

MR. CHAIRMAN: Now, I shall put the motion. The question is:

"That an Address be presented to the President in the following terms: —

"That the Members of Rajya Sabha assembled in this session are deeply grateful to the President for the Address which he has been pleased to deliver to both the Houses of Parliament assembled together on the 13th April, 1962'."

The motion was adopted.

MR. CHAIRMAN: The House stands adjourned till 2-30 P.M.

The House then adjourned for lunch at twelve minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock, THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair.

THE BUDGET (GENERAL), 1962-63—*continued*

SHRI ROHIT M. DAVE (Gujarat): Mr. Vice-Chairman, Sir, we are discussing today the Budget (General) proposals which seek to put an extra burden of Rs. 71.7 crores in the full year on the community, nearly 40 per cent, of which is in the form of direct taxes and 60 per cent, in the form of indirect taxes. These taxation proposals have been defended by the hon. Finance Minister on chiefly two grounds, firstly that according to the Third Five Year Plan the nation has committed itself to raising vast resources through taxation and, therefore, it is our duty to levy taxation with a view to mobilising resources in order to make the Third Plan a success. He has defended his taxation proposals, secondly, on the ground that a study in his Ministry has convinced him that the overall effect of the tax-

tion proposals in recent years has been progressive in the sense that a larger burden falls on those families whose expenditure is higher rather than on those whose expenditure is comparatively low. In considering these two justifications for the Budget proposals. I am sure, Sir, the House will admit that we will have to go a bit deeper in order to appreciate fully the implications of the arguments with regard to the proposals before us.

Sir, the Third Five Year Plan talks of mobilisation of resources, but it also talks of the rate of development, the rate of rise in national income, the rate of rise in industrial production and agricultural production and so many other things. Therefore, we cannot take only one aspect of resources mobilisation without also taking into consideration the other aspects of the rise in national income and the general health of the economy.

From the Economic Survey, which has been supplied to us, we find that the health of our economy is not so sound as it ought to be. The national income is not rising at a rate as it was envisaged during the Third Plan period. Agricultural production is showing mixed trends. On the one hand, as far as cereals, jute production and sugar-cane are concerned, there is an increase, while on the other hand, as far as pulses, cotton and certain other commodities are concerned, there is stagnation.

Sir, looking to the various figures that have been given in the Economic Survey, one is inclined to think that the rise in agricultural production in certain things is due to extensive acreage rather than an increase in productivity in agriculture as a result of planned development. The Prime Minister this morning told us that one of the factors on which depended the revolutionisation of our society and our economy was electricity generation. But we find that electricity generation is actually falling during the last two years instead of rising and this has posed considerable difficulty to industrial concerns to make full use of their installed capacity.

The transport bottleneck is fairly well known and has been discussed in this House quite often. The shortage of raw materials is also coming in the way of the full utilisation of installed capacity and the total result of all these various handicaps from which the industry is suffering is that the rate of rise in industrial production is not to the extent as envisaged during the Third Plan, and in spite of heavy investment of capital, the ratio is hovering round 5 per cent.

Sir, the price situation is equally disturbing. For some time it looked as if we had reached the era of stabilisation of prices, but again disturbing factors appeared on the scene and we find that we will have to exert ourselves much more and devise effective measures for regulation and control before we can hope to keep the price situation under control. Unemployment is mounting up and we have not been able to generate enough employment opportunities to provide even for those people who are entering the labour market today, perhaps, to the extent envisaged during the Third Plan.

The point that I want to make is that it is not quite justifiable to take only one aspect of the Third Plan period, namely, the exigencies of capital mobilisation out of the context of the general economic situation in the country. When we are, therefore, making this huge tax effort, we will have to apply our mind with equal seriousness, if not more, to see that the income generation in the community is as great as is envisaged so that the savings and investments could be effective without disturbing unnecessarily the consumption pattern in the community.

Sir, the Finance Minister has divided his tax burden this year in the ratio of 40 per cent.: 60 per cent., 40 per cent, being through direct taxation and 60 per cent, through indirect taxation. I would have wished that

he had reversed the ratio and that he would have taken 60 per cent, out of direct taxation and not more than 40 per cent, through indirect taxation. When, Sir, I say this, it is every time argued that it is the duty of every citizen in this country to bear the burden of development, to make necessary sacrifices and to see that we are able to reach what is known as the take-off stage as early as possible. I fully appreciate this argument, but at the same time I think the House would agree with me that the burden has to fall primarily on those who are most able to bear it.

Sir, the 5 per cent, rise in the corporate tax has been made much of by the industrialists in this country and they somehow have gone to the extent of saying that this taxation measure is anti-capital, that it will not result in capital formation, as is desired, and is unnecessary for the community.

Whenever there is any tax on corporations, this cry is raised and this cry is always belied by what the industrialists themselves have claimed to be the sensitive barometer to find out the climate for capital formation. I mean the stock exchanges. This time the stock exchanges have reacted quite favourably to the Budget proposals as a whole, which clearly shows that whatever else may be the merit of the present Budget proposals, it is certainly not anti-capital. Last year also the stock markets boomed up after the taxation proposals were announced. This time though they were a little hesitant at first, ultimately I think they have realised that there is nothing wrong with the taxation proposals and they are now merily mounting up. This is quite natural, because there are so many benefits and advantages in our economy today that it is not difficult for the corporate sector to absorb a small rise of five per cent, in the corporation tax which has been proposed by the hon. Finance Minister. The economy of the nation today is more or less a closed economy because due to the lack of external finances, imports have been

[Shri Rohit M. Dave.] virtually prohibited. There is a lot of planning in the country which makes risk-bearing rather unlikely and because of the regulation of the economy, internal competition is also not very great. The risk-bearing capacity, which is claimed by the industrialists, really forgetting large profits and large yields on their investment, is almost non-existent in our economy today. Our markets are expanding very fast and the money generated is much more than the production of commodities, with the result that there are shortages in almost every commodity. As a result of this, it should not be difficult for the industrialists to absorb the email rise of five per cent. in the corporate tax. I would go a step further and request the hon. Finance Minister to examine the possibility, if not this year, the next, of having a further graduated taxation on the companies. I have got before me certain disturbing figures regarding the dividends which have been declared by what are known as the leaders in dividend performance. A recent study by the economic experts has shown that during the 1955-57 period and 1958-59 period in respect of cotton textiles, these leaders in dividend performance gave dividends up to an extent of 35 per cent., 25 per cent, 23½ per cent., 23 per cent, and 22 per cent, in 1955-57 and in 1958-59 the percentages were 261, 301, 26½ and 21½. As regards tea, the figures are still more startling. One company gave a dividend of 531 Per cent, another 50 per cent., a third 46½ per cent., a fourth 36½ per cent, and a fifth 35 per cent, during 1955-57. In the period 1958-59 the figures were 231 per cent., 32½ per cent, 30 per cent., 40 per cent, and 22½ per cent. I do not wish to tire the House by citing all the various figures, but these figures definitely show that there is something wrong with our corporation taxation and we have to take into account the question of dividends that are being declared by some of the companies and obviously the profits that they are making. It has also

been found that the rate of dividends is much higher than even the rate of profits, as far as the averages are concerned. All these things should make one ponder whether the time has not come when a certain graduated scale of taxation on companies, on the lines of the graduated scale of personal income-tax, has not become necessary. I understand that efficiency and competence have a large part in determining the profits and the capacity to declare dividends. But I would most humbly submit that there are other factors and more important factors, fortuitous circumstances, windfall profits, which also play a considerable role and they have to be taken into consideration in determining the tax structure in our country.

While the Finance Minister has raised the percentage of taxation on corporations by five per cent., he has also given certain concessions which have been completely forgotten by the industrialists who are crying so vehemently against this particular tax proposal. In the first place, there is the exemption of export earnings. Secondly, there is the reduction, by five per cent. of the statutory percentage of minimum distribution of profits to enable the companies, in which the public were not substantially represented, to retain the same percentage of profit as before. This particular concession, to my mind, is inexplicable. If one were to examine the pattern of profit-making by the public limited companies and the private limited companies, it will be found that the percentages of profit that are earned by the private limited companies are exorbitantly very high. I see no reason why this type of distinction should be made between the public limited companies and the private limited companies, in order that it may be possible for a private limited company to give the same undistributed profits with them as before. We know why private limited companies are being formed and for what purpose. On the one hand, under the Company Law Administration, we are trying to do

what we can to stop these private limited companies being 'formed. The Finance Minister himself in his Budget speech has expressed the desirability of making the ownership of equity capital as wide as possible, which should certainly discourage private limited companies and encourage public limited companies.

On the other hand a concession has been given whereby the private limited companies would be encouraged and not the public limited ones. Taxation measures ought to have some relevance to the announcement of policy which has been made, and though that policy might be executed in other ways, the taxation measures should also help in the realisation of the thing. When there is no justification for this type of distinction between the public limited companies and private limited companies, the taxation measures ought to see that the policy is furthered even through fiscal measures. I am aware of the fact that it is not possible purely through taxation measures to expand the equity base of the various companies. For that purpose more direct interference by the Company Law Administration would be necessary. But as far as the taxation proposals are concerned, they have also to conform to the general policy.

Then there are other concessions like cut in the rate of tax on dividends received by companies. I do not wish to say much on that.

