

[Shri K. R. Ganesh]

would like the Bill to be gone into by a Select Committee, I could move a motion for adjournment of the consideration of this Bill so that I can bring another motion for its reference to a Select Committee.

श्री राजशंकर झाखी (पटना) :
उपाध्यक्ष महोदय, मुझे यह कहना है कि सेलेक्ट कमेटी के लिए जो बातें उन्होंने कही वह बातें तो है ही, यह दिल्ली हिन्दुस्तान की राजधानी है और बड़े पैमाने पर सेल्स टैक्स का इन्वेजन यहां हो रहा है। उस में बहुत सारे बकासरान भी शामिल रहते हैं। इस दृष्टिकोण से भी इसका सेलेक्ट कमेटी में जाना आवश्यक है।

MR. DEPUTY-SPEAKER: I have a written motion from the Minister moving that the further discussion on this Bill be adjourned. I shall now put it to vote.

The questions is:

"That further discussion on the motion on this Bill be adjourned."

The motion was adopted.

AN HON. MEMBER: Till the next session?

MR. DEPUTY-SPEAKER: It does not matter till when. We adjourn it for the moment

15.10 hrs.

DIRECT TAXES (AMENDMENT) BILL

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
K. R. GANESH): I beg to move:

"That the Bill further to amend the Income-tax Act 1961, the Wealth-tax Act, 1957, the Gift Tax Act, 1956 and the Companies (Profits)

Sur-tax Act 1964, and provide for certain related matters, as reported by the Select Committee, be taken into consideration".

Sir, the Direct Taxes (Amendment) Bill, 1973 was introduced in this House on 3rd September, 1973 and was referred to the Select Committee on 23rd November, 1973. The Report of the Committee was presented to this House by its Chairman on 29th April, 1974. The Committee held 11 sittings, scrutinised a number of memoranda and representations received from various individuals, professional associations, trade organisations, etc. and also heard evidence of certain individuals and associations. I would like to congratulate the Select Committee on the thoroughness with which it has dealt with this important Bill.

The Bill as it has emerged from the Select Committee, has undergone improvements in several directions. I would like to explain some of the important provisions in the Bill and the main changes recommended by the Select Committee

In view of the need for continued encouragement of industries in certain sectors, the Bill provides for the grant of an initial depreciation allowance of 20 per cent of the cost of machinery or plant installed in selected industries after 31st May, 1974. Selection of industries for the purposes of this tax concession has been made keeping in view their priority from the angle of exports, essential needs for intermediate and investment goods, essential needs of mass consumption, existence of capacity constraints on production and other relevant factors. The Select Committee has recommended that the benefit of the proposed tax concession should be made available in respect of machinery or plant installed in all small scale industrial undertakings, irrespective of the articles manufactured by them. For this purpose, an indus-

trial undertaking will be regarded as a small scale industrial undertaking if the cost of the machinery and plant installed therein does not exceed seven hundred and fifty thousand rupees. The change recommended by the Committee would lighten the tax burden of small scale industrial undertakings and I am sure it would be widely welcomed by all sections of the House.

Under the Bill as introduced, initial depreciation was admissible in respect of ships or aircraft acquired after 31st May, 1974 by shipping and aircraft enterprises, as also new machinery or plant installed after that date in selected industries. The Finance Act, 1974 has made a provision for the continuance of development rebate for a limited period in certain cases. The effect of the provision in the Bill would have been that, in some cases, taxpayers could have claimed both development rebate and initial depreciation allowance in respect of the same ship, aircraft, machinery or plant. As initial depreciation allowance was not intended to be allowed in respect of ships, aircraft, machinery or plant which are eligible for development rebate, the Select Committee has suggested a suitable change in the relevant provision to restrict the initial depreciation allowance only to ships, aircraft, machinery or plant in respect of which development rebate is not admissible.

Under the provisions of the Income-tax Act, while depreciation allowance, including initial depreciation allowance, can be carried forward indefinitely for set off against profits of subsequent years, development rebate is allowed to be carried forward and set off only for a period of eight years. In view of this position, undertakings having large unabsorbed development rebate would not like to avail of initial depreciation allowance until the unabsorbed development rebate is fully set off against the profits of subsequent years. Since the tax concession by way of initial depreciation allowance is really intended to help

industrial undertakings and not to work to their disadvantage by resulting in the deprivation of their right to carry forward unabsorbed development rebate, the Select Committee has recommended that taxpayers may be given the option not to avail of this tax concession. This option is to be exercised for the assessment year in which the taxpayer first becomes entitled to the grant of initial depreciation allowance. Once the taxpayer exercises this option, no deduction in respect of initial depreciation allowed to him until he revokes this option.

The Committee has also recommended certain changes in the list of articles and things in the proposed Ninth Schedule so as to bring these entries in line with the language used in the Fifth Schedule to the Income-tax Act. I think this is a welcome change as it would lead to greater certainty and reduce the scope of disputes between taxpayers and the Income-tax Department.

Another important tax concession proposed in the Bill relates to the grant of a partial tax holiday in the case of industries and hotels set up in specified backward areas. Under the provisions in the Bill, new industrial undertakings and approved hotels set up in specified backward areas after 31st March, 1973 will be allowed a deduction equal to 20 per cent of their profits for a period of 10 years. The backward areas specified in the Bill for the proposed tax concession are the same as have been identified by the Planning Commission for the purposes of concessional finance by financial institutions and comprise seven Union territories and about 234 districts spread over 21 States. The Committee has suggested certain amendments in the list of backward areas. Some of the districts listed in the Bill had either been bifurcated or trifurcated or otherwise re-organised before 3rd September, 1973, that is,

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the date of introduction of the Direct Taxes (Amendment) Bill in the Lok Sabha. Besides some of the districts in Himachal Pradesh, Madhya Pradesh and Uttar Pradesh had been added by the Planning Commission to the list of backward areas. The Committee has accordingly suggested certain changes in the list of backward areas so as to bring it in line with the list of areas identified by the Planning Commission. The Committee has also excluded that portion of the district of Kolaba in the State of Maharashtra which has been designated as the site for the proposed town of New Bombay.

Various district specified in the list of backward areas are liable to be reorganised or to undergo a change in nomenclature. Since such reorganisation or change in nomenclature by State Governments could have the effect of either enlarging or limiting the scope of the proposed tax concession to industries established in these areas, the Committee has recommended that reference to any district listed in the Schedule of backward areas should be construed as a reference to the areas comprised in that district on 3rd September, 1973, that is, the date on which the Bill was introduced in the Lok Sabha. This is a very necessary and desirable provision and I would commend its acceptance by the House.

The Select Committee has also recommended the liberalisation of the proposed tax concession in respect of industries set up in backward areas in certain directions. Under the provisions in the Bill as introduced, this concession was not admissible in the case of any industrial undertaking formed by the splitting up, or reconstruction of, a business already in existence. The Select Committee has proposed that this tax concession should be allowed even in cases where an existing industrial undertaking in a non-backward area is

shifted to a backward area. Further, under the Bill, industries set up in backward areas for construction of ships were specifically excluded from the purview of this concession. The Committee has recommended that the benefit of the proposed tax concession should not be denied in such cases.

Under a provision in the Bill, payments made in pursuance of awards for literary, scientific and artistic work or attainment, or for proficiency in sports and games, instituted by the Central Government or approved by it are to be completely exempt from income-tax. The Committee has recommended that similar awards instituted by State Governments should be treated on par with those instituted by the Central Government and thus qualify for tax exemption without the requirement of prior approval by the Central Government.

Under a provision in the Bill, taxpayers will be entitled to a weighted deduction equal to one and one-third times the amount paid by them after 31st March, 1973 for sponsored research in approved laboratories. This concession was proposed to be given only in cases where the scientific research carried on in approved laboratories was related to the business of the taxpayers. In view, however, of the position that the scientific research for which the donation is made is required to be undertaken under a programme approved in this behalf by the prescribed authority having regard to the social and economic needs of the country, the Committee has recommended that the proposed tax concession should not be restricted to cases where the scientific research itself is related to the business of the taxpayer. I think this is a welcome liberalisation which I am sure would meet general acceptance.

I would now briefly refer to some of the points raised by the hon'ble Members in their Minutes of Dissent. Shri D. D. Desai has suggested that

initial depreciation allowance should be allowed at the rate of 25 per cent instead of 20 per cent of the cost of machinery or plant as proposed in the Bill and that, like development rebate, it should be allowed over and above the actual cost of the machinery or plant. Shri Era Sezhiyan has observed that there is no rhyme or reason for inclusion or omission of certain industries in the list of articles and things specified in the Ninth Schedule. He has also suggested some drafting amendments. Both Shri Era Sezhiyan and Shri Somnath Chatterjee have criticised the list of backward areas in the proposed Eighth Schedule. The points made by the noble Members were discussed in detail by the Select Committee, but were not accepted by it.

With these observations, Sir, I move.

MR. DEPUTY-SPEAKER: Motion moved:

"That the Bill further to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957 the Gift Tax Act, 1958 and the Companies (Profits) Surtax Act, 1964 and to provide for certain related matters, as reported by the Select Committee, be taken into consideration."

SHRI SOMNATH CHATTERJEE (Burdwan): Sir, although I agree with the Minister that within the limited framework of the Bill some improvements were made by the Select Committee, according to us, it is a totally unnecessary Bill and a thoughtless piece of legislation. When new and new taxes are being imposed which have created additional burdens for the common people—only yesterday the supplementary budget was placed for raising resources to the extent of over Rs. 200 crores—it is amazing that this Government should be thinking of introducing a legislation intended to give tax concessions and benefits to monopoly houses and big business houses.

The primary purpose of the Bill is to allow initial depreciation allowance to the extent of 20 per cent in respect of certain specified classes of industries. So long, for a number of years, there was a tax relief granted for setting up new plants and machinery, which was known as the development rebate. After years of this development rebate being allowed it was discontinued by the Finance (No. 1) Bill, I believe. Soon after that this Government has come forward to give fresh inducements to industrialists and monopoly houses because it seems they are more concerned that these monopoly houses and big industrialists should not lose the benefit of a tax concession which so long they were getting in the name of development rebate. According to us, you cannot have industrialisation of the country by pampering the industrialists alone. This is a piece of lollipop legislation will not bring about the desired result. All the witnesses representing various industries who appeared before the committee said almost unanimously that this 20 per cent will not be a suitable amount of depreciation and this will have no bearing on the industrial progress of the country. They do not want it, as a matter of fact. They said, it is a mere pittance. In his minute of dissent, Mr. D. D. Desai has referred to this incentive as illusory. Therefore, it is not going to have any inducing factor, so far as the big industrialists are concerned, to start new industries.

This depreciation will be allowed in respect of only certain categories of industries which are set out in the ninth schedule. The original Bill did not make any provision for giving relief to small-scale industries. At the time of the Select Committee deliberations, I am happy to note that at least that much of concession was accepted by the Government, namely, irrespective of the type of industry or the goods to be manufactured, all small-scale industries will get the benefit of this tax concession. If you

[Shri Somnath Chatterjee]

will kindly go through the Ninth Schedule the type of industries that have been mentioned, iron and steel, non-ferrous industries and so on—I am not reading all that; there are 23 items—it will be seen that only very big industrial houses, monopoly houses with huge resources, can think of setting up any of the industries that have been indicated there. That shows the working of the mind of the Government. They came forward with a Bill which could help only the big houses and not ordinary industries, or the small-scale enterprises. As I said, within the limited framework of the Bill one thing which emerges from the Select Committee is that irrespective of the nature of the industry, small-scale industries would get the benefit. But, again, it has been restricted to the value of the machinery and plant to the extent of Rs. 7,50,000. With the present inflationary tendency and the rising prices, of course, this has become inadequate now because any plant or machinery worth the name for any worthwhile industry would cost more than Rs. 7,50,000. Therefore, by the time this is going to be the law, the utility of this provision would have almost vanished.

So far as the tax concession is concerned, what we want the hon. Minister to clarify is this. All the big chambers of commerce, individual industrialists, well-known industrialists, who came before the Select Committee said that they want the development rebate to continue and that they do not want this depreciation allowance, because it does not help them in the long run and it will not induce a spurt in industrial expansion. So, for whose benefit are you bringing this, who wants this type of legislation, unless the Government in its anxiety to have the industrialists on its own side is throwing out inducements to somehow keep these industrial houses placated so that at least some sort of benefit is conferred on them?

Can there be industrial expansion in this country by inducement alone or by invitation? One has to follow a vigorous policy for industrialisation. If the large industrial houses do not play their game, if they do not utilize their immense resources for the purpose of industrial expansion of this country, is it the duty of the Government to go running after them, say "even if you do not want here, we are here to offer you the tax concession or tax relief" and humour them at the expense of the ordinary people of the country? When you want larger resources mobilisation, when you are raising taxes from the common people of the country, instead of helping resource mobilisation you are bringing forward this type of legislation, which will only benefit a certain section of the people of the country.

Is it the belief of the Government that the industrialisation of the country can be achieved only if incentives are given? Can industrialisation be incentive-oriented alone? Will the fiscal policy of this country be governed by the incentive-oriented tax proposals?

