

## ADDRESS TO PARLIAMENT—13 FEBRUARY 1995

Lok Sabha	—	Tenth Lok Sabha
Session	—	First Session of the Year
President of India	—	Dr. Shanker Dayal Sharma
Vice-President of India	—	Shri K. R. Narayanan
Prime Minister of India	—	Shri P. V. Narasimha Rao
Speaker, Lok Sabha	—	Shri Shivraj V. Patil

HON'BLE MEMBERS,

I welcome you to this session of Parliament.

As I stand to address you this year I note that the optimism and self-assurance evident last year has been vindicated. The projections made have been fulfilled in substantial measure and it can be said with confidence now that the country has made the turnaround initiated by the new economic and other policies of the Government. The people have responded handsomely by reasserting their faith in social stability. Political parties have also contributed to strengthening democracy and fundamental values such as the rule of law. Our country has improved its standing in the global community and now stands poised to become one of the rapidly growing economies of the world.

The law and order situation continued to be under control in 1994-95. There was no major communal riot in the country and incidents of violence were fewer. Polls in Goa, Sikkim, Andhra Pradesh, Karnataka and Maharashtra have been peaceful. Government is determined to be watchful, particularly in respect of the secessionist and communal forces that pose a threat to the unity and integrity of the country.

On the Ayodhya issue, one of the noteworthy developments is that the Supreme Court delivered its judgement on the reference made to it. It has upheld the validity of the Acquisition Act, but not the provisions relating to abatement of the pending suits. The disputed area is vested in the Central Government which is now to act as a statutory receiver for maintaining the *status quo* until the disposal of the revived suits. Compliance with the decision of the Court is essential. The judgement recognises the possibility of a resolution of the dispute through negotiations. It is of

utmost importance that the improved atmosphere leads to a lasting solution to this dispute and we collectively ensure that communalism does not vitiate politics.

A separate Department of J&K Affairs has been set up under the Prime Minister. Vigorous efforts have been made to step up the pace of the development and economic activity in the State. Government has ensured availability of adequate funds to the State and will regularly assess its needs sympathetically, in terms of the resources required for its developmental needs. The objective of revival of the democratic process is also being pursued. The delimitation of constituencies is being done and the work of revision of the voters list has been taken up by the Election Commission. Operations against militants are being intensified. The attempts by militants to disrupt the Amarnath Yatra were successfully foiled by the administration. In spite of the trying conditions, the security forces are showing restraint and are sensitive to the feelings of the local people. Delegations of diplomats and Parliamentarians visited the State and interacted freely with various sections of the people. This continuing transparency has generated overall confidence.

In the North-East, Government is pursuing its policy of dealing firmly with insurgent activities. At the same time, efforts are being made to encourage these disruptive elements to abjure violence and join the national mainstream. The Government of Mizoram signed an Accord with Hmar People's Convention resulting in surrender of militants. There has been a similar surrender by ULFA militants in Assam.

An agreement was signed in September, 1994 providing for a Jharkhand Area Autonomous Council. A new Bill incorporating the provisions of the agreement has been passed by the Bihar Assembly.

Government is seized of the issues that have arisen in the hill areas agitation in Uttar Pradesh and is confident that given patience and sympathetic handling by all concerned, acceptable solutions will be found.

The National Human Rights Commission carried on its work with dedication. Government stands committed to its policy of promotion and preservation of human rights.

The economic reforms have brought about an upswing in the economy. During 1994-95, the gross domestic product, at constant prices, is expected to increase by 5.3 per cent, as against 4.3 per cent last year. Industrial revival started with an 8 per cent increase in production in the first half of 1994-95. Foreign Exchange reserves rose from \$ 15.1 billion as on 31st March, 1994 to over \$ 19 billion as in the last week of January, 1995. Government was in a position to repay about \$ 1.1 billion to the IMF ahead of schedule. As a consequence of the strong revival of the industrial sector,

imports increased by 23.9 per cent. Exports have also grown by 16.9 per cent in dollar terms. The rupee continued to remain stable and was made convertible on Current Account.

Government is concerned about the increase in prices, especially of articles of mass consumption. The price situation is being watched closely and measures are being taken to prevent shortages. In the case of some commodities, like sugar and edible oil, prices had risen mainly due to insufficient domestic production. The comfortable foreign exchange position has enabled imports to augment supplies and control the rise in the prices. In the case of wheat and rice, open market sales out of public stocks of foodgrains held by the Food Corporation of India have also been undertaken. The Public Distribution System and Revamped Public Distribution System are also being used to provide assistance in making essential commodities available. Further efforts will be continued in this direction. Remunerative minimum support prices would continue to be assured to the farmers to safeguard the country's food security. As far as essential commodities are concerned, Government will pursue the twin objectives of ensuring adequate availability and fair prices, with extra concessions for the poor.

