

MARCH 15, 1967

Friends,

I offer you, the newly-elected Members of the Kerala State Legislature, a warm welcome and wish you success in your labours.

Your election, and the subsequent formation of the Council of Ministers headed by Shri E. M. Sankaran Namboodiripad, bring to an end the President's Rule which has continued for a little more than two and a half years. This will be a matter of satisfaction to the people of the State as a whole. Personally, it is a matter of relief to me since I can, from now on, function on the advice of my Council of Ministers.

May I express the hope that you, the Members of the Legislature and the Council of Ministers, will be able to function for the full term of your life and that your legislative and administrative activities will give satisfaction to the people of Kerala.

The Council of Ministers that has been formed in this State now, as its counterparts in some other State in the country, sets a new pattern for the development of our nation's parliamentary democratic system. It is not one party, but a combination of parties, that has taken the responsibility for forming and functioning the Government here as well as in some other States.

The combination is all the more significant in this State, since it was formed before the elections, rather than after it, as in some other States. Further more, the combination of parties here is based on the acceptance of an agreed programme of administration to which all the participants in the alliance are committed.

Doubts have naturally been expressed, and will no doubt continue to be expressed, whether such a combination of parties will be in a position to give a stable administration. Those who have doubts on this score would, no doubt, point out to the differences and conflicts on ideological, political and practical issues which indisputably exist among the various partners of the alliance. Will it be possible, it is asked, for them all to forget these differences and conflicts, or at least to subordinate them to the needs of joint work in a common organisation?

This is a legitimate question. The functioning of a coalition is by no means an easy task. My Ministers themselves are aware of the difficulties inherent in the task which they have undertaken, I, however, feel that there is no other way for us. The shape of Governments has to conform to the emerging political realities and it seems to me that the country has now reached a stage when experiments of the type which is being undertaken here are well worth making and lessons drawn from their experience. I, therefore, hope that every one of you, both in the ruling party as well as in the Opposition, would do your best to make this experiment a success so as to avoid the instability and chaos that has been the characteristic feature of Kerala's political life during the last decade and a half.

It was only a week ago that my Council of Ministers was sworn in. They, therefore, have not been able to so apply their minds to the various problems facing this State as to evolve concrete policies on major problems. This will take some time. They will be ready with it in about three months' time when you will have to meet for a longer time to discuss the Budget in its details and to vote the Demands for Grants for every department. That Budget Session will give you an opportunity to discuss policies in relation to every major department of the Government. The business of this session would be confined to the passing of a Vote on Account which will enable the Government to incur expenditure for the next four months.

There are, however, certain problems of immediate importance to which reference has to be made right now, since some action on them brooks no delay. The most important among them is Food.

You all know that food distribution in our State has for some time been causing us—both the Government as well as the people—considerable anxiety and concern. The non-availability or shortage of rice has been of such magnitude that we have, for the last few weeks, been forced to distribute the weekly ration in two instalments instead of one—that too sometimes in the following week, rather than the current. My Ministers and I myself are pained to note that the State should be passing through such difficult times. It will, therefore, be the earnest endeavour of my Council of Ministers to see that at least the present scale of ration is regularly supplied and that the people are free from the anxieties and difficulties arising out of the irregular supplies.

The question of supply in Kerala, however, does not stand in isolation from the food situation in the country as a whole. For, the resources with which our ration shops and through them the cardholders are supplied have to come from outside the State. The main question therefore is: how much, and with what degree of regularity, can we expect supplies from outside?

This is connected with the situation and the measures proposed to be taken at the all-India level. I understand that the Prime Minister is convening a conference of Chief Ministers in order to discuss this question and devise ways and means to assure the people of deficit States like ours that their legitimate requirements will be met. My Government is preparing for this conference from which, I hope, something tangible and constructive will emerge.

We cannot, however, leave everything to the Centre. While the primary responsibility of feeding a deficit State like ours rests on the Centre, we too have a responsibility to discharge. Just as surplus States should help deficit States like ours, so should surplus areas in our own State part with their own surpluses. Even in the deficit areas within this deficit State, those individuals who have surpluses should make them available for distribution to the rest of the population. Mobilisation of the surpluses which are accumulated with individuals and within regions in this State is, therefore, an essential condition without which it will be impossible for us to make our own demands on the surplus States.

