

SHRI ANNASAHEB P. SHINDE:
 On this, I would like to submit this. Broadly we know the figure. But when we come to Parliament and give the figure, it has to be very precise. For instance, the total number of employees in the FCI is 50,000. They have this figure, but if it is found to be a few hundred this side or that side, the hon. Member would charge us with having misled the House or giving imprecise information. We are a responsible government and we have to be very sure that whatever information we give on its behalf is absolutely precise with no inaccuracy in it.

This organisation is spread all over the country. We have naturally to collect the information from all over these branches. It takes time. Their headquarters has to collect information from the various branches. But it is not as if we would like to avoid giving information or that it would not, as the hon. member here says, come for four years. It would be our endeavour to sincerely share whatever information we have with us.

DR KAILAS: Can he assure us as to after how many days, weeks or months he will lay it on the Table?

SHRI ANNASAHEB P. SHINDE:
 Before the end of the session.

श्री शंकर दयाल सिंह: सभापति जी/मैंने तो एक छोटा सा उदाहरण रखा मंत्री, मद्दोदय चाहता और ज्ञायद भविष्य में भी इस की आवश्यकता नहीं आएगी

SHRI ANNASAHEB P. SHINDE:
 We do not misunderstand him at all.

श्री शंकर दयाल सिंह: लेकिन जो बार्ज एग० ी० आई० में शामिल हो चुका है जिस की सी०बी०आई० द्वारा एम्बार्सी हो रही है उस के सम्बन्ध में मैं क्या बात कहूँ ? मैं तो यह चाहता हूँ कि जिन उद्देश्यों को लेकर भारतीय खाद्य निगम की स्थापना हुई थी

उन उद्देश्यों की पूर्ति होनी चाहिए। मैं चाहता हूँ कि खाद्य व्यापार में जो मनमानी है उस को रोकने के लिए अब इसकी स्थापना हुई है तो आप उस को कारगर तरीके से रोकिए। बढ़ते हुए मूल्यों से तो आज तबाही हो रही है, अनता परेशान हो रही है, उस को आप खाद्य निगम के द्वारा राहत पहुँचाइए।

MR. CHAIRMAN: As it is 4-30 P.M.; this debate is now postponed to a day to be fixed by the Speaker. He may resume his speech then.

17.30 hrs.

HALF-AN-HOUR DISCUSSION

RISE IN SHARE PRICES

SHRI JYOTIRMOY BOSU (Diamond Harbour): There has been an unprecedented rise in share prices in India. According to the Reserve Bank's index of variable dividend industrial securities, taking 1961-62 as the base year (100), they have recorded a rise of about 26.7 per cent. They have attributed this to higher commodity prices and general encouraging performance of the private sector.

If we look into the increase in the assets of these concerns, it will be more surprising as it will reveal what is the pre-monopoly attitude and character of the present Government.

Samvart 2029 has been described as an excellent year for the share market, because it has recorded on impressive boom and the equities have risen by over 38 per cent. In the case of the previous year it was only 5 per cent. The year before that saw a fall of 13 per cent. Calcutta reflects, more or less, performance of the far eastern region. Jute is produced out of the flesh and blood of the poor kisans. It has recorded a rise of over

[Shri Jyotirmoy Bosu]

40 per cent. and has reached 161.4 per cent in all. As far as steel is concerned Tatas have recorded a rise of 34 per cent in one year. The general expectations on the part of the investors and capitalists is that the Government will follow the dual policy as in the case of sugar, in the case of commodities such as cotton, cotton textiles, fertilisers, chemicals and papers.

There has been a boom in cotton textiles and the rise is over 100 per cent. Baroda rayon has recorded a rise of 141 per cent. New Sherrocks had achieved a rate of 122 per cent. Take 1969-70 as the base year (100). In December, 1973, cotton textiles have recorded 152.7 as against 108.1 last year. In respect of man-made fibre there was a fantastic growth; it reached 207.1 as against 144.7 last year. Fertilisers is 156.5 compared to 108 last year; paper has reached 211.7 per cent as compared to 150.2 last year. Similarly there are so many other categories of items which have shown a phenomenal growth in the share market and that is, because the capitalists have been able to advance their cause with the collaboration and help of the present pro-monopoly Government.

