SPEECH OF SHRI N. SANJIVA REDDY

It is, indeed, a pleasure for me to be with you all this morning. We met last at a similar session two years ago when I recall I did some plain speaking. You would perhaps be disappointed if I do not talk equally frankly this time also. It was a little over 50 years ago that I along with several others joined the freedom struggle on the call given by Mahatma Gandhi. We learnt from him the importance and value of Truth and the need to practise Truth. In these long years of public life, therefore, most of the people of my generation who went to British jails and fought for the coun-

try's independence, did not hesitate to speak what they felt was right and truthful and good for the country.

2. In the years which followed our Independence, thanks to the foresight and determination of leaders like Panditji, the country witnessed alround development. Mighty projects were planned and implemented in short periods of time even by international standards. The large power and irrigation projects, steel and fertilizer plants, heavy engineering complexes and the like transformed the entire economy and we emerged from an underdeveloped stage to become a developing and pulsating nation. On account of the vital infrastructure provided so rapidly, industries both big and small sprang up almost all over the country. A class of entrepreneurs, with requisite expertise, has come up who have contributed immensely to industrial growth. Similarly, with the untiring efforts of the small farmers, under difficult conditions of work, we achieved self-sufficiency in foodgrains. We cannot forget the famines of pre-Independence era, when millions of our countrymen died for want of food. We are today in a position even to export some quantities of foodgrains to friendly countries which may be in need. Export of engineering goods, handicrafts, handlooms and a variety of other goods have been registering a steady increase, which indicates that a strong industrial base has also been created. Both on the farms and in the factories, India has done well.

3. The private sector has played an important role in industrial growth since Independence. It has helped in increasing National wealth and has provided employment to large numbers. Several industrial houses have set up high standards of efficiency, quality production and productivity and have also managed their organisations professionally and with great deal of skill and expertise. Their products are acceptable in foreign countries inspite of severe competition.

4. The public sector also grew in size and content over the years. The core sector projects were by and large in the public sector and they gave a reasonably good account of themselves. Some of the units, however, lagged behind and their underutilization of installed capacity, set up at huge cost, is contributing to inflation. I am glad that in the last few months, there has been an upswing in the performance of the coal, steel and power sectors, with the valuable support provided by improved rail movement. I would like to congratulate the managers of the concerned Undertakings on this performance. I am confident that a climate of growth would be created in the country with the combined efforts of the public and private sector enterprises so that the buoyancy that we expect in our economy would be achieved. I may, however, mention that there should be a healthy competition between the public and private sectors which would be beneficial for efficient functioning of both.

5. The organised industrial sector which gets so much of the support of financial institutions, banks and the Government should repay to society its debt by maximising production, reducing prices, creating large-scale employment and containing inflation. By the turn of the century, we should be a 'developed' country on par with other developed nations of the world. If relatively small countries can achieve high growth rate, why can't we ? India is certainly not a 'hesitant giant' as described by some one referred to by your President. It is a 'giant' which has already taken a big step forward. I do hope that tensions in this part of the world would subside, so that we have a long enough spell of peace to facilitate speedy industrial progress.

6. Millions of our countrymen who are living below the poverty line have patiently waited all along for the day when their standard of life would improve. Economic growth has to go side by side with social justice. As I have often said, concentration of wealth in a few hands will not augur well for the country. The benefits of growth have to be shared equitably. Your Federation should give serious thought to this subject, before it is too late.

7. It has to be established that the mixed economy concept which we have accepted as a matter of policy, is the most suitable one for us. This can only be done by making it a success. Your President has referred in his speech to 'black sheep in every sphere'. We should not rest content with that. We have to clean the atmosphere and make it congenial for rapid progress. The Finance Minister also talked recently on the need to instil discipline,

and I fully endorse his views. Unaccounted money, for instance, is playing havoc not only with our economy but also with our society and its value—systems. Such money is generated and held by a handful of people who are in a position to do so. These are not people in the farm sector, but mainly those in industry, trade and similar economic activities. They tend to feel that everyone has a price-tag and if they succeed in purchasing those in power and authority, the results could be deadly. Professional federations and associations like yours should expose the 'black sheep' so as to stop them from anti-social activities.

8. In a country denied of economic growth and social justice for centuries, there will necessarily be pressure for consumption, for distributive justice, for dispersal of initiative as well as for correction of regional imbalances. It, therefore, becomes necessary for the Government to ensure that whether it is production initiative or distribution of essential commodities or of education and employment opportunities, dispersal and distributive aspects are harmonised. In the process, growth comes to have a much more meaningful connotation to the people in terms of its coverage and penetration. The economic compulsions in terms of which the process of allocation and transfer of resources from the forward to the backward, from the affluent to the poor, from the privileged to the unprivileged, must necessarily be woven into our system. The question merely is to what extent we have been able to achieve it without inhibiting initiative which must necessarily remain the prime mover in our economy.

9. Initiative would be of an individual; it could be of a body corporate and it could be the Government. There must be initiative at all levels and our policies must ensure that these initiatives are woven into the mosaic of national economic effort. Recent Government policy announcements and streamlining of procedures, brings about the framework of national initiative in a very constructive, properly orchestrated and balanced manner. There may be still some questions with regard to fiscal levies, personal or corporate taxation, inter-corporate financing, liquidity ratios, credit controls, generation and deployment of corporate surpluses etc. There is, however, no doubt that the stage is set for a massive investment effort in India. The investment effort, by itself, should in the process remove whatever clogs might have been left. In fact, the investment rating of India today is internationally recognised as one of the very best. I am confident that the Indian industrial economy will be progressively internationalised, with India not as a receiver but as a partner.

10. I conclude my address with an appeal to you that you must bend all your energies and resources towards new investment initiatives in order that we should be able to achieve sustained growth of not less than 10 per cent in industrial production during this Plan period. I am confident that with Government and people moving together, we will, in fact, achieve much greater heights in the eighties than ever before.

11. I would thank your President for inviting me over here today and for the kind words said about me. I remember that when I was Congress President in 1960, late Shri Govind Ballabh Pant introduced me to late Shri Gujar Mal Modi, your President's elder brother, as a God-fearing good man. I visited Modinagar too, 15 years ago, in connection with a College function, when I saw the industrial growth of that town. I am sure Government would consider the points raised in your President's speech for taking appropriate action.