

ADDRESS TO PARLIAMENT—9 FEBRUARY 1959

Lok Sabha	—	Second Lok Sabha
Session	—	First Session of the Year
President of India	—	Dr. Rajendra Prasad
Vice-President of India	—	Dr. S. Radhakrishnan
Prime Minister of India	—	Pt. Jawaharlal Nehru
Speaker, Lok Sabha	—	Shri M. Ananthasayanam Ayyangar

MEMBERS OF PARLIAMENT,

I welcome you once again to your labours in a new session of Parliament.

We are near the end of the third year of the Second Five Year Plan. In my address to you last February I drew your attention to the stresses and strains to which our economy is subject. I expressed the concern of my Government that our temporary difficulties should not lead us in the direction of retarding development and progress. Difficulties should be overcome by reconsideration and revision of methods and by planned mobilisation of resources.

In May, and again in November 1958, the National Development Council took into consideration the problems of resources, of production and of phasing relevant to the Second Plan and decided that the Plan outlay should be Rs. 4,500 crore and this total should be reached by conservation of and addition to resources.

The economic policy of my Government has this end in view. Measures have been adopted to limit and phase foreign exchange commitments and expenditure, to arrest rise in internal prices and to increase foreign earnings. Export duties on a number of commodities have been reduced or abolished and export quotas have been liberalised. In August 1958, as a result of a comprehensive review of regulations export control was removed from as many as 200 commodities and the number of commodities subject to quota restrictions severely curtailed.

My Government have made successful attempts to secure foreign assistance by way of aid and loans to tide us over our temporary difficulties. Negotiations for further aid are in progress. Aid or loans from foreign countries for which my Government and our people are duly grateful are not governed by the attachment of any political conditions to them. Negotiations in regard to future assistance will also be on the same basis.

Our Second Plan is only part of the whole process of planned development of our economy. The steps we now take are but stages along the long and arduous road to planned prosperity and my Government, through the Planning Commission, have already initiated consideration and studies of the Third Plan. It is hoped that by the end of the Third Plan, a sound foundation will have been laid for future progress in regard to our basic industries, agricultural production and rural development, thus leading to a self-reliant and self-generating economy.

Planning is a national undertaking requiring the efforts of the whole nation and the co-operation of all at every stage. My Government have therefore called for, and look forward to a constructive, even if critical, approach by all and contribution in ideas from the different shades of opinion in Parliament and outside. To this end, my Prime Minister and the Planning Commission are seeking the co-operation of all parties.

It is proposed to prepare a preliminary Draft Outline or Plan Frame for the Third Plan by the end of this year. After the preliminary Draft Outline has been discussed and approved, detailed consideration of Central and State Plans will commence. The principal objectives which we have accepted are: a substantial increase in national income, rapid industrialisation, expansion of employment on a sufficient scale, and a reduction in inequalities of income and wealth. The Government will continue to aid and support small and cottage industries. The tempo of development already attained must be maintained and accelerated.

Food and food prices are the most important factors in the regulation of our economy. On these largely depend other factors vital to our planning and progress, such as availability of foreign resources for development, the balance of payments position, the maintenance of internal price levels and the arrest of inflation, if and when it tends to set in.

To check the rise in prices of foodgrains, in early 1958, following failure of rains and widespread damage to crops, my Government imported 2.74 million tons of foodgrains in the first eleven months of 1958, regulated internal movement of foodgrains and made supplies available to the consumer through fair price shops. The Reserve Bank enforced its policy of restraint on availability of Bank credit for buying up of foodgrains by private parties.

In this respect self-sufficiency in food alone can provide a satisfactory solution. Increased yields, by greater and sustained efforts and the adoption of improved methods in agriculture combined with the necessary agrarian reforms, which would make agriculture both gainful and economic, are imperative. To this end, my Government will seek to promote agrarian reforms, co-operation and devolution of functions to village units.

The crop prospects for 1959-60 are in refreshing contrast to our plight the previous year. Nature is being kinder to us this year, and the outlook both in regard to food and commercial crops is promising. We have a very

good rice crop and prices of rice have already recorded a marked fall. It is intended to build up considerable stocks and to widen the scope of State trading. Wheat and gram prices have risen, but, according to present indications, the *Rabi* crop will be good. Our developmental efforts, in regard to the major crops, by intensive production campaigns, greater stress on minor irrigation projects, proper utilisation and maintenance of existing works, increased momentum in the establishment of seed farms, more promising tendencies to adopt better methods, and extension of soil conservation programmes, account in a considerable measure for the more hopeful horizon in agriculture.