When there is rise in prices and there are shortages, the consumers are groaning under the pressure of the same. But the industrial profits, and dividends shoot up and that is something very significant. There are more than 100 companies which have reaped a pre-tax of profit of more than one crore of rupees for 1972-73 and in many cases they have exceeded Rs. 4 crores. Topping the list are units with foreign collaboration, equities management and control. Take for example Hindustan Leavers, Brooke Bonds, Glaxo, Pfeizer, Union Carbide, Indian Aluminium, Philips and so many others. All these companies that I mentioned just now have reaped a pre-tax profit of over Rs. 4 crores for the year 1972-73. Take the dividends for example. Godfray Philips—85 per cent. Esso Petroleum—31.25

per cent dividend; Food specialities—25 per cent; Phillips—24 per cent; Cafè—25 per cent.

Among the Indian companies also firms like the Century mills, National rayon etc. have bagged huge profits. The common man and the small share holder do not at all gain, because the value of the Indian rupee has been eroded due to severe inflation.

For jute it is the worst scandal. The wholesale price index of jute (base year 1959-60=100), was 236.1 on 8th December, 1972. This year it has declined to 190.4 on 8th November, 1973. On 8th December, one month afterwards, it has recorded a further decline and stood at 184.2. The jute growers in one year had been defrauded to the tune of Rs. 200 crores by the middlemen and jute mill owners. We have the Jute Corporation for which we spend millions of rupees. It is nothing but a sham body and a show piece. They could have easily taken over the purchase of raw jute to save producers, but no. The small jute growers who produce jute with their flesh and blood had to make distress sales. The Minister of Commerce, who is responsible for this did not move his little finger, because I am told that he was given a directive from the High Command that the Commerce Minister's job was conditional on this; we have two elections before us—U.P. and Orissa; therefore, the ruling party must make the fullest use of its machinery to feather its nest. The Indian Jute Mill Association is an organisation of the owners, blood suckers. They have been given complete freedom to plunder, of course in return for something—very attractive for the ruling party, because they require it so badly, namely, contributions and donations.

This I.J.M.A. is controlled by Goenkas of Duncan Brothers who were involved in the serious poster scandal and that was debated for hours on the floor of the House. They control the I.J.M.A. Therefore, the ruling party can hardly annoy such

people who are so generous in making contributions to keep them going and keep them in power. I am charging them here that they have liberally... (Interruptions) I am not yielding. They are liberally giving jobs to Ministers' sons, relations of V.I.P.s and, I am told, they have reached the Rashtrapati Bhavan. This is a very serious matter...

श्री शंकरदास सिंह (चतरा) : मद्गोदय, मेरा प्वाइन्ट आफ आर्डर है मैं यह जानना चाहता हूँ कि माननीय सदस्य अपने विषय पर बोले तो ज्यादा अच्छा होगा। यहाँ हलिंग पार्टी पर भाषण देने की बात नहीं है इनका अपना एक विषय है, उस पर ही बोलें, हलिंग पार्टी पर नहीं बोलें।

MR. CHAIRMAN: The point of order that has been raised is not to interrupt, but, I think, it has been raised to point out that the debate should be on the right side of the subject. Therefore, I would request my hon. friend, Shri Jyotirmoy Bosu to please confine himself to the subject under discussion.

SHRI JYOTIRMOY BOSU: I did not wish to carry coal to New Castle. I did not wish to carry things to you because you know that these are all inter-related things. If you want to take favour from the Government, you have to give favour. That is why I want to ask how many Ministers' sons have been given jobs by Mr. R. P. Goenka, Mr. K. P. Goenka, of Duncan Brothers. These people have reached the Rashtrapati Bhavan. That can be furnished by the Government.

