

DR. KARAN SINGH: Sir, I introduce the Bill.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2.15 P.M.

The House then adjourned for lunch at twenty-seven minutes past one of the clock.

The House reassembled after lunch at twenty minutes past two of the clock, Mr. Deputy Chairman in the Chair.

**THE DIRECT TAXES (AMENDMENT) BILL, 1974.—Contd.**

SHRI H. M. TRIVEDI (Gujarat) : Mr. Deputy Chairman, Sir, continuing from where I left off, I would say that this particular Bill has three major aspects; first in relation to giving fiscal concessions with regard to the expenditure incurred on research and research personnel, second in relation to giving fiscal incentives for establishment of industries in backward areas and third, in relation to the abolition of development rebate and its substitution by 20 per cent initial depreciation. Sir, dealing with each of these aspects in that order, as I mentioned last time, I would only urge on the Minister that in relation to the provisions which apply for concessions for expenditure incurred on research, I would very strongly urge that they may be very liberally interpreted.

Sir, the hon. Minister must be aware that there have been a large number of legal cases in which there has been dispute about the commencement of business, about the particular assessment years in which these expenses are to be permitted and even with regard to the quantum for expenses, such as salary,

perquisites, etc. All that I would, therefore, urge is that these concessions are welcome but I would urge that they may be very liberally interpreted.

Sir, coming to the second part of this Bill, namely, fiscal incentives for the establishment of industries in backward areas, here, Sir, I think we are faced with a very complex situation. Fiscal incentives have been granted for the establishment of industries in backward areas for the last three or four years. In fact, these fiscal incentives have been growing, they have been increased, from year to year. But, the process of establishment of industries in backward areas has not grown. Sir, some of the provisions in this very Bill indicate that all the major industrial houses including several medium industrial houses have only taken advantage of these fiscal incentives by breaking up the assets of large industrial undertakings in developed areas or by putting up show pieces, I may call them show pieces, or, as one very responsible spokesman of the Ministry of Industrial Development once described them as—week-end industries which are within motoring distance from Bombay, Calcutta or Madras.

Sir, there are three parallel processes going on. I would however like to establish an intimate and logical link between these fiscal incentives and the industrial licensing policy. There are three parallel stands taken by the Government in regard to the industrial licensing policy. It is permitted in developed areas so long as the industry has been considered necessary. There has been no real restriction on the establishment of industries in developed areas and there is continuous pressure for doing so. Secondly, as I said, in backward areas it has always been covered as shown by some of the provisions in this very Act by breaking up the assets of

a large industrial undertaking in developed areas, or, by breaking up an existing backward area industry into two and going to another backward area, and so on. There has been no direct and logical link between fiscal incentives on the one hand and the industrial licensing policy on the other.

And, now, I come to the other aspect of it. More than anything else most industrialists and particularly the major industrialists have continued to harp on the fact that these fiscal incentives are not enough although they have been growing from year to year because the infra-structure does not exist. Now, Sir, if the responsibility for the establishment of major infra-structure is that of the Government and to a large extent one must concede that it is so, but they have not agreed even to establish minor infra-structural facilities for going to a backward area. In fact, generally speaking, Sir, there is a general reluctance to go to backward areas. Therefore, in our industrial licensing policy, simultaneously with the availability of fiscal incentives, unless an element of compulsion is introduced that, by and large, for permission or licence to establish an industry in an already developed area, an effort will be made or a corresponding effort will be made for establishment in a backward area, I am afraid, Sir, this process is not likely to lead us anywhere. Sir, as I said I have heard that the Industrial Development Ministry have themselves conceded that fiscal incentives are the least part of the problem and in a very detailed study conducted by the Ministry of Industrial Development itself they have come to the conclusion that backward areas can develop industrially only if there are selected focal points—certain backward areas—around which industries can be established. Therefore, I would only say

that there must be a direct, logical link established with the industrial licensing policy in this respect.

Now I come to the third part and that is the abolition of development rebate and its substitution by 20% initial depreciation. Most industries have already represented that the 20% initial depreciation certainly is no substitute for development rebate. At the same time I fully appreciate the view of the Finance Ministry that having permitted development rebate for over 15 years it is high time development rebate by itself is abolished. But there is one particular industry whose case I would like to urge, and that is shipping.

As the hon. Finance Minister must be aware, even when 20% development rebate was being given to other industries, shipping was entitled to 40% development rebate. He must be aware that over the whole of the 2nd, 3rd and 4th Five-Year Plans, over an entire period of 15 years it was the availability of the development rebate at 40% to shipping which enabled the generation of internal resources for shipping to be able not only to meet the targets but, in fact, exceed the targets. I think, Sir, the Ministry of Shipping has been pressing the Ministry of Finance that some logical, some reasonable substitute for development rebate for shipping must be established. Twenty per cent of initial depreciation is only deferred taxation. It does not generate resources and, as far as shipping is concerned, I am certain that nothing like the target which we have set for ourselves in the 5th Five-Year Plan in terms of expansion of shipping can be achieved unless a satisfactory substitute for development rebate is established. Here, Sir, I would really like to go further and say that there must be an agreement to permit a higher initial depreciation allowance as

[Shri H. M. Trivedi.]

far as shipping is concerned. But, as a last resort, even if development rebate cannot be re-established exceptionally in the case of shipping, even assuring that to a large extent it may not be possible merely to lay down a higher initial depreciation allowance for shipping, I would like the hon. Minister particularly to take note of this and give the necessary assurance which I am asking for.

Sir, the Taxation Laws (Amendment) Act contains a specific provision empowering the Central Board of Direct Taxes to prescribe a higher rate of depreciation allowance for specified periods in respect of ocean-going ships. Now, Sir, purely as a last resort I would suggest that this specific provision which empowers the Central Board of Direct Taxes to permit a higher rate of depreciation may be made a convention, a practice to permit shipping companies to provide for a higher rate of depreciation. Sir, one of the largest, in fact, one of the leading maritime countries, namely, the United Kingdom, in fact permits free depreciation. Depreciation at a level at which it can be provided. The maximum which the company can provide—by way of depreciation in any year, provided the profits permit, should be permitted to be written off. I would repeat and request the hon. Minister to give us a categorical assurance that in relation to shipping, at least, this particular provision available, this particular power available with the Central Board of Direct Taxes to permit shipping companies in any particular period, in relation to ocean-going ships, a higher rate of depreciation than is otherwise allowed by the Income-tax Act in the year, the maximum that the company can provide, provided profits permit, should be utilised in order to make funds available for the expansion of shipping. Sir,

I would conclude by saying, please be liberal in the interpretation of the provisions relating to expenses for scientific research; in relation to industries in backward areas please reconsider the policy so that you establish a link with the industrial licensing policy and in relation to the resources for shipping I do not think I can plead more strongly than I have already done that shipping should be enabled to generate internal resources by the most liberal interpretation and the most liberal exercise of the powers available with the Central Board of Direct Taxes to permit free depreciation in the periods in which profits permit.

SHRI BHUPESH GUPTA (West Bengal): Mr. Deputy Chairman, Sir, this is in a way technical thing. With certain minor amendments which are sought to be effected in regard to certain categories of taxation the main purpose of this Bill is that it offers certain tax concessions to the monopoly houses in the name of development of backward areas. Sir, from time to time we have such piecemeal measures brought before the House in order either in some cases to raise the taxes—and there generally the victims are the poorer sections of the community—or to give tax exemptions or concessions to those in the upper income brackets.

Now I should like to make some general observations in dealing with this measure. What we expect is a comprehensive review of the income-tax laws of the country and other related taxation laws together with the manner in which they are being implemented. As is well known, that provision for writ is often taken advantage of by the tax evaders and tax dodgers in order not to pay even the assessed tax. Only recently it has been disclosed that the number of those whose tax has been assessed at

Rs. 10 lakhs or more is about 660 or so and the outstanding taxes due from them is of the order of Rs. 173 crores. We have got 33 lakhs of income-tax assesses from whom we collect normally about Rs. 700 odd crores as direct taxes and out of them we see that those tax assessments—not income but actual tax assessed—are of the order of Rs. 10 lakhs or more number about 600 odd and between them they owe the exchequer Rs. 173 crores. It only shows that the taxes are being evaded and avoided in the upper income brackets especially by the monopolist elements and the Government is not in a position to collect those taxes. Mr. Biju Patnaik, for example, is one of them, the leader of the Pragati Party from whom we are supposed to get Rs. 1 crore and more as assessed tax. We have not got it and of course we have gone to the courts, but he is being admired by the ruling party. All the time there are Biju admirers I know in the ruling party and in the higher circles of the Congress leadership and I would like to ask these friends who always in season and out of season go on admiring Mr. Biju Patnaik to persuade Mr. Biju Patnaik to pay at least 50 per cent of the tax due from him: that will fetch at least Rs. 50 lakhs. I do not see as to why our friend, Mr. Chandrajit Yadav should all the time be praising Mr. Biju Patnaik. I think he would be more profitably using his services to the nation in so far as Mr. Biju Patnaik is concerned if he persuades Mr. Biju Patnaik to pay the taxes due from him. I am sure Mr. Chandrajit Yadav has got persuasive capacity and if he tries that with Mr. Biju Patnaik probably some money will be coming from him which is due to the country. Now, Sir, I must congratulate Mr. K. R. Ganesh for the interview he gave to the New Wave Independence Day number: Minister K. R. Ganesh uncovers labyrinth

of black money—by the special correspondent. Nearly a two-page interview has been published. I congratulate him because he has spoken quite frankly to the New Wave and it has published this thing. Certain facts have been revealed. I would like hon. Members of this House to study them. Well, it comes from the Minister-in-charge of revenue, tax collection and so on. Now, what do we get here? We find that about 213 wealth-tax cases have been reopened against the Birlas and their associates plus 35 income-tax cases. Now, these represent only a small number of Birla tax cases, but even so nearly 250 cases have been reopened in the case of the great Birlas who maintain the Lakshminarayan temple here and the Lakshminarayan temples outside. It is being visited by very distinguished personalities of the Government of India.

SHRI RABI RAY (Orissa): Who are they?

SHRI BHUPESH GUPTA: Find out. I do not know how much tax has been evaded or avoided in order to build the Lakshminarayan temple and do holy things in a holy way there. Now, here in this report we find one firm, Anantram Lakkandas in Delhi. The house of the firm was searched in Karol Bagh and Rs. 1 crore cash was discovered, according to this information. You can imagine how much black money these people have. Then, there are many other cases. In Tamil Nadu from one place Rs. 22 lakhs was recovered. Similarly, in the case of Jindal house the ladies who were trying to run away with diamonds were caught and the diamonds they lost to the tax collector and so on. The electronically operated cellar was forced open and there things were discovered. In Bombay in [one house a search was made and it was

[Shri Bhupesh Gupta]

found that all the utensils, except a pot in the latrine were of silver. That is how money is hidden. He has given many instances where these big business people conceal their income.

