitution. Government is prepared to take whatever new initiatives are required and will continue to strive for a comprehensive settlement of all outstanding issues in order to have a permanent and peaceful solution in Punjab.

The law and order and security situation in Jammu and Kashmir deteriorated fast during the past year and a half. Secessionists and certain fundamentalist elements, aided and abetted from across the border, are carrying out terrorist and subversive activities. The security forces are taking necessary and effective measures to combat secessionism and terrorism. Lately, encouraging signals have been received in the form of surrender of many militants. The relationship between Government and the people needs to be strengthened. People's committees will be constituted at different levels to ensure their participation. At the same time, stern action will be taken against secessionist forces. Special attention will be paid to providing employment for the unemployed youth of Jammu and Kashmir.

Elections were held in Assam and people have given a fitting reply to the forces of secession. The people of Assam deserve to be congratulated on the peaceful manner in which elections were conducted. Government will ensure that secessionist elements in Assam are brought back into the mainstream. Genuine grievances of the people will be redressed. Steps will be taken for the rapid economic development of Assam.

It is a matter of serious concern that the forces of communalism have been able to vitiate the atmosphere in the country leading to the outbreak of serious riots in the last two years. Government are determined to combat such forces and uphold the value of secularism. Government will not allow the rights and interests of religious, linguistic and ethnic minorities to be compromised. A composite Rapid Action Force will be formed and appropriately equipped and trained to deal with riots and will be made available to the State Governments at very short notice. More Special Courts will be set up as necessary to try offences relating to communal riots. Procedures will be strengthened to enable speedy and adequate compensation to be paid to victims of communal riots. Places of worship must be treated with due respect. We cannot allow communal elements to defile their sanctity by using such places as instruments to generate controversy and discord. Government will make every effort to find a negotiated settlement to the Ram Janma Bhoomi—Babri Masjid issue with due regard to the sentiments of both communities involved. In case of all other places of worship, a Bill will be introduced to maintain the *status quo* as on 15th August, 1947, in order to foreclose any new controversy. The special cell established in 1988 together intelligence in communally sensitive districts will be strengthened with a view to preventing riots. The next-of-kin of those whose lives are lost in communal riots will be rehabilitated by providing suitable employment to them.

We are proud of our armed forces. They have risen to the occasion whenever called upon to defend the territorial integrity of our country, assist the civil authorities in the maintenance of law and order and in organising relief and rescue measures. Government will continue to pursue various welfare schemes for the defence services, both for serving and retired personnel. Government will give priority to the upgradation of and self-reliance in defence technologies.

Government recognises that the country is in the midst of an economic crisis of unprecedented magnitude. It has been living beyond its means and adopting soft options. We have been overtaken by events. We must act now. No sacrifice is too great to safeguard our economic independence and the country must prepare itself to take hard and unpleasant economic decisions.

Government is committed to the macro-economic stabilisation and structural reforms which will unleash the nation's latent energy to bring about accelerated development. The Reserve Bank of India has brought about an adjustment in the exchange rate in order to strengthen competitiveness of our exports, to reduce expenditure on inessential imports, to reduce the incentive for capital flight and stabilise the capital account. We intend to take concerted measures in the areas of trade policy and industrial policy reform to further enhance the competitiveness of our

exports. We are committed to ensure that the poor and the underprivileged do not have to bear a disproportionate burden of the adjustment process.

Of particular concern is the rise in prices of essential commodities which hurts the weaker sections the most. Government attaches the highest priority to reducing inflation and will adopt necessary measures towards this end. The interest of the weaker sections of society will be kept uppermost in mind, while framing strategies for this purpose. Measures to restrain growth in money supply; economies in Government expenditure; encouragement to small savings; better supply and demand management of sensitive commodities; and provision of incentives for higher production in the medium term will receive priority.

Fiscal imbalances continue to be a major concern for the Government. Despite attempts at controlling expenditure and raising additional revenues, the revised estimate of budget deficit for 1990-91 is Rs. 10,772 crores against the budget estimate of Rs. 7,206 crores. Government is committed to observing strict fiscal discipline. The generation of black money will be checked. Government expenditure will be controlled. While making necessary adjustments, Government would ensure that the burden does not fall on the poor.