Even though the development rebate had remained for years together in this country, what was the rate of industrial expansion in this country? If I remember correctly, initially it was six per cent, but then it went down to one per cent and in some years there was no increase in the industrial expansion of the country. Therefore, even with the development rebate there was no increase in the growth of industry. Now with this pittance, as they themselves described it, what is going to be achieved? I wish to say that the impression which is created in this country is that industrialisation will depend upon incentives and, so far as industrialisation in the backward areas is concerned, it requires larger incentives. This cannot be the attitude. This will not

reach the goal that we want to have. Therefore, I say, this depreciation should not be given.

The other point is about the industrialisation of backward areas. The point I wish to make here is that backward areas have been indicated on the basis of districts. We raised this question in the Select Committee that there are many large districts portions of which are very backward and may be some portion of a district is advanced. Take, for example, the case of 24-Parganas which is one of the biggest districts in the country. The south of 24-Parganas is notoriously backward—no industry, no development has taken place. Everybody in the country knows it. But as the north of 24-Parganas has got some industries, they say, "We will not include it in the list of backward areas." We were told that the Planning Commission has made a list of backward areas on the basis of districts and that we must follow that. I say, this is absolutely a short sighted policy. We know the result of planning in this country. The Planning Commission has proceeded on the basis of a certain assumption. If the real intention is to develop the backward areas, for fiscal purposes, why should you go district-wise in selecting backward areas. This is very important that backward areas should be re-defined. In spite of the fact that some portions of the district may be advanced, there may be some portions which are not advanced. Therefore, those areas should be included in the list of backward areas.

Lastly, so far as the Ninth-Schedule is concerned, I would again request the hon. Minister to give a thought to it so that it may be enlarged at least for purpose of small-scale industries to be set up in the backward areas are concerned, they should be given an additional incentive because those are the people who require incentive more.

SHRI Y. S. MAHAJAN (Buldana): Mr. Deputy-Speaker, Sir, I rise to support the Direct Taxes Amendment Bill as altered by the Select Committee. The Committee has gone thoroughly into the main issues raised by the Bill and, by making significant alterations made it more acceptable than what it was before.

There are four main objectives of the Bill. First it provides for certain tax concessions for encouraging the establishment of industries in selected sectors and in the field of small-scale industry. Secondly, it seeks to promote the industrial development of backward areas by offering fiscal incentives to entrepreneurs, big and small, in all the sectors of the industrial field. Thirdly, it encourages expenditure on scientific research on the part of individuals and industrial establishments by offering tax concessions. Fourthly, it encourages expenditure on the development of export market.

Three years ago, when the Finance Minister announced the withdrawal of development rebate from April, 1974, he promised an allowance in its place. The Bill now provides for this allowance in the form of an initial depreciation at 20 per cent in the case of new ships or new aircraft, or plant and machinery installed after 31st May, 1974, in certain other industries specified in the Ninth Schedule of Income-tax Act. The Select Committee has made an amendment by proposing that the benefit of initial depreciation should be provided to small-scale industrialists all over the country irrespective of the articles or things produced by such industries. The Ninth Schedule is new and is sought to be introduced by this Bill.

The initial depreciation will be in addition to normal depreciation of 6 per cent allowed under the Act and rules. It will not be admissible in the case of other industries. The total depreciation including initial depre-

[Shri Y. S. Mahajan]

ciation will however, be limited to the capital cost of the plant and machinery.

The development rebate which has been in this country for the last 20 years was not merely a form of accelerated depreciation but it also included a subsidy. Compared with it, the proposed initial depreciation not only reduces the quantum of benefit or incentive but it is also restricted to small-scale industries and industries specified in the Ninth Schedule.

The inclusion of small scale industries in this section was a very wise step, for, it is on the intensive development of small scale industries that we depend for rapid industrialisation of the country and for increasing the employment potential. The establishment of core industries or some big government undertakings only does not help so much as a large number of small industries in the development of mechanical skills and generation of an atmosphere conducive to economic growth, though we must admit that the latter is not possible without the former. In a large country like ours which suffers from scarcity of capital, small scale industries with intermediate technology have a special importance of their own.

Sir, specifying industries in the Ninth Schedule must have been rather a difficult task for those who framed the Bill. It is obvious from the list that no single criterion such as scarcity of the product or the profitability of the industry or its strategic importance or its export potential has been the sole basis for inclusion in the list. All industries which appear to be important from the national point of view or from the growth point of view have been included in the Schedule. From this point of view, one wonders why the glass manufacturing industry has been left out of the list. I hope, the Minister will consider its inclusion sympathetically in view of its strategic importance.

The second main provision of this Bill is in Clause 9 under which all the new industries except mining but including the hotel industry that have been started in backward areas after 31st, December, 1970 have been given an important incentive or concession. In computing the income from any such undertaking or hotel for tax purposes, a 20 per cent deduction will be allowed from gains and profits for a period of ten years. This important concession is in addition to the other concessions which are given under the Industries (Development & Regulation) Act, lower rates of interest given by the financial institutions and other forms of assistance.

The problem of backward areas has been engaging the attention of the Government ever since the beginning of the Second Five-Year Plan. In the interest of balanced regional development and with a view to ensuring that the benefits of economic progress reach all the people in different parts of the country, our Government has already taken a number of steps. But in spite of our Plan efforts in this direction, the problem of backward areas is no where near solution. The incentive so far provided has yielded hardly any results. In fact, from the figures of investment given by the Finance Minister in the other House two days ago, it appears that the problem has become worse.

Along with the incentives which we should allow, we should emphasize the creation of infrastructure in these areas. Unless they are provided with roads, railways, means of communication, water power, etc. it is not possible to make a dent on this problem. New entrepreneurs should be provided with these facilities along with capital loans and the land for locating their factories. For this purpose, experience shows, setting-up of industrial estates is the most effective remedy evolved so far.

As regards the definition of a backward area, those who drafted the Bill had to get round a very awkward corner and, I believe, they have done the job satisfactorily. They have applied objective criteria such as road-rail mileage per lakh of population, per capita income and have selected the districts whose development has been below the average.

Thirdly, the Bill has an important provision as regards scientific research. I believe that these provisions were necessary and they would promote greater development of scientific research in our country. Though the total expenditure on research and development in both the public and the private sectors has gone up from Rs. 29 crores in 1958-59 to Rs. 214 crores in 1971-72, the total investment cannot be considered to be adequate. Indian industry is still rather heavily dependent on foreign knowhow. The keynote of our policy should be self-reliance, though import of technology on a selective basis cannot be avoided.

Indian industry must develop and must devote greater efforts to evolve a technology suitable to our conditions. Science and technology is the most potent factor for making economic progress in modern times. In western countries, the major part of modern technology has originated from manufacturing establishments. Indian industry has no alternative but to invest more and more on research, both basic and applied.

The Bill would have a favourable effect on this process.

With these remarks, I support the Bill.

SHRI B. V. NAIK (Kanara): Like my predecessor, I would like to support the Bill.

With regard to the classification of and listing of the backward areas in the districts, I am aware of the fact that the hon. Minister for Finance might not have been technically in-

volved in the classification of the districts and fixing up of the criteria and what would really make for the backwardness. But there are quite a few howlers in this list. For example, on page 11, item 45 of the Select Committee's Report, the entire 'Union Territory of Goa' is there. Today, Sir, Goa is perhaps one of the most industrially developed part of this whole country. I wish sometime you go and visit Goa. What with their Zuari Fertilisers, what with their pelletisation plant, what with their exports of iron ore and manganese ore, what with the tourist industry which has been coming up, we do not know why it has been considered as an industrially backward area. There can be no greater travesty of truth. I wonder whether the Ministry of Industrial Development itself which has furnished the list of backward areas would look deep into it. . . .

SHRI NAWAL KISHORE SINHA (Muzaffarpur): The formula is erroneous.

SHRI B. V. NAIK: More than the formula, the formulators are.

I would also like to submit here that in the list of backward areas, the number of districts that have been picked up—I am not quite sure whether Prof. Mahajan has looked into it—a large State like Maharashtra has hardly half a dozen districts which are considered as backward while as we see the State of Madhya Pradesh, there are about two dozen districts though Madhya Pradesh does not even have a population equivalent to that of Maharashtra. It is again the Central Industrial Development Ministry that is concerned in this case which has not been able to take the entire view and the inclusion of the districts depended much upon the amount of pull the respective Chief Ministers could exert. They have simply not applied their mind to it. . . . (Interruptions). The hon. Member

[Shri B. V. Naik]

should know that this is the list of backward districts in a State. These are backward, there are, they are not entitled for the capital subvention except two or three. It has been my endeavour again to bring to your notice another error committed by the Finance Ministry of the Industrial Development Ministry. Among these districts, some are classified as very backward districts. The entire listing of these districts has not been done on any rational and valid criteria. Take for instance, as far as the State of Karnataka is concerned, the districts of Raichur, Dharwar and Mysore are listed as backward districts. Can anybody consider that these districts are industrially backward? Then, there are several districts which are really at a take-off stage. Still they have been included. When this august House is going to approve this amount of tax concession as well as tax incentive that has been given to these areas, will we be able to do something on the selected as of these districts which has been done on an ad hoc basis? So what I suggest is that if we can make the eighth or the ninth schedule flexible in such a way that we can take care of some of the good points suggested, that will be a good thing and there are various areas of the country which are absolutely backward and there is not even a chimney there and some of those have been left out. Those are economically backward although some of them seem to be politically forward. Having said this, may I say, that the Ninth Schedule is the most relevant and the operative part. Industries are listed. Why should a backward area need a five-star hotel for? What are the great benefits accruing to the local common masses? Hotel industry could prosper in an area where there can be tourists, conspicuous consumption, where there is money to burn and to spend. So what I would suggest is that these schedules can be made flexible. I am not an

expert in legislation. But I hope that in democracy it will always be possible to find ways, and means to correct such things.

There are certain big houses which wangled to get all sorts of concessions from local State Governments. Take the case of a paper mill in my own State which got the thing at Rs. 15 whereas it cost in the market Rs. 120. And if we do some sort of computation of concessions and the total in this regard for the last over fifteen or sixteen years I am sure it would amount to an astronomical figure. Raw material incentives are given; other incentives are given, there is concession of the electricity charges. We must always take the industrial realities of the particular area into consideration and then come to the conclusion. That is my respectful submission. Kindly make the two schedules flexible. Thank you

SHRI D. K. PANDA (Bhanjanagar):
I rise to oppose the very principle of initial depreciation, contemplated in this Bill.

It seems to me, Government is the biggest solicitor of big monopoly houses.

They are not at all bothered about the small-scale and medium-scale industries.

I want to draw the attention of the House to the advice given before the Select Committee by the Cabinet Secretary. He said: 'All this led to over-capitalisation; as industry grew more and more, the loss of revenue became sizeable'. What is the contribution of these monopoly houses? For seventeen years you have been giving development rebate and no sooner you decided to stop that, you come forward with this piece of legislation just to keep them in the name of some more concessions, in the name of initial depreciation, etc. With regard to the rate of growth, the Economic Survey itself has stated: 'It

seems, that there was little, if any, growth in industrial production in 1973.

So, this is the development and the result of all these seventeen years of development rebate that was allowed. Therefore, I would say in this connection what Shri Palkhivala in his evidence said. I quote:

"Your fiscal incentive is no more than a flea-bite to him."

What are you going to give as incentive in the shape of initial depreciation? He says that it is no more than a flea-bite for the monopoly houses in India. That is his version and evidence before the Select Committee.

The point is whether all these funds have been utilised or not for the industrial growth to increase the production or they are being misutilised. I say that sugar magnates have got hundred times the development rebate and depreciation charges at 10 per cent. They never ploughed back the depreciation for modernising the industry at all. In the matter of production—it is a continuous process—these monopoly houses have been exploiting the country and our people. Therefore, I have given my amendment to clause 3 that more and more help should be given to the small-scale industries but not to these monopoly houses. Now, I want to draw the attention of the hon. Minister to another point. It has been stated on page 57 of the evidence:

"The industry is bound to say that they have to do some national service; they must get certain incentives. But the question is whether incentives by way of subsidy are necessary in this country under the present condition when there is not anything like a competition, where it is a sellers' market and the people can make money and we know how people are flourishing both in industry and in trade."

This is the statement by the Finance Secretary. All the depreciation that is given by way of incentive to these monopoly houses only means more and more profit and a futile exercise.

My suggestion will be: why not the money which is given to these monopoly houses in the shape of incentives is made use of for development of the infra-structure in the backward areas. Even the Prime Minister's appeal was that the monopoly houses should go and therefore, so many incentives in the shape of concessions that have been allowed to the monopoly houses are, according to the following sloka which I am quoting nothing at all:—

काकम्य च्चु यदि स्वर्णपुक्त,
 माणिक्य पुक्तो चरणां च तस्य ।
 एक एक पक्षे गजराज मुक्ता,
 तेषापि काकः नद्रपि राजहंसः ॥

A crow wearing ornaments made out of gold and silver does not become a raj hans. Similarly, I say these monopoly houses can never be changed. You cannot change their hearts. The more you give the more profits they will earn. My concrete suggestion is that this depreciation which is allowed should be only on plant and machinery. So, a part of indigenously and not on imported plant and machinery. So, a part of the income should be used for building up the infrastructure in the backward districts. At the same time, another part can go for the indigenous manufacture of machinery and plants.