Then, Sir, there is the question of personal taxation. As far as personal taxation is concerned, we were expecting some such type of revision for a long time, because more than once the view has been expressed that, as far as the middle income groups are concerned, the rate is rather low in India and, therefore, needs to be raised. At the same time, Sir, I feel that the steep rise in income-tax on the incomes that are earned, say, between Rs. 6,000 and Rs. 30,000 is up to a particular point rather high. I would have wished that as far as incomes between Rs. 6,000

and Rs. 9,000 were concerned, as far as persons earning between Rs. 500 and Rs. 750 per month were concerned, some concession was given and some consideration was shown to them. At any rate I do not wish to make it a special point of argument, because I accept the general view that every one has to make his contribution, and that money income is not the only reward which one should expect when there is a rapid development of the economy and when social incentives should play as large a part as economic incentives in determining what amount of effort we are prepared to put in in order to see that the economy expands as fast as possible.

Coming now to indirect taxation, there are various motivations which have been enumerated. In some cases it is a question of curtailing internal consumption, like the duty on tea. In other cases it is a question of mopping up undue profits as in the case of matches. Then there is the question of tapping a rather lucrative source of revenue, namely tobacco, and so on and so forth. There is only one item of indirect taxation to which I would like to make a reference, and that is with regard to the enhanced duty on powerlooms. Now, Sir, I am not prepared to accept the point of view that powerlooms should not bear any taxation or that, looking at the present condition of these powerlooms there is absolutely no justification for increased taxation on powerlooms. But what I am objecting to is the fact that there is no differential introduced between the rates of duty on composite mills and on powerlooms. On the one hand we always argue that we want the small man to come up, that we want handlooms to be converted into powerlooms, that we want that as far as the textiles are concerned decentralisation should be the order of the day, and that all attempts should be made to see that the small man is also able to contribute to the production as far as consumer goods are concerned, and on the other hand we are arguing again and again

[Shri Rohit M. Dave.] regarding the various measures that need to be taken in order to protect small-scale industries, village industries against the competition of the large-scale sector who have the advantage of scaled economies in their favour. When there was a chance of seeing that there was some differential between the duties that are levied on the powerlooms and those that are levied on the composite mills, the advantage of that opportunity was not taken. I know that these duties are falling on superfine cloth tar mill-made cloth, and to that extent the consumers, who might have to pay these taxes, will be in the middle and upper middle group. But even then, as far as the question of protecting the powerloom as against the mill industry is concerned, that particular aspect ought to have been taken note of before determining the taxation proposals.

In this connection I would also like to suggest that the powerlooms could be put on a sound footing only if they are made independent of composite textile mills as far as possible. "What seems to be happening today is that they are very much dependent upon these very composite mills for their yarn requirements and also for the various processes through which the textiles have to go, namely, bleaching, dyeing, etc. Because these power-looms have to depend upon these composite mills for these essential processes that have to be performed before the textiles become marketable, they are at a disadvantage and they would be at a disadvantage looking at what competition there is in the modern world. Therefore some attempt should be made to see that they get bleaching, processing and other facilities independently of the composite mills, so that it may be possible for them not to depend so much upon their own competitors but to stand on their own legs.

Sir, we have got a fairly heavy dose of taxation this year, and last year also we had rather a heavy dose. The I

hon. Finance Minister had said in his speech that last year the additional taxation was likely to bring in Rs. 450 crores. On that calculation this year's taxation during the next four years should bring in another Rs. 300 crores, which would bring the total to Rs. 750 crores out of the Rs. 1000 crores which he attempts to collect. One wonders why in the very first two years of the Third Plan, when there are shortfalls in the economy and when the economy is sort of recuperating after the shortfalls and bottle-necks that developed during the Second Plan period, such a heavy dose of taxation is imposed on the community. One explanation seems to be that the State Governments have not made any sizable independent efforts on their own and, therefore, the Centre is trying to make good what the States have failed to do. Another explanation seems to be that our borrowing 3 P.M. programme and the programme of collecting resources through small savings have not been up to expectations and, therefore, it is desirable that more money should be taken out of taxation. But to my mind, a still more important reason seems to be that the public sector undertakings which are expected to contribute as much as Rs. 450 crores during the Third Plan period are not likely to achieve their targets. It is very difficult to find out exactly what contribution they have already made in two years because we have not got all the necessary data from which it could be calculated what exactly is that contribution in the development and what was expected of them. But there are reasons to believe that the public sector undertakings have fallen far short of the expectations of the planners, and perhaps that may be one more reason why such a heavy dose of taxation has been administered to the community. Whatever that may be, once taxation is before us, we at least expect the Government to see that they make the best use of every rupee that they compulsorily collect from the people. Calculation shows

that there is an increase of nearly 27 per cent, in expenditure during the last two years and this expenditure is mounting more and more. The argument advanced against this particular criticism is that in the developmental stage it is absolutely necessary that such expenditure would rise. When the public sector is expanding, when the Government is undertaking heavier and heavier responsibilities, it is but natural that the expenditure should mount. I accept the general basis of that argument. But I would like to point out that when expenditure on this scale is undertaken, it should give some return. But from the figures that have been given in "An Economic Classification of the Central Government Budget for 1962-63", we find certain undesirable trends. On page 8 in paragraph 18, it has been stated—

"Of the final outlays of Rs. 1074 crores in 1962-63 as much as Rs. 481 crores or 45 per cent, is budgeted for gross capital formation by the Central Government. This is Rs. 91 crores higher than the revised estimates for 1961-62 and Rs. 170 crores higher than the actuals in 1960-61."

What this classification fails to point out is that if one were to take the percentages of the gross capital formation to the final outlay, one finds that in 1960-61 accounts it was 45.4 per cent., in 1961-62 it was 42.62 per cent, and in 1962-63 it will be of the order of 44.7 per cent. and whether that would be realised or not, one does not know. There seems to be a general tendency of the percentage of gross capital formation to the final outlay to fall. It is this aspect which is rather disturbing. One may increase the expenditure but once the expenditure is increased, a sizeable percentage of that should be in the form of a permanent capital formation out of which more incomes could be generated and which would become the capital of the nation. To the extent that this percentage is falling,

there are dangers, and these dangers have to be avoided.

Sir, the country has realised the fact that during the next five years, it will have to make considerable sacrifices in order that economic development might take place at a rate which has been envisaged. But the country expects of the Government that while proposing the various tax burdens on the community, they would also accept the responsibility which lies on their shoulders to see that the burdens are such as would be borne by the community and that as a result of the governmental activities and especially the fiscal measures, windfall profits do not go into the pockets of the few, that the price-line is properly held, that the various policy considerations that underlie the taxation proposals are realised and that administrative machinery is created in order to see that these policies are actually realised rather than just enumerated in the Budget speech.

Sir, I thank you.

SHRI M. GOVINDA REDDY (Mysore): Mr. Vice-Chairman, Sir, I welcome the Budget proposals. It is neither easy nor enviable to balance the Budget even in a country or in countries which have buoyant economies, and to balance the Budget of an underdeveloped country which has been impoverished for centuries and to find resources to match the massive needs of a planned economy is, as the House can very well appreciate, a very hard job and I think that when we go through the details of the proposals and study the circumstances under which those proposals have come to be framed, we cannot but express our appreciation of the way in which the Finance Minister has marshalled these things with ability. Therefore, I congratulate him on behalf of the House for the very able way in which he has piloted the finances of this country.

There has been some criticism of this Budget, particularly from that

[Shri M. Govinda Reddy.] quarter from which always criticism comes, whatever be the merits or demerits of a Budget. The criticism has been that the revenues have been regularly and deliberately underestimated and that the expenditure, again, has been very regularly and deliberately overestimated. The honesty of the fiscal policies is questioned. There has also been a criticism of several items of the taxation proposals. I will come to meet that criticism later on.

I must say, Sir, that the Budget has been very well received from almost all quarters excepting this one particular sector. The reception that has been accorded to the Budget is very well expressed in the words of the President of the Bombay Stock Exchange. I am quoting him—

"The Finance Minister has struck the golden mean between too much taxation and too much deficit finance, both of which could be inflationary under the present circumstances."

Well, this is not an exaggerated appreciation, this is a very apt appreciation. There is one factor in which the Finance Minister has belied all expectations. Considering the fact that he had to cover in the earlier Budget a revenue gap of Rs. 63½ crores and an overall deficit of Rs. 147 crores, considering also the fact that dearness allowance was sanctioned to the low-paid employees—it had to be provided for—and also considering the fact that the defence needs were increasing and the Plan's needs were increasing, the whole country was expecting a large dose of taxation of Rs. 80 crores. Even knowledgeable circles were expecting that taxation would not be anything less than Rs. 80 crores. But the Finance Minister has belied this expectation, although it is a welcome disappointment, and the taxation has been limited to Rs. 73½ crores. There is also another very surprising thing,

and I appreciate the ingenious way in which he has brought in Rs. 15 crores from the profits of the Currency Fund to the revenues and thereby avoiding an increase in the tax burden to that extent. The Rs. 15 crores that I was referring to came from the profits of coinage outstanding in Suspense Account.