How do they work? On the pretext of making jute and jute products more competitive in the foreign markets and also that they are able to enter new markets and they are able to compete with synthetics, the export duty was substantially reduced by Mr. Ganesh's Department because they are not concerned with the country's benefit but they are more

concerned about benefiting themselves. What did they do? A reduction of Rs. 400 a tonne in the export duty of Hessian and abolition of the export duty on sacking to improve the competitiveness of Indian jute goods. The export duty on Hessian has been reduced from Rs. 600 to Rs. 200 per tonne. This is how, I am told, the Exchequer has lost no less than Rs. 32 crores although they show by calculation Rs. 16 crores. But we do not trust these calculations.

What has happened? You go to the foreign markets. The prices of jute goods exported from India where the export duty has been substantially reduced have soared up and they have really increased by leaps and bounds. For example, if you look into the markets, in Japan, in the Middle-East countries, in the African countries, you will see that whilst the exporter has been able to pressurise the Government and reduce the export duty, they have been able to fleece the foreigners. They have been able to get much higher prices for themselves. But the benefit does not go to the jute growers or the workers in the country. The benefit is divided between the tycoons and the Government—the Government means the ruling party.

We are a top producer of jute. We do not have any competitors. In spite of that, why is it that our poor jute growers are treated like that? We are talking about competing with synthetics. It will be building castles in the air because after this petrol crisis, the production of synthetics will be completely out of question.

In reply to a Question, the Government have said that gross profits (before depreciation and interest) are the tune of...

SHRI B. V. NAIK (Kanara): Sir, I thought the Question was on share prices.

SHRI JYOTIRMOY BOSU: Mr. Naik is getting identified too soon.

MR. CHAIRMAN: "Share prices" covers all the commodities.

SHRI JYOTIRMOY BOSU: This is the Government's reply:

"There are 65 jute mill companies in the country out of which the gross and net profits of 49 mill companies, of which 7 mill companies have interests other than jute...

Gross profits (before depreciation and interest) in 1969-70—Rs. 12.66 crores;

"1970-71 Rs. 19.76 crores"

"1971-72 Rs. 30.66 crores"

I am quite sure that, at the close of the business this year, it will have doubled. The net profit before tax was Rs. 5.51 crores in 1970-71 and Rs. 16.30 crores in 1971-72. This is the position with regard to profit-making by these tycoons.

About sugar there is something very interesting. It is written in the *Economic Times*, Bombay.

"The sugar industry had an unprecedented buoyancy in profits and profitability during 1972-73. While the pre-tax profits more than doubled during the year under review, the profitability, both in terms of sales and total capital employed, reached new peaks."

"Some of the sugar companies which recorded unprecedented rise in profits before tax during 1972-73 are Andhra Sugar (from Rs. 95 lakhs to Rs. 214 lakhs), Deccan Sugar from Rs. 16.0 lakhs to Rs. 136 lakhs), Sakthi Sugar (from Rs. 35 lakhs to Rs. 105 lakhs), Gobind Sugar (from Rs. 7 lakhs to Rs. 87 lakhs), Ugar Sugar (from Rs. 25 lakhs to Rs. 91 lakhs)—" etc. etc.

There is a combined profit and loss account of 37 sugar companies given there:

"Profits before tax, 1971-72 Rs. 622 lakhs, 1972-73 Rs. 1527 lakhs.

"Profits after tax, Rs. 349 lakhs in 1971-72 and Rs. 839 lakhs in 1972-73; dividends, Rs. 195 lakhs in 1971-72 and Rs. 282 lakhs in 1972-73."

The comparative profitability of sugar companies for different regions is as follows: profit after tax as percentage of net worth: U.P. 4.8 in 1971-72 and 19.3 in 1972-73; Bihar, from 0.6 in 1971-72 it has jumped to 19.7 in 1972-73; South India, from 15.2 in 1971-72 it has jumped to 25.6 in 1972-73.

This is how the share market prices are going up. Mr. Naik should be able to understand this from what I have said.