The balance of payments position, already under severe strain, was further exacerbated by the Gulf crisis, the direct adverse impact of which is estimated at \$ 2.7 billion (over Rs. 4,900 crores). Of this, the additional cost of oil imports alone accounted for \$ 2 billion while the rest was, among others, owing to the loss of exports, evacuation of Indian nationals and reduced inflow of capital. The balance of payments situation has become more critical as the flow of funds from international capital markets did not materialise as anticipated though several countries did offer help. Significant bilateral assistance has come particularly from Japan as also from Germany, U.K., the Netherlands and Denmark. The management of balance of payments is one of the most crucial tasks before us and Government will not hesitate to take the hard decisions necessary in this behalf.

Exports have a vital role in solving the balance of payments problem. During 1990-91, our exports were affected adversely, resulting in a slowdown in the rate of growth. Government has recently announced major structural reforms in trade policy. It is hoped that export trade will get out of the circle of low growth, high cost and stifling controls and once again get on to a high trajectory of growth. Government's ultimate goal is to eliminate all licensing control on the import of capital goods and raw materials except for a small negative list.

The Uruguay Round of multilateral negotiations is underway in Geneva. While attaching importance to strengthening the multilateral trading system,

Government will endeavour to see that the outcome of the negotiations would be a favourable trading environment for developing countries.

Efforts will be made to step up industrial growth: In 1990-91, the average industrial growth was 8.4 per cent compared to 8.5 per cent during the Seventh Plan period. Government is determined to work towards making India internationally competitive. For this purpose, fullest use will be made of modern science and technology. The opportunities provided by increasing internationalisation of the industry and trade will be fully utilised. The development of the small scale sector and khadi and village industries will receive the Government's close attention. Government will work for extensive deregulation and reduction of bureaucratic intervention. To this end, a comprehensive review of policies and procedures has been initiated. In order to raise the competitiveness and quality of Indian industry to global levels, technology imports will be liberalised and facilitated in areas where Indian technology does not measure up to international standards. Changes in procedures are being worked out so that the investment climate is made more conducive for participation by foreign companies and non-resident Indians, efficiency will be promoted in services required by industrial and other users from financial institutions and banks.

Reforms in the functioning of the public sector are being formulated to improve its performance. The management of the public sector will be strengthened through selection of the best talent available. Public Sector managers will be allowed greater autonomy without diluting accountability. A policy is being evolved for disinvestment, including workers' participation in equity and for vacating areas of activity where public sector involvement is not essential and where private and joint sectors have developed capabilities.

To provide a boost to the electronics industry and to promote software exports, a number of measures are being initiated. These would include setting up of technology parks and attracting international leaders in semi-conductors technology to set up facilities in India. High priority will be accorded to expanding the production of crude oil and refining capacity. Government will take special measures to tackle sickness in the textile industry and improve the price competitiveness of Indian textile exports. Immediate attention will be given to problems faced by the food processing industry, which has a critical relevance for the better utilisation and greater value addition of agricultural produce.

The development of infrastructure will receive Government's close attention. Power generation will be stepped up. Steps will be taken to make the steel industry more competitive. Modernisation of rail transport and augmentation of capacity will receive attention. Telecom services will receive very high priority. It will be the endeavour of the Government to upgrade telecom and postal services and to ensure that the telephone reaches every village before the end of the decade.

Science and technology must be brought to the centre stage in economic planning. It is to the credit of our scientists that we have been able to establish internationally acclaimed competence in several areas. During the current year, two major space events have been scheduled—the launch of the Indian Remote Sensing Satellite and the launch of the Indian National Satellite. These represent our commitment to provide services in areas like communications, telecasting, broadcasting and meteorology and relevant data in the areas of groundwater availability, forestry, agriculture, and mineral resources. Significant progress has also been made in the development of various Satellite Launch Vehicles. Our efforts at using atomic energy for our development needs have yielded encouraging results. Members will be happy to learn that in the next few months Narora-2 power reactor and Kakrapar-1 power station will go critical. Government will take all possible steps to accelerate the pace of progress in science and technology.

The total production of foodgrains in 1990-91 is expected to be 177.2 million tonnes. This will be the third successive year of increased foodgrains production and this has happened for the first time since independence. This is due to the untiring efforts of our farmers and more effective adoption of scientific farm management practices. We will ensure that our farmers get a fair and remunerative price for their produce. Conditions will be created for further increase in agricultural yields. Agricultural research will receive the Government's close attention. Extension services will be strengthened and modern technology will be made available to our farmers in a usable manner. Technology for increasing productivity in rain-fed agriculture would be further developed and efforts would be made to ensure that a package of supportive measures to increase the income levels of small and marginal farmers in these areas reaches them. The development of water resources will receive high priority. Government will make every effort to maximise indigenous production of fertilizers and ensure its timely availability to the farmers. At least 90 per cent self sufficiency in nitrogenous fertilizers will be ensured by commissioning the gas based plants at Babrala, Shahjahanpur, Gadepan and Kakinada and doubling the capacities of the plants at Vijaipur, Aonla and Jagdishpur during the Eighth Five Year Plan. Animal husbandry will be further developed with emphasis on genetic improvement, animal health and cost effective feed. Particular attention will be paid to remote areas.

