

**FEBRUARY 22, 1958**

*Mr. Speaker, and Members of the Assembly,*

I have great pleasure in once again greeting you personally and wishing you well in fulfilling the great tasks that lie ahead of you.

You have had a busy time since I addressed you last. Sitting more often than at any time previously, you have in one way or other dealt with 46 Bills; 33 out of these have already become law, while the rest are going through the various stages of legislation.

Such large scale legislative activity had to be undertaken by you partly because of the need for unification of laws to which reference had been made by me in April last. The task of unifying the laws has not yet been completed, and therefore you are bound to be as busy in the next few months as you have been during the last nine months.

You have, however, not been confining yourselves to the unification of laws already in force; you have also been busy with new legislations framed in pursuance of the policies outlined by my Government. Important among these are the Kerala University Bill, the Kerala Education Bill, the Kerala Forest Bill, and the Agrarian Relations Bill.

The Bills that are under preparation and are likely to be placed before you before I would have another opportunity to meet you, are the following:—

1. The General Sales Tax (Amendment) Bill, 1958
2. The Madras Essential Articles Control and Requisitioning (Temporary Powers) Amendment Bill, 1958.
3. The Kerala Re-enacting Bill, 1958.
4. The Kerala Cinemas (Regulation) Bill, 1958.
5. The Kerala Buildings (Lease and Rent Control) Bill, 1958.
6. The Kerala Dowry Prohibition Bill, 1958.
7. The Christian Succession Acts (Repeal) Bill, 1958.
8. The Panchayats (Validation of Imposition and Collection of Rates, Taxes, Cesses and Fees) Bill, 1958.
9. The Kerala Nambudiri Bill, 1957.
10. The Madras Marumakkathayam (Amendment) Bill, 1957.
11. The Kerala Compensation for Tenants Improvements Bill, 1957.
12. The Sthanam Properties (Assumption of Temporary Management and Control) and the Hindu Succession (Amendment) Bill, 1957.
13. The Kerala High Court Bill, 1957.
14. The Kerala Agricultural Pests and Diseases Bill, 1957.
15. The Kerala Money Lenders Bill, 1957.
16. The Jenmikaram Payment (Abolition) Bill 1957.
17. The Kerala Indebted Agriculturists Relief Bill, 1957.
18. The Kerala Lime-Shells (Control) Bill, 1957.

19. The Travancore-Cochin Medical Practitioners (Amendment) Bill, 1957.
20. The Co-operative Societies (Laws) Amendment Bill, 1957.
21. The Madras Probation of Offenders (Amendment) Bill, 1958.
22. The Kerala Irrigation Bill, 1958.
23. The Profession Tax (Validation and reassessment) Bill, 1958.
24. The Judicial Proceedings (Validation) Bill, 1958.
25. The payment of wages (Kerala Amendment) Bill, 1958.
26. The Kerala Village Courts Bill, 1958.
27. The Kerala Court Fees and Suits Valuation Bill.
28. The Kerala Stamp Bill.
29. The Kerala Cattle Trespass Bill.
30. The Kerala Agrarian Relations Bill.

You will agree with me that this is a formidable list which will keep you fully occupied.

Just as in the case of you, Members of the Legislature, so too in the case of my Ministers and Officers the last nine months have been a period of intensive activity. Quite apart from the work connected with the preparation of legislative measures, they have had to deal with such complicated problems as integration of services, unification of the rules and procedures connected with Governmental work at various levels, the preparation of the Second Five Year Plan for Kerala out of the Plans already prepared for the former Travancore Cochin State and for the Malabar part of Kerala etc. On these and other complicated problems which have had to be dealt with by the Government, much has been done, but much still remains to be done.

On the integration of services, for example, the Government have almost completed their consideration of the various proposals which emerged out of the work of the Committee of Service Associations presided over by Shri Chatterjee of the Central Home Ministry; it is hoped that the decision of the Government on these questions can be announced within a month.

I may take this opportunity to draw your attention to the fact that the Second Five Year Plan has been and is now, facing certain difficulties, as has been pointed out by the Planning Commission and Government of India. Though great advances have been made in the matter of industrial and agricultural production, these advances have not kept pace, either with the requirements of the nation or with what could have been expected in view of the large investments that have been made. There is, therefore, shortage of food which has been causing concern to us all. Difficulties are also there in the matter of raising enough financial resources—both internal, as well as foreign exchange—for the implementation of the Plan.