Sir, the Economic Survey to which my hon. friend Mr. Dave was referring neither gives a rosy picture nor a gloomy picture. In fact it is a statement of fact, and I was surprised to hear my hon. friend saying that the increase in agricultural production claimed therein is not real, is not correct, and that the increase in power production also is not correct. I am surprised that coming as it does from a knowledgeable Member of this House like Mr. Dave, he should have made this statement. I cannot place my fingers now on the particular portion of the statistics, but I have gone through the Economic Survey and some of the charts and graphs given there. It is true, Sir, that agricultural production in some items of foodgrains is low, whereas in others it is high. But taking the overall situation of agricultural production, agricultural production has really increased, and so also, Sir, power production. There are these facts to belie the argument advanced by my hon. friend. Crores and crores of rupees have been spent on agriculture, by giving them improved techniques, by providing them with improved types of warehouses, by giving them marketing facilities and co-operative credit, and also giving them improved equipment and all that. Where has all this money gone? My hon. friend cannot contend that it could not have produced anything. Considering also the fact that various irrigation schemes have come into use and also that more and more acreage has come under cultivation, food production must have increased—it is ordinary common sense point of view. It is true that because of some climatic condition and some difficulties, such as caused by

droughts and the like in some parts, agricultural production has fallen there, and that too only in particular commodities, but the over-all agricultural production has increased, as claimed in 1960-61, by 8-1 per cent., and if we take from January to October in 1961, industrial production also has risen by 7-6 per cent. The new mechanical and electrical engineering industries' output also has risen. Steel output has risen from 2-2 million tons in 1960 to about 2-9 million tons in 1961. There have been increases also in sugar, coal, cement, tea, coffee and chemicals. So, the picture that is presented in the Economic Survey is by no means disappointing. It is a satisfactory picture giving us the trend as to how the developing economy is proceeding. With suitable fiscal and monetary policies, Sir, supply and demand with regard to the various commodities "have been balanced during the last financial year and in the previous year. The Reserve Bank has pursued a very sound policy of restraining credit in the interests of capital formation, particularly in the public sector. While this was so, Sir, one could realize the difficulties under which the Finance Ministry has worked during the year gone by and has been able to meet the very adverse circumstances which it had to face, when the following circumstances are taken into account.

Sir, at the beginning of the Second plan we had sterling resources of the value of only Rs. 746 crores, and at the beginning of the Third Plan they dwindled to Rs. 136 crores and by July, 1961, they went down to Rs. 98 crores, and that was the first year of the Third Plan. By that time our negotiations for external assistance were not completed, but then various commitments had to be met, and so the International Monetary Fund had to be drawn on to the extent of Rs. 119 crores—it was in last August. In spite of all this, Sir, we had a good balance of payments position; our exports had accounted for Rs. 665 crores in 1961-62—that was

an increase of 5 per cent, over the level of the last year of the Second Plan. There was also a decrease in imports in 1961. Considering the increase in exports and the decrease in imports the balance of payments position was really favourable to us, but the invisibles, which are repayments of loans and interest—the loans which we have borrowed from foreign countries—and then the foreign exchange sanctioned for travel and miscellaneous remittances, all these things did not give us the advantage of this favourable balance of payments position, and we could not resort to short-term loans, because short-term loans carry very heavy interest, and we at this stage of our economy are not in a position to afford that heavy interest. Although the position was so difficult to deal with, still friendly foreign countries have appreciated the situation, have appreciated the right road on which our economy is proceeding and our difficulties, and they have come to our aid, and foreign assistance has been received by us in several ways. We have received sizable loans from the International Development Association. These loans are almost free of interest and they are repayable over a period of 50 years. Then we have received also developmental assistance from the U.S.A. repayable in rupees and not in dollars. There is also the loan assistance received from the new U.S. Aid Agency which is repayable in dollars but over long periods. The Soviet Union and other East European countries have come forward to give us assistance at low rates of interest, and they have done another service to us. They have been purchasing Indian goods in order to enable us to repay these loans. And there have been some grants from Canada. The Federal Republic of Germany has given us loans with lowered interest charges and for the recent loans and* also for the previous loans the instalments to repay them have been enhanced. The U.K. has not only increased its level of assistance but has also

[Shri M. Govinda Reddy.] given us longer instalments. Similarly, Japan also has given us assistance. With the estimated external assistance of Rs. 2,600 crores and with the balance in hand which we had at the commencement of the Third Plan—of Rs. 700 crores—and with the World Bank Consortium assistance of Rs. 1,100 crores, we have been able to cover our power projects fully. Therefore I want here my hon. friend, Mr. Rohit Dave, to note that there is no fear of our power potential decreasing. We have also been able to cover to half extent the needs . . .

SHRI ROHIT M. DAVE: I did not say so. I said that power production was short of the demand for it. I did not say that power production was decreasing. It was increasing in absolute terms, but not in relative terms compared to the demand for it.

SHRI M. GOVINDA REDDY: I agree; the demand is great; that is undisputed and we cannot, for some time to come, cope up with the full demand of the country.

As I was saying, we have been able to cover these industries to the extent of half their needs, and they are oil, railways, ports, shipping, coal and manufacturing industries.

Although we were labouring under these difficulties we have been able to render full aid to other countries coming under the Colombo Plan. And we have given technical assistance to some other countries, like the African countries, and also helped Cambodia in her Mekong River Project.

For all the assistance that these foreign countries have given us at a very critical time, and on such a liberal scale, on behalf of the House—I dare say the House will agree with me—I extend to them our gratitude. Sir, with regard to the raising of resources, there are the ordinary suggestions of curtailing civil expenditure and effecting economies in efficient execution of projects, all that sort of thing. I am not going into them because they are commonly known.

In small savings, which is one of the pillars on which our economy rests and which gives scope for investment and consequently to production, there has been a notable decrease in collections. I think about Rs. 185 crores were to be raised in the first year of the Plan, and as expectations are—it is not very hopeful—I do not think even Rs. 80 crores can be raised. The Finance Minister suggested in his speech that the Government are considering steps to be taken for increasing this work of collection of small savings. He has also requested our cooperation. I would like him to outline the ways in which Members of Parliament can assist the Finance Ministry in this regard, and I dare say every Member will be very willing to assist in this matter.

About exports, Sir, it is very encouraging to note that several of our engineering industries are now earning foreign exchange. They are in a position to export machinery to our neighbouring countries. But now there is this increased danger that we are facing. If Britain joins the European Common Market, would we lose the favourable tariff position that we have? And if we lose that favourable tariff position, would we be able to earn from exports? Would we have the same advantageous position to obtain export earnings? That is a position, Sir, which I want the Finance Minister to enlarge upon in his reply.

Now, Sir, I will come to the taxation proposals. The taxation proposals have been criticised in various ways. As I am running short of time. I do not want to state all the criticism. One of the criticisms is that the total taxation recoveries have exceeded by Rs. 500 crores over the Plan target and that sort of thing. Then there is the criticism on individual items of taxation. The particular sector, as I said in the beginning, that has taken exception to direct taxation, is the corporate sector. Sir, this is a thing which was expected. Even if

there was no taxation levy on the corporate sector, even if they went entirely tax-free, they would not have spared it from criticism. Then they would have come forward with the criticism that the Finance Minister had not given them due protection; they would have even claimed protection. While the direct taxation is not much, as hon. Mr. Dave said, I agree with him in every point that he made with regard to the tax on corporate bodies and companies.

Sir, the other criticism is that the Mudaliar Committee recommendations have not been accepted. Well, this criticism is not at all justified inasmuch as the Finance Minister has given tax relief to earnings on export, export duty on tea and such other things.

The other thing which has been seriously taken exception to is the taxing of capital gains earned from accrual. This, I think is a very healthy measure, and I congratulate the Finance Minister for taking it up because of the fact that small brokers indulge in heavy speculation. They make gains and they suffer also losses. If they make gains it is better that they should be taxed. But it is healthier to restrain them from indulging in that speculation. Now, these brokers will have to switch over hereafter to speculation through companies. The companies are corporate bodies, and whatever earnings are made they will go to the company and, therefore, many of these individuals, I think, will be saved from ruin by this taxation. Hence it is a very healthy measure.

About personal taxation, I agree with Mr. Dave that there is a little hardship on people who have an income of Rs. 5,000 and more, up to Rs. 20,000 per year. I looked into one example in this regard. According to the new schedule proposed, the income-tax on a person who earns more than Rs. 5,000

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up to Rs. 20,000 will be almost double. It comes to 2J times which looks to be a very great hardship considering the fact that Rs. 20,000 is not a very heavy income per year, particularly in these days when money value has gone down. It looks a little hard on these people. The income tax above Rs. 20,000 remains unchanged. There is no tax below Rs. 5,000. Above Rs. 20,000 the position is the same.

THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI): Much higher.

SHRI M. GOVINDA REDDY: Much higher, that is true but there is an invidious difference—I should not say "invidious"—but there is this exaggerated difference of income-tax because he has to pay double the tax than the man whose income is Rs. 4,000 or Rs. 5,000 per annum. That appears to be a hardship and I would like him to reconsider that position.

Sir, he has abolished the Expenditure-tax. The grounds of doing away with the Expenditure-tax is that there is no significant income from this item and, therefore, the object of levying that expenditure was not fulfilled, namely, restraining consumption and also checking what might be called the conspicuous spending by some people. Well, I must confess, Sir, and I ask the pardon of the Finance Minister that this reasoning does not convince me, because it was well known that Expenditure-tax would not yield any significant income. It was known when Prof. Kaldor proposed that and it was on his recommendation that this tax was imposed. It was known that it would not yield much and it was also known that it would not restrain expenditure to a very great extent. In our society, we know, the rich people spend a lot and when they spend a lot and when they are asked to account for it, it becomes very difficult for them to account for the expenditure unless they have earned it lawfully. They will have to show some source of earning this expenditure. I admit that this is a link in a chain of taxes. It would have helped th»

[Shri M. Govinda Reddy.]

authorities to trace the source of the money that is spent? If the Government had found out the illegal ways in which the money has been earned, it would have been very helpful in checking tax evasion. I do not know how this tax has been done away with when he, for instance, argued on the floor of the House in favour of tax imposed on some of the small items last year for instance, tax imposed on items like kerosene oil, chewing tobacco, matches, etc. The Finance Minister argued that the little return was no criterion for doing away with this tax. But here the very opposite argument is advanced. I want to know if he can satisfy me, whether doing away with this tax is at all justified. It would have had a very good hold on the black marketeers and the black market money. It would have given the Government revenues *for* the State, and at the same time it would have prevented leakages of profit. I do not know why such an advantage is lost. Of course, I am not against its abolition completely, but I want to be convinced of the reason.

