

**JANUARY 9, 1970**

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

I am glad to welcome you once again to a new session of the Legislative Assembly. I take this opportunity to wish you a happy New Year and hope that the fourth year of your Legislative work which is now opening will be beneficial and fruitful.

There has been a complete change in the composition of my Government since I last addressed you. My Council of Ministers headed by Shri E. M. S. Namboodiripad tendered its resignation in October, 1969 and a new Council of Ministers with Shri C. Achutha Menon as Chief Minister was sworn in on 1st November, 1969. While the earlier coalition ministry ran into difficulties owing to the differences of opinion among the various partners of the coalition which culminated in its resignation, I hope that the partners in this coalition will be able to work together as a team and iron out all differences of opinion. It is my fervant hope that the new ministry which has just taken over will be able to serve the rest of the term of this Legislature and provide to the people of the State an effective and smooth administration.

The new Council of Ministers is making every effort to study and understand the problems of the State so as to find solutions for them in a planned way. The Planning Board has been reconstituted with a view to making it a more effective instrument of planning and at the same time a less expensive body. Besides the State Planning Board, my Government have also recently decided to constitute a Planning Advisory Council representing political parties, trade unions, Chambers of Commerce and experts and specialists in different fields consisting of 51 members.

I cannot, however, fail to draw your pointed attention to the difficult financial position of the State. It is a matter of regret to me and to my Council of Ministers that the Fifth Finance Commission did not give a fair deal to Kerala. As against an estimated non-Plan revenue gap of about Rs. 430 crores, the State Government will be getting only Rs. 193.43 crores under the final award of the Finance Commission during the Fourth Plan period. Had the devolution of the Central taxes and duties and grant-in-aid been maintained at the level of the interim award, the State would have received Rs. 215 crores and so in the final award actually a reduction of over Rs. 21 crores was effected by the Commission. Due to the inadequacy of federal fiscal transfers under the award of the Finance Commission we shall have substantial revenue deficits in our budgets during the coming four years.

According to a recent reassessment made by the State Government, it is expected that the accumulated revenue deficits during the Fourth Plan period will be of the order of Rs. 83 crores. The State Government have already taken up with the Government of India the question of bridging this uncovered gap in the non-Plan revenue account of the State. The Fourth Plan outlay of the State has been provisionally fixed as Rs. 258 crores to be financed by Central assistance of Rs. 175 crores, and State's own resources of Rs. 83 crores. To enable the State to implement a Plan of the above size, my Government have got an assurance from the Planning Commission that they would recommend to the Union Finance Ministry, assistance to cover the deficit of the non-Plan revenue gap of the State Government. Even then the State will be faced with the problem of raising additional resources to implement a Plan of even this modest size. My Government have recently set up the Kerala Financial Enterprises Ltd.—a fully owned Government Company with an authorised capital of Rs. 25 lakhs to undertake Chitty and Kuri business, Insurance and Promotion of Hire Purchase Schemes. Other avenues of raising resources are being explored.

During the year 1969, there was considerable improvement in the food position of the State compared to last year, thanks to the improvement in the supplies of rice from the Central Government. Consequently, it was possible to distribute rice ration at 160 gms. per day for 34 weeks during the year 1969. During the remaining period rice was distributed at the rate of 120 gms. per day. It did not become necessary to issue ration at 80 gms., as was done during the major part of the previous year. However, uncertainty in the food position is continuing even now and my Government earnestly hope that the Central Government will take all possible steps to ensure adequate and timely supplies.

The open market price of rice has also come down considerably in the last year to the great relief of the common man. The policy of issuing no-objection certificates liberally for the import of rice into Kerala through normal trade channels is being continued. This, together with the lifting of check-posts has in a considerable degree contributed to the easing of the situation. My Government have recently entered into

an agreement for entrusting the whole-sale distribution of food-grains in the State to the Food Corporation of India. A beginning has been made with implementing this agreement in the Headquarters Taluks. The intention is to extend it to the whole of the State according to a phased programme.

My Government have taken a very sympathetic attitude to the problems of pay revision of Government employees. Though the State Government could hardly bear any additional burdens on account of pay and allowances in view of the fact that since 1st January, 1966, the State Government had already undertaken an increase of Rs. 26 crores per annum in the pay bill of their employees, the present Government granted certain further concessions involving an additional commitment of about Rs. 1.40 crores per annum. Any further concessions will be an unbearable burden on the State's resources and will seriously affect the capacity of the Government to provide for developmental activities and welfare measures for the people. I would appeal to the Government employees to desist from making any further demands for pay increases during the course of the current Five Year Plan.