About the small and medium industries in the decentralised sector, there are industries which are labour-intensive industries. With regard to this, my amendment is that in place of Rs. 7,50,000 that should be raised to Rs. 15,00,000/- So that the small scale industrialist, get incentives and these young entrepreneurs who have invested lesser capital can get the

[Shri D. K. Panda]

benefit and they can make some contribution in developing the smallscale industries in backward areas. Now, as far as the backward areas are concerned, again I will say no justice has been done in their case. I have given one amendment relating to Ganjam district. It comes in my constituency. As far as this district is concerned I can say one third of the people in this area are scheduled castes and scheduled tribes. Therefore, such principle has also to apply to other districts which are reviewed and they should be included along with this district.

Now, I will say a word about selection of industries. Here I have given an amendment that those industries which are controlled by monopolists should not be allowed and where they are controlling the consumer goods industries they should not be allowed incentives to allow further exploitation by the monopoly houses.

As far as the fourth principle is concerned it has been overlooked or is deliberately not being considered. Therefore, even on their own principle we find that in spite of all these things it will not increase production or overcome shortage of vegetable oils, tyres and tubes. All these shortages and troubles are bound to be there. Monopoly houses will utilise these to multiply the difficulties of the consumers.

Finally, a word about the wealth tax. The wealth tax of the two Birla Houses is on the decline. The income-tax is on the decline but the profit index has risen; the overall productivity of the workers has risen by 98 per cent; the wage-cost in terms of output has declined. The tax arrears and penalty arrears of these houses come to Rs. 830 whereas of all the monopoly houses it would come to Rs. 2,000 crores. This money can be collected from them whereas you are rushing more money to these mono-

poly houses. Therefore, I oppose this Bill and press for my amendments. Government should show impartiality in the name of welfare, in the name of equality and in the name of socialism. They should treat the medium, small and big houses or monopoly houses in the same manner instead of trying to give concessions to the monopoly houses. Since in this legislation they are seeking to give concessions to the big houses, I would say that this is a ridiculous piece of legislation which makes a mockery of socialism.

16 hrs.

SHRI M. RAM GOPAL REDDY (Nizamabad): At the outset, I would like to congratulate Shri K. R. Ganesh on having brought forward this Bill seeking to amend the Direct Taxes laws. He has really done full justice to the subject and to everybody else concerned.

MR. DEPUTY-SPEAKER: He has done or the Select Committee has done?

SHRI M. RAM GOPAL REDDY: I also congratulate Mr. Salve who is an expert on taxation laws.

The Government of India and the Planning Commission have selected the backward places in the country, as Andhra Pradesh is concerned, the selection made is quite appropriate and all the backward areas have been included in the list of backward areas. Though the Government of India have been making very serious efforts to industrialise these areas, unfortunately, not a single project has come up in these areas. There was some proposal recently from Andhra Pradesh for setting up some industries in backward districts, but unfortunately it is being held up in the Central Government. So, I do not know in what way the Finance Ministry is going to help us in this matter.

At every stage, the Central Government and the licensing committee are putting hurdles. Though the State Government has supplied all the particulars, it is still being held up....

MR. DEPUTY-SPEAKER: This Bill does not concern itself with licensing.

SHRI M. RAM GOPAL REDDY: I just mentioned it in passing. In the backward areas, it is said that the monopoly houses should have full freedom to establish industries or factories. I do not understand the logic behind this argument that they should be excluded. The poor people or the ordinary industrialists cannot go and establish factories in backward regions. If the monopoly houses also are not allowed to go there, who is going to develop industries in those areas?

Our whole economy is dependent on agriculture and 75 per cent of our people are working in the agricultural field. It has reached a saturation point now. The only salvation that is in store for this country is to industrialise. That is why we should give all concessions to whosoever wants to establish factories in backward areas.

So far as the initial depreciation is concerned, what is proposed in the amending Bill is only 20 per cent. I would suggest that it should be enhanced to 25 per cent, and 125 per cent should be allowed for depreciation. If this much amount is not allowed, the result will be that the factories will not replace the old parts or modernise their plants. If they are not modernised, all these factories will be sick ones in due course. That is why I strongly recommend to Government that the suggestion made by Shri D. D. Desai in his note of dissent should be accepted.

MR. DEPUTY-SPEAKER: Now, Shri R. R. Sharma. The hon. Member is absent. Shri E. R. Krishnan.

SHRI R. V. BADE (Kharagone): Instead of Shri R. R. Sharma, we have given the name of Shri G. P. Yadav. He is present here and he may be called.

MR. DEPUTY-SPEAKER: I have called Mr. Krishna_n now.

*SHRI E. R. KRISHNAN (Salem): Mr. Deputy-Speaker, Sir, on behalf of my party, the Dravida Munnetra Kazhagam, I rise to say a few words on The Direct Taxes Amendment Bill. The direct taxes are potent and sharp instruments in the hands of the Government for establishing economic equality and egalitarian society in the country. But the Central Government are not prepared to use these instruments effectively.

The Law Commission in its 12th Report submitted to the Government in the year 1958 had pointed out that the history of Incometax law was characterised by ill-conceived amendments formulated by the Government in a frenzy of hurry. Since then 800 amendments had been brought forward by the Government to the Taxation law creating more complexity and ambiguity. This amending Bill is no exception to this category and it will confound the already existing confusion in the taxation law. The Government are bound to bring forward in the very near future further amendments to the taxation law to plug the loopholes created by this amending Bill.

I wonder how the Finance Ministry can brush aside the suggestion of the Agriculture Ministry in regard to the inclusion of Pesticides industry in the 9th Schedule. Sir, none in this can refute the need for increasing the food production in the country at this critical juncture. I would like to know from the hon. Minister why the Pesticides industry has not been included in the Ninth Schedule and why the Finance Ministry has not accepted the suggestion of the Agriculture Ministry in this regard.

*The original speech was delivered in Tamil.

(E. R. Krishnan)

Sir, this Bill proves beyond doubt that this Government will not stop extending financial facilities and incentives to the monopoly industrialists in the country. What is taken away by the right hand is given back by the left hand. In lieu of development rebate, a provision has been made in this Bill for extending the incentive of initial depreciation allowance. The Central Government are, I have no hesitation in saying this, more interested in obtaining ill-gotten money from these industrialists for financing the elections than in the industrial development of the country. In this country, everything is subservient to the interests of the ruling party.

Sir, in this Bill industrially backward districts have been incorporated for the purpose of extending certain concessions and incentives to the industrialists. I regret to say that the list of backward districts as finalised by the Central Planning Commission has been accepted by the Government of India for incorporation in the Bill. I hope that the hon. Minister is aware of the existence of State Planning Boards. I do not know whether the hon. Minister will accept the suggestions of the State Planning Boards also in this respect. I would like to appeal to him that he must show the same consideration and weightage to the suggestions of the State Planning Boards as had been shown to the recommendations of the Central Planning Commission.

Sir, I would also like to point out that Clause 13 of this Bill will further pave the way for manipulation of accounts and evasion of tax. I am sorry that the Select Committee also has not given adequate consideration to this Clause 13 as formulated by the Government. I request the hon. Minister that this Clause 13 should be re-examined by him in greater depth.

During the last inter-session period four Ordinances were promulgated by the President. At the stage of implementing these Ordinances, there will be need for bringing forward suitable amendments to the taxation law. Besides that, in reply to a question in the Rajya Sabha, the Government have given the information that the 20 monopoly houses have assets approximately valued more than Rs. 8000 crores, including the loans given the public sector financial institutions to the extent of about Rs. 2000 crores. In order to collect the tax arrears of about Rs. 833 crores, as had been pointed out by the hon. Member, Shri Panda, from these industrialists, the Wealth Tax Act and Gift Tax Act are to be amended suitably and implemented with greater vigour, if the ruling party is keen to erase the impression, in the public mind that it is only the handmaid of these monopoly industrialists.

With these words, I oppose the Bill and conclude my speech.

श्री मन्मथ किशोर सिंह : (मुजफ्फरपुर) :

माननीय उपाध्यक्ष महोदय, इस विषय पर मैं जो कुछ कहना चाहता था, उस में से कुछ मेरे मित्र श्री सोमनाथ चटर्जी ने कह दिया है. इसलिए मैं इस मदन का बहुत समय नहीं लूंगा। मैं एक बात साफ़ कराना चाहता हूँ—माननीय जित्त मंत्री जी ने पूछना चाहना है कि साठे सात लाख रुपये की लिमिट म्माल स्केल इण्डस्ट्रीज के लिये रखी गई है। आक काल के समय को देखते हुए यह लिमिट बहुत कम मान्य होती है।

दूसरी बात यह है कि जो बैंकर्स एग्रीज का यह प्रश्न चल रहा है उस में कुछ जिले ऐसे हैं जिन को केवल कंसेशनल रेंट आक इंटरेन्ट और कुछ टैप्सेज में मुक्ति दी गई है, और कुछ जिले ऐसे हैं जिनको कंसेशनल सबसिडी के लिये मुता मया है। मेरा उम्मा और जानकारी यह है

कि इन सुविधाओं को देने के बावजूद बैंकवर्ड डिस्ट्रिक्ट्स में औद्योगिकरण नहीं हो रहा है। यह एक बड़ी चिन्ता की बात और सोचने की बात है। सरकार को शायद यह सोचना पड़ेगा कि बैंकवर्ड जिलों को जो सुविधाएँ देने हैं वह काफी हैं या नहीं हैं, और दूसरे यह सोचने को बाध्य होना पड़ेगा कि क्या बैंकवर्ड डिस्ट्रिक्ट्स का चुनाव सही ढंग में हुआ है। मैं यह कहना चाहता हूँ कि अगर बैंकवर्ड जिलों में औद्योगिकरण करना है तो पहली जिम्मेदारी राज्य सरकार पर होती है क्योंकि इनका - स्ट्रक्चर बनाया राज्य सरकारों की वैधानिक जिम्मेदारी है, उसमें केन्द्र सरकार कहीं नहीं आती है। लेकिन बैंकवर्ड जिलों के चुनाव का जो फोरमूला है वह केन्द्रीय सरकार ने बनाया है और यह पता लगाना पड़ेगा कि उस में कोई बुनियादी कमजोरी और गलती है क्या? वह फोरमूला सत्य है क्या? अभी एक माननीय मित्र ने बताया कि वह फोरमूला क्या है। उस का फोरमूला प्रति लाख रेल की लम्बाई किलोमीटर तक की लम्बाई किलोमीटर है। और भी कुछ इस तरह के फोरमूले हैं। मैं जानना चाहता हूँ कि बिहार के छप्पा नागपुर डिविजन में या मध्य प्रदेश के एक बहुत बड़े हिस्से में रेल की लाइने बिछी हुई हैं, और मड़के बनी हुई हैं उस पर सनसनाती हुई मोटर चलती है या बड़बड़ाती हुई रेलगाड़ियाँ चलती हैं। उस में उन जिलों के लोगों की क्या तरक्की होती है? मेरी दृष्टि में एक ही फोरमूला हो सकता है बैंकवर्ड डिस्ट्रिक्ट्स का और यह यह है कि प्रति व्यक्ति औसत उत्पादन औद्योगिक या कृषि के क्षेत्र में कितना है। यही बैंकवर्डनेस का एक प्रमाण हो सकता है। विकसित देशों में और विकसित देशों में यही एक सूचकांक है जिस से कि हम उन्हें अपने अपने क्षेत्रों में रखते हैं। तो क्या बंसी जी बैंकवर्ड डिस्ट्रिक्ट्स के

चुनाव के फोरमूले को इंडस्ट्रियल डेवलपमेंट मिनिस्ट्री को मुजोर करने के लिये कहने का तैयार है? अगर वह तैयार नहीं है तो जो सुविधा दे रहे हैं उन सुविधाओं से उसका लक्ष्य की पूर्ति होगी कि नहीं, इस में मुझे शक है।

एक बात और कहना चाहता हूँ। जो सुविधाएँ इन विधेयक में दी गई हैं वह सुविधाएँ तो प्राप्त होंगे लेकिन अगर दूसरी दिक्कतें हमारे औद्योगिकरण के सामने बराबर आती रहेंगी। जैसे लाइसेंसिंग में देरी, कच्चा माल की मरम्मा पर न होना, जैसे मार्केटिंग की व्यवस्था न होना, तो फिर यह ईड नैटर् रहेंगे और हम लोग चाहें किपिटल मबसीडी 10 से 15 20 या 25 प्रतिशत कागें जाये उसमें उद्देश्य की पूर्ति नहीं होगी। इसलिये विधेयक का समर्थन करने में, मेरा अनुरोध है कि इन दो तीन बिषयों पर विचार क्यों किया जाये कि यह सारा विधेयक ही औद्योगिकरण से ही मबधिन है। मैं माननीय चटर्जी की उम बात में सहमत नहीं हूँ कि औद्योगिकरण हमारे देश में धीरे धीरे हो रहा है और उस में गति नहीं है इस लिये हमें सुविधाओं की ही हटा देना चाहिए। मेरी दृष्टि में आवश्यकता इन बात की है कि हम इस बात का पता लगाए कि बैंकवर्ड डिस्ट्रिक्ट्स में या दूसरी जगह किन कारणों से औद्योगिकरण का प्रसार नहीं हो रहा है और हमारे देश में उद्योग नहीं फल रहे हैं। इस के लिये एक प्रत्यक्ष जांच की जरूरत है।

