

FEBRUARY 21, 1959

Mr. Speaker and Members of the Assembly,

I have great pleasure in greeting you personally, for the third time, and wishing you well in the discharge of your great responsibilities.

2. The year that you have gone through was a very busy one for you. Measures of far reaching importance like the Kerala Agrarian Relations Bill and the Kerala Panchayat Bill were introduced and discussed in the Legislative Assembly during this year. The former has passed through various stages and is due for final consideration after the report of the Select Committee. I hope it will be possible to pass this Bill finally during the course of the year and thus fulfil the hopes and aspirations of the toiling peasantry in Kerala.

3. The Panchayat Bill that has been introduced and referred to a Select Committee, and the District Councils Bill that will be introduced in the course of this Session, are intended to bring about a radical reorganisation in administration. The great aims of decentralisation and democratisation of administration which our national movement had held aloft for well-nigh a quarter of a century will be achieved to a great extent when these Bills are passed. I hope that the reorganisation of administration which will be brought about by these enactments will lay a firm foundation for carrying out the tasks of the Third Five Year Plan to which we all eagerly look forward.

4. During the course of the year, you have dealt with sixty-eight Bills out of which forty have already become law. The rest are going through various stages of legislation. This year also, you are going to have a very busy and crowded time. The following are some of the important Bills that you will have to deal with before we meet next:

1. The Madras Plantations Agricultural Income-tax (Revival) Bill.
2. The Agricultural Income-tax (Amendment) Bill.
3. The Kerala Buildings (Lease and Rent Control) Bill.
4. The Kerala Beedi and Cigar Industrial Premises (Regulations and Control of Work) Bill.
5. The Calicut City Municipal Bill.
6. The Kerala District Councils Bill.
7. The Kerala Electricity Undertakings (Acquisition) Bill.
8. The Kerala Co-operative Societies Bill.
9. The Kerala Veterinary Practitioners Bill.
10. The Kerala Criminal Law Amendment Bill.
11. The Agricultural Income-tax (Second Amendment) Bill.
12. The Public Servants Inquiries (Amendment and Extension of operation) Bill.
13. The Kerala Warehouse Bill.
14. The Kerala Libraries Bill.
15. The Transfer of Property and Indian Registration (Kerala Amendment) Bill.
16. The Kerala Gaming Bill.
17. The Kerala Cattle Trespass Bill.
18. The Industrial Relations Bill.

Five Year Plan—Progress of Plan

5. The progress of the Second Five Year Plan and the prospects of the Third Plan are subjects which must necessarily command your closest attention. I am glad that there has been considerable improvement in the capacity of the various departments to discharge their responsibilities in the field of developmental activity and fulfil the Plan targets. The target of expenditure in the first year of the Second Five Year Plan was Rs. 18.60 crores and the fulfilment figure stood at Rs. 10.81 crores, while the corresponding figures for the second year of the Plan were Rs. 17.90 crores and Rs. 14.04 crores respectively. This indicates that the percentage of fulfilment has increased from 58% to 78% i.e., an increase of 20% from the first to the second year

of the Plan. From the data available of the first ten months of the current year, it is evident that there has been still greater progress in the direction of developmental activity and fulfilment of targets. I hope it will be possible to reach cent per cent fulfilment, in all but few departments, when the final accounts of the year are made up.

6. This is not to say that there are no more bottlenecks in the matter of fulfilling Plan targets and everything is as it should be. There are, in fact, many more bottlenecks that have yet to be removed. It is a very important task of the administration to study and review the various financial, administrative, accounting and other procedures with a view to simplifying them so that the tasks set before the nation can be carried on with the speed and dynamism that the people demand of the administration during this period of national reconstruction. This is a task in itself to which, I am afraid, sufficient attention had not been paid before. My Government are trying to tackle this important task; and although the results achieved so far have not been spectacular, they have been substantial and they have given great impetus to developmental activities in the State.

7. My Government are examining the various recommendations of the Administrative Reforms Committee and are taking steps to implement them wherever possible. The radical reorganisation of the administration suggested by the Committee, viz., giving more power as well as responsibility to the elected representatives of the people at lower levels will, I am sure, build up a structure of administration, which will smoothly and ably carry out whatever tasks of nation building we choose to undertake.

8. The year that we have gone through was a very critical one throughout India, because of the acute foreign exchange crisis and the food crisis that developed during the course of the year. Thanks to the assistance that was extended to the Union Government by friendly nations, we have been able to tide over the crisis temporarily. Although our State is not directly affected to a very considerable extent by the foreign exchange crisis, we also had our share of the anxiety that was caused by the shortage of foreign exchange for our Plan. I am referring to the Panniyar Project which was not included in the core of the Plan whereby the possibility of finishing the Project during the Second Five Year Plan itself was endangered, I am glad that subsequently it has been found possible to make available the necessary foreign exchange also for this project.