Given the difficult economic situation facing the country, the formulation of the Eighth Five Year Plan assumes added importance. The Planning Commission began formulating the Plan in 1988. However, due to frequent changes in Government, the Plan document could not be finalised. Government will take necessary steps for the early finalisation of the Eighth Plan.

India has had a deep commitment to environmental conservation drawn from its ethos. India shares the emerging global concerns in the context of the environmental changes induced by economic and technological activities. We shall take the required initiatives to ensure that our commitment to sustainable development crystallises. Wasteland and water resource development have enormous potential for employment and productivity. A new policy on abatement of pollution is under preparation which aims at promoting environmentally sound and clean technologies to minimise waste and control pollution. A National Forestry Action Programme is being prepared with the involvement of all State Governments. The role of citizen groups will be encouraged.

The youth of India represent a large, creative and vibrant resource segment of our society. Investment in their development is an investment in the future of the country. Government will formulate policies for actively involving youth in efforts to nurture the spirit of national integration and pride in our country. Linkage between education, development of youth, sports and physical education will be strengthened. The rapid expansion of opportunities for productive employment will be a major objective of our planning and economic policy.

Women and children, particularly those belonging to poor households, are the two most vulnerable groups of our population that need special attention. The Integrated Child Development Services (ICDS), the largest child development programme in the world, has completed fifteen years of successful implementation. Government is committed to expand this programme during the Eighth Plan to cover all the backward and drought and flood-prone areas as well as areas where there are large concentrations of Scheduled Castes and Tribes. Government is committed to the implementation of Indira Mahila Yojana. This integrated programme for the development of women and children was inspired by Shri Rajiv Gandhi and announced in November 1989. The programme aims at developing a new sense of awareness among women, particularly in rural areas, and empower them, so that they become active participants in the process of social transformation and regeneration. The development of the child will be an integral part of this programme. We will take measures to enforce all the legislation for women already on the statute book. As a first step, we will appoint a Commissioner for Women's Rights with powers for taking action required for the effective enforcement of their rights.

Government is committed to the socio-economic and educational development of Scheduled Castes and Scheduled Tribes. The composition of the National Commission for Scheduled Castes and Scheduled Tribes which has been given constitutional status will be finalised shortly. The National Commission will be given all the support it requires to discharge its duties in regard to the implementation of the safeguards and other measures

designed for the protection of the Scheduled Castes and Scheduled Tribes, and their socio-economic development through the planning process. The National Scheduled Castes and Scheduled Tribes Finance and Development Corporation will be strengthened. Government is committed to special measures in favour of socially and educationally backward classes. In implementing these, preference will be given to the poorer sections among them. Where poorer candidates are not available, the benefit will go to other members of the backward classes. The Government will also ensure that the benefits of reservation are provided to other economically backward sections who are not covered by the existing schemes. A Backward Classes Development Corporation will be set up.

Steps will be initiated for the effective implementation of the 15-Point Programme for the welfare of minorities which seeks to ensure that the minorities are protected and that they are not discriminated against in the matter of employment in public services and benefits from development schemes. All possible assistance will be extended for the educational development of the minorities. The Minorities Commission will be accorded statutory status.

Improving the quality of life of the rural poor will receive the Government's closest attention. Efforts will be made to ease the pressure on land by providing alternative avenues of employment. To this end appropriate economic linkages will be established and non-farm employment stepped up. Small, medium and large-scale agro-based and food processing industries will also be established. The Integrated Rural Development Programme (IRDP) continues to be a major instrument for creation of self-employment opportunities and will be strengthened. The Jawahar Rozgar Yojana will be continued to generate more employment in rural areas. A special crash programme, to be named after Rajiv Gandhi, will be drawn up to provide drinking water to rural areas within five years. Improvements will be made in the primary health care infrastructure in rural areas.

The strength of our economy rests, in a very large measure, upon the toil of our working class, including those in the unorganised sector. It will be the endeavour of the Government to protect and promote the interests of the working class. Efforts will be made to foster healthy industrial relations by carrying out reforms in the machinery for settlement of labour disputes.