इन सवालों के साथ मैं इस विधेयक का समर्थन करता हूँ।

श्री मानेस्वर प्रसाद बाबब (कटिहार) :
 उपाध्यक्ष महोदय, बिल के तीन उद्देश्य हैं। डेवलपमेंट ग्राम प्रोडक्शन, डेवलपमेंट ग्राम रिसर्च इन इस्ट्री और पिछले क्षेत्रों के विकास के लिये जहाँ तक उद्योगों के विकास की बात है पिछड़े हुए क्षेत्रों में, उस से हम सभी सहमत

[श्री ज्ञानेश्वर प्रसाद यादव]

है कि वास्तव में पिछड़े वर्ग और इलाकों में उद्योगों की स्थापना होनी चाहिये। लेकिन मैं मंत्री जी से पूछना चाहता हूँ कि क्या यह बिग हाउसेज ग्रामीण क्षेत्रों में उद्योगों की स्थापना करेगा? वही स्थिति में हम को अपनी नीति के निर्धारण में अत्यधिक धन में जिस की आवश्यकता होगी वह नीति बनानी पड़ेगी? बड़े बड़े पूँजीपतियों को औद्योगिक क्षेत्र बनाना के लिये आन प्रोत्साहन देने है, लेकिन उन के द्वारा औद्योगिक उत्पादन में एक प्रकार का केन्द्रीकरण हो गया है। वे बड़े बड़े ग्रहणों में ही उद्योगधंधे बढ़ाते हैं। इसलिये प्रायः पब्लिक सेक्टर के द्वारा सुदूर देहांत में जा कर के जहा पर वास्तव में ग्रामीण क्षेत्र की अधिकांश आबादी लगभग 80 प्रतिशत लोग रहते हैं उन के हाथों में काम देने की योजना सरकार अपने हाथ में बसा नहीं लेती? यदि वह इच्छा है तो वानपुर, कानकल, बम्बई में जा कर के जहा उद्योगों का केन्द्रीकरण हुआ है वही पर उद्योगधंधे खोल कर अधिकांश लाभ बताने हैं। अगर सरकार किसी तरह से ग्रामीण क्षेत्रों में और बैंकबर्ड इन्स्ट्रुक्शन के जो इलाके हैं वहा पर अगर औद्योगिकरण के लिये पब्लिक सेक्टर आगे नहीं आता तो कम से कम कोऑपरेटिव के माध्यम में हम उन क्षेत्रों में छोटे छोटे उद्योगधंधे खड़े करे जिन में लोगों को काम मिलेगा और उत्पादन में वृद्धि होगी।

उपरोक्त महोदय जहा एक बैंकबर्ड जिलों की सूची दी गई है और बिहार में जिन जिलों के नाम दिखे गये हैं उनमें भागलपुर चम्पारन दरभंगा मुजफ्फरपुर, पूर्णिया, महारमा, मध्याल परगना आदि ने जहा एक पर कैपिटल इन्कम की बात है बिहार में आधे से अधिक खनिज पदार्थ मिलते हैं, लेकिन पर-कैपिटल इन्कम की दृष्टि में हम सब से पीछे हैं। वही स्थिति में केवल कुछ जिनका काहूँ बैंकबर्ड जिला बाधिन करना यह कहा उक्त न्याय सगत है? मंत्री जी

इस बारे में फिर से और करें और जिलों में कौन से औद्योगिक क्षेत्र लगाये जाये उस के विषय में कम से कम एक समिति बनाये जो सुदूर गांवों के रहने वाले लोग हैं और वहां की जो आवश्यकता है, वहां पर जो रो-मैटीरियल मिलता है उस आधार पर अगर वहा उद्योगधंधे खड़े किये गये तो वास्तव में बैंकबर्ड एरिया का उत्पादन होगा।

जहा सब विधेयक का प्रश्न है सरकार की इस विषय में एक ठोस नीति होनी चाहिए थी उस का यहा दिग्दर्शन नहीं हो रहा है। 1958 से लेकर आज तक आठ सौ सशोधन हो चुके हैं। यह आठ बार सशोधन आ रहा है इस का एक ही नतीजा निबलता है कि वास्तव में हम ने इसके विषय में बुनियादी तौर पर शुरू में ही नहीं सोचा इस लिए बार बार सोचना पड़ रहा है।

सशोधन करना कोई गलत बात नहीं है। लेकिन मैं चाहता हूँ कि सशोधन ठोस होने चाहिए और आवश्यकतानुसार होने चाहिए। आपको बार बार सशोधन करने की जरूरत नहीं पड़ेगी ऐसी व्यवस्था आपको करनी चाहिए।

प्रत्यक्ष करों के सम्बन्ध में जो मुझे थोड़ी बहुत जानकारी है, वह मैं आपके सामने रखना चाहता हूँ। अभी जो प्रत्यक्ष कर लगाए जा रहे हैं उन में ऐसा है कि लाभान का अधिकतम भाग उद्योगपति को प्रत्यक्ष कर के रूप में देना पड़ता है इस वास्ते क्या यह सही नहीं है कि वे दो नम्बर की बही रखते हैं और इस प्रकार से प्रत्यक्ष करों का बड़ा मात्रा में चोरी करते हैं? मैं जानना चाहता हूँ कि इस प्रकार से इन करों की चोरी करने वालों को प्रायः कौन से नियमों या कानून में बाधना चाहते हैं और इस प्रकार की चोरियों को प्रायः कैसे रोकना चाहते हैं? मैं समझता हूँ कि इस की और और आपको विशेष ध्यान देना चाहिए।

श्री पालकी बाला ने प्रत्यक्ष कर (संशोधन) विधेयक पर समिति के सामने कुछ सुझाव दिए थे। सरकार ने उनको भी स्वीकार नहीं किया। ऐसी हालत में मैं जानना चाहता हूँ कि जो बैंक बंद एरिया है उन में कौन सा कर इंडस्ट्रीज स्थापित करेगा, क्या नई बड़े इंडस्ट्रियलिस्ट्स करेंगे या पब्लिक सेक्टर इंडस्ट्रीज स्थापित की जायेगा या कोऑपरेटिव सेक्टर की जायेगी? जिस प्रकार से यहाँ बड़ा जा कर काम होगा।

SHRI PILOO MODY (Godhra): Mr. Deputy-Speaker, Sir, I rise to make a few observations on this Bill because I find more and more the Bills that are coming out of the Government somehow seem to be unbalanced, the most polite word I can use for them. First of all, I do not understand why there is the Ninth Schedule at all. Assuming that these are areas in which the Government would like faster development than in other areas, I can understand their giving certain advantages to certain industries. But this has been sought to be linked up in some way with backward districts, and this is something that I do not understand. Because, if you have a look at the list of backward districts, as Shri Nayak has pointed out, you find several districts over here that one begins to wonder that if these districts are backward, how would you define a progressive or forward district. Take, for instance, U.P., where 35 out of 54 districts are described as backward, including Azamgarh from which the Congress General Secretary comes, or Rae Bareilly from which the Prime Minister comes or a very eminent Member of Parliament, Shri Yashpal Kapur comes, Unao from where our very distinguished Home Minister, Mr. Uma Shankar Dikshit comes, if these districts after so many years of public work are still considered backward, one begins to feel . . .

SHRI JANESHWAR MISRA (Allahabad): They should resign.

SHRI PILOO MODY: A very good suggestion. After having represented those districts for so long and having occupied the position of power, if the districts continue to be backward, as my hon. friend, Mr. Misra suggested, they should either resign or give up their constituencies and perhaps go to other constituencies. Therefore, I feel, in the framing of this list, there is a tremendous amount of political manoeuvring that goes on all the time.

I believe that my hon. friend, Mr. Chandrajit Yadav had even convened a Development Conference in Azamgarh where half a dozen Ministers of the Government of India, the Planning Commission people and what not had descended in Azamgarh to discuss development strategy. I do not think any results could have come out of that Conference because I find that district is still considered backward. Of course, I may have other opinion about these districts. Having elected the persons like them, those districts must really be backward. It all depends from which point of view you look at it.

I have several suggestions to make. For the first time, I heard Mr. Panda talking remarkable things. You leave out the first part of his speech and the last part of his speech which was, of course, made for Mr. Banerjee's benefit. But the middle part of his speech suggested that instead of giving all this money to various industries for doing something in the backward areas, if that amount of money is spent on the development of infrastructure in those districts, that will gravitate in those districts.

Sir, my district is also included in this list. But you may not draw the same conclusion because I cannot order a Development Conference there and, if that district is not developed, it is only one-man's effort whereas, on the other hand, there is the whole Ministry and the Government to help it.

MR. DEPUTY-SPEAKER: It is backward and that is why it has elected you.

SHRI PILOO MODY: I thought you would say that. I do not know whether your district is also included in this list.

MR. DEPUTY-SPEAKER: It is very much there.

SHRI PILOO MODY: So, the point that I am making is that so far the backward districts have only certain advantages but this Bill seems to give them certain more advantages. The fact of the matter is that as a result of the benefits given to them, these districts do not improve. For so many years, these benefits have been available but the benefits are not commensurate with the effort that is required to put industries in these districts. This is very vital. There is no infra-structure available and that is why these districts still remain backward.

You say, let us make it a forward-looking district by putting some high-powered industries into it. Without any infra-structure, it just does not work. To say that once a big industry goes into a backward area, the infra-structure will automatically develop is doing everything the other way round. Of course, knowing this Government, that is not unusual. I would, therefore, whole-heartedly support Mr Panda's contention that you spend the money on developing infra-structure in backward areas. The money that has been given by way of rebate should be spent by way of expenditure on developing infra-structure in those districts.

The other point that I would like to make is that the Ninth Schedule seems to be an arbitrary one, something taken out of a hat or tossed around a coin or, alternatively, I can say that the Ninth Schedule has been formed by the iron and steel lobby operating very strongly, the non-ferrous metals lobby operating very strongly, the ferro-alloys and special steel lobby

operating very strongly, the steel castings and forgings lobby operating very strongly, because there seems to be no rationale for having put these industries on this list. I have a very deserving case, the case of the glass industry. The glass industry is not only a very vital industry but it is an industry which spans the entire scope of industrial development, from cottage industry to very highly sophisticated glass industry. Glass is a substance which goes all over, into every corner of the country. Here is an industry which, even today, has a programme of something like Rs. 45 crores with further expansion in the Fifth Plan. Its total block is Rs 50 crores. It has, I think, 25 to 30 large units, something like 70 to 75 medium units, about 150 to 200 small units and about 200 cottage units. You go to Ferozabad, not far from Delhi, and you will find that the economy of the whole area is based on glass. You have here an industry which co-exists in the large scale sector and the small scale sector. If such an industry is not to be encouraged or given this sort of special treatment...

AN HON. MEMBER: Leather also

SHRI PILOO MODY: I am sure there are many such industries which require this sort of special treatment—and leather for the reason which my hon. friend, Mr. Naik, gave but also for the reason that leather is an industry which, if properly developed in this country, presents a magnificent opportunity for export expansion. We have been constantly searching for foreign exchange, and here is an industry which can provide that. Ceramics industry is another case. About the glass industry, I wonder if the Minister had any time to read the memorandum that has been submitted to him and the letter that I have written to him some time ago. He has not even seen the amendment that I have tabled. This Government has become so insensitive to any sort of suggestions, so immune to any sort of fresh thinking entering into its head, that they do not even read the amendments that members take the

trouble of tabling. Therefore, irrespective of the technical difficulties that they may have of introducing one more name on to the list—opening up the Pandora's Box and having several more coming—on the very fact that this list is not rational I defy the Minister to rationalise it if he thinks that it is rational and if it is not, then I strongly recommend that the glass industry at least should be included in the Ninth Schedule.

SHRI VASANT SATHE (Akola): Mr. Deputy-Speaker, Sir, even as a member of the Select Committee. I did my best to persuade . . .

SHRI MADHU LIMAYE (Banka): Have you given a minute of dissent?

SHRI VASANT SATHE: No.

SHRI MADHU LIMAYE: Then you do not speak. That is the rule.

SHRI VASANT SATHE: No.

MR. DEPUTY-SPEAKER: There is no rule on this. But it might be a good convention.

SHRI VASANT SATHE: I only want to persuade the Government, if I can, even at this stage, to accept that, in the Eighth Schedule where they have described the backward areas, the rationale is not really in keeping with the objective of the Bill because this Bill is giving tax concessions for industrial growth; this is not a measure where the Planning Commission is thinking of giving some benefit in the form of some Plan projects to backward areas where even infra-structure facility is not available and therefore infrastructure development has to be brought about if any development of that absolutely backward area like Bastar, for example, in Madhya Pradesh or Melghat in Maharashtra or Bhil in Maharashtra or any such area, is to be brought about. Here, we are thinking of developing areas where infra-structure facilities are available; yet, industrial growth is not taking place. Industrial growth

is not taking place, industrial development is not taking place because there is a tendency in the industries to concentrate in the already industrially developed areas like Bombay, Calcutta, Delhi, Madras or other big towns or in their surroundings. You know that as far as Bombay is concerned, they are thinking of developing a twin city in Bombay itself—Bombay and Bombay's backyard. Nobody really wants to go out.

Therefore, if you want to really give an incentive in the form of 20 per cent, industries, as Shri Puro Mody said, would naturally go only to those areas where there is some elementary infra-structure facility available, such as roads, communications, electricity, water etc. . . (Interruptions). Ratnagiri has got that infra-structure facility. Probably you need a railway. After you get it, you will have that infra-structure facility.