9. But it must be noted that this in itself is a very small thing. At the rate which the demand for power for Industrial and agricultural purposes is developing in this State, a situation is soon bound to arise by the end of the Second Five Year Plan. Wherein we would not be able to meet all of our requirements of power. It is therefore of the utmost importance that we start as many hydro-electric projects as we can consistent with our resources. The Government of India will have to come forward to help us generously with foreign exchange and other assistance. This was why my Government was very impatient at the delay caused by circumstances beyond their control in the starting of the Sholayar Project. You are aware of the reasons for the delay in the starting of the Project. I am however glad that my Government have been able to settle the differences with our neighbouring State and come to an agreement with them, so that both the States together can develop the resources of the Chalakudy waters for their mutual benefit. I congratulate both Governments and all those who have been instrumental in bringing about this happy result. This will always be remembered as an example of inter-State co-operation. It is a great step towards cementing the relations of friendship and good neighbourliness between our State and the State of Madras. This agreement has proved that all those who had predicted perpetual war between the two States after-reorganisation of States were false prophets. The formal inauguration recently of the Neyyar Project, another joint venture, by the Governor of Madras was symbolic of the new relationship that is developing between the neighbour States.

Food

10. As stated above, the year that we have just passed through was very critical for the whole of India as far as the problem of food was concerned. There was famine or at least near famine conditions prevailed in some parts of India. Naturally Kerala being a deficit State—in fact, this State has the largest percentage of food deficit in India—had to share the strains and stresses of high food prices. Although there was no actual food shortage, the prices began to rise up from 18 rupees per maund far back in April to 26 rupees in November 1958. This was not higher than prices ruling in other parts of India even in surplus States like Andhra and Madras. That, however, would be not a consolation for the vast masses of our poor people who had to buy rice. In accordance with the declared policy of the Government, we have tried to stabilise the prices of rice by distribution through Fair Price shops. This policy required the regular supply of about 20,000 tons of rice to the State, to be channelled through Fair Price Shops, besides the quantity of rice available through ordinary trade

channels. Formerly, this was being supplied by the Government of India. But, since the formation of the Southern zone in July, 1957, the Government of India took the view that it was neither necessary nor possible to supply any considerable quantity of rice to Kerala to be channelled through Fair Price Shops. They therefore gradually reduced their supplies from 25,000 tons to 10,000 tons for several months and then completely stopped the supply. This created a very difficult situation for my Government. Although we were told that we could buy rice from Andhra State for our purposes, we found it well nigh impossible to get any considerable quantity of rice in the open market in Andhra, because in the four Districts of Andhra which constituted the surplus area, the Government of India had entered the market and fixed a ceiling price at which they were buying. My Government could not buy at this price, because we had no power to compel Andhra traders to sell at that rate to us. The practical result of this was the non-availability of supplies for our fair price shops for a considerable length of time, which created a very difficult situation for the people in our State. After prolonged negotiations with the Government of India and the Government of Andhra Pradesh, my Government was at last able to secure some quantity of rice from Andhra Pradesh at prices to be fixed by the Andhra Pradesh Government. After the harvest in Andhra, some more purchases have been made and I hope it will be possible to run the fair price shops as before. But the situation is not yet free from anxiety because with the announcement of the policy of State monopoly of wholesale trade in foodgrains, the situation has become again uncertain, so far as the supply to Kerala is concerned. My Government entirely agree with the policy of State monopoly of wholesale trade in foodgrains and my Government are co-operating whole-heartedly with the Government of India in the steps they are taking to implement it. My Government are taking steps to license wholesale dealers and have also decided to fix wholesale prices for rice in the State. But, with all these measures, we are not still free from anxiety and that is because of the peculiar situation of Kerala. For surplus States, it is very easy to fix wholesale prices and acquire a sufficient buffer stock at controlled prices from within their own States, which will be a great steadying factor so far as food prices are concerned. But, in a State like Kerala, we cannot build up the buffer stock by purchases within the State. Unless we have a buffer stock and are also able to make a steady supply to the fair price shops, it will not be possible for us to maintain a steady price in Kerala. For this, it is obvious that we have to get a sufficient quantity of rice from outside the State at reasonable controlled prices. For this, the Government of India must come to our help. I hope this special difficulty of Kerala will be appreciated and necessary assistance will be forthcoming from the Government of India.