In the field of Agriculture, my Government have been taking energetic steps to improve the agricultural production in the State. The Government are concentrating their efforts on intensive cultivation of the available area. High yielding varieties of paddy are being introduced in a planned way. It is expected that with the efforts that my Government are making, about 7 lakh acres would have been covered by high-yielding varieties of paddy by 1969-70. With the setting up of the Central State Farm with Russian assistance at Aralam, adequate quantities of improved varieties of seeds will be available to cultivators. The Department of Agriculture has also schemes for converting single crop lands in Kuttanad and Kole lands in Trichur into double crop and triple crop lands. A scheme for reclamation and cultivation of Kayal lands is also being implemented by the Department.

The activities of the Agro-Industries Corporation recently set up have also broken new ground in the field of mechanisation of agriculture. The Corporation has purchased and distributed a large number of tractors, tillers and pump-sets to many cultivators in the State. They have also taken up a big scheme for reclamation of 80,000 acres of waste land in Cannanore District for cultivation.

My Government intend to give the highest priority to the question of Nationalisation of Private Forests in Malabar area, for which a Bill is already on the anvil of the Legislative Assembly. It is hoped that Members will co-operate to get it passed soon.

Since the adoption of the revised Industrial Policy Statement in 1967, promising developments have taken place in all sectors of Industry. Some major industries have been established in the State like Thozhiba Anand Lamps Ltd., Cominco Binani Zinc, etc. A Titanium Complex Project and a Scooter project will be coming up soon. The Government of India had recently issued a letter of intent for the establishment of a Brewery in the Private Sector in Kerala. An automatic plant for the manufacture of bottles is pending receipt of licence from the Government of India and arrangements to set up a billet-casting plant at Calicut are in progress. Investigations on proper utilisation of iron ore in Calicut are also progressing. My Government have recently taken steps to revive the Cannanore Spinning and Weaving Mills Ltd., which remained closed for the last 6 months for want of working capital.

To attract prospective industrialists to small-scale industries and give further assistance to existing industries for expansion of their units, the Industries Department of my Government has evolved a co-ordinated assistance programme. At a recent co-ordinated assistance Seminar at Kottayam, assistance was arranged for 90 units.

Special efforts are also being made to develop and revitalise traditional industries in Kerala. My Government have stood guarantee to the Reserve Bank of India for credit accommodation to the Handloom Apex Society. As part of the Rs. 15 crore scheme submitted to the Government of India for revitalisation of the Coir Industry, 10 projects have been started already as pilot projects; husk prices have been controlled and the State Coir Corporation with an authorised share capital of Rs. 50 lakhs has been set up. It is hoped that the Government of India will sanction the entire 15 crore scheme. The Cashew Corporation has also started functioning. We hope to take over three Cashew Factories which have been closed down.

The progress in fishing operations of the State last year is worth mentioning. The fishing operations are being steadily modernised, helping the Government and the people to derive the maximum income from the seas. The deep sea fishing programme is also being expanded. The Government have prepared a comprehensive Master Plan for the development of fisheries costing about Rs. 306 crores and submitted it to the Government of India for approval. It is the hope of my Government that the Central Government will view this programme sympathetically and help us to launch this scheme.

As you are aware, our State is comparatively well-placed in the matter of educational facilities. It is a matter of satisfaction for me and my Government that adequate facilities for primary and secondary education can be said to exist in the State. With the abolition of tuition fees in the 9th and 10th Standards from this year onwards opportunities for the poorer sections of the population to receive education have expanded considerably. But most of our schools are at present housed in temporary sheds. My Government have chalked out a phased programme of replacing these sheds with good permanent buildings over a period of years. This work has been progressing satisfactorily, and I hope, before long, all our schools will be endowed with good buildings.

As you know the University of Calicut was started last year on the basis of recommendations of the Committee which was constituted to study the formation of more Universities in Kerala. The same Committee has also recommended the establishment of a University at Trikkakara to cater to the needs of the Greater Cochin area. My Government will be taking a decision on the establishment of this new University next year if the financial position of the State permits.