I find in this Bill they have adopted the definition of 'Backward areas' as was given by the committee appointed by the Planning Commission blindly. That committee had given recommendations on the criteria of total backwardness. But, industrial backwardness is a different thing. I had pleaded with the Government and even now I would plead with the Government to reconsider this. To give a concrete instance, in Maharashtra itself, in the area I come from, one cannot understand why Yeotmal district is included and not Akola or Amaravati, the adjoining districts having identical circumstances. I do not know. Was political pressure responsible? This is the only inference that people can make. Therefore, I would even at this stage request that you must include those districts where basic infra-structure facilities are available.

The second point I want to support is about the inclusion of certain industries which have really a small-scale potential and potential of growth in backward areas. You will find in the Schedule most of the industries

[Shri Vasant Sathe]

given there do not really have the potential. No big industry will go in the so-called backward areas. Therefore, industries like glass, ceramics, leather and such other industries should be included in the list. Even at this stage it is not too late to include these industries.

श्री मधु सिलवडे (वाका) उपाध्यक्ष महोदय हमारा बोलना तो बेकार ही माना होने वाला है क्योंकि मंत्री महोदय हमारे मुझाओं पर विचार करने के लिए तैयार है ऐसा मुझे नहीं लगता है, हा-वि कई बाने मैं ऐसी कहने वाला हूँ, जिन को स्वीकार करने में उन को जरा भी तकलीफ नहीं होनी चाहिए।

सब से पहले मे सिलेक्ट कमेटी को बधाई देना हू कि उन्होंने छोटे उद्योगों के बारे में अपनी बहुत स्पष्ट बात रखी है। लेकिन आप की मार्फत मैं सिलेक्ट कमेटी के चेयरमैन और मंत्री महोदय से कहना चाहता हू कि जिस नेजी में काम बढ़ रहे हैं खास तौर से मशीनरी के काम को देखते हुए साइ साइ-लाइ रूप से कर्ज मरमा बांधी गई है दा माल पहले शायद वह उचित थी लेकिन यह विधेयक कानून बनने के बाद वह सीमा बहुत कम साबित होने वाली है। इस लिए मैं मंत्री महोदय से कहना कि इस सीमा का 15 लाख तक बढ़ा देना चाहिए।

अब जो शैड्यूल का मामला है सब में पहिले में एटच शैड्यूल के अर्चा करूंगा। मैं देखना हूँ कि मध्य प्रदेश का जहा तक सम्बन्ध है उस में वस्तर आदि आदिवासी बाहुल्य के वर्ड जिले समाविष्ट किए गए हैं लेकिन जहा तक बिहार का सवाल है मुझे अफसोस है कि जो आदिवासी इलाके हैं, पलामू और मथाल परगना को छोड़कर जिनमें कि आदिवासी लोगों की संख्या बहुत ज्यादा नहीं है, बाकी जिन जिलों में उनकी संख्या अधिक है

उन इलाकों को बिलकुल छोड़ दिया गया है? इसका कारण क्या है इसका खुलासा मंत्री महोदय और चेयरमैन महोदय को करना चाहिए (इंटरप्रोज) छोटा नागपुर का जो आदिवासी इलाका है वह छोड़ दिया गया है। पलामू और मथाल परगना ये बांडर लाइन के जिले हैं।

इस सदन में मैंने इस बात पर बड़ा जोर दिया था और मैं मानता हू कि कोलाबा जिला महाराष्ट्र का बहुत पिछड़ा हुआ है, उसका एच हिस्सा नई बम्बई की जो योजना है उस में समाविष्ट किया गया है लेकिन इस कानून का नतीजा यह निकलेगा कि जहा इंड-फास्ट्रक क्षेत्र पहले से ही माजुद है वही मारे-ड उद्योग जायेग और आपके कानून का मखोल हो जाएगा मारे कमेशन उन का मिल जाएगा। मुझ खुशी है कि उन्होंने नई बम्बई का काम में में अलग कर दिया लेकिन इस कर्ज का गवर्नर है उस में उन्होंने यह कहा है कि महाराष्ट्र पर पर के जा दो नोटिफिकेशन में एक यह जो इलाके आन है व उसमें अलग। जायग। मगर कल मान लिजिए कि वनाटाफिकेशन अपना बदल देते हैं पहले एक हुआ उसके बाद उसका दूसरे में इलाका बदला गया अब न सग्रा धारणा और मान लिजिए दो माल का कोलाबा और जोड दिया जाएगा ता क्या होगा। ता मगर यह कहना है कि इस में यह जाड दिया जाय कि—

"or any areas covered by any amendment of the notification in future."

बहु जोडने से इस में कोई गडबडी करने का मोका महाराष्ट्र सरकार को नहीं मिलेगा। इस के ऊपर मंत्री महोदय विचार करे।

दूसरी कमीटी मैंने बताई थी कि इंडस्ट्रियल एरिया की बेसिस पर चाहिए। तो बम्बई मेट्रोपोलिटन एवार्डिटी कायम हो रही है। हो सकता है कि कोलाबा जिले का इलाका उस में आग। तो कोलाबा

जिले का जो इलाका उस के कार्य-क्षेत्र में आए उस को भी इस से अलग करना चाहिए वरना कोलाहा जिले का जो पिछड़ा हुआ इलाका है उस को इस कानून से कोई फायदा नहीं होगा।

मुझे इन जिलों की लिस्ट पढ़ने के बाद ऐसा लगा कि इस का कोई विशेष अध्ययन नहीं किया है। अब जैसे बुलन्दशहर जिले की बात ले लीजिए। बुलन्दशहर जिले को पिछड़े हुए इलाके में जोड़ा है। लेकिन कभी आप ने विचार किया है कि बुलन्दशहर में कौन सा उद्योग लग सकता है आसानी से या जो पहले से लगे हैं उन्हीं का विकास करना ज्यादा आसान है? तो सेरेमिक्स इण्डस्ट्री है। मेरे मित्र पीलू मोदी ने ग्लास की बात की। सेरेमिक्स उस से मिलता जुलता है और बुलन्दशहर के खुर्जा इलाके में वह सेरेमिक्स की इंडस्ट्री है। लेकिन आप के नाइन्थ शेड्यूल में सेरेमिक्स का उल्लेख ही नहीं है। तो फिफ्थ शेड्यूल और नाइन्थ शेड्यूल में कोई मेल है या ऐसे ही यह शेड्यूल किसी सेक्रेटरी के मन में आया और उस ने बना दिया, तथ्य क्या है यह मेरी समझ में नहीं आता। क्योंकि आप की ही कसौटी के आधार पर मैं कह रहा हूँ। आप ने बुलन्दशहर को इस में समाविष्ट किया है और बुलन्दशहर में सब से व्यापक पैमाने पर जो छोटा उद्योग चलता है वह सेरेमिक्स का है। लेकिन आप के नाइन्थ शेड्यूल में सेरेमिक्स नहीं है।

इसी तरह से जिन बैंकवर्ड जिलों की आप ने लिस्ट दी है उस में अधिकतर जिले पेंडी प्रोड्यूसिंग, धान पैदा करने वाले इलाके हैं। अब धान से जुड़ा हुआ उद्योग एक तो डी-हस्किंग का है। डी-हस्किंग के बारे में दो प्रक्रियाएं चलती हैं। एक आधुनिक प्रक्रिया को शेंलर प्रोसेस कहते हैं और जो पुरानी प्रक्रिया है उसे हालर प्रोसेस कहते हैं। अब यह आप के हित में है।

क्योंकि इस देश में खाने के तेल का जो अभाव है और दूसरों तेलों का जो अभाव है। उसके चलने यह बहुत जरूरी है—अगर आप चाहते हैं कि साधारण लोग मंगफली या सरसों का तेल खाए तो आप के लिए आवश्यक हो जाता है कि वनस्पति के लिए, सो; के लिए या अन्य उद्योगों के लिए आप पावन्दी लगाएं कि मंगफली के तेल का या सरसों के तेल का उपयोग न किया जाय।
 (व्यंजन).....

मैं बहुत महत्वपूर्ण बातें कर रहा हूँ और इस में बोलने वाले बहुत कम हैं।

मैं यह कह रहा था कि अगर नाइन्थ शेड्यूल में आप शेंलर प्रोसेस को रख देते हैं तो नतीजा यह होता है कि आज जो हालर प्रोसेस चल रहा है धान के लिए उस की जगह पर आधुनिकतम राइस मिल्स आ जायगी और शेंलर प्रोसेस का इस्तेमाल करेंगी, उस जो राइस क्रान है उस ने तेल निकल सकता है। चार लाख टन तक की पोटेंशियलिटी है और आज हमारे देश में तेल का बहुत बड़ा संकट है। तो इस में कोई औद्योगिक विकास की सम्यक दृष्टि ही नहीं दिखाई देती। यह दृष्टि होती तो शेंलर प्रोसेस का आप उसमें समावेश करते।

उसी तरह हमारे मित्र के इलाके में रूई और कपास ज्यादा पैदा होता है। अब इसमें देखिए कि कपास में भी जो काटन सीड का केक होता है, जिस पद्धति से उसका इस्तेमाल होता है उसमें बहुत सारे उसके नाइ-प्रोडक्ट हैं, जो नहीं निकाले जाते तो काटन सीड के केंद्र निकल सकते हैं। कई दफा काटन सीड सीधा जानवरों को खिलाया जाता है। इसलिये इनकी निहायत जरूरत थी कि यह जो काटन सीड केक है इसमें डीलिटिंग और डी फाटिकेटिंग प्रोसेस होता है, उससे यह वाइ-प्रोडक्ट निकल सकता है जिस का रेयन इंडस्ट्री में इस्तेमाल हो सकता है। यह भी प्रोसेस

[श्री मधु लिमये]

इंडस्ट्री है और जितने आपने पिछले इनाके दिये हैं उनमें कपास और धान यह सब पैदा होता है। तो जरा इसके ऊपर दोबारा विचार करने की आवश्यकता है।

इसलिये संक्षेप में मेरा यह कहना है कि पिछड़े इलाकों के बारे में पुनर्विचार किया जाय। इसमें कोई तर्क होना चाहिए। यह बिना तर्क का सारा मामला चल रहा है। कोई तर्क और कोई कसौटी होनी चाहिए। इसमें एग्री इंडस्ट्री को जोड़ देना चाहिए जिसके दो उदाहरण मैंने दिये और जिम का मीथा तेल के संकट पर परिणाम पड़ेगा। तीसरी चीज ग्लास और सेरेमिकम जम छोटे उद्योग जो हैं इनका भी इसमें समावेश करना चाहिए। इन उद्योगों में नाइथ जेड्यूल में इन्वूड कीजिये और एथ जेड्यूल जो है उसको परिवर्तित कीजिये।

SHRI PILOO MODY: Give incentive to agro-industries.

श्री मधु लिमये : वह तो हो ही जायगा।

ना एथ जेड्यूल को बदलिये। असल में जो बैंकवर्ड एरियाज हैं उन बैंकवर्ड एरियाज के बारे में मैं यह कहना चाहता हूँ कि आप अगर जिने को प्रशासकीय युनिट मानें तो उसमें कुछ दिक्कत हो सकती है। एक उदाहरण मैं दे सकता हूँ कि जो मेरा पुराना क्षेत्र मुंगेर जिने का था उसका जमुई सब-डिवीजन बहुत पिछड़ा हुआ इलाका है, उसके लिये एक विशेष योजना भी बनी थी। लेकिन पूरा मुंगेर नहीं है। इसी तरह से भागलपुर में बांका सब-डिवीजन पिछड़ा हुआ है। इसलिये मेरा ख्याल है कि जिने को आधुनिक नानाने लिये सब-डिवीजन या टाल्लुक को इस तरह का वेसिस मानिए तो ज्यादा तर्कशुद्ध ढंग से आप इसके बारे में नांच सकते हैं।

SHRI P. G. MAVALANKAR
(Ahmedabad): Mr. Deputy-Speaker,
Sir, I rise to participate in this debate

because I do feel this Bill, though laudable in some of its objectives, and even after improvements by the Select Committee, remains a Bill with a number of loose ends and a number of points which cannot be accepted in terms of logic or in terms of pragmatism. The aims look laudable but the result seem doubtful. I do wish to join with my esteemed friends in congratulating the Select Committee for making some significant changes and improvements.

But, Sir, the whole question is: What is the objective before us. The objective before us is rapid industrialisation, particularly, some significant strides, in backward areas because, the country as a whole must grow as industries develop. Certain industries develop in some areas while certain areas remain undeveloped for a long time. I am not looking at the problems of industrialisation, and the connected problems of fiscal incentives from any ideological angles. My friend, Shri Somnath Chatterjee will pardon me saying that this is not a problem which can be looked at solely from a political angle or ideology. After all if we want to develop this country or develop our industries surely we must give them some incentives. But I agree with him that tax incentives cannot be the only criteria though tax incentive should be there. Further, I agree with him that apart from profitability there should be some other incentives because merely allowing these tax incentives will not make the trade go to backward areas.