About fertiliser, the Imperial Chemical Industries are very fond of imperial things. It is a multi-national corporation. You are aware of that fact, Sir. The Industrial Licensing Policy Inquiry Committee had detected unauthorised expansion far in excess of the permitted capacity. They have been involved in black marketing of urea. I have already produced a photostat copy and laid it on the Table of the House which Government has not been able to disprove so far.

Now I will show what is the profit that the Indian Explosives Limited are making. The profit before tax in 1972 was Rs. 7,40,13,644; in the previous year, 1971, it was Rs. 2,48,60,786. The profit after taxation in 1971 was Rs. 2,45,19,806 and the same in 1972 was Rs. 7,37,39,907. This is the position. They have been allowed to fleece the poor people of this country and yet they go uncaught, undetected and unpunished because they are hand in gloves with the ruling party.

About the selected companies under the control of monopoly houses—man-made fibre industry, it is mentioned in the *Economic Times*:

"It is significantly high in a number of non-traditional industries,

particularly man-made fibre and chemicals. An equity investment of Rs. 100 got in 1971-72 a dividend between Rs. 7.80 and Rs. 13.75 in the three traditional industries against the industrial sector's average of Rs 14.19; the dividend rises to as high as Rs. 30.25.."

Now I come to MRTP probe into 22 nylon firms where they are maintaining prices at unreasonably high level by manipulating production and supplies; forcing a particular class of users of nylon filament yarn to purchase such yarn from the first four parties, etc., etc. There are so many things. The first four parties mentioned in the commissions notification are: J. K. Synthetics, Kanpur, Garware Nylon Limited, Bombay, Then the Nirlon Synthetic, Fibres and Chemicals Ltd., Bombay and Modipon Ltd., Modinagar. So, that is how this thing is taking place.

The most interesting thing is that while the approved sale prices of raw materials are: Alkali Chemicals—(an ICI associate)—Rs. 7.95, Union Carbide—Rs. 8.35 and Hoechst Dyes—Rs. 7.50 per kg, the current market prices are anywhere between Rs. 13.50 to 15.50 and this Government is a passive spectator because their mouth has been shut and fed and filled with molten silver. So they cannot open their mouth nor can they chew anything.

Then take this Food & Fertiliser Company, Shaw Wallace where an Englishman, motto—benevolent missionary—came here and what is their record? The profit earned by the company in 1972 was Rs. 235.23 lakhs. "This is once again a record in the history of the Group, being some 33.8 per cent above the previous year's profit, which was itself 43.3 per cent above that for 1970." This is what their Chairman says. So, in total it is 78 per cent more than the 1970 profits. All processes of Garibi Hatao should go because Mrs. Gandhi wants to hatao the garibi in this manner. "The profit of the parent company

was Rs. 177.09 lakhs which represents an increase of 109.9 per cent over the profit for the year 1970, just two years ago"—this is their Chairman's review.

Then, we come to Hindustan Lever. Sir, you want Dalda. Hindustan Levers is a monopolist manufacturer of Dalda, Soap, baby food, poultry feed etc. Their turn-over in 1962 was Rs. 5385 lakhs and it has touched Rs-13410 lakhs in 1971. They want to be self-reliant. They do not want the foreigners to come and expand their business in India. From Rs. 5385 lakhs in 1962 it has gone upto Rs. 13410 lakhs in 1971. Profits before tax was Rs. 481 lakhs in 1962 and in 1971 it was Rs. 759 lakhs. Dividend—1962—99 lakhs and 1971—Rs. 217 lakhs. Mr. Ganesh will be able to tell us as to how it is making hey while the sun is shining.

Then the Brooke Bond's repatriation of profits in 1971-72 alone is Rs. 151 lakhs, all in foreign exchange and this company came under the purview of the Monopoly Commission in their own country, viz., Britain where there is a capitalist system. In spite of that, they have been brought under the purview of the Monopolies Commission. Here, nothing happens and all this is part of Garibi Hatao.