Sir, I agree with Mr. Dave in the criticism he made about our public undertakings. We have invested about Rs. 700 crores in these undertakings by the end of 1961-62 and the profit from them is calculated to be Rs. 2-5 crores, or only 0.36 per cent. That is much too little. The question is whether these public undertakings should not be made to yield more profit. They must and I am glad the hon. the Finance Minister is also aware of it and he has mentioned it in his speech.

Next, I have to speak on two or three points connected with the State of Mysore and some other States and I crave your indulgence for a few minutes more.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Carry on.

SHRI M. GOVINDA REDDY: The States were given loans up to Rs. 409

crores and in the current year they come to Rs. 469 crores. In the Budget year the figure will be Rs. 453 crores. In addition to that we have to give a sum of Rs. 30 crores as *ad hoc* loans to four States to clear their overdrafts with the Reserve Bank during the Second Plan period. There is also an item of assistance to the States amounting to Rs. 405 crores. Now, the States themselves had to raise Rs. 600 crores of additional taxes for the Plan period. I do not know if the Finance Minister is confident that the States will be in a position to raise this much by additional taxes. I am mentioning this fact not only because of my apprehension that the States will not be able to fulfil their commitments towards the Plan outlay, but also to know whether the Centre can hope to recover from the States interest regularly on the loans given to them.

The other subject I would like to touch upon is the socialistic pattern of society. It is eight years since the party gave a mandate to the Government to reach this goal. I do understand that we cannot have a socialistic pattern overnight.

SHRI BHUPESH GUPTA (West Bengal): That is the greatest joke on earth.

SHRI M. GOVINDA REDDY: But there should be some expectation that this socialistic pattern of society would be realised within a definite time. According to the measures that we have taken now, it is only the high Income-tax, the Super-tax, the Wealth-tax and the Gift-tax that are expected to bring down the disparities in the levels of incomes. I doubt whether even in half a century, these measures will be able to reduce the disparities in incomes.

SHRI BHUPESH GUPTA: No, not in a thousand years.

SHRI M. GOVINDA REDDY: I would request my hon. friend not to

disturb me. Sir, during the election campaign many questioned me as to what we had done in that regard. I do not know. The Finance Minister is gifted with more powers of convincing people and he has also more experience, but I do not know whether he was able to convince the people. I was not able to convince them. When this question was put to me as to what were the measures that we had taken in this direction, I could only repeat these taxes rihat I (mentioned just now and they asked me; How long will it take you to realise this goal of a socialistic pattern of society by these means? Therefore, Sir, there must be some method for reaching this goal of a socialistic pattern of society in definite stages and within a limited period. Otherwise, there is a lot of scepticism in the public mind and I do not think—I am exaggerating it if I say that it has become the joke of the street. Therefore, with all the earnestness at my command I would appeal to the hon. Finance Minister to persuade his colleagues in the Cabinet to have a Was to achieve the socialistic pattern of society and to devise ways and means of achieving it.

SHRI MORARJI R. DESAI: I cannot accept the inference that there is not that bias now.

SHRI M. GOVINDA REDDY: I am glad that the hon. the Finance Minister has said that there is that bias. If there is this bias, Sir, then this bias itself will show them the ways and means of achieving this goal and how to adopt those ways and means.

There is another thing that is happening. Slowly and silently and inexorably, society is re-classifying itself. Now, the poorer people have got their labour associations and they earn fairly good wages and other benefits. There are so many beneficial measures for them in the shape of minimum wage bonus and so on. I cannot say that their incomes are very decent, but they are above ■•rant. Then there are the rich people

who, in spite of our measures, remain rich. Although they give low income returns, we see them enjoying all the luxuries and we see them going about hare and there and abroad everywhere and spending money. I do not think they are poor. The trouble is only with the middle classes, the middle classes with fixed incomes. They are committed to maintain a hundred pretences of being* in a respectable society and they are the people who are really hard-pressed. Can we not devise some method, some means, by which we can go to the relief of these middle class people? You cannot expect them to go as wage-earners or as factory workers. That is too much. I do not say that there is anything wrong in going as a wage-earner or a factory worker. But in the present structure of our society we cannot expect them to go as factory workers. Moreover, there are many dependents on one male member of the family. All the same, we know that a strong middle class is Hie back bone of the society. It is they who care for law and order. It is they who inspire a sense of security in, the public mind. It would be advisable for (the Government to seriously think of relieving the difficulties of these middle class people, these people with fixed incomes.

Next, I have to speak a few words concerning my own State of Mysore. I will give up the other things that I wanted to say. I have to plead with the hon. the Finance Minister for relief for Mysore State. He know« that Mysore State has been the pioneer State in the matter of power production. We have got our power units. But the demand is increasing. Although the demands were increasing, Mysore was generous enough to give power to Andhra when it wat part of the Madras State then, and also to Bombay. Now, industries have increased in that State and the population too has inoreased and so the demand for power has increased. The Sharavati second stage . . .

SHRI MORARJI R. DESAI: May I say that there was no generosity on the Mysore side in giving power to Bombay State? Bombay was generous to give all the machinery to Mysore.

SHRI M. GOVINDA REDDY: I shall give up the claim to generosity. But it is true that they gave power to Bombay. The Sharavati Hydel project is to cost Rs. 43 crores and power has not yet come from it. Under the proposal the Mysore Government has amount of foreign exchange will be required, but the Planning Commission is unwilling to sanction it. to spend in instalments on some thermal units for which a very small

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI B. R. BHAGAT): Not a small amount but Rs. 80 lakhs.

SHRI M. GOVINDA REDDY: Rs. 80 lakhs is not much, considering the size of the State, considering its needs and the utility of the project. I would, therefore, request the hon. the Finance Minister to persuade the Planning Commission to agree to this sum and to himself sanction it.

The only other thing that I want to say is that a steel plant project should be sanctioned for Mysore State. Mysore has got very good iron ore and in plenty. It was the pioneer State in the matter of the steel industry. It was Sir M. Visveswarayya of revered memory who first dreamt of this industry and he it was who started the first iron and steel project in Mysore. When he started the work there, he had to face great obstacles. The British Viceroy was not willing to give permission. The Resident in the State was against it. But with all that he fought on and started the project and at last succeeded. He had to bear the brunt of public criticism also, because for a long time this project could not pay. But in the end it did prove a blessing to Mysore. Now, as I said, there is rich iron ore in Mysore. The only difficulty plead-

ed so long was the lack of power. Now that lignite has been found that difficulty is no longer there. At least, Sir, in the name of that great man, Sir M. Visveswarayya, who did so much service to the country, it would be fitting, at least as a memorial to that great man, to sanction a steel project to Mysore. So, I very humbly and earnestly pray that this steel project—for Mysore State may be sanctioned. Thank you, Sir, for the indulgence shown to me.

SHRI BHUPESH GUPTA: I would like to ask one question. The hon. Member in his speech . . .

SHRI DAHYABHAI V. PATEL. (Gujarat): Future Minister.

SHRI BHUPESH GUPTA: He is unfortunately not a Minister.

The hon. Member said that the Congress Party had given a mandate to the Government to go forward in building socialism and then, in the course of the same speech, he said that when the voters asked him, he could not define socialism or some thing.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Bhupesh Gupta, you will have your chance to speak. Mr. Kumaran.

SHRI M. GOVINDA REDDY: Instead of taking the time of the House, let the hon. Member meet me in the Lobby and then I will explain.

SHRI P. K. KUMARAN (Andhra Pradesh): Mr. Vice-Chairman, the general observations on the Budget by our Party will be placed before the House by our Party Leader. I will confine myself to one or two current problems which are facing Andhra Pradesh.

[THE DEPUTY CHAIRMAN in the Chair]

However, I must mention that the hon. Finance Minister has prescribed three medicines—tightening of the belt, expansion of exports and restriction of imports for all the ails of the

country. Towards this end, he has proposed a series of new taxes. The majority of these taxes are indirect taxes which will weigh heavily on the poor masses and they will play havoc with the lives of the poor people in the country. I do note that the impact of public criticism especially during the last General Elections has forced even Shri Morarji Desai to increase the direct taxes on corporations and companies to a certain extent but I doubt whether these taxes will be realised because our tradition has been to promote evasion of these direct taxes to a large extent. The taxes which will be collected and which are always collected more than desired are the indirect taxes. I will give you one example. A tax has been imposed on match boxes because at 5 nP. the dealer is having a loss and at 6 nP. he is making a marginal profit which is more than intended. I do not know whether the Minister knows that we are already paying 7 nP. for a match box of 50 pieces. Like this, take any article. Instead of the profit being mopped up, the profit has gone up and the pocket of the poor consumer is affected. All the taxes will only help to tighten up and impose more severe cuts on the consumption of the poor people. I have also not understood, if socialism is our aim, why the foreign exchange position which we are seeking to improve should accrue in the private sector and not in the public sector.