Sir, I want to look at this problem from an objective angle. If you give tax relief, what is the rationale behind it? The rationale should be both acceptable and just. I am sorry to find that it is not acceptable to the industry. Mr. Palkhiwala in his evidence has stated 'throw it away'. He has suggested "adjusted depreciation", instead of initial depreciation. My point is, if you want to give tax relief an incentives to the industrialists—big

or small—then do it but do it squarely and fully. I feel that initially it was wrong to let development rebate go altogether. This initial depreciation of 20 per cent is immaterial. You are not in any material way giving anything. All you are telling the industries is you will not be taxed now but a little later—say after five or seven years. That is no relief. Instead, instead of “initial depreciation”, it only becomes “initial deception”. Secondly, not only in developing countries but also in the developed countries development rebate in some form or the other is given. For example, in U.K. it is called investment allowance. My point is Government should come forward with an honest deal for the industrialists and tackle the problem boldly and realistically. Do they or do they not want tax relief as a measure to make industrialists—both small and big—go into the backward areas? They should say so clearly.

Before I come to backward areas, I wonder, if it would not have been possible for the Government to give subsidies for the areas which are neither fully developed nor completely undeveloped within the Indian context. I was wondering whether in the small towns these industrialists should not be encouraged to set-up their industries. My feeling is, some of the smaller areas ought to have been looked into.

Now, Sir, in determining the backwardness, what is the criterion that is adopted? Is there a guarantee that this criterion is based only on technical and economic data and not on political considerations? On the last occasion when I had raised this objection on the floor of the House, I had suggested in so many words that a number of districts had been included as backward areas because they were represented by big people or Ministers. That is a political consideration. The political consideration is that because the person happens to be in

office as a Minister, he wants greater progress, in a shorter time and at a faster rate in his own constituency. I submit that that is not a correct thing to do when we are discussing in terms of backwardness.

Finally, many hon. Members have already made out a case that other industries should also be included in the Ninth Schedule. I would only like to invite your attention to page 65 of the evidence tendered before the Select Committee wherein the Finance Secretary, Mr. M. R. Yardi had listed some of the basic requirements for inclusion of industries in the Ninth Schedule, where, for example, he has said:

capital intensiveness of the industry, high priority of the product from the angle of exports, essential needs for intermediate and investment goods, essential needs of mass consumption.”.

I should have thought that the glass industry and a few other such industries do qualify under all these four requirements. So, I do not know why there is this arbitrary way of including some and excluding others.

Therefore, I feel that although this Bill is laudable, it may not achieve its purpose, because Government have not gone ahead boldly and realistically in regard to this matter.

SHRI B. V. NAIK: How does the aircraft industry come in this category?

श्री श्रीकिशन मोदी (सीकर): उपाध्यक्ष जी, मैं साढ़े सात लाख रुपये से 15 लाख रुपये की लिमिट का स्वागत करता हूँ और मैं प्रार्थना करता हूँ कि यह लिमिट होनी चाहिये।

इण्डस्ट्रीज के बारे में मैं एक छोटी सी बात कहना चाहता हूँ—आ : देखें कि खर्चा में कोई रा-नैटीरियल नहीं है, फीरोजावाद में

[श्री श्री किशन मोदी:]

कोई रा-मैटीरियल नहीं है, सारा सिलिका ग्रेण्ड इलाहाबाद से आता है, राजस्थान से आता है। आप के गाजियाबाद के अन्दर कोई रा-मैटीरियल नहीं है, लेकिन इन्जिन बनाने का सारा काम वहाँ होता है। जलघर में देखिए—कोई रा-मैटीरियल नहीं है। इस का मतलब यह हुआ कि इण्डस्ट्रीज को पनपाने के लिए एक युनिट बनाना पड़ना है और उस युनिट की वजह से हर भादमी वहाँ जाना चाहता है जहाँ मण्डी बन जाती है। बड़ी सीधी सी बात है फीरोजाबाद में चूड़ियों के कारखाने बराबर लगते जा रहे हैं, आप कोई इन्वेन्टिव दें या न दें, वहाँ कारखाने जरूर लगेंगे, क्योंकि इस काम के लिए वहाँ सारी सेक्टर ट्रेण्ड हो गई है, सब मशीनें वहाँ मिलती हैं, मशीनों की देखरेख की वहाँ व्यवस्था है—इसलिए सब कारखाने वहीं लग रहे हैं।

इस लिए मैं निवेदन करना चाहता हूँ कि आप बैकवर्ड एरियाज की बजाय ग्राइटम-वाइज ब्लाक्स खोलिए। जैसे रेफ़ैक्ट्री को लीजिए—आप मालूम कीजिए कि इण्डिया में रेफ़ैक्ट्री की कितनी जरूरत है और कितनी शार्टेज है, कितनी एक्-मिना ब्रिक्स चाहिए, कितनी सिलिका ब्रिक्स चाहिए, कितनी दूसरी ब्रिक्स चाहिए, सब मिला कर आप महसूस करते हैं कि 100 स्माल स्केल इण्डस्ट्रीज की जरूरत है जो इस प्राइवकेशन को दे सकती हैं तो आप उन को किसी एम् एरिये में डालिये जहाँ आप यह समझते हैं कि वह बैकवर्ड एरिया है और उस को डेवलप करना है। जितना इन्वेन्टिव देना है वह वहाँ कन्सिडरवनी दीजिए, तमाम सुविधाएँ उन को आप वहाँ दीजिए। इस तरह से आप को तीन फायदे होंगे—आप का बजट फिक्म होगी, कन्सिडरटी फिक्म होगी और ब्लैक मार्किटिंग नहीं होगी, जो रा-मैटीरियल चाहिए, वह मिल सकेगा। आप इन्व म टैक्स के प्वाइन्ट थ्रू ऑफ़ से बैक

करने के लिए अपने प्रॉफ़िट्स को वहाँ लगा सकते हैं। इसी तरह से मान लीजिए किसी बैकवर्ड एरिया में लाइम-स्टोन निकलता है, या इस के बहुत ज्यादा डिमाण्ड्स वहाँ पर हैं, तो ऐसी जगह पर सीमेन्ट फैक्टरी अपने आप लगेगी, उस जगह पर इन्वेन्टिव देने की जरूरत नहीं है।

मैं निवेदन करना चाहता हूँ—हमारे यहाँ ग्रायरन-पायराइड्स की खदानें हैं, जहाँ सल्फ़रिक एसिड निकलेगा—निश्चित बात है कि वहाँ इसके छोटे मोटे कारखाने लगेंगे, आप इन्वेन्टिव दीजिये या न दीजिये लाजनी है कि लोग वहाँ जाकर कारखाने लगायेंगे। इस लिए मैं निवेदन करता हूँ कि ऐसी जगह पर इन्वेन्टिव नहीं देना चाहिये।

MR. DEPUTY-SPEAKER: We are not discussing industrial policy. We are not discussing the setting up of industries generally.

श्री श्रीकिशन मोदी : बैकवर्ड एरिया किस का कहना है वहाँ मैं कह रहा था . . .

17.00 hrs.

MR. DEPUTY-SPEAKER: This is not the scope of the Bill namely how to develop the industrially backward areas. The scope of the Bill is different. It is limited to what kind of tax concessions can be given, to which industries, in which areas, in order to develop the particular place. But if hon. Members want to increase the whole thing to discuss the entire gamut of industrial policy, then it is something else. You can always expand the scope, if you like. There can be no end to that. If you want to discuss the industrial policy of the whole country, you should take one full day. We are discussing this particular Bill. Please conclude.

श्री श्रीकिशन मोदी : मैं यही कहना चाहता था कि बैकवर्ड एरिया किस को कहते हैं और बैकवर्ड एरियाज को डेवलप हो सकते हैं।

SHRI S. M. BANERJEE (Kanpur): They want to convert the whole country into a backward area.

MR. DEPUTY-SPEAKER: They do not have to do anything for that.

SHRI S. M. BANERJEE: Take Shri Puro Mody's area. That area has not developed. Only he has developed.

SHRI P. VENKATASUBBAIAH (Nandyal): This is one of the many attempts made by Government to remove regional imbalances, by certain tax incentives for people to start industries in the backward areas.

I have gone through this Bill. Of course, there are some incentives given. My fear is that instead of giving incentives or encouragement to the local people to start industries, perhaps you might attract big industrialists to take advantage of the tax concessions given by the Government and start industries ignoring local talent or local entrepreneurs.

About the list of backward areas also and the quantum that qualifies for small scale industry, I feel there are certain revisions to be made. Some of our friends are talking about the list of backward areas. If a district is taken as a unit, some other districts where there are really backward pockets suffer. For instance, in Andhra Pradesh, districts have been taken and they are really backward. But there are some other pockets even in so-called affluent districts like Guntur, East Godavari, West Godavari and other places where they qualify themselves as backward areas. So I would only suggest that the same or block can be taken as a unit. That would be the criterion that should apply. Under that, there is scope for really deserving backward areas coming in for help by Government.

Another important factor is that whatever concessions you give, you will not be able to attract local entrepreneurs or encourage them if you

cannot build up the necessary infrastructure in that area.

MR. DEPUTY-SPEAKER: That point has been made by many speakers.

SHRI P. VENKATASUBBAIAH: I would only emphasise it. Growth centres should be identified and infrastructure facilities have to be provided.

Thirdly, as regards the industries that are to be started, Shri Modi made a remark with regard to the exploitation of available resources. He said limestone is available in an area, so why should Government give no incentives to start a cement factory in that area? That is a fallacious argument. The incentive could be very well utilised in the shape of the tax concessions are given in that area to exploit the raw material resources for cement manufacture. For instance, in my area, there is 50 per cent of the available limestone deposits in the country. Not even one cement factory has come because there is no infrastructure and no incentives had been given. If at all a licence is given, it will be taken away by some industrialist of Bombay or Calcutta and he will start industry and exploit the tax concessions given by the Government. Though it is not within the scope of this Bill, I say that infrastructure should be built up and incentives should be given to the local entrepreneurs. Industrial Finance Corporation, Industrial Development Bank of India and other financial institutions should be liberal in giving loans at concessional rates to local entrepreneurs. I feel that the intention with which this Bill has been brought forward, namely, to give incentives for establishing industries in backward areas should be followed up by having the infrastructure facilities and by giving loans on liberal terms. The limit of Rs. 7,50,000 should be raised. With these words I support the Bill.

MR. DEPUTY-SPEAKER: The hon. Minister.

श्री मधु लिःमि : हम लोग जरा प्रवर
समिति के चयनमें न को चुनना चाहत थे ।

MR. DEPUTY-SPEAKER: Why do you want to introduce procedure which will create trouble later on. It is not the procedure. (Interruptions) Order, please. I have already called the hon. Minister.

SHRI K. R. GANESH: I am thankful to the hon. Members who have taken part in this debate. Firstly, this Bill seeks to give effect to certain proposals in indications of which the hon. Finance Minister gave in his budget speech for 1973-74. He indicated there about the withdrawal of development rebate. He indicated that he would be bringing in

some measures for encouraging industries in selected backward

areas and for promoting research and development and exports. The main discussion today revolved around the schedules and the criteria laid down for backward areas. I have explained the various provisions of the Bill as adopted by the Select Committee with regard to initial depreciation, backward areas, research and other concessions.

I do not agree with the hon. Member Shri Chatterjee that this Bill has been brought here to give concessions to the larger houses. The fact remains that in the present stage of development, incentives are necessary. They have become a part of many other developed countries also.

SHRI SOMNATH CHATTERJEE:
Here it is abused.

SHRI K. R. GANESH: It is for us to see that it does not get abused. I do not think it is the contention of hon. members that in the present stage of our development with shortages, production constraints etc., when a faster industrialisation is necessary, so that the country can reach economic self-sufficiency.

SHRI SOMNATH CHATTERJEE:
They do not want it themselves.

SHRI K. R. GANESH: Figuratively speaking, that is what they have said. Incentives are necessary because the development rebate had served the purpose for which it was intended, since industrial growth had taken place up to a point and because of the larger industrial base, the net revenue outgo was increasing to about Rs. 70 or 80 crores. The proposed incentives are considered necessary. It is, of course, the responsibility of the Government of India to see that it is not misused.

The criteria on the basis of which industries have been selected were given before the Select Committee and discussed. The criteria indicated by Government representatives are as follows: Capital intensiveness of the industry, high priority from export angle, essential needs of intermediate and investment goods, essential needs of mass consumption, capacity constraint and industries which are making abnormally high profits. On the basis of these criteria, the Ninth Schedule has been drawn up. In working it out, there may be certain omissions. There may be views that some more industries should have been there. But the criteria which formed the basis of the ninth schedule, I have indicated.

Government had set up under Shri Pande a committee to work out the criteria for locating backward areas. This matter went before the National Development Council. After that, a series of discussions took place between the Reserve Bank, IDBI etc. and a set of criteria were worked out, on the basis of which these districts have been selected. This may be different from general backwardness. This may be different from the way the State Governments are looking at this problem. But two rationales were there. One is that the district should not be an advanced district. Secondly

It should not be that backward where in spite of whatever concession you may give, industries will not come because industries require some infrastructure and various other things like adequate labour population, some climate and environment of growth etc. It is possible to have another point of view. It is possible to say that some more districts should have been included. On the basis of these criteria the Planning Commission delineated these districts. It is to these districts that concessional finance has been given. Therefore, it was thought that it is better to continue to have these districts. After all, a body has gone into it, a number of committees have gone into it, the State Governments have given their views and the NDC has gone into it. Therefore, it was thought better to have it. Of course, an alternative view is possible. Hon. Members can say that there are certain districts which can be included in this. That is a viewpoint.