My Government have adopted the policy of assigning surplus Government lands to eligible landless and indigent people for cultivation, for house sites and for beneficial enjoyment under the Kerala Land Assignment Rules. Special staff have been appointed in the districts to expedite this work. At the beginning of the year 1969-70 there were about 53,000 hectares of land to be assigned. Out of this about 7,600 hectares have already been assigned this year. Besides this, 40,000 acres of arable land from the Forest Department are proposed to be disreserved and handed over to the Revenue Department for being assigned to landless poor people. A vigorous drive has been set on foot by my Government for distribution of pattas to the landless, poor and I am proud to announce that during the months of November and December, 1969, about 20,000 pattas have been distributed.

Government have recently amended the Kerala Land Assignment Rules with a view to conferring the right to alienation to assignees. Thus a long-standing demand of the assignees of Government land on provisional pattas has been realised.

My Government are happy that President's assent has been received for the Kerala Land Reforms (Amendment) Act of 1969 which confers substantial benefits on Kudikidappukars and cultivating tenants. The Government have already brought into force all the Sections of the Act with effect from 1-1-1970 and have set up the necessary administrative machinery consisting of Land Tribunals. Appellate authorities etc., for the effective implementation of the Act. Steps will be taken to associate the representatives of the people in the actual process of implementation of the Act. I hope co-operation will be extended by all political parties and mass organisations in the State.

The labour situation as a whole is satisfactory. A number of trade disputes involving tens of thousand of workers have been settled satisfactorily, e.g., the bonus dispute and the dispute concerning the supervisory staff in the Plantation industry, the strike by the ministerial staff of the Kerala State Electricity Board, the dispute in TELK which lasted for 95 days etc. An Ordinance has been issued for payment of gratuity to industrial workers. Another legislation ensuring payment of prescribed wages for agricultural labourers is being prepared and will be placed in due course before the Legislative Assembly. The Welfare Fund for toddy tappers has been created and the necessary scheme for implementing it brought into force. A similar measure for Cashew Workers also is being prepared. Government have fixed the minimum wages for labour in the rubber and beedi industry. It is proposed to fix minimum wages in the fish canning and processing and the brick industries. Government are taking steps to refix the minimum wages in rice mills, flour mills and motor transport services.

My Government are very much interested in extending the Social Welfare and Harijan Welfare activities for the benefit of the people. A new Social Welfare Board is proposed to be set up shortly. Apart from the usual schemes to extend scholarships, medical facilities and educational concessions to students belonging to scheduled castes and scheduled tribes, a separate cell is being set up under the control of an officer of the status of a Deputy Secretary attached to the Public Department in the Secretariat to ensure that adequate representation is given to scheduled castes and scheduled tribes in the matter of recruitment to public services. The concessions given to scheduled caste Christians have been further liberalised. The Government also intend to establish a Financial Corporation for the benefit of the scheduled castes and scheduled tribes. Considering the fact that Harijans have fared very badly in the distribution of Government land in the past, Government have decided to increase the percentage of distribution of such land set apart for them and are determined to see that this is strictly adhered to.

The Government have pressed the Government of India for giving adequate attention in the matter of National Highways within the State during the Fourth Five Year Plan period. In order to utilise the funds that might be made available by the Government of India to the maximum extent possible, this Government have sanctioned two additional Investigation Divisions for National Highways and a Design Wing in the Chief Engineer's (Buildings & Roads) Office. This Government have also impressed on the Government of India about the need for converting the West Coast Road into National Highway and hope that the Government of India would agree to this as early as possible. The Government are contemplating the introduction of Performance Budgeting in the Buildings and Roads Branch of the Public Works Department with effect from 1970-71. It is hoped that this will enable the Government and the Legislature to have a realistic and purposeful review of progress of execution of works by the Public Works Department with reference to the financial expenditure on these works.

As there has been a number of complaints and allegations regarding the recruitment in the Kerala State Road Transport Corporation my Government have promulgated an Ordinance entrusting the work of recruitment in the Corporation to the Kerala State Public Service Commission. In order to strengthen and improve the efficiency of the Corporation, the Government have already appointed a senior officer to function as Chairman and General Manager of the Corporation. My Government are taking suitable measures to improve the finances of the Corporation. Nationalisation of Transport Services will be undertaken according to a phased programme. Steps are being taken to entrust recruitment to other public sector Corporations and Local Bodies also with the Public Service Commission.