Coming to important problems, recently there has been an imposition of a power cut in Andhra Pradesh. This imposition of a power cut will mean stoppage of all expansion in an already backward State; this will also mean under-utilisation of the existing capacity and already, many small industries are on the verge of closure. The Federation of the Indian Chambers of Commerce has recently proposed the opening of several thermal plants. There was a proposal some time back to construct

thermal plants in Hyderabad and Visakhapatnam and an amount of three crores of rupees was required for this purpose. If this amount had been sanctioned in time and if these thermal plants could have been installed and commissioned, the present cut could have been avoided. Even now, the supply of power in Andhra Pradesh is not sufficient and due to lack of supply of power, coal production in the Singareni collieries is suffering already. The Third Plan allocation is 5 per cent, which is very low because the population of Andhra itself is 8 per cent, of the country. Andhra Pradesh is a backward State and the per capita income is only Rs. 231 while the Indian average is more than Rs. 265. Hence, I hope that the Finance Minister will see to it that the finances necessary for starting new thermal plants are sanctioned. It was reported that Czechoslovakia had offered to supply small plants for constructing a 6,000 k.w. power producing plant. Poland was also reported to have offered to construct new plants, and why these offers were not accepted, I do not understand. The other day, when a question was put in regard to the power cut to the Minister in the Lok Sabha, the Minister replied that only after the river water problem is solved the question of sanctioning foreign exchange could be considered. This is the unfortunate position today. I hope that the position will be reconsidered as the industries in the State are going to suffer much which means retrenchment of workers and consequent suffering.

The Rayalaseema area in Andhra is a backward area and the area is affected by chronic famine. During the last fifty years the question of this famine was noticed by the Government and a Development Board was also appointed but nothing has come out of all this. Although it is the second lowest area in India so far as rainfall is concerned—the average is just 23 or less than 20 and it is next

[Shri P. K. Kumaran.] only to Rajasthan so far as low rainfall is concerned—no effort has been made so far to improve the irrigation potentials of the area. The Tungabhadra Project was started in 1945 but so far even the first part has not been completed. The second stage has not yet been sanctioned. Unless this is sanctioned, irrigation cannot be undertaken.

SHRI N. SRI RAMA REDDY (Mysore): The Tungabhadra Project was completed long ago.

SHRI P. K. KUMARAN: I am talking of the high level canal. That area is well known for its mineral resources like gold, diamond, asbestos, etc. A geological survey of the area has to be ordered so that the possibility of tapping these resources can be examined and the area can also be industrialised as soon as possible. Every year, it is a regular feature in that area for all the young men in the villages to migrate to places far away from these areas in search of jobs. A geological survey for locating spots for sinking tube wells has also got to be conducted because unless this is done other parts of Rayalaseema which cannot be covered by this proposed canal scheme cannot be irrigated. In the absence of such irrigation facilities, the area cannot be developed. In that area, in Kurnool and in places around Gooty—Guntakal, high quality iron ore is available in large quantities and this ore is being exported through Madras and Bombay to Japan. It should be examined whether a steel plant cannot be set up in this area because that will provide occupation for the large number of people who are not able to sustain themselves from the meagre income which they get from cultivation.

Madam, the development of the State has been impeded due to lack of transport. For a number of years the people of the State has been demanding new railway lines but their demands for years together have

gone unnoticed by the Government. If sufficient funds are sanctioned, new lines can be constructed which will in turn help the development of the area. With these words, I resume my seat.

SHRI KHANDUBHAI K. DESAI (Gujarat): Madam Deputy Chairman, I rise to support whole-heartedly the Budget proposals placed before Parliament. Going through the Economic Survey which the Finance Minister placed before us in March in correlation with the progress that the country has made in the last ten years, we find that as far as the economic health of the country is concerned, the Finance Minister has placed before the country a really buoyant picture, not with the help of slogans or any doctrinaire phraseology, but he has placed before us a picture which is really healthy. Let us see whether that economic health of the country has come about all of a sudden or whether it has been brought about in a planned way. We have seen that during the last ten years the country's capacity to invest has gone up in public sector from, about Rs. 200 crores in the First Five Year Plan to about Rs. 800 crores in the Third Plan. That means that our capacity has been built up during the last ten years to the extent of about four times. That itself shows the economic growth of the country which has been brought about by democratic process without any regimentation and without any unnecessary hardship being imposed on the people. That itself, I believe, is an achievement of which any nation, any patriot, can be proud. Of course, everybody has made his or her contribution towards this development. Some parties in the country are prone to look at the problems with black glasses. I would urge upon them to look at the economic health of the country with clean glasses. As the Prime Minister said this morning, let us look at the whole picture which we have built up along with democratic government in a balanced way. No-

body can claim that everything **has** gone in the correct way but I must say without any fear of contradiction that during the last 15 years of our independence, and particularly during the last ten years of our planning, we have more or less reached up to 80 per cent, of our expectations. That itself is no small achievement. If the economy of the country is looked at from this point of view you will find there is buoyancy and there is energy and initiative in our people. But those people who criticise negatively do not realise that they bring about demoralisation of the people by presenting a picture which is not correct. Therefore, it should be looked at from the point of view of a balanced appreciation.

In the Review which the Finance Minister placed before us he has said that production during the last ten years has gone up. The national wealth has gone by a little more than 40 per cent.; agricultural production has gone up by about 45 per cent, and industrial production has nearly been doubled. When industrial production has been doubled, when agricultural production has gone up by about 50 per cent, including cash crops which are raw materials for our industries, is it not an achievement? I do not want to tire the House with figures of phenomenal rise in production with regard to cotton, jute, oilseeds and last but not the least, foodgrains. It is a well known fact that food production has gone up during the last ten years by about 50 per cent. It has gone up from 52 million tons to nearly 80 million tons. Now, it is pointed out that there is one dark spot in this picture and that is, people say that prices have gone up. Particularly, in the Second Five Year Plan period it has gone up by nearly 30 per cent. It is true but let us correlate these prices with the production. Most of the increase in prices has benefited the largest section of our society that is, the agriculturists who are nearly 80 per cent, of our people. Fifty per cent, of the total wealth of the country comes out from agricultural pro-

duction and the rise in prices has definitely benefited the agricultural population whom every party in this House would like to raise up from the sub-standard level. Therefore, at the most it can be said that the economy years has shifted a little towards bet-years has shifted a little towards bettering the lot of the agricultural classes. When we talk of higher prices let us look at them from a different angle. Fortunately, during the last six months prices have been stabilised and there has not been any appreciable rise in prices. Now, do those people who in this House and in the other House call upon the Finance Minister to reduce the prices—of course, prices can be reduced—realise that if you want to reduce the prices you have to take action to reduce the prices of agricultural commodities because that is the basis of our whole economy? During the last couple of years the national economy has adjusted itself to the current prices. Any attempt either through fiscal measures or through bank measures to clamp down the prices of the basic raw materials or agricultural commodities will again disturb the economy which has stabilized. So, the attempt during the current Plan period, as well as during the next Plan period, will be to stabilise prices at the current level. I think that may be the most realistic and practical approach to the problem.

4 P.M.

Then, there are sections of society which are suffering because of the rise in prices. What should be done for them? When I say sections of society, I mean the middle classes, where the family income is anywhere between Rs. 100 and Rs. 500 a month. That is the class which requires a little nursing with regard to the prices. How that can be done is also an economic problem before the country. That can be done either by giving them free medical aid—it is proposed to extend it in the Third

Five

Year Plan—or by giving them free education, including books and other equipment for education. It is true that educational facilities has considerably developed during the last two Plans. More secondary schools have been opened. More colleges have been opened. I need not go into the figures because they are already given and they are there for anybody to read. One fact is that there were about 225 lakh children attending school about ten years back. It has gone up to 440 lakh children. Proportionately, more students have gone up to study in colleges and universities. They take their degrees from the science colleges, engineering colleges and art colleges. But then when they come out for employment, the private enterprise people exploit them. They do not give them the proper minimum basic salary. In order to equip these young men, Governments both at the Central and State levels, have spent anywhere from Rs. 8,000 to Rs. 10,000, in order to make a child go up to the higher standards. That is, you are making a sort of present of a trained, educated young man to the private enterprise for exploitation. So, I think now the time has come to review it. After going through the Plans, when a firm economic foundation has been laid, when industrial expansion has taken place, when basic industries have begun to play their part, when most of the essential things which we require in the country are being manufactured in our country and when we are becoming more and more free, day by day, from foreign imports, now the time has come for seeing that the money, which we spend on equipping our young men for playing their part in the future economy of the country, is accounted for. Our young men should be treated properly both by private enterprise as well as by public enterprise. That is, a basic minimum of Rs. 250 per month below which no graduate or academically qualified man shall get, should be laid

down. Now, that is a suggestion which I would throw for the consideration of the Government. That is how you can deal with the problem of the middle classes. The other day one young, bright man saw me. There is something called a pool of foreign-returned people. They are being paid anywhere from Rs. 350 to Rs. 500 and about 300 such young people are hanging on to the pool. The public enterprises go on recruiting people from their own pools. Now, what are these people to do? It must be made incumbent upon all our public sector undertakings to get their quota filled from these 300 people who are already recruited and to whom the Government is paying out money. That money is being spent. If they are not allowed an economic activities, they will get demoralised. Some of these people would even think of going back to America or Germany from where they have come here. That is also a problem which requires Government's consideration. I may suggest that in this particular respect these young men should be allotted as apprentices to about fifty or sixty concerns, which the Government has. Here there are apprentices in Delhi doing nothing. Let them be assigned to various public sector units, so that they can get proper training.