I am not going into it, but this much I can say that the question of direct taxes is of vital importance. Unfortunately, it cannot be considered piecemeal. For example, only 20 per cent of the total tax revenue of the Government of India come from direct taxes and 80 per cent come from indirect taxes, not according to the latest available figures and the Budget estimates. Yet direct taxes amounted to Rs. 700 odd crores, whereas indirect taxes, in the same year, amounted to Rs. 2,700 or Rs. 2,800 crores. Today it would be perhaps Rs. 3,000 crores or so. Therefore, whereas we see direct taxes increasing at a very slow rate, indirect taxes, the incidence of which falls on the common man, are increasing at a very high rate. Now, you can understand that Rs. 3,000 crores of the amount come from indirect taxes. Now, it has been pointed out by the Wanchoo Committee and others that tax evasion is only one form of generating black money. There are other kinds of tax evasion. There is also evasion in respect of Union excise duties and other things, which Mr. Ganesh in his interview has very ably pointed out, including the manner in which excise duties are evaded by relying on the self-removal procedure which was introduced by Mr. Morarji Desai. This rules out physical verification of stocks on which Union excise duty is imposed. They rely on the statement of the people and levy the tax and much of the things are carted out into the black market with the result that, on the one hand, a kind of artificial scarcities are created. On the other hand, black money is gene-

rated, and black market is fostered. That has also been pointed out. Now, how are we going to face the situation? This is the problem. And when the situation should be faced, we find that this Government is giving tax concessions to multi-lateral corporations in the country, to big business people, in the name of development of the backward regions. Why should not the backward regions be developed in the public sector or with the help of the small industries and so on? The small industries could come up there; the public sector could come up there. Recently, in the House the Government has revealed that five business houses with less than 400 companies have taken away Rs. 186 crores whereas in the same year, that is up to June, 1973, 80,000 odd units belonging to the small-industries sector between them had taken barely Rs. 356 crores. That is to say, what the five business houses with their 300 odd concerns have taken away, twice as much, less than twice, has gone to the 80,000 small-scale units in the country. That only shows the uneven, unconscionable distribution of the capital resources in the country with a view to bolstering up big business, and yet they are the biggest tax-evaders. I know for a fact that in the case of the Birlas, one person was investigating the tax case and foreign exchange violations and so on. On a special order from the highest authorities in Delhi, he was transferred from his position and reverted back to his original job. He was not on deputation, he was sent away from the Exchange Control Department back to the income-tax department. Now, Sir, this is how the taxes are evaded. The Birlas do not pay the wealth-tax as they should, and it has been pointed out that many capitalists do not pay wealth-tax. Prof. Kaldor gave an integrated scheme of investment, it was a moderate scheme. We discussed

it many years ago in this House. We ' expected that this particular scheme would be implemented as a whole. At least, the approach should be to surround the prospective tax-assessee from all sides so that he has no escape route whatsoever. But what did the Government do ? Instead of doing that, instead of surrounding him from all sides in order to tax him, they left a lot of loopholes in the existing tax laws, and certain taxes they did not impose at all. This is how things are happening, with the result that black money now has come to be known as a parallel economy in our economy. And the Wanchoo Committee estimates that Rs. 1400 crores of black money is generated every year through tax evasion. It will not be less than Rs. 2000 to Rs. 3000 crores. It is estimated that between Rs. 7000 and Rs. 14000 crores worth of transactions take place in the black market. Black market has become a system. These raids are important, they should be carried out, they should be stepped up. And I should welcome that those income-tax officials and others who are faithfully, loyally and honestly carrying out the raids should be rewarded. I am not one of those who will accuse the officers all the time. I know that there are some black sheep; there are some corrupt people. But there are good people also in the Income-tax Department who should be rewarded. If they today carry on their drive in an effective manner in big cities and so on and unearth black money and tax evasion, then, of course, they deserve to be encouraged by us and we in Parliament should like to know the names of those meritorious and loyal officials because they deserve a word of good cheer from us. What about agricultural income-tax? The Raj Committee's Report has been rejected. Agriculture is a big sector of our economy accounting for nearly 45 per cent of the

total national income. New income is being generated there as a result of developmental activities not only due to fertilisers, seeds, irrigation and so on but also due to bank advances. Thirty per cent of the bank advances go to agriculture which is, of course, grabbed by landlords and kulaks and others of that type. The poor people do not get it. Anyhow what about taxing this additional income which is generated in agriculture? To-day only 0.58 per cent of the agricultural income goes to the exchequer through direct taxes, whereas it should be not less than Rs. 1,000 crores. if not more, which we should get by way of direct taxes from the agricultural sector. Agricultural income-tax is not imposed because the Congress Party and others rely on the kulaks and landlords for political support. So long as the Congress relies on the political support of the landlords and kulaks in Maharashtra, Punjab and other places, their State Governments are not going to be very enthusiastic about imposition of the agricultural income-tax. That is why in spite of the recommendations of various competent committees and sometimes suggestions given by the Government at the Centre, the State Governments are not willing to go ahead with the imposition of agricultural income-tax. Sir, our tax arrears come to Rs. 800 crores, gross arrears, out of which, they say, effective arrears are of the order of Rs. 450 crores or so. Now, I should like to know what is this business of 'gross' arrears and 'effective' arrears. It only shows that some taxes are being written off as a matter of routine, and the big business people get away after some time from paying their taxes. Here, we have, for example, Mr. Goenka, whose name Mr. Ganesh has mentioned. Everybody knows how he handled the funds of the newspaper concerns with a view to cornering shares in

[Shri Bhupesh Gupta]

the Indian Iron and Steel Company. He has now been caught. Why is the prosecution not being pursued more vigorously? Why is he not being put in the dock in the most effective manner? I should like to read out one portion of what Mr. Ganesh said.

"The raids on the Expression Newspapers Ltd., Madras, showed a tax due of Rs. 1.5 crores. Rs. 85 lakhs were seen entered as fictitious cash credits in the case of another Goenka company, Arc Investment Company Ltd."

Now Goenka are involved there. It is a scandal story. But what are you going to do about it? The existing laws do not seem to be adequate to deal with them, or some people are not using them properly. Again 'Hawalas' are people who keep deposits with black money merchants. Mr. Ganesh revealed:

"The authorities conducted five important raids on 'Hawalas' in Bombay last year which appeared have a salutary effect on this type of operation. During the raids, it was found that one Kantilal Eussa had lent his name to bogus entries totalling Rs. 6 crores."

That is how it is running. AH I am saying is that we have reached a stage where tinkering with the problem will not do. We must cease to think in terms of giving tax concessions to (the big monopoly houses, to the big business houses, speculators and others. They are getting tax concessions. They are getting advances from financial institutions of the country. They run a parallel economy. Their own resources go into the black channel whereas they utilise funds from the public institutions in order to carry out their aims. They take money in the names of expansion which they do not carry out sometimes. They take money to raise pro-

duction, which they do not utilise for raising production. (*Time-beli rings*). This is how the Birlas and Tatas are functioning. Not all the waters of the Bay of Bengal or the whole waters of the Ganges will wash away their sins. The Birlas' sins are so great that you can pour the whole of Ganges waters for a whole century and yet their sins will not be washed away at all. Therefore, it is no use trying to encourage these people. Mr. K. K. Birla is now a favourite of some people in the ruling party. The Birla family, even according to Mr. Ganesh's disclosures, are the greatest tax evaders. I should like to know how many Ministers meet K. K. Birla and how many Ministers entertain deputations sent by him, by K. K. Birla and others of the Birla family. The ladies of the Birlas also are tax-evaders. We are supposed to be a land of Sita and Savitri; we are supposed to be. But when we come to list the tax-evaders, the names of all the Birla ladies figure there. Well, we have produced in the Birla family a whole number of ladies who are wonderful in tax avoidance and tax-evasion. I do not know whether the in-laws of the Birlas are shamed of it, whether their fathers-in-law are ashamed of it, whether their sons-in-law are ashamed of it. But every Indian will certainly be ashamed as a result of what is happening in the Birla family. G. D. Birla is behind the whole thing. He now puts his daughters-in-law and grand daughters-in-law and nieces and others in the category where tax matters are handled so that if their names come, nobody bothers. Who bothers about individual Birla ladies? They bother about other Birlas. Therefore, this is how things are happening. (*Time bell rings*). Finally before I sit down, I would like to impress upon the Government that the present policy of the Government is one of collecting taxes from the people.

I am ashamed to see that income-tax arrears from West Bengal alone amount to Rs. 200 crores. Just in the State, West Bengal alone, it is to the tune of Rs. 200 crores in the category of direct taxes. And yet we find Mr. Siddharatha Shankar Ray, the Chief Minister of that State, offering concession after concession and coming here and pleading that the monopoly houses be given licences and other things in order to start industries in the name of development of the local backward areas. This is a very dangerous game. Therefore, I ask Mr. Ganesh to divulge the results of the raids conducted in Delhi. In fact, I say Mr. Ganesh should have shared with this House—because everybody does not read New Wave like me—the information which he supplied to the columns of the New Wave. It is very interesting and I think we should like to know a little more about it. He should tell us what the results are of the raids in Delhi, which houses have been raided. . .

SHRI BABUBHAI M. CHINAI {Maharashtra}: On a point of information, Sir. He said Mr. Ganesh has supplied information. Is it a fact?

MR. DEPUTY CHAIRMAN: Yes. yes.

SHRI N. R. CHOUDHURY (Assam): He told this to a press man.

SHRI BHUPESH GUPTA: Yes, here is the Independence Number of New Age. All the information is supplied; at least, enough of it. A good thing, Mr. Ganesh you have done. Mr. Chinai should, in fact, congratulate Mr. Ganesh. Mr. Ganesh has taken the public into confidence. It is not a hush-hush matter. These things should be known to the public because you need public vigilance; you need the vigilance of the public. . .

SHRI RABI RAY: Let him get the Xaxes collected from them.

SHRI BHUPESH GUPTA: Both things. First give the information which you know because you need the cooperation of the workers and employees and the public. They should be inspired. I think they already know that here is a Minister who is serious about it and there are some officials in the Income-Tax Department also who are entitled to cooperation from the public. (*Time hell rings*). Because he raised to point. I mentioned it. Once again I say the present taxation policy must be overhauled. Do not charge the small man. Even if you collect all the taxes from the people in the lower income bracket, the amount will be very small. Therefore, catch the big fish who are evading taxes and who number about 300 to 400 and out of them you can collect Rs. 300 to Rs. 400 crores. That you must. I am glad that on our suggestion a Cell has been established in the Income-tax Department to go into the income-tax matters relating to the big business houses. This cell should be strengthened with proper revenue intelligence and so on in order that you can act more effectively. Therefore, I demand that the Government should come forward with a comprehensive Bill after consultation with opposition parties and others interested in taking very strong measures.

Finally, before I sit down I shall appeal to the Government that punishment should be deterrent in the case of big business. There should be a mandatory provision in the law prescribing at least 5 years' imprisonment. Otherwise big invaders in the highest income brackets will always go to High Courts, pay fines and get away. The moment you make a provision for five to ten years' imprisonment and make it mandatory, Birlas, Dalmias and many Mundh-ras will hesitate ten times before evading tax. Black-marketeers, hoarders and



[Shri Bhupesh Gupta]

profiteers should be dealt with harshly by making the punishment very stringent. That is the only way to deal with them.

SHRI NIREN GHOSH (West Ben-gal) : This Bill, in the name of developing backward areas, has showered a number of new concessions to the business circles and big industrialists. There was a budget. Now this Bill is a further dose of concessions to them. Perhaps that is the only method known to the Government of India.

Now, I will begin with Shri Ganesh. In the last session, he took from me a file regarding Mundhras indicating how they have been cheating. All the details were given there. Mundhras are running four benami concerns in U. K. . . .

MR. DEPUTY CHAIRMAN : Only four?

SHRI NIREN GHOSH : I suppose it should be more than that. But in the document it was only four. That has been proved to the hilt in the document. If the Government had the desire, they could lay their hands on them. I gave him that document. That has not yet been returned to me. There has been so much scandal about Mundhras. First it was raised by Feroze Gandhi. But how much money has been recovered from Mundhras? And what about this document that the Minister took from me ?

MR. DEPUTY CHAIRMAN : It is in safe hands.

SHRI NIREN GHOSH : This is the first point that I would like to bring to his notice.

Before this budget there was a period in the sixties when the direct taxes were about 70 per cent. Thereafter it was

raised, but raised not in the true sense because through development rebate, depreciation allowance, export subsidy, tax holiday, this and that, there were many concessions. Actually though it was shown that India is the most heavily taxed country, it was far less taxed than U.K., France or Italy. A number of concessions were subtracted from them and they came down to nothing more than 40% or so. In the U.K. and other countries, Sir, it is 50% or 52

3 P.M.

SHRI BABUBHAI M. CHINAI : They are all developed countries. Don't talk about them.

SHRI NIREN GHOSH: These things which were 90% came down to 40% and the other things were eaten up. This is how this Government functions and this is how it bluffs and tries to cheat the common people of this country. In those days, it was 70% or 72%. Now, in this budget, they have reduced it on a very large scale, they have reduced the taxation on a very large scale. What is the plea ? Now, Sir, these so-called honest fellows who are the custodians and guardians of our companies are the masters of this Government. I say they are the masters and these people are only the servants. This Government, headed by Mrs. Indira Gandhi, is a servant and nothing but a servant of the monopolists and this Government wants to serve the monopolists and it is they who wield the power and not the Government. This is what I was saying. One can talk of the bogey of right reaction. But is this Government a right reactionary one ? Possibly so. It is very difficult to deny that because of the forces of counterrevolution and reaction, of the monopolists, landlords, kulaks, profiteers, swindlers, hoarders, etc., form the bulk.