The Community Development programme, on which largely depend the effective extension and implementation of democracy in meaningful terms to the large masses of our people, now covers 300,000 villages and roughly a rural population of 165 million. Measures for more effective participation of the people in this vital development are being implemented. The basic unit of our democracy, the Panchayat, is being provided with increased resources and functions. Village Co-operatives are being organised and developed so as ultimately to cover the entire rural area.

Industrial production, as a whole, showed progress, but some industries, notably textiles, have suffered a set-back. Among the industries, both in the public and private sectors, which achieved a substantial increase in output were machine tools, penicillin, insecticides, paper and board, diesel engines, electric motors, sulphuric acid, caustic soda, tyres, sewing machines, bicycles and electric fans. New schemes of development and expansion in the public sector, which are in progress, cover machine building, fertilizers and drugs. Plants to build heavy electrical equipment, heavy industrial machinery and mining machinery are being set up at Bhopal, Ranchi and Durgapur. New fertilizer plants are being established at Nangal, Rourkela and Neyveli, while Sindri has been expanded. Projects for the manufacture of drugs and antibiotics are also among the new development schemes in progress.

I had the pleasure of inaugurating the two large steel plants at Rourkela and Bhilai last week, where production of pig iron has now started. It is expected that steel will be produced in these plants before the end of the year. It is also expected that the first blast furnace at Durgapur will begin to function before the end of the year. The programme of expansion of the steel plant at Jamshedpur has been almost completed and full production will be achieved within a few months. The steel works at Burnpur will complete their expansion programme by the end of the year.

Coal production has increased. Further steps have been taken towards implementing the Neyveli Lignite Project. The Project Report of Neyveli Thermal Power Station has been accepted and action for construction initiated.

There have been advances in the development of mineralogy by way of intensive surveys and exploration, and the National Mineral Development Corporation has been established. New deposits of coal, copper and gypsum have been discovered.

The search for oil and natural gas was intensified and has yielded promising results. Drilling for oil has been continued at Jwalamukhi and Hoshiarpur in the Punjab, and will be started soon in the Shibsagar area in Assam. The most significant development has been in the Cambay area of Bombay* where oil under considerable pressure has been discovered, and there are indications of several promising oil horizons. It is hoped that by an intensive programme of test drilling, the extent of the potential oil reserves of the Cambay area will be established during this year. Considerable reserves of natural gas have also been found in Naharkatiya Oil Fields.

An agreement has been concluded with the Government of Rumania for the supply of equipment and assistance in the construction of an oil refinery in Assam.

The National Laboratories have played an important part in the plans of industrialisation. They have harnessed the results of their research to production by erection of pilot plants, particularly for the development of coal resources for the steel plants, raw materials for refractories, and in assisting the private sectors in certain problems. The Laboratories have in a number of cases made possible the use of indigenous in place of imported material, and also assisted in the utilisation of low grade ores.

My Government have taken steps in several directions to implement the purposes contained in the Scientific Policy Resolution of the 4th of March 1958. Close liaison exists between the National Laboratories and Industry. Laboratory training courses, and grants-in-aid schemes for research promote these relations as well as the scientific approach and the availability of scientifically skilled manpower. It has been decided to establish National Laboratories for research and development in Mechanical Engineering at Durgapur and Public Health Engineering at Nagpur.

Two more Higher Technological Institutes will be opened this year, one in Bombay* with the aid of the U.S.S.R. and UNESCO and the other in Madras with the aid of the Federal Republic of Germany. A College of Engineering is being established in Delhi with United Kingdom aid. The foundation-stone of this institution was laid by His Royal Highness Prince Philip, The Duke of Edinburgh, during his recent visit.

A new Atomic Energy Commission, with executive and financial powers, within the limits of the expenditure sanctioned by Parliament, has been established. Considerable advance and expansion in the field of atomic energy, and exclusively for peaceful purposes, has been made and continues

* Now known as Mumbai.

satisfactorily. The aim of planning in this field is the production of all the basic materials required for the utilisation of atomic energy for power. While large-scale achievement in this field of nuclear power must await the later stages of the Third Plan, my Government have decided to install nuclear powered plants to produce electricity of a minimum capacity of 250 thousand kilowatts.

In my address to you last year I said that uranium metal of atomic purity and fuel elements for the reactors will be in production before the end of the current year. I am glad to say that the construction of the uranium metal plant has been completed and has undergone trial runs successfully. The first ingot of atomically pure uranium metal was produced on January 30th, 1959. The construction of the facility for producing fuel elements is also far advanced.