SHRI B. V. NAIK: It is not a viewpoint; it is a chorus of suggestion.

SHRI K. R. GANESH: Hon. Members have made many suggestions about glass industry, agro-based industries, oil products and so on. These suggestions may have some validity but the Select Committee has gone into all these points and improved the Bill. So, it will not be possible for me to accept these suggestions. Of course, they will be borne in mind by us. With these words, I commend the Bill for the acceptance of the House.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill further to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and the Companies (Profits) Surtax Act, 1964 and to provide for certain related matters, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

MR. DEPUTY-SPEAKER: We will take up clause by clause consideration. There are no amendments to clause 2. The question is:

"That clause 2 stand part of the Bill"
 the motion was adopted.

Clause 3 was added to the Bill.

Clause 3—(Amendment of Section 32.)

SHRI D. K. PANDA: I beg to move: *
 Page 3, line 26,—

for "twenty per cent." substitute—

"fifteen per cent, but in the case of small scale industries thirty per cent. and medium scale industries twenty five per cent.," (2).

Page 4, line 34,—

for "seven hundred and fifty thousand" substitute—"fifteen lakhs" (3)

There is a rationale behind my amendment No. 2. This is absolutely reasonable from the point of view of the Bill which the hon. Minister has introduced. That is why I appeal to the hon. Minister to accept this.

SHRI K. R. GANESH: This is not acceptable.

SHRI D. K. PANDA: My amendment No. 3 seeks to broaden it so as to include more small-scale industries. Again I make an appeal to the hon. Minister to accept it.

SHRI K. R. GANESH: I am sorry, I cannot accept it.

17.19 hrs.

[SHRI VASANT SATHE in the Chair]

MR. CHAIRMAN: I will now put amendment Nos. 2 and 3 to the vote of the House.

*Amendments moved with the recommendation of the President.

Amendments Nos. 2 and 3 were put
and negatived.

MR. CHAIRMAN: The question is:

"That clause 3 stand part of the
Bill"

The motion was adopted.

Clause 2 was added to the Bill.

MR CHAIRMAN: There are no
amendments to Clauses 4 to 8.

The question is:

"That Clauses 4 to 8 stand part
of the Bill"

The motion was adopted
Clauses 4 to 8 were added to the Bill
Clause 9—(Insertion of new section
80 HH)

SHRI D K PANDA: I beg to
move *

Page 6, line 26,—

after "per cent", insert—

"but in the case of small and
medium scale industries or the busi-
ness of a hotel run by such indus-
trial undertaking forty per cent" (4)

Page 8,—

omit lines 39 and 40 (5)

This is, again, a very simple amend-
ment. It relates to small and medium
scale industries. You give some more
concession to small and medium scale
industries.

SHRI K R GANESH: I am not ac-
cepting it.

MR CHAIRMAN: Now, I put Am-
endment Nos. 4 and 5 to Clause 9
moved by Shri D K Panda to the
vote of the House

Amendments Nos. 4 and 5 were put
and negatived

MR CHAIRMAN: The question is
"That Clause 9 stand part of the Bill"

The motion was adopted.

Clause 9 was added to the Bill.

Clauses 10 to 14 were added to the
Bill

Clause 15—(Insertion of Eighth
Schedule)

SHRID K PANDA: I beg to move:*

Page 11, lines 16 and 17,—

after "Dhenkanal" insert—

"Ganjam," (6)

This amendment is for inclusion of
Ganjam district in the Ninth Schedule.
My appeal to the hon. Minister will be
that let the matter be referred to the
President of India, M. V. V. Giri, who
comes from that district

AN HON MEMBER: Wait for a
month

SHRI D K PANDA: The very prin-
ciple that has been enunciated by Mr
Ganesh that there are some communi-
cations should be followed. Once upon
a time it was within the old Madras
Presidency. There are now commu-
nications. It is not yet developed eco-
nomically. It is really a backward
area. I would request the hon. Minis-
ter to include Ganjam in the Ninth
Schedule

Again, my appeal to him will be
that let it be referred to the President
of India, Mr. V. V. Giri who comes
from that district

SHRI K R GANESH: I have already
explained about it.

MR CHAIRMAN: I put Amendment
No. 6 to Clause 15 to vote.

Amendment No. 6 was put and nega-
tived

MR CHAIRMAN: The question is:

"That Clause 15 stand part of the
Bill"

*Amendments moved with the recommendation of the President.

The motion was adopted.

Clause 15 was added to the Bill.

Clause 16—(Insertion of Ninth Schedule.)

SHRI PILOO MODY: I beg to moved*.

Page 12,—

after line 43, insert—

"24. The Glass Industry." (1).

SHRI D. K. PANDA: I beg to move:-

Page 12,—

Omit line 28. (9).

Page 12,—

Omit line 29. (10)

MR. CHAIRMAN: Shri Madhavrao Scindia—absent. Amendment Nos. 8 and 11 are the same as the Amendment No. 1 moved by Shri Piloo Mody.

SHRI PILOO MODY: What I had to say on the subject I have already said. In addition to that, several memoranda have been sent to the Minister which he should have read and, if he has read them, he has obviously not understood them. Further to that, I wrote a letter to Mr. Chavan which his Secretary must have also read. Since the whole process goes about in a vacuum, while I am pressing for the amendment, I am not going to add any more pearls before the House.

श्री मूलबन्ध बना (पाली) नभापनि महोदय जो चार काउन्सिलियाँ बनाये गये हैं, वे चाहे इस पर लागू होने हैं। 45 करोड़ रुपये का इन्वेन्टमेंट है। 4 करोड़ रुपये का फारेन एक्सचेंज मिलता है। बाहर से कोई ग मेट्रीरियल मंगाने की जरूरत नहीं है, सारा इंडियन मेट्रीरियल है। ग्लास इंडस्ट्री को डेवलप करने की जरूरत है। यह जानना

चाहता हूँ कि वह कौन सा काउन्सिलियन है, जिस के कारण मंत्री महोदय ग्लास इंडस्ट्री का नवे सिद्ध्युन में नहीं रखना चाहते हैं। वह बतायें कि इस के क्या कारण हैं।

SHRI B. V. NAIK: Mr. Chairman, I have sought your special permission under rule 79 to move my amendment.

MR CHAIRMAN: You have not been permitted. One day's notice is required to be given and you have not given that. Therefore, no permission can be granted.

SHRI B. V. NAIK: May I submit to you the rule? Unless the Speaker allows the amendment to be moved...

MR. CHAIRMAN: He has not allowed it.

SHRI B. V. NAIK: I am seeking your special permission.

MR. CHAIRMAN: I cannot allow this amendment to be move unless a day's notice has been given.

श्री एल० ए०० दनजी (कानपुर) नभापनि महोदय, मैं ग्लास इंडस्ट्री सम्बन्धी एम्बेडमेंट का समयन करना चाहता हूँ। मैं नहीं जानता कि आप कभी डिगोजावाद नये है या नहीं। अगर हाँ, एक दफा कहा जाये, तो आप को पता लगेगा कि हाजार्क पहले तो कहा शीशे का सामान बहुत बूड फार्म में बना करता था, ने कन अब कहा जो बुडगा, ऐण्ड्रे और फुलावरवेस वपरह बोले बन रहते हैं, वे किन्सी कट-ग्लास से कम नहीं है। उन का एक्स पोन्टे पोन्टेगल है और काको एक्सपोर्ट हो अ.रहा है। इसलिए अगर उन इंडस्ट्री को इन्वेन्टमेंट न दिया जाये, तो बिच को दिया जाये। प्राय की मार्फत श्री गणेश में मेरी यह दरखास्त है कि कम से कम वह एक बार फिरोजावाद जा कर देखें कि वहाँ किन्सी खूबसूरत खुड़िया बनती हैं। मैं चाहता हूँ कि इस इंडस्ट्री को

*Amendment moved with the recommendation of the President.

कुछ प्रोटेक्शन दिया जाये। ऐसी बहुत सी इंडस्ट्रीज को इस बिल में शामिल किया गया है, जिन को प्रोटेक्शन और इनसेन्सिबिल की कोई जरूरत नहीं है, जिनको चलाने वाले करोड़पति ही रहे हैं। फिरोजाबाद में माइना-रिटी कम्प्यूनिटी के लोग २१ इंडस्ट्रीज में लगे हुए हैं। उन को बचाना बहुत जरूरी है।

सी तरह सिरेमिक्स इंडस्ट्री को भी, चाहे वह उत्तर प्रदेश में हो और चाहे किसी और प्रदेश में, प्रोटेक्शन और इनसेन्सिबिल मिलना चाहिए। सभासक्ति महोदय, अगर मंत्री महोदय इस एमेंडमेंट को नहीं मानते हैं, तो मैं उनका मताने की कोशिश करे।

SHRI K. R. GANESH: As far as small scale industries are concerned, they will be covered under the provision made. The rest, I am not able to accept.

SHRI S. M. BANERJEE: Will Ferozabad be covered?

SHRI K. R. GANESH: If it comes under small scale industry.

श्री एस० एम० बनर्जी: क्या फिरोजाबाद को ग्लान इंडस्ट्री इस से कवर होगी या नहीं?

सभासक्ति महोदय: अगर साढ़े सात लाख रुपये के अन्दर होगी, तो वह कवर हो जायेगी। क्या फिरोजाबाद में वह इंडस्ट्री साढ़े सात लाख रुपये के अन्दर है या बाहर?

श्री श्री किसन मोदी: अगर साढ़े सात लाख रुपये की जगह पंद्रह लाख रुपये कर दिया जाये, तो सब समस्या हल हो जायेगी।

श्री एस० एम० बनर्जी: अगर मंत्री महोदय यह धारणा रख दें कि फिरोजाबाद की ग्लान इंडस्ट्री इस से कवर होगी, तो फिर यह एमेंडमेंट मूव करने को जरूरत नहीं होगी; लेकिन इस बारे में कभी इंडस्ट्रियल प्रोटेक्शन नहीं चाहिए।

MR. CHAIRMAN: I do not mind if the suggestion made by the hon. members here to increase the limit is accepted by the hon. Minister.

It is for the House to decide.

श्री श्री मोदी: वहाँ मैंने कहा था लेकिन ये माना ही नहीं है। दाम जिस तेजी से बढ़ रहे हैं... (व्यवधान)... फी वोट ग्वार हो जा तो डिमांड हो ही जायगा। लेकिन रघु जी बड़े हुये हैं तुम्हें अपना बिल निकाल देंगे तो क्या होगा? स्पॉन्सिंग आफर दें दें कि जिसको जवाब वोट देना हो बढ़ दे दें।

SHRI B. V. NAIK: This is something on which we are not on any ideological grounds. We know that there are certain ground-level problems.

SHRI K. R. GANESH: It is not possible to accept it.... (Interruptions)

SHRI B. V. NAIK: Either the Minister should convince us or we convince the Minister.

SHRI M. C. DAGA: What are the solid grounds on which he is rejecting our suggestion?

SHRI B. V. NAIK: Kindly use your discretion. As you yourself said on the floor, this is a matter for reconsideration.

श्री श्री सिन्धिया: मेरा एक व्यवस्था सवाल है। इस सदन में अधिकांश लोगों की इच्छा है कि इस संशोधन को स्वीकार किया जाय लेकिन स्टेट मिनिस्टर साहब इस को स्वीकार करने की स्थिति में नहीं हैं। मैं जानना चाहता हूँ कि इतना महत्वपूर्ण बिल प्राया है तो बिल मंत्री यहाँ पर क्यों मौजूद नहीं हैं? प्राय उनको आने के लिए प्रादेश दीजिये और इस क्लॉज की बहस को सपोर्ट करिये। क्या बिल मंत्री का यह कर्तव्य नहीं है कि हाउस में मौजूद हैं? कुछ कीच में आए और थोड़ा हकी मजाक करके चले गए।

SHRI PILOO MODY: The point that I want to make is that when the Ministers come to this House pre-determined, with their minds shut and their ears and eyes closed that they are not going to accept any amendment at all, I do not see any purpose in the debate. This never happened in the past Lok Sabha and it is happening now constantly in the fifth Lok Sabha. I think therefore, just to prove that they have not kept their minds close, they must accept this amendment. Besides, I have not moved any other amendments. This is the first amendment I move.

शुभ संज्ञा है। ये सर्वार्थीय नहीं है।
ये विदेशी मन्त्री के आदेशों के काम कर रहे हैं।

SHRI M. C. DAGA: जय गुरु
इंडोयन टूना या उस समयकालम इन्डस्ट्री की कीमत माहें सात लाख थी, आज जब आप उसे पाम करने जा रहे हैं उसको कीमत 15 लाख हो गई है। तो इसको प्रायः खरीद क्यों कर रहे हैं? हमने सीजन दिया है कि 45 लाख का इसमें डिस्कॉन्ट है, चार करोड़ का फार्गेन एक्चेंज मिलना है देखी ग मॅट्रोपियन लगता है, 1 लाख नेबर काम करता है उतना लाभ होता है तो

What are your reasons that you want to exclude this?

इसको ताइम्य शेड्यूल में क्यों नहीं इन्कलूड करते हैं ?