Ninety percent of them are mobilised there. So, this is the source of right reaction and it is they who wield power and Shrimati Indira Gandhi is their leader. She is their leader and I say it deliberately that she is their leader and not anybody else. Now, Sir, in those days, I have been saying. Sir, the tax-evaded income annually was about Rs. 1,400 crores and actually, the tax evasion, according to the Government, was more than Rs. 100 crores. That was the tax-evaded income and the actual tax evaded, according to the Government, was more than Rs. 100 crores. But these are all fictitious figures. I say that these are all fictitious figures because, Sir, more than fifteen or sixteen years back. Prof. Kaldor said that the tax evasion was to the tune of about Rs. 200 crores annually and that was a conservative estimate. Now, their assets have grown and this evasion must be of the order of about Rs. 500 to Rs. 600 crores annually and this is one of the sources of the parallel economy or black money economy and it is under the patronage of the Government; otherwise, this could not have happened. Also, Sir, Prof. Kaldor was appointed by the Government of India to go into the tax structure in all its entirety. At present, Sir, it must be between Rs. 500 and Rs. 600 crores and this is a source of the parallel economy or black money economy.

Then, Sir, their concern for the backward areas, I should say, is only a lip-service. It is only a lip-service and they never cared for the backward areas. This is another sop that is being offered to the backward areas and this is how it is going to help them. I give you some figures relating the amount sanctioned and the amount released for the year 1973-74 up to 31-3-74. For Maharashtra it is Rs. 8 crores

and that is the sanctioned amount. Look at Assam. It is 1 crore and 49 lakhs. Look at Bihar. It is a bit more than Rs. 6 crores, Orissa : Rs. 2 crores . . .

SHRI D. D. PURI (Haryana): What are these figures ?

SHRI NIREN GHOSH : Progress of Half-a-million Jobs Programme. That is necessarily for backward areas. You see the figures. It is revealing, how they have favoured the most advanced States, how they have neglected the most backward States—Assam, Orissa, Bihar, West Bengal, Manipur, Tripura . . . Even West Bengal has now become backward. Maharashtra was at a distance of three, compared to West Bengal. Now West Bengal is perhaps third . . .

SHRI BABUBHAI M. CHINAI : What is it due to ?

SHRI NIREN GHOSH : It is due to one of your industrialists, G. K. Bhagat. In 1966, according to the figures in the Statesman, Annual Number, the decline of West Bengal was complete, when the Congress was ruling at the Centre and the State continuously. The decline was complete . . .

SHRI N. R. CHOUDHURY : You cooperated also. You resorted to strike . . .

SHRI NIREN GHOSH : We are nowhere in the picture then . . .

MR. DEPUTY CHAIRMAN : Mr. Choudhury, you will have to speak from your seat. Even if you want to interrupt, it must be from your seat, not elsewhere.

SHRI NIREN GHOSH : That is what things have come to. Now, if you take all the figures, I can read out. Meghalaya: Rs. 20 lakhs, Manipur: Rs.

[Shri Niren Ghosh.] 30 lakhs, Orissa: Rs. 2 crores and 63 lakhs, Tripura : Rs. 33 lakhs, Uttar Pradesh has got about the same, Maharashtra Rs. 8 crores and 79 lakhs, West Bengal was sanctioned Rs. 15 crores but actually the release was Rs. 7-75 lakhs. Considering this as a backward State, the unemployment problem is the most acute in West Bengal. You can see this from the live registers of the Employment Exchange. Unofficial calculation is that it is anything like 55 lakhs, out of a population of 4j crores. That is the calculation. That's how the •Government functioned there.

I would like to give you another figure. This is about money distribution by the Central Government financial institutions. That also is an index of the Government of India's concern for backward areas. It is in lakhs. The Industrial Finance Corporation of India have given Rs. 32.7 crores to Maharashtra. To Orissa they have given Rs. 5 crores, Bihar : Rs. 6 crores, West Bengal : Rs. 2 crores and 94 lakhs. This is about the ICI. What is the sanctioned amount ? Maharashtra, Rs. 48 crores and 43 lakhs, Orissa, Rs. 5 crores; Rajasthan, Rs. 6 crores; Bihar, Rs. 11 crores. L. I. C. is like this: Maharashtra—12 crores; Orissa—2.5% crores; and West Bengal. 1.64 crores. West Bengal has got less than Orissa. Of course, Orissa is very backward.

MR. DEPUTY CHAIRMAN : How many more figures do you have because your time is going to be up ?

SHRI NIREN GHOSH : These are the revealing figures about the Government's concern for the backward areas. Now, the Chief Minister of my State, Shri S. S. Ray, who occupies the 'gaddi' by force and not by elections, is crying

hoarse that the State has been neglected. He says: "Special accommodation for eastern region demanded". Of course, under that cover, he pleads for something else. All are like that. Even Shrimati Indira Gandhi is doing that. Whom can you consider above these things ? Somebody said that she is not involved in this. But I have 'lea'nt from a very respected and veteran Congressman—I will not name him because it is not proper—that Shri Jawaharlal Nehru knew that some black money is being taken. But he himself never dabbled in that. He kept himself aloof from it. Here, Shrimati Indira Gandhi wants every pie of black money to be collected by herself. It is only under her direction that the funds can be collected. One top executive told me that he himself gave her 30 lakhs of rupees in cash personally.

SHRI D. D. PURI : The hon. Member should withdraw his words.

MR. DEPUTY CHAIRMAN : Unless you name the person, you cannot prove anything.

SHRI NIREN GHOSH : The other day I talked about Coolie Mastan. She could not say anything.

(Interruptions)

श्री राजनारायण (उत्तर प्रदेश) : आप हम को कहिये, हम सुनायेंगे। उन्होंने 50 लाख रुपया लिया है के० के० बिरला से। हम अभी सब पढ़ देते हैं।

MR. DEPUTY CHAIRMAN : Mr. Rajnarain, please take your seat.

Mr. Niren Ghosh, you will have to wind up now.

SHRI NIREN GHOSH : Please give me a little more time because I have been interrupted.

MR. DEPUTY CHAIRMAN: You have taken quite some time and you are not strictly relevant. I have forgotten about the relevancy. But at least time should be adhered to.

SHRI NIREN GHOSH : Now, they are proposing to waive the clause about company law donations. Some of the Congressmen were telling me that it such a thing happens, then whatever money is given, it will be given to the Congress alone. If you make it tax free, then perhaps Jana Sangh and others will get more. We are not bothered by this because we have not taken even a single pie from them. Sir, if you see the list of articles or things given in the ninth schedule, you will be astounded to see the names of iron and steel, non-ferrous metals, ferro-alloys and special steels, steel castings, thermal and hydro power generation equipment, transformers and switch gears, electric motors, soda ash, caustic soda, commercial vehicles, ships, aircraft, tyres and tubes, etc. This is the list of articles that is newly included. If they can set up those things in backward areas, they will get concessions. Sir, I should like to point out this. Can any medium entrepreneur or small-scale entrepreneur ever hope to establish any concern in these articles? Never. So, what does it amount to? It amounts to this that if some big business concedes to go to some backward area, the State Government will give them special privileges. They will give them privileges- Over and above that, this Government is giving a series of concessions. It is only for the benefit of the big business and not for the backward areas. Sir, you will be wonderstruck that 20 larger houses . . .

SHRI N. G. GORAY (Maharashtra) : Mr. Niren Ghosh, the whole trouble is

that in spite of all these inducements, they are not going there. That is the problem.

SHRI NIREN GHOSH : Sometimes-they do go. Why did the Gwalior Rayons go ? At that time it was backward.

SHRI BABUBHAI M. CHINA! The point is the availability of infrastructure, power, railway lines, etc.

SHRI NIREN GHOSH : The other day it was said that entire bamboo of Madhya Pradesh was given to the Birlas. What about that ? There was a hue and cry over that. So, it is concentrated in Maharashtra, Gujarat and advanced regions. They will not go to the backward areas unless the entire licencing policy is changed, unless the Central financial institutions' headquarters are removed from Bombay and dispersed over the big cities of India. Why not Madras get it ? Why not Patna? Why not Kanpur? Why not Calcutta? Why not Bhopal? Like that, they have 13 Central financial institutions which can be dispersed over the big cities. Everybody knows that industrial business follows in the wake of capital, finance and banks. If you concentrate them in the western region, trade, commerce and industry are bound to go there. It is automatic. Then, Sir, all the basic industrial raw materials like petrol, petroleum products, steel, coal, etc. must be priced equal throughout India. Then only, there is a chance that they will go there. So, these are the two most urgent steps to be taken if there has to be any ghost of a chance for the industry to go to the backward areas, unless the Government themselves set up industries there. Unfortunately, they do not do it.

(Time bell rings). So, Sir, I was saying that the backward areas got 27 licences only while

[Shri Niren Ghosh.] the big business house in the advanced areas got 327 licences. That is the Government's policy.

MR. DEPUTY CHAIRMAN : Mr. Niren Ghosh, I will call another speaker.

SHRI NIREN GHOSH : It is a cruel joke. I cannot support the Bill. *(Interruptions)*

SHRI BABUBHAI M. CHINAI : Mr. Deputy Chairman, Sir, I intend to be within the four corners of the Bill. I do not want to treat this as an occasion as if the Budget is being discussed on the floor of the House. The Supplementary Budget is shortly coming up for discussion and at that time there will be very many opportunity for us to make our observations as have been done by my friends, Mr. Bhupesh Gupta and Mr. Niren Ghosh.

Therefore, Sir, within the limited scope of time which has been given to me, I say that I have gone through the debate on the Bill in the Lok Sabha and I have also heard the hon. Members who have spoken on this Bill in this House. I would, however, as I said, like to make a few observations on two important issues.

In my view the Select Committee has not adopted a realistic approach in respect of initial depreciation (as an alternative to development rebate) and backward area tax concessions.

Development rebate has worked as a powerful lever to industrial development. It has also served as a cushion against rise in costs of industrial plant and machinery. The need to continue this is, if anything, more in the prevailing circumstances when these costs are mounting up. Moreover, there are many enterprises which took effective

steps to implement new projects or complete their expansion programmes by the scheduled dates. This, however, has not been possible owing to the serious and prolonged power shortages in the country during the last two years. The industrial production as a whole has been affected adversely. Delivery of plant and machinery ordered for setting up new industries or for expansion are being inordinately delayed. The tenure of development rebate, therefore, need to be extended further.

Further, initial depreciation can never be an adequate substitute for development rebate. The whole point of development rebate is to enable an industrial unit to meet the ever increasing cost of renovation and replacement. Development rebate provides a deduction over and above the full cost of the asset. On the other hand, initial depreciation merely means accelerated depreciation or a larger depreciation in the first year, and it is taken into account for determining the total depreciation available over a period of years which can in no event exceed the actual cost. In other words, unlike development rebate which means a reduction in tax, initial depreciation only means postponement of tax. The trend in many other countries, including the U.K. is now to let the tax-payer choose the amount of depreciation he will claim in any year—he may claim even 100 per cent of the cost as depreciation in the very first year. It is, therefore, necessary that initial depreciation should be available over and above 100 per cent depreciation. Shri D. D. Desai in his minute of dissent has very rightly proposed that the initial depreciation allowance be raised to 25 per cent and the total depreciation be allowed to 125 per cent.

What is worse is that the Ninth Schedule which contains the list of articles

or things entitled for initial depreciation has not been adequately enlarged. A number of articles or things that are listed in the Fifth Schedule for the purpose of development rebate continued to be missing in the Ninth Schedule. Shri Era Sezhiyan has very aptly stated in his minute of dissent, "there seems to be no rhyme or reason for inclusion or omission of certain industries in this list as compared to the Fifth Schedule. Ninth Schedule, therefore, should incorporate all these industries contained in the Fifth Schedule. In any case the inclusion of pesticides, rayon and synthetic textiles, automobile, ancillaries, seamless pipes, gears, balls, chemicals and petro-chemicals, roller and tapered bearings are must for upsurge in production. I am also of the opinion that in the absence of development rebate, some concessional tax treatment may be accorded to profits ploughed back for development. Although, it is heartening that the Select Committee deemed it fit to extend the benefit of initial depreciation allowance in respect of machinery and plant installed in small scale industrial undertakings irrespective of the articles or things produced by them, the benefit, however, has been limited to only those small scale industries which have machinery and plant installed upto the aggregate value of Rs. 7.5 lakhs. It has to be appreciated that in an economy of today when prices have pushed up like anything, the figure of Rs. 7.5 lakhs is too low a figure. The benefit to be meaningful, the concession need to be extended to all small scale industries with machinery and plant upto the value of Rs. 15 lakhs.