Efforts have been made to tap the hydro-electric potential of the State to a considerable extent. With the commissioning of Kuttiadi and Idukki hydro-electric schemes, the total capacity of hydro-electric schemes is likely to become double the existing capacity. I am happy to announce that arrangements have been made for the rehabilitation of the persons who have to be evicted from the catchment area of the Project.

Rural electrification is making considerable progress. Out of 1,573 villages in Kerala 1,132 have already been electrified. As part of the rural electrification campaign in connection with Gandhi Centenary, the Electricity Board has formulated a special programme of electrifying 300 villages. I hope that the Electricity Board will be able to achieve this target successfully.

Government have set up an interim machinery to inquire into allegations of corruption against public men.

My Government are keeping a constant watch on the law and order situation in Kerala. In spite of strikes, agrarian disputes and students' agitations, there has not been many major disturbances. I cannot refrain in this connection from making a reference to the recent attack on the Police Station at Kuttiadi, in Kozhikode District. Some people armed with deadly weapons and explosives attacked the Police Station in the early hours of the morning. Thanks to the commendable resourcefulness and sense of duty exhibited by the officers and men on duty, their attempts were foiled. I take this opportunity to place on record the appreciation of my Government of the courage exhibited by the officers and men. However, my Government have taken very energetic steps to deal with the problem strongly and bring the culprits to book as expeditiously as possible. While my Government will strictly adhere to the policy of not interfering in labour disputes as long as strikes and other agitations are carried on in a peaceful manner, they are determined to see that law and order are maintained with firmness, fairness and impartiality.

In this connection I may bring to your notice that my Government have taken steps to strengthen the Police force, to improve its efficiency and morale. Twelve Police Circles have been recently created in the interest of effective supervision of the existing Police Stations. Government propose to implement the scheme of supplying each Police Station with a vehicle in a phased programme with a view to improving the efficiency and mobility of the Police force. It is also proposed to give priority to the housing for Police personnel.

The problem of house sites and housing of agricultural labourers has to be tackled in a big way. Although, paucity of funds is hampering the execution of any large programme of housing, Government are taking steps to meet this handicap by the constitution of a Housing Board, which will make available larger funds for housing programmes and with this, it is proposed to make a sizable beginning for housing agricultural labourers in the coming year. An Urban Development Corporation has also been set up.

Another problem which has become acute is the problem of unemployment, both among the educated as well as the uneducated. This is a very difficult problem, the lasting solution for which can be found only through rapid industrialisation resulting in expansion of employment opportunities. However, Government are evolving several short-term measures to alleviate the distress caused by unemployment. Schemes are under contemplation for providing work to Engineering graduates and diploma holders and I.T.I. trainees, through setting up co-operatives to start small scale industries and co-operatives for execution of public works and also by taking up immediately investigations of all major Irrigation schemes in the State that have to be taken up for execution in the Fourth and subsequent Plans.

The Government have decided to institute an enquiry under the Commissions of Inquiry Act to study the feasibility of taking over the foreign-owned plantations in Kerala.

As for the legislative work, 42 Bills were published in 1969. Of this, 34 Bills were introduced in the Assembly, out of which 32 Bills were passed into law. Nine Ordinances were promulgated during the year 1969.

Some of the important Bills which are proposed to be dealt with by the Legislative Assembly during 1970 are:—

1. The Kerala Agriculturists Debt Relief Bill
2. The Kerala Panchayati Raj Bill
3. The Calicut University Bill
4. The Kerala Public Men Enquiries Bill
5. The Kerala Industrial Employees (Payment of Gratuity) Bill
6. The Kerala Industrial Workmen (Regulation of Discharge, Dismissal and other forms of Termination of Service) Bill, 1968
7. The Kerala Industrial Employees Payment of Gratuity Bill, 1969, and
8. The Kerala Private Forests Acquisition Bill, 1968.

I have only attempted to indicate here some of the urgent problems facing this Government and how my Government propose to deal with them. I am sure that your labours and the labours of my Council of Ministers will help the people of this State in finding solutions to the problems of the State.

May I, in the end, wish you once again a year of solid work in the service of the people of Kerala.

JAI HIND