The work on the River Valley Multi-Purpose Schemes has progressed during the year according to schedule. The Report of the High Level Committee on Flood Control is under consideration of my Government.

The ports of Calcutta* and Madras** are to be improved at a cost of 20 crores of rupees, for which the Port authorities have entered into financial agreements with the World Bank.

My Government have met with success in their endeavours to promote industrial relations on a voluntary and agreed basis. A 'Code of Discipline', which stresses the need for recognition by employers and workers of both the rights and responsibilities of either side, has been ratified by all Central Organisations of Employers and Workers. This Code also prescribes certain norms of behaviour. It provides that unilateral action by either side should not be taken, lock-outs and strikes should be avoided and the machinery for the settlement of disputes should be utilised expeditiously. The Code also prescribes sanctions to be invoked by the Workers and Employers Organisations in regard to their respective defaulting members. A Tripartite Committee has been constituted to assess the extent of the non-implementation of Labour Enactments and Awards and also to secure their proper implementation. The Employees' State Insurance Scheme, which already covers nearly fourteen lakhs of workers, is being further extended. A beginning has been made in workers' participation in management and Joint Councils have been set up in several industrial undertakings, both in the public and private sectors.

There has been a substantial increase in the output of the Ordnance Factories which has enabled my Government to effect appreciable savings in foreign exchange. There have also been advances in scientific and industrial research and development, and the expansion of facilities in this respect. This has enabled progress in the indigenous production of the materials required for the manufacture of Defence equipment.

* Now known as Kolkata.

** Now known as Chennai.

The Committee of Members of Parliament constituted in accordance with Article 344 of the Constitution to examine the recommendations of the Official Language Commission has submitted its Report. You will have the opportunity of considering it during the current session.

The situation in the Naga Hills shows appreciable improvement. Cases of violence and lawlessness have markedly declined. The Nagas, generally, have appreciated the policy of my Government. In May 1958 the All-Tribal Convention reinforced the decisions of the Kohima Convention of August 1957. Large numbers of Nagas who were previously hostile and had gone underground are now pursuing normal and peaceful avocations.

The Sikkim Development Plan, which is financed by India, is making good progress. The road from Gangtok to Nathu La has been completed and is open to vehicular traffic. This road passes through a very difficult mountain terrain and our engineers are to be congratulated on the success of this undertaking. A tripartite agreement to which Nepal, the United States of America and India are parties for the construction of 900 miles of road was signed in January last year. An agreement for the construction of the Trisuli Hydro-Electric Project has been concluded and work begun. This Project will generate 12,000 kilowatts of electricity for the Kathmandu Valley.

Considerable progress has been achieved in the rehabilitation of displaced persons from Pakistan. So far as the displaced persons from West Pakistan are concerned, it is hoped that the last stage of rehabilitation, that is payment of compensation, will be completed during this year. In regard to displaced persons from East Pakistan*, about sixty thousand have moved from camps to rehabilitation sites during the past year. It has been decided to close the camps in West Bengal before the end of July this year. It is expected that the remaining thirty-five thousand displaced families will have moved by that time from the camps either for work and rehabilitation in Dandakaranya, or to rehabilitation sites in other States.

My Government have recently made certain important changes in regard to arrangements for budgeting and financial control over expenditure from the Civil estimates. In order to secure a speedier implementation of our development plans, the administrative Ministries have been given wider financial powers to issue expenditure sanctions to schemes which have been included in the Budget Estimates after scrutiny by the Finance Ministry.

An Ordinance, namely 'The Indian Income Tax (Amendment) Ordinance, 1959', has been promulgated since the last session of Parliament. A Bill dealing with this Ordinance will be placed before Parliament.

Forty-nine Bills were passed by Parliament during the year 1958. Thirteen Bills are pending before you. My Government intend to introduce a number

* Now known as Bangladesh.

of legislative proposals both by way of new Bills and amendments. Such proposals will include:

- (1) The Companies (Amendment) Bill.
- (2) The Estate Duty (Amendment) Bill.
- (3) The State Bank of India (Subsidiary Banks) Bill.
- (4) The Coal Mines Labour Welfare Fund (Amendment) Bill.
- (5) The All-India Maternity Benefit Bill.
- (6) Bill to provide for compulsory notification of vacancies by employers to Employment Exchanges.
- (7) The Geneva Convention Bill.
- (8) The Savings Bank (Amendment) Bill.
- (9) The Banaras Hindu University (Amendment) Bill.
- (10) The Children Bill.
- (11) A Bill for the Prevention of Cruelty to Animals.

A statement of the estimated receipts and the expenditure of the Government of India for the financial year 1959-60 will be laid before you.