Another important provision which relates to the proposal to exempt 20 per cent of the profits of industries started in backward areas, is hardly an

adequate incentive since the additional costs, both on capital and revenue account, of running an undertaking in a backward region would far exceed the savings in tax proposed. The Select Committee has not appreciated that setting up of a new business in the most remote backward area is a formidable task. Such areas do not have the facilities like transport, electricity, housing, medical, education and other civic amenities. The entrepreneurs will, therefore, have to incur extra cost in setting up any industry in such areas. Even the required personnel will have to be brought from near and far distances and provided with basic amenities. More so in any industry there can hardly be any profits for the first five or six years. The 20 per cent exemption of taxable profits would, therefore, operate only for \ or less than -J of the ten years. It is, therefore, necessary that the proposed concession is made sufficiently attractive. For that, one has only to compare the tax benefit and cash subsidies offered in other countries like Argentina, Brazil, Iran, Italy, Puerto Rico etc. In these countries and many others the profits of undertakings in backward areas are wholly exempt from tax for ten to 15 years.

In India, among others, the Working Group on Fiscal and Financial Incentives for starting Industries in Backward Areas in their Report (1969) had made several recommendations, which include: (i) grant of higher development -"e-bate to industries located in backward areas;

(ii) Grant of exemption from income-tax, including corporation tax, for five years, after providing for the development rebate. I, however, only submit that the deduction may be linked to the capital employed rather than providing partial exemption in relation to profits. Pae

[Shri Babubhai M. Chinai]

deduction may be equal to 9 per cent per annum of the capital employed in an industrial undertaking set up in backward areas for a period of ten years in addition to 6 per cent of capital employed which is already available by way of tax holiday to other newly established undertakings.

If these few steps are taken it is very likely that the under-developed areas of the country will be more developed and more entrepreneurs will go to those areas.

Thank you.

SHRI D. D. PURI : Can I seek a clarification ? Did I hear the hon. Member say that in the U. K. you can provide for as much depreciation as your profits will permit ? I believe, it is the initial investment allowance which is more or less the same as our development rebate but not that you can allow as much . . .

SHRI BABUBHAI M. CHINAI : No, in the first year, I have said, you can take it back. In the U. K. also it is the same thing.

MR. DEPUTY CHAIRMAN : Yes, Mr. Minister.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : Sir, I am thankful to the hon. Members who have participated in the debate. The debate has been extended to a much wider field, some connected and some absolutely not connected with the Bill. Sir, I was trying to say that the discussion has been extended to a wider field, some connected with the Bill, some not connected with the Bill. For instance, I take the point that Shri Niren Ghosh

made. He is a very senior and veteran member. One does not agree with him but one does not like to quarrel with him. But he started discussion of the general backwardness which is there in the country and various concessions that the Government has given, which have not been utilised and various other things. Before I go into the various points made by the hon. Member as far as the Bill is concerned, I would like to take this opportunity of repudiating some of the wild charges that Shri Niren Ghosh has made in relation to the Prime Minister. I think for the purposes of record, it is necessary for me to repudiate it. Sir, it is all right for him not to agree with our party and call it a party of monopolists, landlords, and these are the things one can always say but the kind of wild charges made, I do not think, serve any purpose. Sir, in a discussion of this nature, to divert the whole discussion from the Bill itself or from the wider aspects of the Bill which were dealt with by Shri Bhu-pesh Gupta tried to do by referring to administration of taxes, about arrears of taxes, about evasion of taxes, about various other things or matters which could be linked up with the Bill because after all the Bill deals with the direct taxes, to other extraneous matters is not proper. Now, Sir, therefore, to link this up and make the charges that he has made. I thought it is better for me to repudiate.

Sir, the House is aware that this Bill has come in response to an assurance which the Finance Minister gave. In his Budget speech for the financial year 1973-74, Sir, he had said : "I gave notice of Government's intention to withdraw the development rebate in respect of ships acquired or plant and machinery installed after May 31, 1974. In response to the demand that this

should be substituted by other fiscal concessions to impart a continuing momentum to industrial growth in the country, I had indicated that I would come up with some specific proposals for encouraging industries in selected sectors and those in backward areas ? In pursuance of this undertaking, I am giving an indication of certain measures which Government has in mind for this purpose, as also 'for promotion of research and development, and exports.

SHRI BABUBHAI M. CHINAI :

This does not substantiate any development rebate.

SHRI K. R. GANESH : Of course that is your position. You have discussed it. It has not been possible for the Government to agree, after having taken a decision to discontinue the development rebate. Development rebate has lasted for 15 years; it has served its purpose; it has led to over-capitalisation. Therefore, the Government thought that development rebate has to be discontinued. Now, Sir, this Bill seeks to replace development rebate by an initial depreciation allowance which will be available for various categories as has been mentioned in the Bill and in the Schedule and, then, Sir, a tax concession of 20 per cent for a period of 10 successive assessment years to industries and hotels which might be set up in backward areas and the conditions have also been laid down there. This also seeks to give certain tax concessions for promoting scientific research and for export market development allowance and certain other incidental matters as a result of a judicial decision which required rectification. As far as the general thing is concerned, two or three points have been made out and I shall try to answer them. One point that was made out was that since Finance Bill No. 2 has come, it is not uniform 6—23 RSS/74

policy of the Government that they have brought this sort of relief.

SHRI BHUPESH GUPTA : May I make a request to you ? As far as the points that you have tried to meet are concerned, you have repudiated some of the things. It is all right. Would you kindly lay a statement some time in this House showing the results of the various raids that you have carried out under the Income-tax law ? According to what you said it seems they produced some little results. We should be informed of that. It is not possible to get to know these things through questions or other things. Therefore my suggestion is that same White Paper like thing I should be made available to Members of Parliament on this.

SHRI K. R. GANESH : When I come to the point which the hon. Member has raised I shall try to state my view.

Now, what I was trying to submit was that one of the criticisms made as far as the limited object of this Bill is concerned is that since we have now the Finance Bill No. 2 and as there are constraints on the economy why this relief measure should have been brought. Trying to answer that I indicated that the Finance Minister had already given an assurance on the floor of Parliament that when the development rebate was discontinued some sort of incentive would be there. There is also another wider aspect to this. In the economic situation in which we are, apart from inflation, apart from various other factors, apart from black money, apart from lack of distribution system, apart from all other factors, the one important factor is that production has to be increased. That is not a party matter; that is not an ideological matter.



SHRI BABUBHAI M. CHINAI :  
You talk of increasing production but it is actually decreasing.

SHRI K. R. GANESH : That is a viewpoint.

SHRI BABUBHAI M. CHINAI :  
That is not a viewpoint; it is a matter of fact. Last year the growth rate was 1.4 while this year it is 0.4.

SHRI K. R. GANESH : We are trying to give another incentive. But even when there is production in the country things are not available; goods go into black market and there is tremendous suffering felt by the people.

SHRI BABUBHAI M. CHINAI :  
Which is the item in which you have more production and still people are suffering ? Let us understand this properly.

SHRI K. R. GANESH : I was only trying to submit that there is need for increasing production particularly in critical areas, in those critical industries which are very necessary and which are given in the Schedule- When there is need to increase production the world over it is desirable that incentives are given. And these incentives have come to replace the development rebate. To what categories it will apply and for selecting the industries which are there in the Schedule, some criteria were fixed and they are,—high priority from export angle, essential needs for intermediate and investment goods, essential goods of mass consumption, capacity constraints, etc. Industries which are making high profits were not included in this. Since development rebate is being replaced by initial depreciation allowance, it was thought that this initial depreciation allowance need not be applicable to all industries but only to those which

I mentioned, like high priority industries, industries producing mass consumption goods etc.

श्री ओइम् प्रकाश त्यागी (उत्तर प्रदेश) :  
यहाँ तक 9 वें शिड्यूल का सम्बन्ध है, उसमें जो लिस्ट दी गई है, उनको केवल बिग हाउसेज ही कर सकते हैं और स्माल स्केल इंडस्ट्री वाले नहीं कर सकते हैं।

श्री के० आर० गणेश : इसका भी जवाब दे देता हूँ।

As I indicated, when we talk of high priority industries, when we talk of critical industries, when we talk of industries producing mass consumption goods, the idea is not whether the small sector is going to get it or the big sector. As far as small sector is concerned I shall come to it later. Here the idea is that these are critical industries which are very necessary for the economy, which are . . .

SHRI BHUPESH GUPTA : No, Mr.

Ganesh. Under the Directive Principles of the Constitution, Article 39, we are supposed to stop and prevent the concentration of wealth and economic power. This is one of the objects which are there and therefore when you give industrial licences to big business houses you are adding to the concentration of economic power which is against the Directive Principles of the Constitution.

SHRI K. R. GANESH : As far as the reduction in the concentration of economic power is concerned, there are other instruments which the Government is using. Here, only certain fiscal concessions for the development of certain industries have been given. As the hon. Member knows, there is the Monopolies and Restrictive Trade Practices Act. The very instrument of licensing is there. Here only those industries which have got a licence will be

entitled to the depreciation allowance. So, the instrument of licensing is there and the MRTP Act is there. Other taxation measures are there which are aimed at bridging the gulf between the larger houses and others.

SHRI BHUPESH GUPTA : What about the Mafatlal group ? Their assets have gone up from Rs. 45 crores to Rs. 167 crores between 1964 and 1971, more than 300 times. This is not the way to stop concentration of wealth.

SHRI K. R. GANESH : Parliament is aware of these facts, how concentration has increased, but the limited object of this Bill is this. It seeks to give certain incentives in the form of initial depreciation allowance for high-priority industries. Those companies may be larger houses also because the needs of production at this point of time demand it . . .

श्री ओइम् प्रकाश त्यागी : पिछड़ापन दूर करने का लक्ष्य नहीं है ?

श्री के० आर० गणेश : डाइलोग नहीं हो सकता। इस तरह तो न मैं आपको समझा सकूंगा और न अपने पॉइंट्स ही क्लियर कर सकूंगा।

The other point is about backward areas. Some criticism was made as to how this backward areas list was drawn up, when other areas are not there. I would submit to the House that the list was drawn up firstly by the committee known as the Pande Committee, when he was Secretary in the Planning Commission. Now, he is the Cabinet Secretary. This Committee has located the backward areas. It was discussed in the National Development Council. It was in consultation with the State Governments that the backward areas have been located. Then, it was discussed with the banking department, with the Industrial Development Ministry, and these areas have been located as back-

ward areas. Now, these backward areas cover almost two-thirds of the total districts. Certain criteria have been laid down and in the course of discussions in the Select Committee very serious scrutiny was given to this problem. Certain broad formulations came up for the utilisation of the fiscal concession and for the development of industries. If an area is completely backward without any infrastructure, without any momentum of growth, without any small expertise, without any skilled labour being available, this concession could not be utilised. Therefore, the area, apart from being backward, should have some infrastructure, some momentum, some necessary sinews which industries require in terms of transport, etc. There can be difference of opinion as to why a district has not been included, while another has been included, but two-thirds of the districts in the country have been included. The fact that they will be eligible for concessional finance from financial ins'titu-tions indicates that broad coverage has been made. These are some of the points which are concerned with the limited objects of this Bill.

Shri Babubhai Chinai pleaded for development rebate. He has pleaded for it many times, but it has not been possible for Government to accept it. That is why the Finance Minister indicated in Parliament that development rebate would not be available from a particular date. Initial depreciation allowance would be given. This point was made very strongly by the industrialists' circle at the Select Committee stage. The Select Committee itself could not agree with it.

SHRI BABUBHAI M. CHINAI : What about raising the limit of Rs. 7i lakhs in the case of small-scale industries ?