Procurement from within the State should therefore not only be continued, but further intensified. The exact way in which this should be done, no doubt, requires careful consideration. The Government is, therefore, examining the system as it exists now with a view to mopping up the surpluses accumulating in the hands of the rich cultivators and other stockholders, even while giving necessary relief to small cultivators and agricultural labourers.

Whatever conclusions are arrived at and methods adopted after such a re-examination, however, cannot be applied to the procurement that is now going on, since a change in the system during the course of its current operation will defeat the very purpose for which it is sought to be changed.

I cannot but mention in this connection, that whatever the new system to be evolved, however satisfactory it may appear on paper, it will not yield the desired result unless the Government and the people act together. Mobilisation of surpluses in a deficit economy cannot be carried out through the official machinery alone. The official machinery therefore has to be supplemented by some sort of initiative taken by non-official organizations. How exactly to unleash such popular initiatives, how to co-ordinate the activities of the official and non-official machineries, how to ensure that the initiative of the popular organisations does not lead to tensions and conflicts between different sections of the people—such are the questions to which you the Members of the Legislature, as well as leaders of public opinion outside, will have to give their thought and help the Government in arriving at corrects and constructive decisions.

An equally important question relating to food is that of the prices at which supplies are made in the ration shops. You are aware that the Government of India did some time ago take the decision that no more would they give the full subsidy for rice distribution. This decision meant that either the State Government should bear the cost of the subsidy, or the additional cost should be passed on to the consumer. Either an additional expenditure of about rupees seven crores per year by the State Government or an additional burden to consumer to the extent of 11 paise per kilo of rice—this is the alternative placed before us.

My Government has taken the decision that the consumer should not be made to bear this additional burden. It is hoped that the Government of India will, on reconsideration, see the hardship involved in raising the consumers' price of rice and agree to revise the earlier decision of withdrawing

the subsidy. If these hopes are belied, if the Government of India insists on the stoppage of the subsidy, my Government will come to you to consider the difficult situation arising out of it so that the Government and the people may act in unison to meet the grave situation arising out of it.

Another question which is in a way related to the price of rice (and other essential commodities) is the demand of the Government employees for Dearness Allowance on the same scales as have been granted to the employees of the Central Government. The demand being based on the ever rising price of essential commodities, there cannot be justification for paying Dearness Allowance to Government employees in this same State at different scales. All the more is this true of the Government employees in a State like Kerala where the prices of foodgrains are higher than elsewhere and therefore the hardships of the employees are greater. My Government is therefore fully convinced that the demand for Dearness Allowance on the Central scales is justified. My Government considers that the additional burden which will be imposed on the State exchequer has to be borne by the Central Government, since, after all, the spiralling prices of essential commodities are basically the result of the policies pursued by the Central Government.

The policy decision adopted by my Government with regard to the food subsidy and Dearness Allowance to Government employees would involve a financial commitment of about 13 crores of rupees. The Government feels that this additional burden should not be put on the shoulders of the Government and the people of this State. It is hoped that the Government of India will see the justice of the case put forward by my Government that the Centre should undertake this responsibility, since the State exchequer is not in a position to bear this burden and since failure in this respect will lead to serious difficulties in the State.

Just as on this question of Dearness Allowance, so on all other questions concerning the terms of service, my Government will try to do justice to the State Government employees. Discussions are now going on between the Chief Minister and the representatives of N.G.Os. I hope that these discussions will lead to an improvement of the Government's relations with its employees.

As I have already stated, my Government has not yet had time to consider many important problems in all its details. Yet I consider it necessary to touch upon some of them and indicate the manner in which the Government tries to deal with them.

The most important problem facing the people of this State which occupies as important a place as food is that of unemployment. Despite the high density of population, our State has relatively fewer avenues of employment than most other States. Industrial backwardness—not only in the sense of lack of modern industries but also of crisis constantly breaking out in such industries as handloom, coir and cashew—has always been with us. The Government is trying its utmost to see that, while existing industries are helped to get out of the crisis, the State gets a fair share of the industries that are set up all over the country. Efforts will, therefore, be made to impress upon the Centre the need for a fair allocation to Kerala of whatever industries are set up in the country as a whole—both in the public as well as the private sectors.