While these difficulties connected with the Plan are of an All-India character, they are far more true of our State than of any other State in the country.

### Food

I had made reference, in April last, to the concern felt by my Government at the deteriorating food situation. Subsequent developments have shown that this problem is seriously affecting the entire country. The Government of India have had to take several steps to meet it, such as the adoption of the Essential Commodities Control Order by the Parliament, the formation of the Southern and Other Food Zones and the appointment of the Asoka Mehta Committee. The problem is, however, far more serious in our State than in any other State, firstly because no other State has such a huge deficit in food as our; secondly because the present food shortage is primarily a shortage of rice, the staple food of the people of our State. The position, therefore, is bound to continue to be serious during the next few years.

The only real and final solution for this problem is, in the opinion of my Government, additional production of rice in our own State. Our entire people have to be made so conscious of the need for increasing food production that they should refuse to be guided by the outmoded theory that there is something inherent in our soil and climate which makes it impossible for us to become self-sufficient in the matter of food. It has been acknowledged by experts in the line that the full utilisation of all available irrigational resource and techniques can raise the level of production to the extent of three or even four times the present level. It should, in any case, be possible for us to fix a more modest goal of doubling our food production, thus completely eliminating the food deficit of our State.

My Government have taken some steps in this direction; it has been possible to have three major irrigation schemes—those of Pothundi, Thanneermukkom, and Kattampally—included in the 1958-59 Plan; work is progressing on several medium and small-scale irrigation projects, as well as on the full utilisation of the irrigation potentialities generated either by the projects already implemented, or by those which are in the process of implementation. Other measures like opening of more seed farms, popularisation of green manures, proper and timely distribution of chemical fertilisers etc., are also sought to be vigorously worked out.

These technical measures of increasing production are being taken simultaneously with such Legislative measures as the Agricultural Indebtedness Bill and the Agrarian Relations Bill which are expected to create the incentive for the peasants to produce more. It is, therefore, hoped that a new upsurge of productive activity be generated, which in the course of a few years, will help our State to solve the problem of food shortage.

It would, however, be wrong to content ourselves merely with setting such a goal before us. It will obviously take a few years, even with the best and most organised effects in this direction to realise this goal. In the meanwhile, our people are facing difficulties which cannot be overcome by the relatively long-term solution outlined above. Particularly is this true of the next few months, when, due to the draughts which affected the crops in several States, there is such a pressure on the available stocks of rice that the usual lean months of this year bid fair to become more difficult than even those of last year. The cutting of supply by the Central Government following the formation of the Southern Food Zone and the difficulty which my Government is facing in securing stocks even within the Southern Zone add to these difficulties. I, therefore, hope that this will be dealt with as a problem which transcends all differences, political or other. In this connection it will not be inappropriate, if I draw your attention to the necessity of changing our food habits. There can be no justification, either economic or nutritional, in insisting on a full rice diet, when it results in huge imports at a stupendous cost. I would plead for the launching of a campaign for large measure of substitution of wheat and other kinds of more nutritive and easily available food-stuffs for rice. That is one way of facing current difficulties which should be popularised.

It is a matter for satisfaction that the Fair Price Shops which were opened last year have served their purpose of putting a check on the prices in the open market. Had it not been for the opening of these, Fair Price Shops, the prices in the open market would have been far higher than they actually were. I am therefore, confident that all sections of the people will give their support and co-operation to my Government in continuing these Fair Price Shops and securing enough stocks for supply through them.

The Fair Price Shops, however, cannot obviously meet the entire rice requirements of our people. The rice that become available through the Fair Price Shops will necessarily have to be supplemented with the rice that is available in the open market, as well as by other substitute foods. The Supply of rice at subsidised rate through the Fair Price Shops plus supply at higher rates in the open market, plus the supply of wheat, plus the popularisation of other substitute foods—such is the pattern of food supply that has to be organised in the present circumstances.

### **Unemployment**

The next problem which I would like to dwell upon is that of unemployment which is as important as, if not more important than, the problem of food.