SHRI K. R. GANESH : Now, as far as the small-scale sector is concerned the Select Committee made an improvement. The initial depreciation allowance will be available to the small-scale industries wherever they may be. The only difference is that it is limited to a figure of Rs. 7.5 lakhs worth of assets involving machinery and plant. This point was also raised in the other House and there was an amendment also. Now, Sir, as late as February 2, 1973, the Industrial Development Ministry had once again stressed on this particular figure. This is as part of the industrial development regulation in which this figure is there. So, for the entire country the figure now we have is of Rs. 7.5 lakhs of assets and equipment to classify a small-scale industry. Any other figure which may be used for the sake of the limited tax concession may not be proper; if anything has to be made, it will have to be made in this larger aspect.

These are some of the points which have been made as far as the limited object of this Bill is concerned. Many other points have been raised about the . . .

SHRI H. M. TRIVEDI : What about higher allocation for shipping, etc.?

SHRI K. R. GANESH : The hon. Member has passionately pleaded for it. He is very vitally concerned with shipping. Shipping is always his first love. Whenever he has spoken in this House, he has spoken about it. It is a suggestion which he has made. As far as I remember, it is about some power that the Direct Taxes Board under the rules will have. It is a suggestion which will require examination. So, I cannot offhand say anything in this matter.

SHRI H. M. TRIVEDI: I hope you have noted it.

SHRI K. R. GANESH : There are other very larger points which have been raised by Shri Bhupesh Gupta about the administration, taxes, taxes evasion, tax arrears, larger houses, tax-evading operators, adventurers, etc. It will take a very long time for me to answer because it is a very fascinating subject; it will take a long time to go into, as I said somewhere else, the dark alleys and labyrinths of the whole tax evasion process; therefore, I would not like to say anything.

**श्री ओडम् प्रकाश त्यागी :** एक प्रश्न का जवाब दे दीजिये । अल्प ने म्माल स्केल इंडस्ट्रीज के लिए साढ़े सात लाख रुपया रखा है, भूशनों आदि के लिए । क्या आजकल की कीमतों को देखते हुए यह ठीक रहेगा ?

**श्री के० आर० गणेश :** इस बात का जवाब मैं ने दे दिया है । साढ़े सात लाख रुपया इंडस्ट्रियल डेवलपमेंट मिनिस्ट्री ने फिक्स किया है और यह इंडस्ट्रियल डेवलपमेंट रेगुलेशन के अनुसार है । एक क्राइटेरिया है सारे देश में उस को हम ने पकड़ा है । उस क्राइटेरिया को हम इस वक्त बदल दें तो यह ठीक नहीं होगा ।

MR. DEPUTY CHAIRMAN . . . 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) Sur-tax Act, 1964, and to provide for certain related matters, as passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY CHAIRMAN : We shall now take up the clause by clause consideration of the Bill. *Clauses 2 to 8 were added to the Bill.*

MR. DEPUTY CHAIRMAN : Clause 9. There is one amendment of Shri Shekhawat, amendment No. 1. Are you moving it ?

SHRI B. S. SHEKHAWAT (Rajasthan) :  
No.

MR. DEPUTY 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.*

MR. DEPUTY CHAIRMAN: Clause 15.  
There is one amendment (No. 2) of Shri  
Shekhawat. Are you moving it, Mr.  
Shekhawat ?

SHRI B. S. SHEKHAWAT : No, I  
am not moving it.

MR. DEPUTY CHAIRMAN : The  
question is :

"That clause 15 stand part of the Bill."

*The motion was adopted.*

*Clause 15 was added to the Bill.*

*Clause 16 (Insertion of Ninth Schedule).*

SHRI B. S. SHEKHAWAT: Sir, I move:

3. "That the Rajya Sabha recommends  
to the Lok Sabha that the following  
amendment be made in the Direct Taxes  
(Amendment) Bill, 1974, as passed by the  
Lok Sabha, namely :-

That at page 12, after line 42, the  
following be inserted, namely: — '23.  
Soap stone.

24. Lime stone.

25. Mica.

26. Leather.

27. Bones.

28. Straw Board.

29. Edible oil.

30. Building stone.

31. And such other industries for  
which the required raw material is  
available in that District.' "

*The question was proposed.*

श्री श्री सिंह शेखावत : उप-सभापति  
महोदय, मैंने जो यह संशोधन प्रस्ताव प्रस्तुत  
किया है उसका सम्बन्ध उन 229 जिलों से  
है जो इस शैड्यूल में दिये गये हैं। उप-सभापति  
महोदय, अभी मंत्री महोदय ने बताया कि देश में  
कौन से डिस्ट्रिक्ट्स बैकवर्ड हैं इन सबका सेलैक्शन  
प्लानिंग कमिशन ने, पांडे कमिटी ने और आयकी  
स्टेट गवर्नमेंट्स ने एक निश्चित क्राइटेरिया  
के आधार पर दिया है। यह एक निश्चित बात  
है कि पिछली चार पंचवर्षीय योजनाओं में और  
उस योजनाओं के अलावा जो योजनाकाल  
निकला है उसमें इस सरकार ने एक बहुत बड़ा  
अपराध किया है। यह सरकार समाजवाद के  
नाम पर आय की विषमता मिटाने पर कई  
लम्बे चौड़े भाषण दिया करती है लेकिन दुर्भाग्य  
यह है कि इस सरकार ने अपने कार्यों से ही देश  
में आय की विषमता को बढ़ाया है। यह आय  
की विषमता को बढ़ाने का प्रश्न केवल व्यक्ति  
से लिया जाए तो भी मैं समझता हूँ कि सरकार  
के ऊपर आरोप लगाने में किसी भी प्रकार का  
कोई संकोच नहीं करना चाहिए। लेकिन क्षेत्र  
के आधार पर भी सरकार ने एक बहुत बड़ा  
अपराध किया है। यह सरकार का स्वयं का  
मानना है कि देश में 229 जिले ऐसे हैं जो  
बैकवर्ड हैं। यह इस आरोप की सत्यता का  
अपने आप एक प्रमाण-पत्र है। लेकिन मैं पूछना  
चाहता हूँ कि आखिर सेलैक्शन क्या न्याय के  
आधार पर किया गया है ? 229 जिले जो  
बैकवर्ड हैं वह लगभग सभी स्टेट्स के अन्दर  
शामिल किये गये हैं। लेकिन सबसे पहले क्या  
सरकार ने यह विचार किया है कि देश में कौन  
से राज्य ऐसे हैं जो सबसे ज्यादा बैकवर्ड हैं ? मैं  
आंकड़ों के आधार पर समय नहीं लेता हूँ लेकिन

**[श्री भैरों सिंह शेखावत]**

यह सिद्ध करने के लिए तैयार हूँ कि जो राज्य आज आर्थिक दृष्टि से, सामाजिक सेवाओं की दृष्टि से देश के अन्दर सबसे आगे बढ़े हुए हैं, जैसे पूंजीपति गरीब का शोषण करता है उसी प्रकार से ये सम्पन्न राज्य भी पिछड़े हुए राज्यों का शोषण करते आ रहे हैं। इस शोषण का कार्य-वाही मैं वह स्वतः ही शोषण नहीं कर रहे हैं, ऐसी बात नहीं है—भारत सरकार का उसमें पूरा साथ है। उसी आधार के ऊपर, भारत सरकार के निर्देशन के ऊपर जितनी भी फाइनैशल इंस्टीट्यूशंस काम कर रही हैं वह सारी फाइनैशल इंस्टीट्यूशंस आज उन स्टेट्स को ज्यादा सहायत दे रही हैं जो पहले से ही काफी सम्पन्न हैं।

उप-सभापति महोदय, राजस्थान, बिहार, आन्ध्र प्रदेश, असम, जम्मू काश्मीर, मध्य प्रदेश, नागालैंड, उड़ीसा ये सबसे पिछड़े हुए हैं जिनमें राजस्थान और मध्य प्रदेश के बारे में मैं कह सकता हूँ कि वहाँ सब प्रकार के नेचरल रिसोर्सेज हैं, मिनरल्स वहाँ पर हैं। सारे देश की तुलना में इन दो राज्यों में किसी प्रकार से कम नहीं है। पानी के स्रोत वहाँ हैं, बिजली उत्पादन के स्रोत वहाँ हैं। लेकिन दुर्भाग्य से हिन्दूस्तान के राज्यों में मध्य प्रदेश और राजस्थान उन राज्यों में आते हैं जिनका बिजली उत्पादन सबसे कम है, जिनमें शिक्षा का स्तर सबसे कम है, जिनमें सड़कों की संख्या और माप सबसे कम है, जिनके अन्दर सिंचाई का परमिटेंज सबसे कम है। आज यह हालत इन दो राज्यों में हो रही है। लेकिन इनका शोषण किस प्रकार से हो रहा है यह मैं बताना चाहता हूँ। आपने इनको कंसेशन देने की बात कही है। लेकिन मैं आपको एक बात निवेदन करना चाहता हूँ। मैं कंसेशन के बारे में जिक्र करना चाहता हूँ। मैं यह भी निवेदन करना चाहता हूँ कि जो स्टेट्स में कंपीटिशन

चल रहा है जब तक आप उसको नहीं रोकेंगे तब तक राज्य सरकारें किसी पिछड़े राज्य सरकार की इंडस्ट्री को पनपने नहीं देंगी। आज एक स्टेट यह घोषणा करता है कि मेरे राज्य में जो इंडस्ट्री लगाएगा उसको तीन पैसे प्रति यूनिट बिजली मिलेगी और इसे देख कर दूसरा राज्य घोषणा करता है कि मेरे राज्य में जो इंडस्ट्री लगाएगा उसे दो पैसे के हिसाब से बिजली मिलेगी। मैं बताना चाहता हूँ यह कंपीटिशन बिजली में चल रहा है, यह कंपीटिशन पानी में चल रहा है, यह कंपीटिशन लैंड में चल रहा है, यह कंपीटिशन बैंकस को गारण्टी देने में चल रहा है, ट्रांसपोर्ट सबसिडी देने के बारे में कंपीटिशन चल रहा है, सेल्स टैक्स में किस सीमा तक रियायत दी जाए इसमें कंपीटिशन चल रहा है। इसको रोकने का केवल मात्र एक तरीका है और उस तरीका का भारत सरकार को सख्ती से उपयोग करना चाहिए। मैं निश्चित रूप से कह सकता हूँ आपको उसमें पूरी सफलता मिल सकती है और वह तरीका है लाइसेंस देने का। लाइसेंस देने के अंदर इस बात पर महत्व देने की आवश्यकता कौन सी बैकवर्ड स्टेट है; कौन सा डिस्ट्रिक्ट है और उसके अन्दर किस प्रकार से कौन सी इंडस्ट्री पनप सकती है, इसको लाइसेंस दते वक्त देखा जाए।

**सभापति महोदय :** मैं ज्यादा समय नहीं लेना चाहता लेकिन इतना सदन को जरूर बताना चाहता हूँ कि अभी नीरेन घोष जी ने जो अभी बताया था मैं समझता हूँ उसमें काफी अंश तक सत्यता की कमी थी। 1964 से लेकर जून, 1973 तक टोटल एसिसटेंस जो इंडस्ट्रीयल को मिली है जिनमें मुख्य रूप से दी है : सेन्ट्रल डेवलपमेंट, बैंक, इंडस्ट्रीयल फाइनेंस कारपोरेशन, इंडस्ट्रीयल क्रेडिट कारपोरेशन, इंडस्ट्रीयल डेवलपमेंट बैंक। इन चारों को जो

टोटल एंड मिली है, इंडस्ट्रीज के नाते वह है कुल 1,45,669 लाख रुपए।

अगर इन पांच स्टेटों को, महाराष्ट्र, तामिसनाड, वैंस्ट बंगाल, गुजरात—शामिल कर लिया जाए तो इस सारे अमाउंट को 7 परसेंट तो इन स्टेट पर खर्च हुआ और बाकी सब बैकवर्ड स्टेट पर खर्च हुआ। यह पक्षपात है। इस पक्षपात का कारण, प्लानिंग कमिशन ने बताया है कि यहाँ इंडस्ट्री के लिए इन्फ्रा स्ट्रक्चर तैयार नहीं हो रहा है, वहाँ पर टेक्नाशियन नहीं है, गाइड करने वाला, परपोजल लेने वाला कोई नहीं है। मैं निवेदन करना चाहता हूँ आपने ऐसी स्थिति बना दी है कि जब आप फोर्स नहीं करेंगे तब तक इन बैकवर्ड स्टेट्स में इण्डस्ट्री किसी प्रकार नहीं लग सकती।