Madam, some people have made a sort of criticism, whether we are going towards a socialist society. Socialist society is not a slogan or a doctrine with the Congress. As the Prime Minister said this morning very aptly, it cannot be built in a day. It has to be worked out. It means production and then the production should be distributed equitably. To the question whether that process has begun, I would very humbly reply that the process has begun. It may not have gone to the same extent as some of us desire. To the question whether we are going towards that

pattern or not, the answer is that we are going towards that pattern. Whatever one may say, there is no going back. The road has been clearly laid by the Congress, by this Government and in our Plans. Somebody asked whether there was a bias. The bias will be there. I believe it is already there and it can be seen, I would like to say, from the current year's taxation proposals. I see a ray of light. Not only that. I see that the taxation proposals have been very wisely thought out. The Corporation Tax has gone up by five per cent. If you take the profits into account, it is really ten per cent, or a little more than ten per cent. "Then there are changes in the Capital-Gains Tax Speculation will be curbed. If profits are made during the current year, they will be taxable according to the personal income-tax laws. If it is more than a year, then 25 per cent. or 30 per cent, will be taxed by way of capital gains which the treasury will collect. I think this is a far-reaching proposal and it will work out well. What I say is that the structure of taxation has been well laid. Then, there is one other aspect, viz., the personal income-tax has been raised. The salaried people who have to scope of evasion, either legal or illegal, have been given some relief; that is, instead of 5 per cent. surcharge, it has been reduced to 2½ per cent, and some day if it is felt that the hardship is great on the lower middle class and poorer class people, even that 2½ per cent, surcharge will go. I say that the structure is being laid, the framework is being laid from year to year. The financial engineer will look into it.

Then there is the Wealth-tax which has been raised this year. On fresh investments as they were called for five years there was a tax holiday. It has been in my opinion taken away rightly why? Because the rich people—not the middle class people or the small people for whom people are sometimes feeling—have got good

attorneys and lawyers at their disposal to find out legal loopholes so that they can go on accumulating wealth. Very rich people go on investing their accumulated wealth every three or four or five years in new undertakings and the whole of their wealth from year to year, from period to period, goes on without any tax. Somebody has invested money and has got all the advantage for the first five years. Then it goes into new undertakings where it is tax-free, and there is no capital gains tax or Wealth-tax. Now, with the Wealth-tax and Capital-Gains tax I think this particular legal loophole that was open has been plugged. That is the aspect which must be considered by all in a cumulative way.

Then, I also welcome the rationalization of excise duties because during the last ten years excise duties have gone up, as I used to say, terribly. From Rs. 20 crores or Rs. 30 crores in the beginning, it will now roughly go up to Rs. 600 crores. The indirect tax in a poor country appears to be the major source of revenue and it is inevitable in our growing economy. That we should not forget. Even if you take away all the wealth of the people in private enterprise, it will not be able to finance a Plan of Rs. 7,600 crores. That must be understood in a practical, realistic way. No doubt indirect tax is bound to play an important part. But as far as indirect taxation is concerned, it has gone on haphazardly. The time has now come to rationalise the taxation which has been done this year particularly, I believe, in tobacco excise and cloth excise. Now, who will pay? The duties that have been imposed on textiles and tobacco will fall on the higher income group people. Processing has been taxed at a little higher rate. Who are in the higher income group? Mostly a new class of people who have come into existence as a result of the development of our country, people who are getting

[Shri Khandubhai K. Desai.] monthly more than Rs. 500 in a managerial capacity in the commercial field or who have been benefited by our development. They have got to pay for the development of the country which has made it possible for them to earn their money. They have got to contribute to the Plan. Now rationalisation, as far as the powerlooms are concerned, is also in the right direction. I should think that all the proposals that have been placed before the House are worthy of consideration and they should be accepted as they are. Of course, here and there criticisms are bound to be made, and we are bound to get some opposition to proposals of any kind from one section of society or another. "Let my brothers pay, not me"—that is why most of the people in the private sector have raised a hue and cry over these taxation proposals. Why should they? It is the economic policy of the Government which has made them grow. That cow, as I would like to put it, has been nursed and has grown. It has got milk. Let the country milk it now. If they allow it to remain in the udder, it will burst and unhealth will follow. So it has to be taken out from time to time depending upon the needs of the family.

Now, a lot of encouragement is left for the industry, both private and public. They have got a very liberal depreciation allowance. They say that there is no incentive. There is what is called a considerable development rebate. What more incentive do they want? They must share the growth of profit with the Treasury and, as I have said, with the staff they are engaging who are coming from the middle class.

Coming now to the working of the public sector, credit has been taken for Rs. 450 crores as being the surplus from the public sector in the Third Plan. I have tried to see the

memorandum on the Budget regarding this, but I am unable to make any head or tail of it. It might be possible they have put in somewhere, but I have not been able to understand it. I would request the Finance Minister to place before this House from year to year the consolidated results, in a commercial way, of the working of all the public sector undertakings, because all investments have been made out of the Consolidated Fund in the form of capital to the companies or corporations or departmental undertakings. From the memorandum I find that for 1961 the profit shown is Rs. 2 crores. For the next year also they say that the profit will be about Rs. 2 crores. The total investment in the next year is going to be about Rs. 900 crores. Of course, for the railways the investment will be round about Rs. 1800 crores. I would like the Finance Minister to enlighten us whether the Rs. 450 crores that is being mentioned in the Third Plan as surplus from the public sector resources includes the interest payable on the investment of Rs. 900 crores or it is in addition to that. I want to know whether it is the net surplus or whether depreciation, development rebate, interest charges, and so on, are included in that. I tried to find out but I could not get it.

Madam, on the whole this year's proposals are healthy. They are in the right direction and they give us an indication as to how the mind of the Government is working. It is true that all classes have not been benefited equitably or equally, but it is wrong to say, as some people are in the habit of saying, that the rich have grown richer and the poor have become poorer. I do not think that in this country anybody has become poorer than what he was ten or twelve years back. He may not be able to share things fully with others. But everybody's condition has improved a little; it must improve further. And as far as the rich are concerned, they have become a little richer. Now, the mechanism of tax-

ation is being gradually worked out to take money from them for public purposes.

Lastly, there is one item about which, I am sorry to say, I am not able to convince the Finance Minister or the Government, and that is my proposal about the Excess Profit Tax. I may go on trying till the Government convinces me or I convince the Government of the rationale and logic of the Excess Profit Tax. It is being said that it was an emergency measure. I admit that it was an emergency measure which was thought of during war period then the economy was closed, when no import was possible, when there was scarcity, etc. Therefore, everybody was out of production, and people were making huge profits. Some money must go to them, either for conducting the war or for looking after the people. I think that an identical situation in a planned economy exists because there is the foreign exchange difficulty. So, there is no import from outside. You cannot have surplus production because you have no foreign exchange. We would like to economise as much as possible the import of capital goods. So, you live from hand to mouth. Therefore, the idea is that when the purchasing power goes on increasing, you have to keep up production at that level, and so, the prices are also being fixed, either voluntarily as is being done in the textile industry or by the Coal Controller or the Government for coal, or for cement. It is the Government that fixes the price. Let us see how the prices are fixed. The prices are fixed in such a way as to keep production at an even level. That is, it must make it possible for the marginal units also to produce, and what are the results? The results are that if there is a marginal factory making Rs. 5 or Rs. 10 lakhs, a factory of the same size at the top makes a crore of rupees. Now, that amount of Rs. 1 crore which they make is it out of their genius or just because of our policy? That, in my opinion, amounts to an unearned increment

and that unearned increment the treasury and the Government and the people have a right to share. In spite of these taxation proposals, I think that logically and rationally, as long as the planned economy continues as we would like it to continue, as long as there are foreign exchange difficulties, the Excess Profit Tax over a particular item with a particular minimum is the legitimate taxation. Otherwise, what may happen is that wealth at that level will go on increasing. It will give an incentive ; more and more incentives may hardly be taken up by not having the excess profit. Because of the policy and economy of the country—a planned economy—and the requirements of supply and because of prices being fixed at the marginal level, a sort of demoralisation has come. They do not care whether they use their intellect or not. The money is bound to grow because they are fixed prices. Therefore, Madam, I would humbly request the Finance Minister to apply the collective mind of the Finance Ministry to find out the rationale or logic of what I have said as regards the excess profit.

Madam, I have done, and before concluding, I would like to pay my compliments to the Finance Minister for placing before us a lucid and understandable Budget this year.