My Government note with concern the continuance of world tensions and that basic improvements in the world situation are not yet on the horizon. My Government, however, continue to pursue their policy of non-alignment with the great power Blocs and of making their contribution wherever possible for the relaxation of tensions.

The vast advances in science and technology have enabled man to dare to explore interplanetary space and have opened up before him great vistas which are full of possibilities for human progress. My Government share with others the concern that these great scientific developments have hitherto been used principally for the making of weapons of mass destruction which threaten the world with annihilation.

My Government note with regret that while some progress has been made at Geneva in regard to the termination of nuclear and thermonuclear explosions, neither in this nor in the more fundamental problem of the prohibition of these weapons of mass destruction or in the general field of disarmament, real progress, much less a settlement, is in sight.

In September last year, my Prime Minister reached agreements with the then Prime Minister of Pakistan in regard to certain border disputes and border problems. These included an agreement for the exchanges of Cooch-Bihar enclaves in Pakistan with Pakistan enclaves in India. My Government will place before you legislation to implement these agreements.

Our own relations with the countries far and near have continued to be friendly.

On the invitation of the Emperor of Japan, I visited Japan at the end of September 1958 and received a warm welcome from the Emperor and the people of Japan.

In December 1958 I paid visits to Indonesia and Malaya on the invitation of the President of Indonesia and the Paramount Ruler of Malaya. In both these countries I was accorded a generous welcome by the Government and the people.

My Prime Minister, in September last year, visited Bhutan with which country we are in special Treaty relationship. He met with an affectionate welcome from the Ruler and the people of Bhutan. He has assured them of our deep and abiding friendship and our determination not to interfere in their internal affairs. We may hope that improved communications between Bhutan and India will provide closer links between our two peoples.

My Government accorded diplomatic recognition to the new regimes in Sudan, Iraq, Guinea and Cuba soon after they were established.

We had the privilege of welcoming in this country as our honoured guests during the year: His Majesty the King of Afghanistan; Their Majesties the King and Queen of Nepal; the President of the Democratic Republic of Vietnam; the President of Yugoslavia; the Prime Ministers of New Zealand, Turkey, Cambodia, Pakistan, Canada, Ghana, Norway, Rumania and Afghanistan; the German Federal Minister of Economics; Mr. Henry Cabot Lodge, Head of the U.S. Delegation to the United Nations, and the Duke of Edinburgh.

The International Commission for Supervision and Control in Vietnam and Cambodia continued during the year. In Laos, however, the Commission adjourned *sine die* with the provision that it may be reconvened in accordance with normal procedures. My Government deeply regret that the situation in Laos has worsened and that the hopes to which I gave expression last year of a welcome development in that country have not been justified by events. My Government continue, however, to believe that the peace established by the Geneva Agreements will continue to endure and that the members of the International Commission will co-operate fully with one another and obtain the co-operation of the Laotian Government in the maintenance of peace.

India participated in the United Nations Observation Group in the Lebanon and was able to make its modest contribution in the termination of a potentially grave situation in that area.

The happenings inside the Union of South Africa, resulting from the policy of apartheid relentlessly pursued by the Government of the Union, inflicting suffering and indignity on the majority of the people of that

country and involving the violation of human rights under the United Nations Charter, is of deep concern to us. We may, however, note with some gratification that these policies have been met with overwhelming disapproval by the United Nations. We continue to nurse the hope that the Union Government will respond to the call of world opinion and also recognise that such policies in a resurgent Africa will lead to increased racial bitterness and ultimately to conflicts which may become widespread.

My Government have welcomed the opening of the office of the High Commissioner of New Zealand in India last year.

A number of International Conferences have been held in this country in the past year. My Government have been happy to accord the hospitality and welcome of our land and people to our visitors and to contribute in a small measure to world understanding and the mutual exchanges that arise from such meetings.

Members of Parliament, I have placed before you some of the main events and achievements of the past year. We have reason to congratulate ourselves to some extent in regard to our national development and progress. We have, however, even more than ever before, the duty and the opportunity to endeavour with greater determination, discipline and sense of purpose to make our democracy a reality in terms of the masses of our people.

It is the policy, and it will continue to be the endeavour of my Government, to seek in all possible ways to uphold the dignity and independence of our land and people and to promote our unity and social well-being and to build a democratic and socialist society, in which progress is sought and attained by peaceful means and by consent.

Members of Parliament, I bid you to your labours and wish you success. May your endeavours, your unity of ultimate purpose and your high sense of public duty bring increasing prosperity and contentment to our people, stability and security to our motherland, and assist to promote peace and co-operation in the world.