अंत में एक बात और कहना चाहता हूँ कि आपने डिस्ट्रिक्ट्स इसमें शामिल किए हैं। मुझे जानकारी है कि कितने ही डिस्ट्रिक्ट्स में ऐसे हैं जहाँ इंडस्ट्री में भयंकर कंसनट्रेशन हो रहा है और जिसे डिसेंट्रलाइज करने की आवश्यकता है वह डिसेंट्रलाइज नहीं हो पाएगा और कंसनट्रेशन बढ़ता जाएगा। मैं निवेदन करना चाहता हूँ कि जो कंसेशन दिए हैं तो जो डिस्ट्रिक्ट हैडक्वार्टर के बाहर, तहसील हैडक्वार्टर हर या उसके कितनी ही दूर तक, जहाँ रा-मटग्रियल अवलेवल होगा, आपकी फेसिलिटीज अवलेवल होंगी और वहाँ इंडस्ट्रीज लगेंगी तो आप वहाँ पर कंसेशन दें। इस आधार पर मैं अपना संशोधन प्रस्तुत करता हूँ।

श्री राजनारायण : शेखावत जी द्वारा प्रस्तुत संशोधन के समर्थन में खड़ा हुआ हूँ और मैं चाहता हूँ कि मंत्री महोदय इस संशोधन को स्वीकार कर लें।

संशोधन में पहली बात तो मैं यह कहूँगा इसमें यह कहा गया है 'पिछड़े जिलों के नामों के पश्चात् जिला मुख्यालय के न्याय-पालिका क्षेत्र को छोड़ कर शब्द अंतः स्थापित किया जाए'। यह एक संशोधन महत्वपूर्ण है। इस संशोधन को मंत्री महोदय को मानने में कोई आपत्ति नहीं होनी चाहिए। इसके साथ-साथ मैं यह कहना चाहता हूँ कि प्रथम वाचन में भाषण का उत्तर जो मंत्री महोदय ने दिया वह नाकर्षण है। उस समय मैंने जितने प्रश्न उठाये थे उनका किसी का उत्तर नहीं दिया गया। आज जो भूपेश गुप्ता जी और नीरेन घोष जी बोले उन्हीं के प्रश्नों का उत्तर दिया गया।

श्री के० आर० गणेश : आपने गलत कहा। मैंने उत्तर आप ही का दिया।  
4 P.M.

श्री राजनारायण : मेरा सवाल यह है कि मेरी समझ में यह बात नहीं आई कि उन्होंने हमारी बातों का क्या उत्तर दिया। एक प्रश्न हमने यह किया था कि उत्तर प्रदेश के वस्ती जिले की आमदनी प्रति व्यक्ति सालाना 116 रु० है जो कि 30 पैसे फी आदमी भी नहीं हो पा रही है। उसके लिए आपने कौन-सी योजना बनाई है? आपने पिछड़े जिलों में वाराणसी का नाम छोड़ दिया जिस वाराणसी जिले की प्रति व्यक्ति खपत 250 रु० सालाना है और यह जो लेटेस्ट रपट आई है, यह लखनऊ के हमारे एक लेखक हैं उन्होंने दी है जिसमें उन्होंने 300 रु० कंजमेशन फी आदमी की गरीबी की लाइन के लिए माने हैं। इससे कम खपत वाले हमारे उत्तर प्रदेश में 33 जिले हैं जिसकी सूची मैंने यहां पर प्रस्तुत की थी। इन जिलों में तीन सौ रुपयों से नीचे प्रति व्यक्ति सालाना खपत है। तो जिसकी आमदनी 300 रु० साल में खर्च करने की नहीं है उन जिलों के लिए विशेषतौर पर माननीय मंत्री जी ने क्या कोई योजना बनाई है? श्री शेखावत जी ने बहुत ही सही तरीके से बताया है और आप भी इस बात

[श्री राजनारायण]

को जानते होंगे कि जो हमारे मुल्क के कोस्टल एरियाज हैं, जहां पर अंग्रेज पहले आए, जैसे महाराष्ट्र है, मद्रास है, बंगाल है, इनकी आमदनी राजस्थान, मध्य प्रदेश, उत्तर प्रदेश, बिहार और उड़ीसा को भी ले लीजिये, इनसे तिगुनी ज्यादा है। आप बिजली की खपत को ही देखिये। उत्तर प्रदेश में बिजली की खपत प्रति व्यक्ति सालाना 30 किलोवाट है और महाराष्ट्र, मद्रास, कलकत्ता और पंजाब की 108, 103 और 112 किलोवाट है यानी सामान्य से तीन गुनी ज्यादा है। इतना पिछड़ा उत्तर प्रदेश का राज्य है और इसी तरह से मध्य प्रदेश, राजस्थान, बिहार और उड़ीसा भी हैं। शिक्षा को ही ले लीजिये। हमारे उत्तर प्रदेश में एक हजार आदमियों के पीछे एक आदमी ग्रेजुएट है और जब कि महाराष्ट्र, मद्रास और बंगाल तथा दिल्ली को ले लीजिये, यहां पर एक हजार आदमियों के पीछे पांच आदमी ग्रेजुएट हैं। टोटल जो इसका आता है वह एक हजार के पीछे 3 से भी कम आता है।

**एक माननीय सदस्य :** आपने महाराष्ट्र की जो फीगर दी है, क्या उसमें बम्बई को भी शामिल किया है ?

**श्री राजनारायण :** मैंने जो फीगर दी हैं उसमें लखनऊ भी जोड़ दिया है, इलाहाबाद, वाराणसी आदि सब को जोड़ दिया है और इसी तरह से बम्बई भी जोड़ दिया। अगर बम्बई को निकालना होगा तो फिर वाराणसी को भी निकालना पड़ेगा, लखनऊ भी निकालना पड़ेगा, इलाहाबाद भी निकालना पड़ेगा, आगरा भी निकालना पड़ेगा और मेरठ शहर को भी निकालना पड़ेगा। इसलिए सबसे बड़ा प्रश्न यह है कि मंत्री जी ने जो विधेयक प्रस्तुत किया है पिछड़े हिस्सों को तरक्की देने के लिए, लेकिन आप पिछड़े हिस्सों को जो तरक्की देनी चाहिए वह नहीं दे पा रहे हैं। इस विधेयक के जरिये हमारे देश में जो बड़े-बड़े केपिटलिस्ट्स हैं, बड़े-बड़े पूंजीपति हैं जिनके हाथों में कंसंट्रेशन आफ वेल्थ हुआ है, उनको

मंत्री जी ने अवसर दिया है दूसरे तरीके से, इन-डायरेक्ट तरीके से। पिछड़े क्षेत्रों की तरक्की के नाम पर हम फिर पूंजीपतियों को केन्द्रीभूत करते जा रहे हैं। इसलिए मैं माननीय मंत्री जी से निवेदन करना चाहता हूं कि श्री शेखावत जी का जो संशोधन है उसको मान लें और इसको मानकर इस विधेयक में यथा-स्थान रखें।

**श्री प्रकाशवीर शास्त्री (उत्तर प्रदेश) :** मैं केवल एक प्रश्न आपके माध्यम से पूछना चाहता हूं। इस बार जो पब्लिक एकाउन्ट्स कमेटी की अंतिम रिपोर्ट आई है उसमें कस्टम ड्यूटी के एक्जम्पशन के जो आंकड़े दिये हैं वह 241 करोड़ रुपयों के हैं और आपने जो बजट पेश किया है वह 232 करोड़ रुपयों का है। मैं केवल यह जानना चाहता हूं कि 241 करोड़ के जो आंकड़े हैं, क्या इसमें कोई प्रिंटिंग मिसटेक यानी छपाई की भूल है या ये वास्तविक आंकड़े हैं क्योंकि अगर ये वास्तविक आंकड़े हैं तो आपने 232 करोड़ का बजट पेश किया और एक्जम्पशन आप 241 करोड़ की दे रहे हैं, ये दोनों बातें परस्पर विरोधी लगती हैं।

**SHRI K. R. GANESH :** As for the point made by Shekhawatji and supported by Shri Rajnarain, Sir, I think I tried to answer when I replied. Firstly, in the earlier discussion, in the whole of his speech, Shri Rajnarain dwelt upon the general problem of regional imbalances and the backwardness of the country. There is no dispute about this particular point that certain States have grown well industrially and certain States have not grown like that and there is also no dispute about the point that there are certain areas which have grown during the last 25 years and there are certain areas which have not grown. The total strategy of development in the country includes many things like the plans; the concessions given by the State Governments, concessions given by the financial institutions, the building up of the necessary

infra-structure in the country, the building up of a climate of industrialisation in the country and so on and these are all the steps that are necessary for tackling the larger problem which the honourable Members have raised. But, Sir, this Bill is having a limited objective. Alter the withdrawal of the development rebate, we are going to replace it by an initial depreciation allowance which will be available to industries which are given in the Schedule. The Bill contains another tax concession which will be available to all the industries which might come to backward areas. Twenty per cent, of the profits of these industries and hotels will be exempted for a period of 10 years. This has a very limited objective and this Bill cannot tackle the general problem of backwardness and the regional imbalance and things like that. All these problems are the problems of the Indian economy and problems of the development of the economy of India and these have to be tackled by other instruments which the Government will be using. That is why I am not in a position to accept the amendment.

MR. DEPUTY CHAIRMAN: You kindly reply to Shri Prakash Vir Shashtri's point.

SHRI K. R. GANESH: As far as the point made by Shri Shastri is concerned, he says that the matter has been raised in the PAC. I have some understanding of it. But I do not have the figure. If there is any difference in the figure, it will lead to an embarrassing position. Therefore, I will write to Shri Shastri informing of the exact position. . .

**श्री रवी राय : सदन को बताइए ।**

SHRI K. R. GANESH: There is nothing hidden in this. This concerns the PAC. Sir, this concerns the PAC.

**श्री राजनारायण :** श्रीमन्, डिस्कशन में हमने इस पॉइंट को उठाया था । सवाल यह है कि जब 241 करोड़ रुपए की छूट दी थी तो 232 करोड़ रु० के नए टैक्स क्यों लगा रहे हैं ?

SHRI K. R. GANESH: I may state, Sir. . .

SHRI RABI RAY: This is a very important matter.

SHRI K. R. GANESH: This figure of 241 crores is not the correct figure. There has been some procedural difficulty or some procedural omission in sending this figure of 241 crores. Rs. 241 crores is not the concession, but it is only about Rs. 2 crores or something like that. That is all about it.

**श्री प्रकाशवीर शास्त्री :** मैंने पब्लिक अकाउंट्स कमेटी की जो सिफारिश है उसके बारे में विशेष रूप से इसीलिए पूछा कि कहीं कोई छपायी की भूल नहीं रह गई हो । कहीं छपायी की भूल हो तो नहीं है इसलिए यह बात मैंने विशेष रूप से आपके सामने रखी . . . उनका कहना है छपायी की भूल नहीं है ।

SHRI K. R. GANESH: I will write to you about it.

**श्री राजनारायण :** राइट आफ करने का सवाल नहीं है . . .

**श्री के० आर० गणेश :** सवाल है कि पब्लिक अकाउंट्स कमेटी की फिगरस के बारे में मैं यहां कोई फिगरस दे दूँ और जरा भी कहीं फर्क हो जाए तो मैं उसकी जिम्मेदारी लेने को तैयार नहीं हूँ जब तक मेरे पास करेक्ट पोजिशन सामने न हो ।

**श्री राजनारायण :** तो मंत्री जी को कहना चाहिए उनको याद नहीं है । पब्लिक अकाउंट्स कमेटी की रपट में जो चिज लिखी है उसको कांटेडिक्ट नहीं करना चाहिए । पब्लिक अकाउंट्स कमेटी की रपट में जो 241 करोड़ लिखा है वह गलत है यह क्यों नहीं कहा ?