11. The food crisis cannot be solved permanently unless the production of rice in Kerala is doubled or tripled. I am glad that my government have realised the necessity for this and have taken steps to increase food production. Some success has already been recorded in this direction. I am sure we will meet with greater success as the schemes for increasing food production are implemented rapidly. My Government have devoted considerable attention in the matter of developing our irrigation facilities, major, medium and minor. It was with a view to solve the food problem of Kerala for ever that my Government produced a Master Plan for utilising the water resources of Kerala for irrigation and power production. I am sure the production of this Master Plan will be acclaimed as an act of supreme importance by future generations, because it has given a great vision to the people and invested them with self confidence that the problem of food can be solved even in Kerala where the deficit is of the order of 50%. A large number of medium and small irrigation works have been taken up during the course of the year besides the major irrigation works that have already been started in the Second Five Year Plan. The intensity of the food crisis has set people thinking all over India and they have agreed that small irrigation works which do not require foreign exchange and which can be completed and commissioned during the course of a few months deserve greater attention than they have received before. The help to produce food here and now and not at some future date. My Government also have realised the importance of minor irrigation projects. They have set apart more funds for minor irrigation and a campaign was started to complete as many works as possible in the course of this year itself. The people were called upon to co-operate with the efforts of the Government by offering Shramdan and in all possible ways. Rules were relaxed, procedures were simplified and every facility was placed at the disposal of associations of local people like Panchayats, Co-operative Societies and Karshaka Sanghoms to take up minor irrigation works in their locality. I am glad that the call met with great and enthusiastic response. During the course of the Irrigation Week, minor irrigation works have been taken up all over Kerala with people's contribution ranging from 5 to 33½% of the cost of the works in the form of manual labour. This will benefit an area of 14,000 acres of land and it will add 7,000 tons of rice to our annual food production. This may appear to be a small achievement but it may be pointed out that this is only a small beginning pregnant with immense potentialities. It was an inspiring sight to see young men, students, policemen and others march with pick-axes, spades and shovels to the work-spots and engage themselves in manual labour for hours together in the burning sun, inspired by the urge to

produce more food for our people and thus serve the country. I hope it will be possible to put forth greater effort during the course of the coming year and this pattern of Shramdan and voluntary labour will become a permanent future of our developmental activity.

12. Everybody will agree that the Plan can succeed only if people's co-operation to the fullest extent is made available. But we in India have had to face the problem of inadequate response of the people in our construction projects. It would be wrong to place the entire blame for this on the shoulders of the people. The fact is that we have not created conditions in which the people can participate unreservedly. As we have paid some attention to this problem and thought about the ways in which the apathy on the part of the people can be overcome, we have met with some success during the course of the year. The measures that my Government have introduced in the field of agrarian relations, in the matter of relief to the indebted agriculturists, etc., and the measures taken to simplify the complicated procedures, have had the desired effect in bringing about increasing participation of the people in developmental activities. I am sure this line, if pursued, will pay greater dividends in the future.

13. For maximising food production, attention has to be paid not only to irrigation, but also to the improvement of methods of agriculture and supply of fertilisers, good seeds, etc. All these can be achieved only if credit is supplied to the poor cultivators on a large scale. The only sure method of achieving these objectives is the organisation of co-operatives on a mass scale for the supply of credit, fertilisers and manures, etc. to the cultivators and organise them for better production. The adoption of improved methods of cultivation like the Japanese Method and using of better seed etc., on a mass scale can only be effected by the encouragement of agricultural co-operatives. My Government therefore propose during the course of the coming year to initiate a big programme of organising co-operative societies of cultivators intended for the adoption of better farming methods and increase of production.

14. In the field of industry also, we have to depend more and more upon the co-operative form of organisation. The first large scale co-operative industrial unit in this State viz. the Co-operative Spinning Mill at Cannanore, is expected to commence production in the coming year. But the problem of unemployment on a mass scale cannot be solved on a short term basis by the starting of few big industries even if that was easy. Hence for providing employment facilities on a large scale, we have to concentrate our attention upon stabilising the employment potential in industries like coir and handloom employing lakhs of people. That is why the principle of organising the entire body of workers in these cottage industries completely on a co-operative basis has been accepted. With the large scale assistance rendered by the Government of India for the reorganisation and stabilisation of these industries viz. handloom and coir, Government has been able to bring a part of workers engaged in these industries under the co-operative fold. Of course, there are some defects in the organisation of the coir co-operative societies which my Government are taking steps to rectify. Apart from these two industries there are innumerable industries which can be organised on a co-operative basis, if adequate facilities in the shape of technical advice and finance are provided. My Government's policy is to see that, as far as possible, small scale industries are started on a co-operative basis, so that the maximum benefit arising out of these industries may be enjoyed by the workers themselves.

15. We have extended the principle of co-operation also to the field of construction. I am referring to the labour contract co-operative societies, which help to eliminate the contractor and his profits. I am glad that we are, in this respect, following the advice of our Prime Minister who has again very recently reiterated the urgent necessity of eliminating the middlemen from construction projects as far as possible. My Government intend therefore to still further widen the scope of the activities of labour contract and other co-operative societies engaged in construction, production and distribution, and servicing.