Health is an essential element in the development process and a crucial input for improving the quality of life. While there has been steady expansion in health care facilities, a great deal still requires to be done. All possible measures will be taken to reduce mortality and morbidity rates which are still high particularly among children. With a view to further strengthening the health care system, a National Institute of Biologicals is being established to ensure safety of vaccines, kits and reagents. To draw upon the strengths

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of various systems of medicine, Government are taking measures to promote and develop indigenous systems. Assistance is also being provided to further encourage the study of homeopathy.

Today is the World Population Day. This is an occasion to focus attention on a global problem, which is of particular relevance to India. We are at a critical stage of development. A rapidly expanding population is exerting relentless pressure on our scarce resources. Greater emphasis will be placed on limiting population through propagation of the small family norm. A multipronged approach will be adopted to this end. Integrated health, nutrition, education and motivational services for the people in general and women in particular will be improved and strengthened. Maternal and child health measures will receive special care.

India's greatest resource is its people. The full potential of our human resource has yet to be effectively utilised. High priority will, therefore, be accorded to education. The National Policy on Education formulated in 1986 on the basis of a national consensus contains the framework for our advancement towards a secular, modern, self-reliant and just social order. The uncertainty created in the last one and a half years about the Policy has caused much harm. We shall now revive the spirit required to implement the Policy with renewed vigour. We must move with confidence and determination, towards the goal of universal literacy and provision of good quality primary education for all children, especially those belonging to the disadvantaged sections. Government believes that equal opportunity in education is crucial to social harmony and progress. This emphasis of the New Education Policy will remain Government's main plank. Particular attention will be paid to the education of women and girls. We shall simultaneously improve the quality of education and bridge the chasm that now exists between the world of work and the world of learning.

The highest priority of the Government will be to provide for adequate availability of essential commodities at reasonable prices. As an important part of this effort, the Public Distribution System will be streamlined and more sharply targeted to reach the poorest of the poor, especially those in the rural areas. It will be an integral part of our strategy to fight rural poverty and give the rural poor a better quality of life. This effort would include measures like ensuring timely and adequate deliveries of foodgrains used in wage employment and supplementary nutrition programmes. The Essential Commodities Act will be strictly enforced to fight anti-social activities like hoarding; profiteering and blackmarketing of essential commodities. The provisions of the Consumer Protection Act will be used more effectively to provide simple, inexpensive and quick redressal of consumer grievances against sub-standard goods, services and unfair trade practices. An effective machinery will be set up to monitor the entire gamut of these efforts.

Government attach great importance to making administration more efficient and responsive to the needs of the people. Particular attention will be paid to those areas of administration where it interfaces closely and directly with the people. The grievances redressal machinery will also come in for close scrutiny with a view to enhancing its effectiveness. Government will complete the drive for filling the backlog of vacancies meant for Scheduled Castes and Scheduled Tribes in various Ministries and Departments of the Government of India in a time-bound manner.

In foreign policy, we accord the highest priority to strengthening our relations with our neighbours in South Asia on a bilateral basis as well as through the South Asian Association for Regional Cooperation.

We welcome the establishment of a democratically elected government in Bangladesh and look forward to working with them in resolving outstanding issues through dialogue and further strengthening our cooperation. We are deeply grieved over the unprecedented devastation caused by the cyclone which recently struck Bangladesh and are contributing to relief operations in a spirit of friendship and good neighbourliness.

Our relations with Maldives continue to progress on the basis of mutual trust and cooperation. Maldives too, has been the victim of severe cyclones. India has been participating actively in relief efforts.

Our close relations and cooperation with Bhutan will be further consolidated and strengthened.

The emergence of multi-party democracy in Nepal will further strengthen our uniquely close ties. Over the past year, high level exchanges of visits have reinforced our political understanding and imparted a shared determination to intensify cooperation in areas of mutual benefit.

Government will continue the endeavour to reduce tensions with Pakistan. Agreements have been reached on several confidence building measures, including on providing advance notification of military exercises and prevention of air-space violation by military aircraft. We believe that all differences with Pakistan should be resolved bilaterally and peacefully on the basis of the Simla Agreement. However, Pakistan's support to terrorism in Punjab and Jammu and Kashmir is a matter of serious concern and stands in the way of a genuine and sustained improvement in our relationship.