श्री उपसभापति : उन्होंने कहा मेरे पास इन्फार्मेशन नहीं है। वे आपको इन्फार्म करेंगे।

MR. DEPUTY CHAIRMAN : The question is:

3. "That the Rajya Sabha recommends to the Lok Sabha that the following amendment be made in the Direct Taxes (Amendment) Bill, 1974, as passed by the Lok Sabha, name-ly:-

That at page 12 after line 42, the following be inserted namely:—

23. Soap stone.

24. Lime stone

25. Mica.

26. Leather.

27. Bones.

28. Straw Board.

29. Edible oil.

30. Building stone.

31. And such other industries for which the required raw material is available in that District."

*The motion was negatived.*

MR. DEPUTY CHAIRMAN: The question is:

"That Clause 16 stand part of the Bill."

*The motion was adopted.*

*Clause 16 was added to the Bill.*

MR. DEPUTY CHAIRMAN: The question is:

"That Clauses 17 to 24 stand part of the Bill."

MR. DEPUTY CHAIRMAN : What has happened is that you actually spoke

श्री भैरों सिंह शेखावत : मेरा एक और अमेन्डमेंट है, सैंकड शेड्यूल में।

on clause 15. But when we were voting on clause 15 there was some confusion and you said that you were not pressing your amendment...

SHRI B. S. SHEKHAWAT : It was clause 9 . .

MR. DEPUTY CHAIRMAN: It was already over.

श्री राजनारायण : श्रीमान्, हम ने तो खंड 9 को प्रेस न करने के लिए कहा था।

MR. DEPUTY CHAIRMAN: He did not press. Probably he was under the impression that it is clause 15, but actually we were discussing clause 16 at that time. . .

श्री राजनारायण : उन्होंने खंड 15 का जवाब दिया और 16 का कैसे हो जायेगा ?

MR. DEPUTY CHAIRMAN : We were discussing clause 16. You did not press for clause 15. That is the whole trouble. . .

श्री राजनारायण : हमने तो जनरल डिस्कशन में कई प्वाइंट नहीं रखे थे। जैसे मिर्जापुर में मिट्टी के बर्तन, चमड़े का रोजगार और इस तरह की बहुत सी बातें हम कैसे छोड़ देंगे ?

MR. DEPUTY CHAIRMAN: We have already adopted clause 16. We are now on Clauses 17 to 24. . . (Interruptions).

श्री राजनारायण : अभी तो खंड 15 का जवाब दिया है और खंड 16 कैसे हो जायेगा ?

श्री भैरों सिंह शेखावत : इसमें तो 2 संशोधन जरूरी हैं।

MR. DEPUTY CHAIRMAN: You can now speak at the time of Third Reading ... (Interruptions).

MR. DEPUTY CHAIRMAN: The question is:

"That clauses 17 to 24 stand part of the Bill."

*The motion was adopted.*

*Clauses 17 to 24 were added to the Bill*

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

SHRI K. R. GANESH: Sir, I move:

"That the Bill be returned." *The question was proposed.*

श्री भूरी सिंह शेखावत : उप-सभापति जी, मैं इस बिल के सम्बन्ध में कुछ निवेदन करूँ, उसके पहिले मैं यह निवेदन करना चाहूँगा कि इस बिल में जिस प्रकार की इंडस्ट्रीज को कन्सेशन प्वाइंट आफ व्यू से प्रोटेक्शन दिया गया है, उससे एक बात निश्चित रूप से स्पष्ट है कि जिन क्षेत्रों को सरकार ने पिछड़ा हुआ क्षेत्र माना है, उन क्षेत्रों में इस प्रकार की इंडस्ट्रीज नहीं लग सकती हैं अभी माननीय मंत्री जी उत्तर दे रहे थे, तो उन्होंने बतलाया कि किस प्रकार से इन इंडस्ट्रीज का सलेक्शन किया गया है। मैं प्रोसीजर में तो जाना नहीं चाहता हूँ कि किस आधार पर इन इंडस्ट्रीज का सलेक्शन हुआ है, लेकिन प्रत्यक्ष जानकारी के आधार पर यह कहना चाहूँगा कि वही इंडस्ट्रीज हैं जिनको या तो मोनोपोलिस्टिक हाउसेज कहा जा रहा है या फिर जिनको कैपिटलिस्ट बतलाया जा रहा है तथा जिन के बड़े बड़े इंडस्ट्रीज के कंसर्न इस प्रकार के व्यक्ति इन इंडस्ट्रीज की स्थापना वहाँ पर स्वीकार कर सकते हैं या स्थापना करने का साहस कर सकते हैं।

(The Vice Chairman (Shri Bipinpal Das) in the Chair.)

अब यह प्रश्न आता है, जैसा मैंने निवेदन किया कि राजस्थान, मध्यप्रदेश और उड़ीसा में, जो दुर्भाग्यवश पिछड़े हुए इलाके हैं, यदि इन जगहों पर इंडस्ट्रीज लगाने की बात कोई कहेगा, तो

उनमें बहुत कम इंडस्ट्रीज ऐसी होगी जो साढ़े सात लाख कैपिटल पर लगाई जा सके।

जब इंडस्ट्रीज नहीं लग पाएंगी तो अभी जिन रीजनल इम्बैलेंसेज का जिक्र किया जा रहा था वे स्वयं और बढ़ेंगे, यह आप निश्चित रूप से मान कर चलें। अगर आपको रीजनल इम्बैलेंसेज के बारे में केवल लिपसिम्येथी शो करनी हो तो मुझे कुछ कहना नहीं है, लेकिन अगर आप वास्तव में बैकवर्ड एरियाज का डेवलपमेंट करना चाहते हैं तो आपको वे इंडस्ट्रीज सैलेक्ट करनी पड़ेगी जिनका रा मैटीरियल वहीं मिलता हो, कम से कम इनवेस्टमेंट से जो इंडस्ट्रीज पन-पाई जा सकती हों। शेड्यूल में जो आइटम्स दिए गए हैं उनमें से अधिकांश की इंडस्ट्रीज साढ़े सात लाख रुपए में नहीं पनपाई जा सकती। आज की स्थिति यह है कि लोग इंडस्ट्री लगाना चाहते हैं, इनवेस्टमेंट भी करना चाहते हैं लेकिन उनको बड़ी इंडस्ट्रीज के मुकाबले, बड़े लोगों के मुकाबले किसी प्रकार के कन्सेशन नहीं मिल पाते। एमेंडमेंट में मैंने जिन चीजों का उल्लेख किया है उनको मैं पढ़कर सुना देना चाहता हूँ। राजस्थान में सॉप स्टोन की इंडस्ट्री लगी हुई है, उसको किसी प्रकार का कन्सेशन नहीं मिलता। लाइम स्टोन की इंडस्ट्री है, माइका की इंडस्ट्री काफी है, लेदर की इंडस्ट्री वहाँ पनप सकती है, वीन्स की इंडस्ट्री पनप सकती है, स्ट्रा बोर्ड की इंडस्ट्री पनप सकती है, एडीबिल आयल की इंडस्ट्री लग सकती है, बिल्डिंग के सामान की लग सकती है जिसका कि रा मैटीरियल वहाँ उपलब्ध है। माननीय मंत्री महोदय का यह कहना कि इस कानून में जिस प्रकार की व्यवस्था की जा रही है उसमें बैकवर्ड एरियाज के लिए कन्सेशन्स हैं, सही नहीं है। वह एक कन्सेशन है ऐसा मैं मानता हूँ। मैं यह मानता हूँ कि इंडस्ट्रियल डेवलपमेंट के प्वाइंट आफ व्यू से बैकवर्ड एरियाज में इंडस्ट्रीज जायें, इस दृष्टि से जो कन्सेशन आपने डिक्लेयर किया है वह एक कन्सेशन है। लेकिन यह सरकार की प्रवृत्ति का द्योतक है कि सरकार किस प्रकार की प्रवृत्ति लेकर चल रही है। अगर सरकार ऐसी इंडस्ट्रीज

[श्री भैरों सिंह शेखावत]

को पनपाने की कोशिश कर रही है जो बिग मोनोपोली हाउसेज के हाथ में नहीं हैं, सेन्ट्रलाइज्ड नहीं हो गई है तो आपको छोटे क्षेत्रों का इंडस्ट्रियल डेवलपमेंट करने की बात सोचनी चाहिए। उदाहरण के रूप में मैं कहना चाहता हूँ कि अगर कोई ब्रांसवाड़ा में इंडस्ट्री लगाना चाहे तो यह मान कर चलिए कि न वहाँ रेल है, न ट्रांसपोर्ट का साधन है और रतलाम से, न गुजरात से और न महाराष्ट्र से रा मँटीरियल ला कर इंडस्ट्री पनपाई जा सकती है। अगर कोई इंडस्ट्री लगाना चाहता है तो वह इंडस्ट्री लगानी होगी जिसमें वहाँ का रा मँटीरियल लग सके। वहाँ सिर्फ स्ट्रा बोर्ड की इंडस्ट्री लग सकती है, और कोई इंडस्ट्री नहीं लग सकती। इसी प्रकार मध्य प्रदेश के कई जिले हैं जिनमें बाहर के रा मँटीरियल से कोई इंडस्ट्री नहीं पनपाई जा सकती; वहाँ का रा मँटीरियल उपयोग में लाना पड़ेगा, उसमें इंडस्ट्री पनपेगी। इसलिए मैंने निवेदन किया था कि शेड्यूल में इन आइटम्स को शामिल किया जाय ताकि बैकवर्ड क्षेत्रों में उत्साह पैदा हो कि हम इस बारे में इंडस्ट्रीज लगा सकते हैं। अगर सरकार यह संशोधन स्वीकार नहीं करती तो मैं समझता हूँ कि इस बिल से जो लाभ आप बैकवर्ड एरियाज को देना चाहते हैं वह किसी भी प्रकार से नहीं मिलेगा बल्कि फिर कन्सेन्ट्रेशन की प्रवृत्ति पैदा होगी, डिसेन्ट्रलाइजेशन की प्रोसेस होगी नहीं और जो बैकवर्ड एरियाज हैं वे उसी प्रकार से बैकवर्ड रहेंगे। भावना अच्छी होते हुए भी बिल में जिस प्रकार की खामियाँ रख कर मोनोपोली हाउसेज को प्रोटेक्ट करने या एनकरेज करने की प्रवृत्ति है उसकी मैं विरोध करता हूँ।

श्री राजनारायण : श्रीमन्, मुझे बहुत ही अफसोस के साथ कहना पड़ता है कि मैं यह देख रहा हूँ कि धीरे-धीरे हम लोगों के लिए बहुत ही कठिन होता जा रहा है अपने संसदीय कर्तव्यों का निर्वाह करना।

उपसभाध्यक्ष (श्री बिपिनपाल दास) : आप बहुत संक्षेप में बोलिए।

श्री राजनारायण : श्रीमन्, एक तो मैं इसी के बारे में, व्यवस्था के बारे में बोलूंगा और दूसरे एमेंडमेंट पर बोलूंगा। जो व्यवस्था की गई उसकी वजह से हम एमेंडमेंट पर बोल ही नहीं पाए, चाहे वह जिस ढंग से हुई हो।

उपसभाध्यक्ष : पहले आप बोल चुके हैं।

श्री राजनारायण : उस एमेंडमेंट पर तो कुछ हुआ ही नहीं, वह एमेंडमेंट तो लाया ही नहीं गया। हमारे इतने लर्नेड सेक्रेटरी जनरल यहां पर विराजमान हैं। चेम्बर में पूछे तो ये हमारे पक्ष में बता सकते हैं कि यह चीज आसानी से की जा सकती है।

तो हम लोगों का यह तय हुआ था कि हम तृतीय वाचन में इस के बारे में कुछ कह दें। तो तृतीय वाचन में कुछ तो हम अपने एमेंडमेंट पर बोलेंगे और कुछ तृतीय वाचन संबंधी जो आपत्तियाँ हैं उन पर बोलेंगे।

उपसभाध्यक्ष (श्री बिपिनपाल दास) : लेकिन 5 मिनट के अंदर।

श्री राजनारायण : इतने दुरूह कर्तव्य का पालन पाँच मिनट में कैसे हो सकता है, लेकिन हम कोशिश करेंगे कि आप को हमारे समय के बारे में कोई दिक्कत न हो।

श्री ओडम् प्रकाश त्यागी : लेकिन इस का लाभ क्या होगा ?