16. Unemployment is too big a problem to be tackled successfully during the course of two or three years, especially in a State like Kerala which has the largest number of unemployed, both educated and uneducated. But I am glad that the various steps taken by the Government for the reorganisation of cottage industries like coir, handloom etc., have helped to stabilise employment in these sectors. It must however, be stated frankly that the one fact that has helped us in the past year to maintain employment with some degree of stability is the steady demand for export products like coir, cashew, pepper, etc. Ours is a State the prosperity of which depends to a very great extent on the stability of demand and price for export products in the world market. As long as the sole market for these products were the Western countries, we were in a precarious position and great distress was always caused to the people of Kerala by the big fluctuation in the trade and prices of these commodities. We were facing a very critical situation in the beginning of this year, but the policy of diversification

of trade followed by the Central Government has been of benefit to us also, because it paved the way for the entry of East European countries also into our export market. This has helped to stabilise prices and employment in a number of industries like coir and cashew and pepper. I am glad that, as a result of all these, the employment situation in Kerala has been maintained on an even level during the course of the year. This should not however give rise to any complacency. We should exert ourselves more and more for rapidly industrialising our country by starting big, medium and small scale industries throughout the State and creating new employment potential. I have already made mention about the co-operative sector. That does not shut out the necessity for promoting industries in the private sector. In fact my Government are doing everything possible within its power to encourage every effort at industrialisation, whether it be in the public or private sector.

17. In passing, I wish to express the hope and desire of the entire people of Kerala that the Government of India will take a decision immediately to locate the Second Ship Building Yard in Cochin.

Third Five Year Plan

18. This brings me to the Third Five Year Plan on which discussions have started in the Planning Commission and among the public. These discussions have revealed two broad approaches to the way in which the Plan is to be formulated—(1) that of “consolidating the gains already made before making further advances,” and (2) “making the Third Plan still bigger than the Second”. My Government is of opinion that the first approach will be suicidal for our country as a whole, and for this State in particular. It will be noted that even the full implementation of the Second Five Year Plan which at the time of its formulation had been characterised in some quarters as “over-ambitious” would not have created such additional employment opportunities as would have absorbed all the unemployed in the beginning of the Plan and given employment to the new entrants into the labour market during the period of its implementation; this would mean that the unemployment position at the end of the Plan would be worse than at the beginning. While this is a serious situation for the country as whole, it is all the more so for our State. The only way in which this situation can be faced is to prepare the Plan which is, in some circles, called “over-ambitious”, and yet to find ways and means of implementing them. I hope that the discussions now taking place in the Planning Commission and among the public will help create this realisation.

Official Language

19. In August 1957, my Government appointed a Committee to suggest steps to be taken for the progressive adoption of Malayalam as the official language of the State. The Committee has submitted its report which will be placed before you. The Committee has also prepared a glossary of administrative terms in Malayalam. I hope you will give appropriate lead in this matter.

Linguistic Minorities

20. To safeguard the interests of Linguistic Minorities, Tamil and Kannada have also been declared as regional languages of the State and my Government have issued orders that, as far as possible, officers with a knowledge of Kannada or Tamil should be posted to areas where these languages are also spoken. They have also issued orders that all important notifications of a general nature should be published in Tamil and Kannada also in addition to Malayalam, and that notifications of local importance should be published in Kannada or Tamil also if the minority linguistic group is not less than 30% in the taluk concerned. I hope these measures taken by my Government will satisfy the needs of the linguistic minorities of the State.

Services

21. Last time when I addressed you, I spoke on the measures taken for the integration of services. I am happy to note that the work in connection with the integration of services is almost complete and the Appeal Committees set up in accordance with the provisions of the States Reorganisation Act are at their work. Those who feel dissatisfied with the decision of Government about integration may appeal to the Government of India who have set up two Committees to advise them. These Committees are examining these appeals. I hope it will be possible to finalise gradation lists in the course of a few months and thus set at rest all controversy with regard to the integration of services. My Government are also engaged in the task of framing unified service rules for all the departments and this work has recorded very considerable progress. It is hoped that the work will be finished during the course of the year.

22. My Government have taken steps to unify the salaries of all Government servants belonging to Travancore-Cochin and Madras cadres. By doing so we have also given a substantial increase in the emoluments of low-paid Government servants, which has cost the exchequer Rs. 1½ crores annually. This is in addition to a sum of Rs. 1.81 crores per annum that we have had to incur by increasing the salaries of school teachers, including those under private management. Most of the recommendations of the Pay Revision Committee appointed by my Government have been implemented. Even the few that remain are being examined and will be implemented during the course of the year. I hope these measures will go to a great extent to satisfy the urgent demands of the low-paid Government employees and create a contented and efficient civil service.

23. I have referred only to some outstanding matters that must have been engaging your attention. There are many more which will, in the course of your work during the year, occupy your time and attention. I wish you god-speed in your deliberations.

JAI HIND.