श्री संकर डेब (बीटर) मैं यह निवेदन करना चाहता हूँ कि इसमें नेबर इंडस्ट्री को भी इन्कलूड करना चाहिए क्योंकि उनमें उगादातर शेड्यूल कास्ट थीर बेकवर्ड क्लसेज के लोग काम कर रहे हैं।

समाप्ति : हँ, बाप। देखिये, सभ्राँ तो एक ही बात बल रही है कि माहें सात लाख से 15 लाख किया जाय। अब दूसरी बातों में जायेंगे तो वह यह आयगी। इसलिये इस बात पर कहिए।

SHRI S. M. BANERJEE: My submission is only this that while replying to my point the hon. Minister said that this will be covered under cottage and small scale industries. You in your wisdom, pointed out rightly that unless the total amount is raised from Rs 7 lakhs to Rs. 10 lakhs or Rs 15 lakhs, it may not be covered and it was very ably explained by Shri Madhu Limaye in his speech that three or four years ago, this Rs 75 lakhs meant something. But, to-day, unfortunately, because it was your creation or it is anybody's creation, the money value has gone down and it should be raised to Rs. 14 or Rs 15 lakhs. There are two alternatives. Either the hon Minister should accept to raise it or he should move an amendment himself to raise it from Rs 75 lakhs to Rs. 14 or 15 lakhs.

MR CHAIRMAN: Is there any amendment by any member that it should be raised from Rs. 75 lakhs to Rs. 15 lakhs? Here is clause 18; I want to know whether under Clause 16, there is any such amendment. We cannot go back; that will be the technical difficulty, only the Minister will have to come up with an amendment.

PROF MADHU DANAVATE: We have reopened in the past..

MR CHAIRMAN, I would not like to do that. The matter is within the common knowledge that the value of Rs. 7-1/2 lakhs was fixed so many years ago and now this has gone up considerably. So far as I am able to gather, this appears to be the consensus and I would like to hear from the Minister

SHRI PILOO MODY: What happened was, import of machinery used to take place on the basis of US AID credit in respect of the glass industry. Now these credits are stopped in 1971. For three years there were no credits to this particular industry. No machinery was allowed to be imported

and no orders were placed and subsequently the credits were finally open in December, three months later and the development rebate was cut short. In other ways also this particular industry has been subject to great hardship. I do not know whether the Minister is even aware of this. For three years they had no opportunity to import, and now you are coming with this law.

MR CHAIRMAN We are now under larger issues which will cover the case of the industry which you mention also. So this short point should be considered. I want to know from the Minister whether he would like to have some time to consider this.

PROF MADHU DANDAVATE I want to express one plea. It has been said that Mr Panda moved an amendment to the earlier clause which was not accepted. I want to point out that it is not very difficult to proceed with this matter because I find that we have in the past reopened the previous clauses which were accepted by the House. We have got such precedents in the House. One was with regard to the Criminal Procedure Code and the other was with regard to the Aligarh University. In both these cases certain clauses were already adopted. In spite of that due to certain compelling circumstances those clauses were reopened and from the Treasury Benches themselves certain amendments were brought. Those amendments were accepted. Therefore I would like to point out that that particular difficulty which you mentioned could be got over. Even those clauses might be reopened. This is my respectful submission.

MR CHAIRMAN The Government has no amendment. I am trying to find out from the Government whether in view of the consensus they are willing to reconsider this. They can bring it up again tomorrow morning.

SHRI P G MAVALANKAR, I do not want to add anything to the consistently and validly made points by several hon. Members from various sides of the House. If on a particular matter (which has nothing to do with political difference etc.) when Members from all the sections of the House are agreed.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI K RAGHU RAMAIAH) Not all.

SHRI P G MAVALANKAR Well a majority of them, then why should Government not agree to a certain consensus which has emerged on a particular issue, Sir?

After all why should they stand on prestige? Where is the prestige involved? I should have thought that the Government's prestige would have increased if they go by the consensus of the House at least on some matters where there is no difference of opinion they should cut across party lines and accept the particular amendment.

MR CHAIRMAN I think everything that is persuading the Government has been said. Therefore, I would like to hear the hon. Minister.

SHRI K R GANESH This ceiling has been taken from the Industries Development and Regulation Act. It has been defined therein that the small scale industry is one.

MR CHAIRMAN Mr Ganesh, the point that was made is this. Under the Industries Development and Regulation Act 1951 the definition was incorporated some years back when the ceiling was put at Rs 75 lakhs. So much time was over and the value of Rs 75 lakhs has gone up. It is common knowledge. So would you like to consider this?

SHRI K R GANESH As you are aware, this matter was considered in the Select Committee and it was discussed threadbare. The question of

inclusion of small scale industry was there. It has been included and so, I am not in a position to accept this suggestion.

MR. CHAIRMAN: I cannot help it. What we can I do? Please do not try to side-track the issue. It is neither here nor there. This is a matter which I leave to the House to decide.

SHRI PILOO MODY: Mr. Chairman, Sir, the Minister has replied to some other things. But, he has not replied to my amendment.

MR. CHAIRMAN: Are you accepting Mr. Mody's amendment?

SHRI K. R. GANESH: If that is about glass industry, I am not accepting it. It has not been included in the priority industry. If any member gets up and says that such and such an industry is to be included as a priority industry, then it is not possible for me to accept that at this stage.

MR. CHAIRMAN: I shall now put amendment No. 1 to clause 16 moved by Shri Piloo Mody to the vote of the House.

The question is:

"Page 12,—

after line 43, insert—

"24. The Glass Industry." (1)

The Lok Sabha divided:

Division No. 4

(17.49 hrs.)

Ayes

Bade, Shri R. V.
 Banerjee, Shri S. M.
 Chatterjee, Shri Somnath
 Dandavata, Prof. Madhu
 Hazra, Shri Manoranjan
 Joarder, Shri Dinesh
 Limaye, Shri Madhu
 Madhukar, Shri K. M.
 Mavalankar, Shri P. G.
 Musra, Shri Janeshwar

Mody, Shri Piloo
 Mohanty, Shri Surendra
 Nayak, Shri Baksī
 Parmar, Shri Bhaljibhat
 Ramkanwar, Shri
 Singh, Shri D. N.
 Thevar, Shri P. K. M.
 Vijay Pal Singh, Shri

Noes

Arvind Netam, Shri
 Barua, Shri Bedabrata
 Basappa, Shri K.
 Bist, Shri Narendra Singh
 Chandrika Prasad, Shri
 Chaudhary, Shri Nitiraj Singh
 Chavan, Shri Yeshwantrao
 Chhotey Lal, Shri
 Daga, Shri M. C.
 Dalbir Singh, Shri
 Deo, Shri S. N. Singh
 Deshmukh, Shri Shivaji Rao S.
 Dharia, Shri Mohan
 Dumada, Shri L. K.
 Dwivedi, Shri Nageshwar
 Engti, Shri Biren
 Ganesh, Shri K. R.
 Gavit, Shri T. H.
 Gill, Shri Mohinder Singh
 Gokhale, Shri H. R.
 Hari Kishore Singh, Shri
 Hari Singh, Shri
 Ishraque, Shri A. K. M.
 Jadhav, Shri D. P.
 Kailas, Dr.
 Kamala Prasad, Shri
 Kumbhar, Shri T. D.
 Kurose Singh, Dr.
 Maharaaj Singh Shri
 Mandal, Shri Jagdish Narain
 Mehta, Shri Shrikishan
 Muhammed Khuda Bakhsh, Shri
 Ojha, Shri Kartik

Oraon, Shri Tuna
 Painuli, Shri Paripoornanand
 Pandey, Shri Krishna Chandra
 Parashar, Prof. Narain Chand
 Pratap Singh, Shri
 Raghu Ramaiah, Shri K.
 Ram Sewak, Ch.
 Ram Swarup, Shri
 Ramshekhar Prasad Singh, Shri
 Rao, Shri M. S. Sanjeevi
 Reddy, Shri P. Narasimha
 Samanta, Shri S. C.
 Satish Chandra, Shri
 Satpathy, Shri Devendra
 Shambhu Nath, Shri
 Shankar Dev, Shri
 Shankaranand, Shri B.
 Shastri, Shri Sheopujan
 Sher Singh, Prof.
 Shukla, Shri B. R.
 Subramaniam, Shri C.
 Venkatasubbaiah, Shri P.
 Vikal, Shri Ram Chandra
 Zulfiquar Ali Khan, Shri

MR. CHAIRMAN: The result* of the division is: Ayes 18; Noes 57.

The motion was negatived.

MR. CHAIRMAN: Now I put amendments Nos. 9 and 10 to clause 16 moved by Shri D. K. Panda to the vote of the House.

Amendments Nos. 9 and 10 were put and negatived.

MR. CHAIRMAN: The question is:

"That clause 16 stand part of the Bill".

The motion was adopted.

Clause 16 was added to the Bill.

Clauses 17 to 24 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI K. R. GANESH: I beg to move:

"That the Bill, as reported by the Select Committee, be passed".

MR. CHAIRMAN: Motion moved:

"That the Bill, as reported by the Select Committee, be passed".

श्री कमल मिश्र मधुकर (केसरिया):
 उपाध्यक्ष जी, जो विधेयक लाया गया है सब लोगों ने माना है कि उससे उद्देश्य की प्राप्ति नहीं होगी, और बड़े हाउसेज को कंसेशन दिया जा रहा है उस के बावजूद भी पिछड़े हुए इलाकों में उन का विकास नहीं होने वाला। हम चाहते हैं कि छोटे उद्योगों के विकास के विधेयक में सुविधायें दी जानी चाहियें, जो नहीं हुआ। जिस का परिणाम यह होगा कि फिर आप को नया बिल लाना पड़ेगा।

मैं दो बातों के बारे में कहना चाहता हूँ जो कि आठवें और नवें शेड्यूल के बारे में है। आठवें शेड्यूल में बहुत सारे नये जिले बने हैं जिन का नाम आया है, खासकर चम्पारन आदि का। लेकिन आप ने सीतामढ़ी जिला छोड़ दिया है जो अविकसित हैं। वैसे ही आप ने जिन इलाकों का नाम लिया है और जिन उद्योगों का नाम लिया है उस में चम्पारन में मोलेसेज का उद्योग, पल्प इंडस्ट्री, चावल से तेल वाला का उद्योग, जूट आदि का चर्चा तक नहीं है। नतीजा यह होगा कि जिन उद्योगों का लिस्ट बनाई गई है उस से चम्पारन का विकास नहीं होगा। इसलिए चम्पारन की स्थिति का ध्यान रखते हुये जहाँ चावल, गन्ना, जूट पैदा होते हैं उन से संबंधित उद्योगों के लगाने का बात कही जानी चाहिए। कोदों का नाम नहीं है क्या इस से चम्पारन का

*The following Members also recorded their votes for NOES:
 Sarvshri Ram Bhagat Paswan, B. V. Naik and Ram Dayal.

विकास होगा ? समझ में नहीं आता कि सश्रेकट कमेटी ने चम्पारन को स्थिति पर विचार किया है या नहीं ? अगर क्रिया होता तो जिन उद्योगों का मैं नाम ले रहा हूँ उन का जिक्र किया जाना चाहिए था । अगर चम्पारन का विकास चाहते हैं तो नर्वे शेड्यूल में इन उद्योगों का नाम लेना चाहिए था । खास कर के मोलासेज , चावल को पूरी से तेल निकालने की व्यवस्था हो रही है, गुड़ का उद्योग ऐसे उद्योगों का नर्वे शेड्यूल में जिक्र होना चाहिए जिससे छोटे और मझौले उद्योगपतियों को सुविधा मिलती । यह बिल बड़े उद्योगपतियों को सुविधा देगा और पिछड़े हुए इलाकों का विकास नहीं हो सकता है । इसलिए यह बिल किसी काम का नहीं है, इसमें संशोधन करना पड़ेगा । अभी बिस रुम में यह विधेयक है उस से उद्देश्य की पूर्ति नहीं होने वाला है ।

SHRI K. R. GANESH: I have already replied as to what were the criteria on the basis of which the Ninth Schedule has been worked out. I have mentioned a number of points, capacity constraints, production of mass consumer goods and various other things.

SHRI H. M. PATEL (Dhandhuka): The hon. Member has not understood. Otherwise, he would not have raised this question. So it is not enough for the Minister to say, 'I have already explained these things.' Explain again.

SHRI K. RAGHU RAMAIAH: What is the guarantee that he will understand now?

SHRI K. R. GANESH: The Ninth Schedule has been prepared on the basis of certain criteria, they being capital intensiveness of the industry, capacity constraints, production of mass consumer goods, shortages, priority industries and so on. I hope he has understood now.

PROF. MADHU DANDAVATE is there any possibility of these criteria being reconsidered?

MR. CHAIRMAN: You are not on the same wavelength.

The question is:

"That the Bill, as reported by Select Committee, be passed."

The motion was adopted.

17.57 hrs.

COMPANIES (AMENDMENT) BILL

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. GOKHALE): I beg to move:

"That the Bill further to amend the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956 and the Monopolies and Restrictive Trade Practices Act, 1969, as reported by the Joint Committee, be taken into consideration".

As hon. Members are aware, the Report was presented to this House on 15th November 1973. The Committee, after considering the evidence given before it, has made certain changes in the Bill. The observations of the Committee with regard to the principal changes proposed are detailed in its recommendations. I do not, therefore, propose to speak *in extenso* about the changes, but would like to touch briefly on some of the important points.

MR. CHAIRMAN: He might stop there and continue tomorrow

17.58 hrs .

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 2, 1974|SraVana 11, 1896 (Saka).