Here, again, it is necessary to bear in mind that, while the problem is of all-India importance, it is far more acute in our state than in the rest of the country. While the number of employment seekers—educated as well as uneducated—who come into the employment market is on the increase every year,

there is no corresponding increase in the number of employment opportunities—such is the situation in the entire country. In our State; however, not only are employment opportunities not increasing; they are actually decreasing. You must have all been concerned at the difficulties which the biggest single employment-giving industry of our State—the Coir Industry—is today facing. The situation was so serious that, in certain areas, famine relief work had to be undertaken in order to enable the people dependent on this industry to tide over their difficulties

It is obvious that, though the establishment of modern, large scale industrial units is of tremendous national importance as something which paves the way for the rapid industrialisation of the country and thus finding the real and final solution to the problem of unemployment, the short term solution for the problem can only be found in the direction of encouraging small scale and cottage industries on a big scale. This involves a large amount of effort and organisation on the part of the people. For, it is easier to organise a small number of big units than a large number of small units. There is, however, no doubt that this can be done as has been proved by the experience of the working of the Handloom Board and the Handloom Co-operatives. My Government, therefore, propose to take steps for the organisation of Industrial Co-operatives, particularly for such industries as Coir, Fishing, the processing of bamboo and other forest produce, etc., and in fact such other small scale industries as will be able to employ a larger number of workers.

As important as the organisation of Industrial Co-operatives is the effort to draw as many people with savings to their credit as possible, to invest their savings in Small Scale Industries. It was with a view to encouraging such potential investors that the Planning Commission and the Union Industries and Commerce Ministry sanctioned the formation of more Industrial Estates in this State than anywhere else. I hope that these will be properly and fully utilised.

It is obvious that, in an industrially backward country like ours, everything will have to be done to create employment opportunities as much in the agricultural as in the industrial sector. The proper utilisation of available cultivable land should have an important place in the scheme of creating greater employment opportunities. While the distribution of surplus land among the landless people is of undoubted importance in this connection, my Government also propose to utilise a part of the available land for planting rubber which itself will create more employment opportunities as well as cashew which is calculated to meet the deficit in raw materials, felt by one of the important industries in our State.

### **Development Plans**

The seriousness of the two problems mentioned above raises the question of the correct approach to the developmental activities of our State.

Most of the developmental work that has so far been done in this State was connected with such lines of activity as the further extension of education and further development of communications. We take pride in the fact that our State is on the forefront in these fields of developmental activity. Unfortunately, however, attention is not paid to other lines of developmental work, particularly those which help us in the solution of the two major economic problems facing us—those of food shortage and unemployment. My Government is anxious that our State's developmental work should be completely re-orientated; priority should be given first to the increase of agricultural production, then to the formation of industrial co-operatives and other organisations for resuscitating and strengthening cottage and small scale industries, and then to provision of financial and technical assistance to medium and large scale industries. Welfare measures like education and communication lines should no more be given priority over these productive lines of activity.

Keeping in mind this need for re-orientation in the developmental activities of our State, my Government have taken several steps to give a new technical orientation to education. More attention is now being paid to Engineering Colleges, Multi-purpose Schools, Polytechnics, Junior Technical Schools, etc. all of them calculated to train the younger generation in the technical fields as well as to give a new technical outlook to the people at large.

My Government, are, of course, conscious that there are certain parts of our State which are relatively backward to the rest of the State even in the matter of non-technical education and communications. Steps will therefore, be taken to extend these facilities to such areas. But, the general direction along which

the State's developmental activities should be guided is the further extension and development of productive activities, particularly in the fields of agriculture and industries. I hope that you will have opportunities of further discussing this aspect of the problem of development, and take suitable steps in the direction of bringing about such a re-orientation.

### **Finance for the Plan**

The problem of finding the resources for implementing the Second Five Year Plan is causing some anxiety to this State as to all other States in the country.

You are aware that, out of the Rs. 87 crores scheduled to be expended during the period of the Second Five Year Plan, the Central share comes to less than Rs. 40 crores, the balance of about Rs. 48 crores has to be found from the resources of this State. This is proving a rather difficult job because firstly we were expected to provide a total revenue surplus of Rs. 13.4 crores during the five-year period, which is rendered difficult because of the increasing demands for non-plan expenditure which threaten to reduce the revenue surplus, if not to make for revenue deficits; secondly we were expected to raise Rs. 19 crores by way of public loan to be raised in the money market. However, as the position of the money market in the whole country is getting more and more difficult, we are being advised by the Reserve Bank not to go to the money market for loans. My Government was obliged in the current financial year, to refrain from calling for any loan, though it had been provided in the annual plan for the raising of Rs. 2.25 crores as loan for the year. It is not yet clear how long this situation will continue and what its consequences will be. There is, in any case, room for apprehension that the expected amount may, not be realised during the five-year period. As against this, I am glad to inform you that there will be an addition to our resources to the extent of about Rs. 1.5 crores as a result of the acceptance of the Finance Commission's recommendations by the Government of India.