The wide ranging industrial de-regulation has evoked commendable response from entrepreneurs. More than 17,000 investment intentions have been filed since July, 1991 totalling investment of over Rs. 3,50,000 crores with potential for direct employment for 3.4 million persons. Nearly 20 per cent investment intentions have so far been implemented and another 20 per cent are at various stages of implementation. These are estimated to generate direct employment to the extent of 1.4 million persons. Disbursements by our major financial institutions from April to December, 1994 have shown a 39 per cent increase over the same period in the previous year. The growth of domestic initiative has generated interest amongst foreign investors and collaborators. The confidence exhibited by foreign investors in the skills and resources of Indian partners is evident from the large foreign direct investment in joint ventures to the extent of 80 per cent. Cumulative foreign direct investment approvals since 1991 have exceeded Rs. 20,000 crores, the bulk of it in long gestation infrastructure projects. Government continued with its policy of reforms and de-regulation in other sectors. The new Drug Policy and the Telecom Policy are steps in this direction.

The small scale sector is an important component of our industrial base, its production level being Rs. 2,41,648 crores and generating an employment of 139 lakh persons. It recorded a growth of 7.1 per cent last year. Exports from this sector are around Rs. 24,000 crores, accounting for nearly 35 per cent of total exports. To meet the credit needs of this sector, the Reserve Bank of India had issued guidelines including the adoption of a single window scheme in 85 districts where small scale units are

concentrated, and setting up of specialised bank branches. Government will enhance support to this sector further through liberal assistance for technology upgradation.

A high power committee under the Chairmanship of the Prime Minister has adopted an action plan for revitalising and improving khadi and village industries and generating additional employment for 2 million persons. A special employment programme would be undertaken in 50 selected districts and intensive development of 125 blocks in the country would be promoted.

Employment for the educated youth is a prime concern of the Government. The Prime Minister's Rozgar Yojana which is being implemented from 2nd October, 1993, was designed to provide self-employment for youth in the urban areas. It has been now extended to cover the rural areas also from this year. During the current year, 2.3 lakh educated youths will benefit from this programme, as against 31,797 last year. Banks have sanctioned loans to 69,483 entrepreneurs till 31st December, 1994. Government will provide loan to 7 lakh youths to generate 10 lakh employment opportunities before the end of the Eighth Plan period.

The production of nitrogenous fertilizers is expected to reach an all time record of 78.2 lakh tonnes in 1994-95, in terms of nutrients. Production of phosphatic fertilizers is expected to increase from 18.5 lakh tonnes in 1993-94 to 23 lakh tonnes in 1994-95, in terms of nutrients. Government has continued with its efforts to increase the domestic production of fertilizers with five new plants likely to commence production shortly.

Government has continued to give high priority to the development of the agriculture sector. The production of foodgrains is expected to increase from 182 million tonnes last year to 185 million tonnes in the current year. Disbursement of agricultural credit was Rs. 15,100 crores during 1993-94 and is expected to reach a level of Rs. 16,700 crores during 1994-95. The area covered under irrigation is expected to go up by 2.77 million hectares in 1994-95 bringing the total area under irrigation to 87.82 million hectares. The consumption of fertilizer nutrients during 1994-95 is estimated at 136 lakh tonnes showing an increase of about 10 per cent over the consumption of 1993-94.

Government has been promoting diversification schemes in rural areas to provide higher incomes from occupations like horticulture and fishing. Accordingly, horticulture has been given an outlay of Rs. 1,000 crores in the current Five Year Plan as against an outlay of only Rs. 24 crores in the last Five Year Plan. Fish production, which recorded an all time high of about 46.8 lakh tonnes in 1993-94, is likely to reach a level of 47.5 lakh tonnes during 1994-95. There has been a three-fold increase in export of agricultural products during the last five years.

Rural development is the central concern of all the developmental efforts of the Government. Sharply targeted rural development programmes underpin its employment strategy in poverty eradication. The central plan allocations for rural development schemes have been progressively enhanced during the last three years and the current year's allocation of Rs. 7,010 crores is the highest ever in our planning history. This large outlay goes to provide additional wage employment as well as self-employment through mobilisation of institutional finances on a large scale. Rupees 5,055 crores go to provide employment through the Jawahar Rozgar Yojana and the Employment Assurance Scheme. For the Employment Assurance Scheme, an amount of Rs. 1,200 crores has been earmarked during the current year. This programme has been expanded from 1,778 most backward blocks of the country to 2,279 blocks in the current year. In addition to the Jawahar Rozgar Yojana, an intensive JRY Programme focusses on 120 chronically backward districts. All these schemes together are expected to generate 1,470 million mandays of employment in the current year.