While thus seeking the help of the Centre in the industrialisation of the State which leads to the solution of the unemployment problem, my Government will do its utmost to see that entrepreneurs both from inside and outside the State are helped to run the existing, as well as to start new industries. An official Statement outlining the lines along which such help will be given is under preparation and it is hoped that it will be announced in the next few days.

This is naturally connected with an enlightened and healthy policy towards the problem of employer-employee relations. I want to make it clear that my Government will be guided by the two-fold objectives of (a) settling labour disputes as quickly as possible, so that work stoppages are reduced to the minimum; and of (b) securing to the working classes a fair share of the wealth produced through their labours. I take this opportunity to express the hope that both the employers as well as the workers will respond to the requirements of the situation and help the establishment of healthy relations on the basis of a fair return to labour.

In the field of agriculture too, my Government proposes to pursue such policies as well give sufficient incentives to all sections of the cultivating population. The interests of the small and middle cultivators would be particularly protected through the grant to various incentives to them. It is proposed to exempt from irrigation cess the lands that are benefited by minor irrigation schemes.

My Government is aware that the manner in which the land reform legislation is being implemented is acting as a dis-incentive to tenant cultivators, many of whom are under the constant threat of being turned out of their lands. Suitable legislation to protect them from this danger, and also to get other grievances of the tenant cultivators redressed, is under the active consideration of the Government.

Following the recommendations of the Prevention of Corruption Committee headed by Shri K. Santhanam and in pursuance of the interim report of the Administrative Reforms Commission headed by Shri Morarji Desai, certain measures have already been taken to deal with cases of corruption among the Government servants. The first Annual Report of the Vigilance Commission has been received and is being circulated to you. The Government will review the work done in this respect and take necessary action in the light of the comments and views expressed by you and the general public. I hope that these discussions will lead to the evolution of a more efficient system of preventing corruption and the coming into existence of a clean administration.

I would also like to refer to the question of what is called police verification. Having regard to the fact that the process of verification has, in fact, led to political discrimination, my Government has decided to put a stop to it. It should also be borne in mind that the Committee on Administrative Reforms and Economy headed by Shri Vellodi has recommended that this system is unnecessary in the case of those Government employees whose functions are not of a decision-making character. The implications of ending this system are being studied.

I cannot close this address without touching upon the very important question of Centre-State relations. This has been an important political question ever since the Constitution came into operation. The States have always been feeling that, while they are entrusted with those departments and fields of activity which oblige them to incur expenditure on an ever-increasing scale, almost all the elastic sources of income have been allocated to the Centre. The development of a planned economy has further rendered the States unduly dependant on the Centre for loans and grants both for the Plan and as well as for the non-Plan expenditure. The differences and conflicts arising out of this situation have remained masked hitherto because of the fact both Central as well as the State Governments were controlled by the same ruling party. Today, however, an entirely new situation has arisen giving rise to a number of new problems which require immediate attention. I hope that the situation arising out of it will be dispassionately considered by the Central and all the State Governments, so that the relations can be re-established on a new and more healthy basis. My Government will, of course, play its part in such deliberations.

You will note that I have, in this Address, touched only some of the more important burning problems of the State. Others have been left out not only because my Government should have more time to examine the various aspects of the administration here, but also because the new Government of India will take some time to work out its policies in relation to several questions which are of living concern to us. The fourth Five Year Plan is yet to be finalised by the Central Government and Parliament. The food situation in the country and the policies to be adopted to tackle the problems arising from it are also still to be examined and decided upon. Problems like unemployment (which are of greater concern to our State than other States) are also related to industrialisation and other aspects of the Fourth Five Year Plan. It will therefore be better to evolve and declare policies of the Government of this State after a clearer all India picture becomes available.

At the same time, your deliberations in this Legislature, as well as the work being turned out by my Government will in their turn, help the formulation of a national policy. I am confident that you will rise to the occasion and take your due share in the evolution of the policies here in the State as well as at the Centre.

JAI HIND.