श्री राजनारायण : श्रीमन्, यह विधेयक लाया गया है डाइरेक्ट टैक्सेशन के बारे में, तो मेरा निवेदन है कि यहां पर यह विधेयक लाना ही उपयुक्त नहीं है। बिल के प्रथम वाचन के समय जिन सामग्रियों को हम लोगों ने जोड़ा था, उस में हमारा यह कहना था कि कागज के कारखाने जगह जगह पर लगाये जा सकते हैं, छोटे छोटे कारखाने लगाये जा सकते हैं और मैं समझता हूँ कि अगर आप के असम को लिया जाय तो कागज के कारखानों की वहाँ इतनी गुंजाइश है कि वहाँ छोटे छोटे कारखाने लगा कर हम अपनी कागज की मांग की पूर्ति कर सकते हैं। बंगाल सरकार के बारे में आप ने देखा कि

उस ने केन्द्रीय सरकार की कितनी भर्त्सना की और बंगाल के मुख्य मंत्री ने यहां तक कहा कि उन को पता नहीं है कि केन्द्र की सरकार हमारी बार बार की अनुनय विनय के बावजूद भी हमारे यहां कागज का कारखाना लगाने के लिए हरी संडी क्यों नहीं देती। यह पश्चिमी बंगाल के मुख्य मंत्री ने कहा। तो यह इस सरकार का सारा जो स्ट्रक्चर है पिछड़े क्षेत्रों के डेवलप करने के बारे में, उस से आप अंदाजा लगा सकते हैं कि किस तरह यह सरकार शत्रुमुर्ग की तरह बालू में सिर गड़ा कर और पैर ऊपर कर के देख रही है। मैंने उन को बताया कि कागज की कमी को दूर करने के लिए उत्तर प्रदेश में गोरखपुर है, बस्ती है, देवरिया है, खाली इन तीन जिलों को ले लिया जाय तो करीब वहां 25 चीनो की मिलें हैं और इन 25 मिलों में जो खोइयां होती हैं उस से बढ़ियां कागज बन सकता है। जो जानते हैं वे समझ सकते हैं कि गन्ने की ईंध को खोइयों से कागज का कारखाना लगाया जा सकता है। वहां कागज का कारखाना लगाने में सरकार को क्या आपत्ति है, वह समझ में नहीं आता। तो इसमें आखिर सरकार क्या करेगी। इसी तरह से हम ने कहा था कि चुनार, मिर्जापुर की एक प्रसिद्ध जगह है। चुनार का किला मशहूर है। वहां मिट्टी के बर्तनों की कारीगरी प्रसिद्ध है। वहां के मिट्टी के बर्तनों की कला मारी जा रही है। उस की वृद्धि के लिए, उस के विकास के लिए इस सरकार ने अभी तक कोई काम नहीं किया। उस वक्त हम इस को जोड़ना चाहते थे खंड 16 के अमेंडमेंट के जरिये, जिस को हम ठीक से कर नहीं पाये। उस के साथ साथ चमड़े का उद्योग है। हम ने उसी मिर्जापुर के लिए कहा था कि जब हम छोटे छोटे थे तो वहां एक अहरीरा बाजार है जिस में कि अच्छे अच्छे जूते बनते थे। वहां चार, चार छः छः कारीगर मिल कर बैठ कर काम करते थे। वहां की यह कला धीरे धीरे नष्ट होती चली जा रही है। उस के लिए इस सरकार ने कोई व्यवस्था नहीं की और उन्होंने साढ़े सात लाख रुपया रख दिया। अब यह साढ़े सात लाख रुपया किस

आधार पर रखा, यह मैं नहीं कह सकता। इस समय जो बड़ी चढ़ी कीमतें हैं क्या उन को मद्देनजर रखते हुए यह ठीक है? मैं समझता हूं कि इस समय की बड़ी चढ़ी कीमतों को मद्देनजर रखते हुए मिनिस्ट्री को इस सीमा को बढ़ाना होगा। उन को इस रकम को 12 लाख, 15 लाख या 20 लाख तक ले जाना चाहिए, इस में हम को कोई आपत्ति नहीं, लेकिन मैं यह कहना चाहता हूं कि यह डाइरेक्ट टैक्सेशन का जो वितंडवाद है वह आखिर कब तक चलेगा। श्रीमन्, यह देखें कि यह सरकार नाना प्रकार से चलती है। इन की जो टैक्सेशन प्रणाली है मूलतः वह प्रणाली अपने आप में गलत है, वह जनहित विरोधी है। उस से देश का भला होने वाला नहीं है। अभी अभी अध्यापकों का एक प्रदर्शन यहां पर हुआ था। उस में मैं गया था, शामिल हुआ था यहां बोलने के बाद। सारे देश के कोने कोने के अध्यापक आये हैं। उन का कहना है कि 20 प्रति शत हमें दिया जाय। राज्य के बजट का 10 प्रति-शत और केन्द्र के बजट का भी, तो यह सारे हमारे आर्थिक ढांचे से संबंध रखता है, चाहे वह शिक्षा का क्षेत्र हो या उद्योग धंधे का या कृषि का या कोई और क्षेत्र हो, सारा मामला आता है सरकार के बजट से। बजट वह आईना है जिस में सारे राष्ट्र की शकल देखी जा सकती है। तो उस को देख कर मैं सरकार से पूछना चाहता हूं बहुत ही सफाई के साथ कि इस सरकार ने यह जो चोरियां होती हैं उन चोरियों पर कोई डाइरेक्ट टैक्सेशन लगाने की व्यवस्था क्यों नहीं की? हम चाहते हैं कि डाइरेक्ट टैक्सेशन की व्यवस्था होनी चाहिए, जैसे श्रीमन्, हमने यहां पर पड़ा था, आपने देखा होगा एक लैटर। . . .

उप-सभाध्यक्ष (श्री विपिनपाल दास) :

आप डिटेल् में मत जाइये।

श्री राजनारायण : डिटेल् में जाऊंगा तो बड़ा समय लगेगा। मगर हमने यहां पर श्रीमन्, यह पड़ा था। इस पर टैक्स की क्या व्यवस्था है। . . .

**उपसभाध्यक्ष (श्री बिपिनपाल दास) :** राज-  
नारायण जी, आप लैटर पढ़ेंगे तो बहुत समय  
लग जाएगा ।

**श्री राजनारायण :** श्रीमन्, यह लैटर मरकरी  
ट्रेवल का है । इसमें लिखा हुआ है :—

Intelligence was received that M/s Mercury Travels were entering into agreement with the foreign travel agencies by which they were managing the tours in India of foreign tourists for which payment was being received from the foreign travel agencies through black-market channels in rupees in India. On search of the premises of the company at Imperial Hotel and Oberoi Inter-continental Hotel at New Delhi as well as the residential premises of Shri G. K. Khanna and Shri Som Madhok, a large number of incriminating documents were recovered. Both the above persons and the Accountant of M/s. Mercury Travels admitted that many payments were received not in the usual way through banks but in Indian currency through unknown persons. After a prolonged investigation, adjudication proceedings were taken up by the Director in which Shri Palkhivala appeared for the defence. Nine charges were framed and a total penalty of Rs. 5 lakhs was imposed on M/s. Mercury Travels and G. K. Khanna jointly.

श्रीमन्, मेरा पूछना है आपके द्वारा सरकार से कि इस तरह की रकम पर कैसे डाइरेक्ट टैक्स लगेगा । इस पर टैक्स लगाकर सरकार पैसा क्यों नहीं लेती और उस पैसे को अविकसित क्षेत्रों को विकसित करने में क्यों नहीं लगाती आपके द्वारा मैं मंत्री जी से पूछना चाहता हूँ—नाम नहीं लूंगा, नाम लेने से हल्ला हो जाता है—समाम अखबारों में यह प्रकाशित हुआ कि 50 लाख रुपया के 0 के 0 बिड़ला ने

उत्तर प्रदेश के राज्य सभा के चुनाव के बाद प्रधान मंत्री को दिया । उस 50 लाख रुपये पर इनकम टैक्स कैसे लगाया । इस रुपये को लेकर विकास में क्यों नहीं लगाया जाता ?

**श्री राजनारायण :** आप कृपा करके दो मिनट और दे दीजिए ।

**उप-सभाध्यक्ष (श्री बिपिनपाल दास) :** एक मिनट । One minute only.

हाबाद के पिछड़े क्षेत्र से आती है, इसलिए दिया होगा ।

**श्री राजनारायण :** श्रीमन्, इनके विभाग की स्थिति देखिये । . . .

THE VICE-CHAIRMAN (SHRI BIPINPAL DAS): You cannot continue like this. You have already wasted three minutes.

Letter No. 362 written by Manager, Allahabad Bank, Lucknow, dated the 5th August, 1974, to Shri Charan Singh M.L.A. The Head, Vidhan Mandal Bhartiya Kranti Dal. 34, Mall Avenue, Lucknow.

**श्री राजनारायण :** अच्छा एक मिनट दीजिए । मेरे पास अभी एक लैटर और है । चूंकि यहां पर गणेश जी मौजूद हैं, इसलिये इसको मैं पढ़ देना चाहता हूँ ।

*Subject:* Current Account, Vidhan Mandal. Bhartiya Kranti Dal.

Dear Sir,

With reference to your letter No. 132174 of the 26th ultimo, we have to write that the letter in question does not embody the signatures of the outgoing

office-bearers to enable us to take cognizance of the newly elected office bearers as per established norms and practice.

Please therefore adhere to the norms and get the resolution counter-signed by the outgoing President and the Secretary.

वह भारतीय क्रांति दल के आउट गोंडिंग प्रेसिडेंट हैं। (Interruption) श्रीमन्, अगर वह हमारी पार्टी छोड़कर चला गया है और वह कांग्रेस में शामिल हो जाए तो हमारा रुखा नहीं मिलेगा? आप स्पीकर से पूछ लीजिए आप चैयरमैन ह, आप जानते हैं कि भारतीय क्रांति दल का नेता कौन है, उत्तर प्रदेश का स्पीकर जानता है कि भारतीय क्रांति दल का नेता चौधरी चरणसिंह हैं। वह लीडर ऑफ अपोजिशन हैं और सारा बैंक एकाउंट उसके नाम है। वह अपने दल से अगर निकलकर कांग्रेस पार्टी में ज्वाइन कर ले तो उनसे कोई मतलब नहीं रह गया।

(Interruption)

उप-सभाध्यक्ष (श्री विपिनपाल दास) : आपका पॉइंट हो गया।

You are a disciplined Member of the House. I am now calling the Minister.

श्री राजनारायण : आप इस रुपये को पिछड़े क्षेत्र को विकसित करने में लगाते, यही मेरा कहना है।

SHRI K. R. GANESH: Sir, I have tried to cover some of the points earlier also in my remarks; I would like to make the position clear.

Now, Sir, two main concessions are available under this Bill. One is initial depreciation allowance available for ships and aircraft, and for machinery and plant used for generation of electricity or for manufacture of articles mentioned in the Ninth Schedule. This initial depreciation allowance will also be

available to small-scale undertakings whose capital investment in plant and machinery is not more than Rs. 7½ lakhs, irrespective of the articles manufactured by them, The Ninth Schedule is, thus, not relevant for small-scale industries. The second tax concession is exemption of 20% profits of industries in the backward areas. These are two separate things which are available.

THE VICE-CHAIRMAN (SHRI BIPINPAL DAS): The question is:

"That the Bill be returned."

*The motion was adopted.*

### THE COAL MINES (CONSERVATION AND DEVELOPMENT) BILL, 1974

THE MINISTER OF STEEL AND MINES (SHRI K. D. MALAVIYA): Sir, I move:

"That the Bill to provide for the conservation of coal and development of coal mines and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration "

Sir, as is already known, two of the salient features of the Bill are that the Coal Mines (Conservation, Safety and Development) Act of 1952 will be repealed by the proposed legislation which is before the House, and the Coal Board which was set up under section 4 of the above Act of 1952 will be dissolved and the assets and liabilities of the Coal Board will be taken over by the Government and we will have discretion and authority to transfer the same to a Government company. The third salient feature is that the Central Government will have authority to impose a duty of excise on all coal, not exceeding Rs. 10 per tonne, according to clause 6