श्री राम सहाय (मध्य प्रदेश) :

उपसभापति महोदय, सन् १९६२-६३ का जो बजट हमारे सामने आया है उसके बारे में अभी किसी न किसी प्रकार से कुछ न कुछ आलोचना की गई है। मैं ऐसा समझता हूँ कि श्री मोरारजी भाई ने जो बजट हमारे सामने पेश किया है वह बजट इतना महत्वपूर्ण है कि उसके बारे में किसी को विशेष रूप से कोई शिकायत नहीं हो सकती। उसूलन जैसा कि होना चाहिये कि दीलतमन्द लोग जो हैं उन पर टैक्सेशन का भार ज्यादा रहे और जिस तरह से हमारे देश में डेवलपमेंट हो रहा है उससे गरीबों को ज्यादा फायदा हो। वही दृष्टि इस बजट को बनाने में रखी गई है।

[श्री राम सहाय]

बजट के ऊपर कोई सैद्धान्तिक भाषण देने का मेरा मकसद नहीं है। मैं तो एक क्रैडिटकल मैन के नाते और एक कांग्रेस वर्कर के नाते जो बातें हमारे समाने दिन प्रति दिन आती हैं और जिनका खमियाजा हमें किसी न किसी प्रकार से भुगताना पड़ता है, उनके बारे में ही विशेष रूप से शासन का ध्यान आकर्षित करना मेरा उद्देश्य है। बजट के बारे में, डायरेक्ट और इन डायरेक्ट टैक्सेशन के बारे में, जब आप देखें, तो मेरा जहां तक खयाल है वहां तक गरीबों को इसमें बहुत सुरक्षित रखा गया है और जो दीलत-मन्द लोग हैं उनके ऊपर भी कोई बेजा भार नहीं डाला गया है। इतना ही नहीं, पहले जो एक्सपेंडिचर टैक्स दीलतमन्द लोग ही दिया करते थे उसे भी इस बजट में अबालिश कर दिया गया है। इसलिये मैं समझता हूं कि यह बजट गरीब और अमीर दोनों के लिये बहुत ही उपयुक्त तरीके से बनाया गया है। आमतौर पर जहां टैक्स की बात होती है वहां लोग कुछ विचलित से होते हैं और घबराते हैं और तरह तरह की बातें उसके सम्बन्ध में कहते हैं। मैं ऐसा समझता हूं कि टैक्स के बिना हमारा कार्य चल नहीं सकता है क्योंकि वगैरह इसके हम अपने देश में नये काम शुरू नहीं कर सकते हैं। अगर हमें अपने देश में नये काम शुरू करने हैं, नये उद्योग खोलने हैं और उनके द्वारा उन्नति करना चाहते हैं तो जबतक हम टैक्स अच्छी तरह से नहीं देंगे तब तक हमारी रक्षा भी अच्छी तरह से नहीं हो सकती है और न हम आराम से किसी चीज का उपभोग ही कर सकेंगे।

टैक्सों के सम्बन्ध में एक बात मैं यह निवेदन करना चाहता हूं कि जो लोग टैक्स देने से घबराते हैं उन्हें इस बात का ध्यान रखना चाहिये कि जो शासन समुद्र पार से अपनी जनता को गल्ला लाकर खिला सकता है और उसमें घरबर्तों रुपया खगा रहा है तो क्या वह अपनी जनता पर

बेजा टैक्स का भार डाल सकता है? मैं समझता हूं कि इस तरह की बात गवर्नमेंट कभी भी नहीं कर सकती है। मेरा तो यह विश्वास है कि जिन लोगों के हाथ में हमने अपना शासन दिया है वे निश्चय ही इस योग्य हैं कि वे हमारी सुरक्षा, हमारा आराम, हमारी शिक्षा दीक्षा और सारी बातों का अच्छी तरह से ध्यान रखकर हमारे इस बजट को बनायेंगे, बनाते हैं और मैं समझता हूं कि भविष्य में भी इसी प्रकार से बनाते रहेंगे।

हमारे सामने जो दिक्कतें आती हैं उनमें से कुछ के बारे में मैं आपके सामने कुछ निवेदन करूंगा। हमारे सामने एक समस्या तो वैसी आती है जैसी कि अभी आसाम में भाषा या प्रादेशिक भावना के बारे में आई थी। मैं समझता हूं कि गवर्नमेंट को इस बारे में गंभीरता पूर्वक विचार करना है और इस तरीके से विचार करना है कि जिससे यह समस्या जो अभी कुछ मुलजों हुई झलर है, लेकिन वह सदैव के लिये अच्छी तरह से मुलज जाय और फिर इस प्रकार के झगड़े जैसे कि हम देखते हैं वे तो हमारे सामने कभी भी न आने पायें। इसके लिये क्या किया जा सकता है यह तो हमारा शासन ही अच्छी तरह से विचार कर सकता है क्योंकि हम किसी बात पर जब विचार करने बैठते हैं तो जो हाल ही में हमारे सामने जो स्थिति उत्पन्न होती है, अधिकतर केवल वही होती है। लेकिन हमारे शासन के समक्ष तो हमारे सारे देश की स्थिति होती है और हमारा शासन सारे देश की स्थिति के लिहाज से ही उन सब बातों पर विचार करता है। संभव है कि किन्हीं कारणों से कुछ बातें हमारे सामने आयें जो हमें किसी तरह से पसन्द न हों। लेकिन जब ओवर ऑल हम सब बातों पर विचार करेंगे तो निश्चय ही हम इसी नतीजे पर पहुंचेंगे कि जो कुछ किया जा रहा है वह बहुत अच्छे तरीके से और विचार-पूर्ण तरीके से किया जा रहा है। तो इस

प्रकार भाषा और प्रदेशवाद के बारे में हमें सतर्कतापूर्ण और अच्छे तरीके से कदम उठाना है ताकि उन लोगों की भावनाओं को भी किसी प्रकार से ठेस न पहुँचे और वे यह समझ सकें कि दरअसल उनको क्या रास्ता अस्तित्व कराना है या यह समझें कि शासन जो रास्ता अस्तित्व कर रहा है वह ठीक अस्तित्व कर रहा है। यह आवश्यक है क्योंकि प्रजातंत्र में जब तक हम मासैज को साथ में ले कर न चलेंगे और उनकी भावनाओं को समझने का, दुरुस्त करने का और सुधारने का प्रयत्न न करेंगे तब तक जैसा कि लाभ हमको चाहिये, वैसा हम नहीं उठा सकते हैं।

दूसरी बात जो मैं आपके सामने रखना चाहता हूँ वह साम्प्रदायिक झगड़ों के बारे में है, जो हिन्दू-मुस्लिम के नाम से हमारे सामने आती है या कुछ अकाली लोग जिस प्रकार से अपनी माँग उपस्थित करते हैं उस के बारे में हमारे सामने आती है। साम्प्रदायिक झगड़ों के बारे में मेरा ऐसा खयाल है सन् '४७ में जब मुस्लिम ने यहाँ रहना स्वीकार किया और यहाँ वे रहे, तभी से हमारा यह कर्तव्य हो जाता है, मेजोरिटी के लोगों का या हम सब भारतवासियों का यह कर्तव्य हो जाता है कि हम ऐसे हालात पैदा करें कि जिससे उनको भारत में अपनी सुरक्षा का पूरा भरोसा हो। मैं समझता हूँ कि यह कोई बड़ी बात नहीं है। अगर हम थोड़ा सा विचारपूर्ण तरीके से कार्य करें और ऐसी साम्प्रदायिक भावनाएँ फैलाने वाले जो लोग हैं उनके ऊपर कुछ थोड़ा सा अंकुश रखें तो निश्चय ही इसमें सफलता प्राप्त हो सकती है। मैंने तो यह देखा है कि हमारे अधिकारियों ने जहाँ दृढ़तापूर्वक इस प्रकार के झगड़ों को रोकने के लिये कदम उठाया है, वहाँ निश्चय ही उनको कामयाबी मिली है, और जहाँ उन्होंने खुद भी अपने आप को किसी एक खयाल की तरफ रागिब किया या उनके दिमाग में कुछ उलझन

रही, वहाँ वे निश्चय ही नाकामयाब रहे। तो मैं समझता हूँ कि इस बारे में हमें काफी होशियारी से काम करने की आवश्यकता है। हमारे प्रधान मंत्री जी ने एक नेशनल इन्टिग्रेशन कान्फ्रेंस बुलाई थी और कुछ बातें तय हुई थीं। एक पर्मानेंट कमेटी भी इस बारे में कायम हुई है। मैं समझता हूँ कि अगर वह कमेटी निरन्तर अपना कार्य अच्छे तरीके से करे और स्टेट्स में भी इसी तरीके से कमेटियाँ कायम करके काम किया जाय तो इस प्रकार के झगड़े निश्चय ही बहुत थोड़े समय में ही दूर हो सकते हैं।

एक समस्या जो मेरे सामने रहती है वह विद्यार्थियों की अनुशासनहीनता की रहती है। आप देखिये कि जहाँ कालेज में और यूनिवर्सिटीज में विद्यार्थियों को यूनियन बनाने में अधिकार दिये गये हैं, वहाँ जिस मक्कसद, जिस गरज और जिस ध्येय से उनको वे अधिकार दिये गये हैं, उसके लिये वे अपने अधिकारों को काम में नहीं लाते हैं बल्कि वे ऐसे तरीके अस्तित्व करते हैं जिससे अशांति फैलती है और तरह तरह की बातें हमारे सामने आती हैं। मैं देखता हूँ कि बहुत से झगड़ों की बुनियाद विद्यार्थियों से शुरू होती है। मैं नहीं समझता कि मैं इसके बारे में सही हूँ या गलत, लेकिन मेरा ऐसा निश्चित मत है कि बालदेन या माता पिता लड़कों को कालेज या स्कूल में भेजने के बाद अपने आप को निश्चित समझ लेते हैं, वह एक सब से बड़ी खराबी है। मैं देखता हूँ कि बालदेन या माता पिता बचपन में अपने बच्चों के साथ इस तरीके का व्यवहार करते हैं जिससे उनमें बहुत कम नैतिकता बाकी रहती है। फिर जब वे स्कूल जाते हैं तो वहाँ भी ऐसे लोगों से उनका साबिका पड़ता है कि वहाँ भी उनकी वही दुर्दशा होती है। इस तरह से वे नन्हे नन्हे बालक या विद्यार्थी, जिनसे हम देश की बड़ी बड़ी

1797 Budget (General) [RAJYA SABHA] *General Discussion*

1962-63

[श्री राम सहाय]