There are also possibilities of raising more money by way of small savings. I am happy, in this connection to note that, while net collections on this account for the year 1956-57 were only Rs. 44.90 lakhs, the current years net collections upto the end of December 1957 have been Rs. 66.79 lakhs. This makes my Government hope that the Government of India's directive of securing more money through this means can be carried out. Even this, however, will not fully compensate for the likely shortfall flowing out of the two causes mentioned above.

It, therefore, becomes of the utmost importance that a serious effort is made in the direction of economy in relation to all non-plan items of expenditure. It is of equal importance that Small Saving Drive should be organised on a big scale, so that every naya paise that can be saved by any citizen of this State is collected and properly utilised for the implementation of the Plan.

### **Plan Progress and Administrative Reforms**

Another aspect of our Developmental work which should cause concern to us all is the deplorable lag between targets and fulfilment.

During the period of the First Five Year Plan, the allocations made were Rs. 30.03 crores while actual expenditure was only Rs. 25 crores. This shows that the percentage of fulfilment to target was only Rs. 83.33.

Coming to the first year of the Second Five Year Plan, the target of expenditure was Rs. 18.60 crores while actual fulfilment was only Rs. 10.20 crores. The percentage of fulfilment to target is thus 55.

From the data available for the first ten months of the current year, it would appear that the lag between target and fulfilment this year also will be considerable.

There are several reasons for this lag. One of the important reasons is that considerable time is taken in working out the details of the schemes and their scrutiny both at the State level and at the level of the Planning Commission and the Government of India. Measures are under contemplation by the Planning Commission which will ensure speedier sanction of Plan schemes, as well as a certain amount of flexibility by allowing the State Governments to make suitable changes within the allotted amounts. This change of procedure which is envisaged, is likely to help the expeditious implementation of development works.

The above difficulty, however, is further accentuated, by the fact that the administrative machinery in the State itself is extremely slow-moving. Even after the sanction is received, more time is taken for going through the several processes of carrying out the schemes sanctioned than can be justified.

This deplorable state of affairs with regard to planning and development, plus other defects in the administrative system, have convinced my Government that the administrative reform referred to by me in April last is of crucial importance. That problem, as you know, is now being examined by a Committee whose report is expected to be submitted in the next two or three months.

I cannot close this without making reference to the policy of my Government in relation to the workers and the middle class employees. The Government have taken several steps calculated to improve their standards of living; the salary scales of certain sections of Government employees have been raised, minimum wages have been fixed in several industries as well as in agriculture; labour's demands in connection with bonus and other forms of emoluments for them have in several cases been satisfactorily dealt with. The Government will undoubtedly continue to pursue this policy and do all that is possible to raise the emoluments and standards of living of all working people.

I, however, hope that all sections of the working class and middle-class employees will realise that the raising on the standards of living of the people is inseparably connected with the increase in the national income as a whole and that therefore it is incumbent on them to see that not only is production maintained uninterrupted, but that it goes on increasing.

Equally necessary is it for the employers to realise that advance in the industrial and agricultural sector is impossible without a contented working class and that therefore it is necessary for them to meet more than half way to satisfy the legitimate demands of the labouring people.

It is with a view to being about such an understanding between the employers and employees that the Government have set up a tripartite Committee which, I am happy to announce, is making progress in the direction of evolving an acceptable basis for an industrial truce.

My Government is also convinced of the necessity to pay particular attention to linguistic minorities. The problem of providing education in their own languages to Tamils and Kannadigas will receive the urgent attention of the Government. We have also initiated steps to develop the Munnar town area, which I hope will satisfy the long felt need of the people of the locality. Other steps are also being contemplated for the cultural and material advancement of the linguistic minorities in Kerala.

I have left untouched many important problems which are engaging the attention of my Government, and which I am sure, will be matters for your deliberations. I have not touched upon them, not because they are unimportant, but because I thought it necessary to draw your attention to the above problems which, according to my Government, are of key importance. My Government feel that the solution of every other problem should be made subservient to the problems mentioned above. I welcome you to the arduous task that awaits you and wish you God-speed in your deliberations.

JAI HIND