We are concerned at the continuing violence in Sri Lanka which has caused unending human suffering and led to nearly two lakh Sri Lankan nationals taking refuge on our soil. It is important that efforts for a lasting and durable solution to the ethnic issue are intensified and conditions created for the return of these refugees at the earliest. The India-Sri Lanka Agreement continues to provide a viable framework for this objective.

We have continued to strengthen our traditional ties of friendship and cooperation with our close neighbour, Afghanistan. We are concerned that resumed military activity would cause a set-back to the peace process. We hope that peace and normalcy will be restored soon through a political settlement. India will continue to work for a strong, stable, independent and non-aligned Afghanistan.

Since the visit of Shri Rajiv Gandhi to China in 1988, there has been a marked improvement in India-China relations and we will seek to strengthen this process. The two countries have reached agreement on re-opening their Consulates in Bombay and Shanghai respectively and also to resume border trade. The scale of scientific and technical exchanges as well as cultural exchanges has been steadily expanded. The outstanding question of the boundary between the two countries should be settled in a fair and reasonable manner. Better understanding and cooperation between India and China will have a positive impact on peace and stability in our region and the world.

The Soviet Union is a major partner with whom we have friendly relations and wide-ranging, mutually beneficial cooperation. We wish the people of the Soviet Union success in their efforts to bring about a transformation in their country. We are confident that our bilateral relations with that great country will continue to develop in an atmosphere of traditional warmth and understanding.

We look forward to the further development of our relations with the United States of America. We believe that building a mutually beneficial and mature relationship is a goal shared by both countries. Indo-US cooperation in the commercial, scientific, technical and cultural fields has been steadily intensified.

We will continue to monitor closely the postwar developments in the Gulf region, a region with which we have deep-rooted historic links. We hope that the new security arrangements that are being put in place would be based upon the initiative of the countries of the region and worked out under the overall aegis of the UN.

There can be no durable or stable peace in West Asia without a comprehensive settlement of the Palestinian problem. India has consistently supported the just struggle of the Palestinian people and has recognised Palestine as an independent State. We remain committed to supporting a settlement based on the Palestinian right to self-determination, the vacation of all Arab territories occupied since 1967 and the security of all the States in the region.

We have traditionally had good relations with all the countries of Europe. The European Community is our major trading partner and a key source of investment and technology. We also recognise its growing potential as a

political and economic entity. We will remain in close touch with the Community.

Our friendly relations with Germany have been strengthened with the visit of the President of Germany to India. Later this year in September, the Festival of India in Germany will be inaugurated in celebration of the cultural and intellectual interchange that has been a hallmark of Indo-German relations in the past decades.

The countries of Eastern Europe have witnessed momentous changes in recent years. India welcomes the success of the democratic movements in these countries and looks forward to strengthening our traditional bonds of friendly relations with them.

We desire the strengthening of our relations with Japan, which is already one of our major economic partners. We are engaged in a constructive dialogue with Japan on the entire range of matters of mutual concern. We appreciate the support they have extended to us.

Government will continue to maintain close and friendly contacts with all the countries of South-East Asia. We will continue to participate in the process of finding a political solution to the Cambodian conflict, consistent with the sovereignty, territorial integrity, independence and the non-aligned status of Cambodia.

We remain totally opposed to the continuing efforts to institutionalise racial discrimination in Fiji.

We welcome the measures taken by the South African Government to remove the statutory pillars of apartheid. We fully support the demand of the African National Congress to implement further measures, which will lead to the irreversible elimination of apartheid in South Africa.

In the short period of our current membership of the United Nations Security Council, since January this year, we have endeavoured to not only project our own national policies and aspirations but also serve the cause of maintaining international peace and security, in consonance with our faith in multilateralism.

Our foreign policy will take into account the far-reaching changes taking place in the international situation while adhering firmly to the principles of non-alignment. We will continue to work for peace and disarmament and for global cooperation to reduce poverty and improve living standards in the developing nations.

Honourable Members, the main task before you will be the adoption of the Budget for 1991-92 and several measures of grave national importance. I am sure that your deliberations will be marked by maturity and wisdom and guided by patriotic and selfless devotion to the cause of the nation.

The crisis with which we are confronted today makes this session of parliament a particularly important one. You must give the lead and set the tone which will instil confidence in our people and enthuse them in the task of nation building. You have before you the historic task of building a strong and prosperous India, a humane India, an India where there is social harmony and communal amity, an India from which poverty has been eradicated, an India based on equality and social justice.

I wish you all success.

Jai Hind.