The asset-cum-loan based Integrated Rural Development Programme which provides self-employment would cover about 2 million rural poor households from this year. The district and block level credit plans are being coordinated more effectively and the average investment per household is being increased to Rs. 12,000. Rupees 2,000 crores of institutional credit would be mobilised through a subsidy of Rs. 1098 crores. These programmes will increasingly cater for the rural literate youth. Simultaneously, the Programme for the Development of Women and Children in Rural Areas is being extended to all the districts and will now provide Rs. 25,000 against Rs. 15,000 hitherto, to women's groups to help them pursue economic activities and enhance group action in matters like literacy and family welfare, leading to women's empowerment.

As stipulated, by April, 1994, all States amended their existing Panchayati Raj laws or have legislated new laws. Now it is necessary to hold elections and constitute Panchayats at all levels. Some States have already made a beginning. In order to fulfil the high expectations of the people, the Panchayats must be empowered with financial and administrative delegation. I call upon all the States to complete the Panchayat electoral process without delay.

Government recognises the need for an integrated programme to deal with the problems of urban poverty. This programme would include scientific disposal of urban wastes of all kinds. Voluntary organisations would be fully involved in its design and implementation. Government is seeking to formulate a scheme for 345 Class II towns of the country that have populations ranging from 50,000 to 1 lakh.

The response from the States to the Special Component Plan for the Scheduled Castes has been encouraging. The Central allocation to States to supplement their efforts this year is Rs. 273.85 crores. An important step

taken last year was the constitution of the National Commission for Safai Karmacharis, to oversee the programmes aimed at the liberation and rehabilitation of the Safai Karmacharis. The Commission would address itself to rehabilitation programmes such as training, better mobilisation of institutional finances and the need for enhanced unit costs.

Efforts to strengthen and expand economic support programmes to the poor by the provision of margin money and loans through the National Scheduled Castes and Scheduled Tribes Finance and Development Corporation, have been stepped up as has been its authorised share capital from Rs. 125 crores to Rs. 300 crores.

The first step in providing for reservation of 27 per cent for the OBCs under the Government of India was taken in September, 1993 and is under implementation. In order to ensure that the full benefits of this measure are available to the OBCs, Government relaxed the standards required for OBC candidates to be on par with the Scheduled Caste and Scheduled Tribe candidates and as a result, 1,873 additional OBC candidates qualified for the Civil Services Preliminary Examinations, 1994. Government has also decided to extend the 3 years' age relaxation principle and to allow 3 additional attempts.

The National Minorities Development and Finance Corporation became operational in September, 1994 with an authorised share capital of Rs. 500 crores to promote the economic development activities of the backward sections amongst the minorities and to assist the upgradation of their technical and entrepreneurial skills. An amount of Rs. 25 crores has been provided during the current year to the Maulana Azad Education Foundation. The Foundation will set up residential schools for girls in low literacy slum and rural areas.

Certain new measures are under consideration of the Government for the protection of the Scheduled Castes and the Scheduled Tribes and the disabled. These are inclusion of the SCs and STs (Prevention of Atrocities) Act, 1989 and the Protection of Civil Rights Act, 1955 in the IX Schedule of the Constitution, setting up of a Commission under Article 339(1) of the Constitution to review the development strategies like the Tribal Sub-Plan and other measures presently in operation for the welfare and development of the Scheduled Tribes so as to improve upon these strategies, legislation to provide equal opportunities to the handicapped in areas like education, vocational training and employment placements, and a Trust for the Welfare and protection of the mentally retarded.

In matters relating to women and children, Government's approach has been to provide an enabling policy environment in which their concerns, particularly those of the girl child, are the central focus of planning. Priority is given to the empowerment of women, support services and



nutrition programmes. The noteworthy achievements in this process have been the adoption of the National Nutrition Policy, the setting up of the National Nutrition Council and the National Creche Fund and implementation of the Mahila Samriddhi Yojana. The Mahila Samriddhi Yojana has had an impressive response. By December, 1994, 72 lakh accounts had been opened with a total deposit of Rs. 65.90 crores. The National Creche Fund will assist in starting 1800 additional creches by the end of the Eighth Plan to provide day-care services to 45,000 children of working women and ailing mothers.

As part of the effort at covering the entire country with the Integrated Child Development Services programme, it is proposed to cover 1000 new blocks through Community Nutrition Centres in one lakh villages, as a first step, during 1995-96.

To achieve the goal of Education for All by 2000 AD, Government will progressively raise the allocation to education so as to reach the target of 6 per cent of GDP. Total Literacy Campaigns are now operational in 312 districts in the country covering about 50 million learners in the 9-45 years age group. With the emergence of Total Literacy Campaigns, it is now being perceived that universal adult literacy is an achievable task.

The Government is determined to eradicate Child Labour progressively in all employments and, in hazardous industries, by the year 2000 AD. A National Authority for Elimination of Child Labour has been set up to coordinate actions of the core sectors of development administration such as education, rural development, women and child development, health and labour to devise integrated programmes that would bring about conditions conducive to withdrawal of children from employment and place them firmly in schools.