आशाएं रखते हैं, वे बिलकुल गलत रास्ते पर चले जाते हैं। मेरा ऐसा विश्वास है कि यह बात इस लिये और बढ़ी है कि हमने उनकी शिक्षा और दीक्षा में जैसा हमें धार्मिक और नैतिक शिक्षा का समावेश करना चाहिये, वैसा हमने नहीं किया है। मैं नहीं समझता कि अगर किन्हीं विद्यार्थियों को हम कोई धार्मिक शिक्षा दें तो उसके माने यह होंगे कि हम उनको कोई साम्प्रदायिक शिक्षा दे रहे हैं। धार्मिक शिक्षा इस प्रकार की हो सकती है जो पारसी, मुस्लिम, ईसाई, सिख, जैन और सारे ही वर्ग के लोगों को दी जा सके। ऐसी धार्मिक शिक्षा का प्रबन्ध किया जा सकता है और वह सब को दी जा सकती है। मैं ऐसा समझता हूँ कि जब तक हम इस प्रकार की शिक्षा का प्रबन्ध अपने विद्यार्थियों के लिये प्रारम्भ से ही नहीं करेंगे तब तक उनमें जो दिन प्रतिदिन अनुशासनहीनता बढ़ती जाती है उसकी रोक हम नहीं कर सकेंगे। हम चाहे जिस प्रकार के कायदे कानून बनायें, चाहे जो कुछ भी करें लेकिन जिसकी बुनियाद ही ठीक नहीं है उसके बारे में हम कोई आशा करें तो वह आशा किसी प्रकार से फलीभूत नहीं हो सकती है। मैं शिक्षा मंत्रालय से, शिक्षा शास्त्रियों से यह प्रार्थना करूँगा कि वे इस बारे में देखें और विचार करें और विचार कर के कोई ऐसा कोर्स अवश्य तैयार करें जिससे कि हम उनको प्रारम्भ से ही इस प्रकार की शिक्षा दे सकें। इस धार्मिक शिक्षा के बारे में हमारे श्री श्रीप्रकाश जी की अध्यक्षता में एक कमेटी बनी थी और उस कमेटी की रिपोर्ट भी बहुत अर्सा हुआ पेश हो चुकी है लेकिन मैं समझता हूँ कि उस पर कोई ऐसा ऐक्शन जैसा कि शासन को लेना चाहिये था वह शायद अभी तक नहीं लिया गया है। तो मैं समझता हूँ कि जब तक हम सब के बारे में अच्छी तरह से, विचारपूर्ण तरीके

से, विचार कर के कोई कार्य नहीं करेंगे तब तक इसमें हमको पूरी पूरी सफलता नहीं मिल सकती है।

अब, भ्रष्टाचार के बारे में मैं निवेदन करूँगा। भ्रष्टाचार का कुछ इस तरह से हमारे जीवन में समावेश हो गया है कि हमें इस बात का पता भी नहीं लग पाता कि भ्रष्टाचार क्या चीज है। जो लोग स्वयं भ्रष्टाचार के दोषी होते हैं वे अपने आप को उससे मुक्त समझ कर दूसरों पर ही भ्रष्टाचार का दोषारोपण करते हैं। कभी भी उनके दिमाग में यह बात नहीं आती है कि वे अपने दिल को टटोलें, अपनी दिनचर्या को, अपने जीवन को तोलें और देखें कि वे स्वयं किस प्रकार से इस भ्रष्टाचार में शामिल हो गये हैं। लेकिन कुछ हमारा तरीका इस प्रकार का बन गया है कि आज के जमाने में जहाँ भाषण-स्वतंत्रता हमें मिल गई है वहाँ ये चीजें और भी अधिक बढ़ गई हैं। मैं समझता हूँ कि भ्रष्टाचार जहाँ जनता के प्रत्येक कारोबार में शामिल हो गया है वहाँ हमारा अधिकारी-वर्ग भी इससे मुक्त नहीं है। जनता के सम्बन्ध में मैं निवेदन करूँ कि अभी अभी दिल्ली के सम्बन्ध में कुछ अखबारों में एक रिपोर्ट प्रकाशित हुई थी कि किस चीज में किस प्रकार से मिलावट की जाती है, और उसको देखने से ताज्जुब होता है, उसको पढ़ने से आश्चर्य होता है कि हमारा कितना पतन हो गया है कि हम रोज़मर्रा की पवित्र चीजों की पवित्रता को भी कायम नहीं रख सकते हैं, और इस भ्रष्टाचार के द्वारा अपने जीवन को भी खराब करते हैं और दूसरे लोगों के जीवन को भी खराब करते हैं। जो पूजा के कार्य के लिये धूप-बत्ती जलाई जाती है उसके लिये हमें बताया गया था कि लीद और गोबर का इस्तेमाल किया जाता है। आप गौर करिये कि हमारे अधःपतन की कहाँ तक हद हो गई है। तो, आम तौर पर जनता की इस प्रकार की मनोवृत्ति है और मैं समझता

हैं कि जनता में हमारे अधिकारीवर्ग के लोग भी शामिल हैं। इसमें संदेह नहीं कि बहुत से अधिकारी बहुत कुशल, बहुत ईमानदार, नेकनीयत और बहुत अच्छे प्रशासक हैं और निस्संदेह हमारे देश का कार्य बहुत सुचारूप से चला रहे हैं लेकिन हमारे देखने में यह भी आता है कि संविधान के अन्तर्गत हमने जो प्रिविलेज अधिकारियों को दिये हैं उनका दुरुपयोग भी होता है और उस दुरुपयोग का असर जहाँ शासन पर पड़ता है वहाँ जनता पर भी बहुत पड़ता है। तो, मैं यह निवेदन करता हूँ कि संविधान बनाते वक्त हमने आशा तो यह की थी कि हमारे देश के लोग अपने प्रिविलेज से जहाँ फायदा उठावेंगे वहाँ अपनी रिस्पॉसिबिलिटीज को भी महसूस करेंगे। लेकिन हम देखते हैं कि कुछ नासमझ लोग प्रिविलेज से फायदा तो उठाते हैं किन्तु अपनी रिस्पॉसिबिलिटीज के ऊपर तनिक भी ध्यान नहीं देते। जब ऐसी स्थिति है, जब इससे तरह तरह के नुकसान होते हैं, तरह तरह की बातें हमारे सामने आती हैं, तो हमारा निश्चय ही यह कर्तव्य होना चाहिये और शासन का भी निश्चय ही यह कर्तव्य होना चाहिये कि यह देखें कि उन बातों को रोकने के लिये हम क्या कर सकते हैं। मेरा तो यह मत है कि अगर हमको आवश्यकता हो तो निश्चय ही अपने संविधान में भी किसी प्रकार की तरमीम करने में कोई ताम्मुल नहीं करना चाहिये और उसमें अवश्य ही तरमीम कर देनी चाहिये। कारण यह है कि जब तक हम इन सब चीजों को अच्छी तरह से देखेंगे नहीं और उन पर पूरी तरह से नियंत्रण नहीं करेंगे तब तक न तो उन अधिकारियों को, जो इस प्रकार की मनोवृत्ति रखते हैं, सुधार सकते हैं और न जनता में विश्वास पैदा कर सकते हैं। आज भारत-वर्ष के आसपास जो हालात पैदा हुए हैं, जो स्थिति पैदा हुई है, उस सब को देखते हुए, उस सब को सामने रखते हुए हमारा निश्चय ही यह कर्तव्य हो जाता है कि

हम यह देखें कि हमारे देश से भ्रष्टाचार बिल्कुल ही दूर हो जाय। लेकिन अगर किसी प्रकार से बिल्कुल ही दूर न हो सके तो जो इस प्रकार की रात-दिन बातें होती हैं और सामने आती हैं कम से कम वे तो सामने न आयें। मैं समझता हूँ कि अगर इसके बारे में थोड़ा सा प्रयत्न किया जायगा तो निश्चय ही हमें कामयाबी मिलेगी। मेरा यह निवेदन है कि शासन को इस ओर अवश्य ही ध्यान देना चाहिये।

एक बात मैं यह अर्ज करना चाहूंगा कि हम ने संविधान में संकल्प किया है कि हम अपने १४ वर्ष की उम्र तक के बच्चों को निःशुल्क शिक्षा देंगे लेकिन उसको हम अभी तक पूरा नहीं कर सके हैं। मेरा ऐसा खयाल है कि वह एक ऐसी चीज है जिसे कि जल्द से जल्द पूरा करना चाहिये और हमें पूरी शक्ति लगा कर—जो हमारा संकल्प है उसके तहत—सारे भारतवर्ष में अनिवार्य तथा निःशुल्क शिक्षा जारी कर देनी चाहिये।

तो मैं आपसे यह अर्ज करूँ कि जब तक हम अपनी सारी हालत को देखकर और जो हमारे देश में दिक्कतें पैदा हो रही हैं उन सब को सामने रख कर अपना कार्य नहीं करेंगे तब तक हम अपने देश का सुधार जैसा चाहिये वैसा नहीं कर सकेंगे।

मैं एक बात की तरफ तबज्जह दिलाना चाहता हूँ और वह है आयुर्वेद के सम्बन्ध में। आयुर्वेद के सम्बन्ध में हमारे देश में कुछ कार्य अवश्य हो रहा है लेकिन जिस तरह से चाहिये उस तरह से कार्य नहीं हो रहा है और न ही आयुर्वेद की जैसी उन्नति होनी चाहिये वैसी हो रही है। उसका कारण यह है कि हम ने एलोपैथी इत्यादि के लिये जो सुविधाएं दी हैं और जिस प्रकार से हम ने उनको अपनाया है उस प्रकार से आयुर्वेद को हमने नहीं अपनाया है। आयुर्वेद हमारे देश का एक प्राचीन