We are today in the forefront in the practical application of the space technology in vital areas. The Polar Satellite Launch Vehicle D2 and the Augmented Satellite Launch Vehicle-ASLV D4 demonstrated our capacity to place satellites into polar and near earth orbits. Our INSAT class of satellites are providing services in telecommunication, TV broadcasting, meteorology and disaster warning. The next satellite in this series, INSAT 2C, and the remote sensing series satellite, IRS IC, are planned for launch in 1995. It is heartening to note that India has been selected for the setting up of a UN Centre for Space Science and Technology Education to cater to the needs of the Asia Pacific region.

To meet the aspirations of the people to view programmes in their own language, Doordarshan has reconfigured its satellite service. Out of 14 channels, 11 satellite channels are now exclusively for programmes in regional languages.

The country continued to make strides in its efforts to harness the power of the atom for peaceful purposes. With the completion of the sixth Indian designed and constructed nuclear power reactor—the second unit of

the Kakrapar Atomic Power Station, which achieved criticality on January 8 this year—the country once again proved its self-reliance in this advanced technology. There were also spin-offs from the use of nuclear technology, such as the production of nuclear grade graphite, fabrication of medical lasers and development of parallel supercomputers.

Our Armed Forces maintained their vigilance in defending our international borders and maritime interests. They also made valuable contributions in counter-insurgency operations in Jammu and Kashmir and in the North-East.

Abroad, the Army won plaudits for its contributions to the UN peace-keeping effort in Somalia, ably supported by the Indian Air Force and Navy, especially in the de-induction of forces.

In the conduct of international relations, we can view the past year with satisfaction. Existing friendships were reinforced and new understanding created around the world of our objectives and policies.

Our continuing support for the United Nations, which observes its 50th anniversary this year, is based on the premise that it is the most effective instruments for the realisation of humanity's common goals. India's initiatives at the United Nations included the need for the democratisation of the world body and the enlargement of the UN Security Council's membership to reflect contemporary realities. We proposed a Fourth Special Session on Disarmament to address post-Cold War issues of global security.

In our own region, we will be hosting the next SAARC Summit in April this year and look forward to working with our SAARC colleagues to further strengthen regional cooperation.

During the past year, closer bilateral relations with our neighbours continued to secure our attention. We welcome the new Governments which assumed office in Sri Lanka and Nepal through multi-party democratic elections. We look forward to closer understanding and increasing co-operation with them, as with all our other neighbours.

Pakistan has however continued on its distressing path of confrontation with India and unacceptable interference in our internal affairs. We have taken repeated initiatives with Pakistan to settle all unresolved issues between our two countries according to the Simla Agreement. Our offer of such a dialogue still stands. Meanwhile, we regret the unilateral steps taken by Pakistan to close their office in Bombay\* and the Indian Consulate General in Karachi, thereby creating greater barriers to people-to-people contacts, and commercial, cultural and other relations.

The Government has worked to consolidate understanding and co-operation with old and new friends abroad. My State visits to Bulgaria and Romania renewed the close ties that existed for decades between India and countries of Eastern Europe.

---

\* Now known as Mumbai.



Our Vice-President visited Australia, South Africa and China and the visits reinforced our ties with these countries.

The Prime Minister's visits to the United Kingdom, USA, Russia, Vietnam and Singapore contributed significantly to the all round enhancement of our ties with them.

The visit to the USA, which resulted in greater mutual understanding on matters of concern to the two countries, opened a new chapter in bilateral relationship. It laid the groundwork for resurgent India-US interaction not only in the political, economic and commercial fields but in other areas as well.

The Prime Minister's visits to the United Kingdom, Vietnam and Singapore testified to our desire to reinforce ties with our European and Asian partners.

India-Russia ties gained in substance and momentum during the last year. The Moscow Declaration on the Protection of the Interests of Pluralistic States signed by President Yeltsin and our Prime Minister was a notable contribution to the conduct of Inter-State relations.

We recently welcomed President Nelson Mandela of South Africa as the Chief Guest for our Republic Day celebrations this year. His visit marks a new chapter in the building up of India-South Africa co-operation in various fields.

Our efforts to effectively project abroad the success of our economic management, on which depends the well-being of our people, and the beneficial changes that have taken place as a result of economic liberalisation, have received excellent response in countries abroad.

The momentum gathered by the country through these policies has to be sustained to ensure that the benefits that have started accruing are not frittered away. A combined effort is necessary to strengthen the confidence of investors in our economy and of the people, particularly the underprivileged, in the economic reforms. The tone and tenor of your debates reflect and greatly influence both. I am confident you will set the pace with due regard to these objectives. I commend you to your tasks and wish you success.

Jai Hind.