Then I come to the growth rate of the assets. In 1964 the assets of the Tatas were Rs. 418 crores and in 1971 March, it is Rs. 711 crores. Birlas—their assets have increased from Rs. 203 crores in March 1964 to Rs. 687 crores in March 1971. ICI—it has increased from Rs. 37 crores in 1964 to Rs. 229 crores in 1971. This is a multi-national corporation.

Let the Deputy Minister not get worried about these things. He should not disturb the Chair.

But what is the growth rate in respect of employees' earnings? With 100—1961 as the base, in 1962, the index number of real earnings of employees in manufacturing industries was 103, in 1969 it is 101 and in 1971 it is only 99...

SHRI M. RAM GOPAL REDDY (Nizamabad): In a half-an-hour discussion he is taking one hour.

SHRI JYOTIRMOY BOSU: The workers' wages are going down while the returns and assets of monopolists like Hindustan Lever and ICI and Shaw Wallace are going on the top of the world. That is the *Garibi Hatao* that Mrs. Gandhi is aware of.

I will give one example. The Colgate-Palmolive (India) Pvt. Ltd.—the remuneration to the Managing Director in 1971 was Rs. 3,79,214 a year and in 1972 it has gone upto Rs. 3,89,131 because of *Garibi Hatao*. One man earning Rs. 30,000 per month! Taxation for the corporate sector has gone down. Everybody knows it and it cannot be disputed. I am just finishing, Sir. I want to quote from the R.B.I. Report on Currency and Finance. It says:

'In the major stock exchanges the downward drift in equity prices noticed since May 1972 due to certain transient factors gave way to buoyancy especially after the Central Budget for 1973-74.'

What sort of budget is this, because it encourages monopoly, it encourages profiteers? Therefore, they were all encouraged. And finally I would like to conclude by quoting from a wonderful article which came out in the *New Statesman* of London. It says:

"India is plagued by the worst crisis in its 26 years. Economic distress is widespread and deepening day by day. Prices of all foods have skyrocketed, a 20 per cent increase being registered in one month."

And then it has described the whole country as a vast black market. It says:

'India has become a vast black market.'

And then it says:

'Its steady aggravation, with no prospect of relief, can only be blamed on the administrative paralysis in New Delhi.'

This is created, it says—

'by the wide gulf between precept and performance at the very top.'

It has described the whole country as a vast black market. I want to know what the Government wants to say in the matter. We have highlighted many things. Let them not escape the issue. I don't know whether Mr. Ganesh has come prepared to reply to these things. I don't really think so. But, we would like to hear in any case.

MR. CHAIRMAN: Mr. B. V. Naik. Only questions please.

SHRI B. V. NAIK: The biggest monopolist of the time of the Lok Sabha, Shri Jyotirmoy Bosu, has left me no other choice except to be extremely brief. At the time when the reply is given by the Minister would be kindly tell us,—while the figures in regard to pre-tax profit as well as the post-tax profits of the various concerns have been given—the amount of tax reliefs on the basis of the same figures that have been provided, the amount of additional taxes that have been collected by the State Exchequer and the increase thereby of the revenue?

***SHRI E. R. KRISHNAN (Salem):** The increasing participation of public financial institutions in the equity capital of companies has been quoted in the reply to the question as one of the reasons for the unprecedented increase in the price of equity shares.

*The original speech was delivered in Tamil.

I want to know what is the value of equity shares purchased by IDBI, LIC, ICIC, UTI etc. during the period from 1-1-73 to 1-10-73 and what is the value of equity shares issued during this period. These are the two questions for which I would like to have an answer from the hon. Minister.

श्री मधु लिमये : (बांका) सभापति महोदय, स्वयं मंत्री जी ने अपने उत्तर में कहा है, जिस पर यह बहस उठाई गई है कि 31 दिसम्बर, 1972 को शेयर्स 93.8 पर थे और 27 अक्तूबर, 1973 को 118.8 पर, यानी मतलब यह है कि एक साल में 21 प्वाइन्ट्स का इजाफा हुआ है। इसके उन्होंने जो कारण दिए हैं वे असली कारण नहीं हैं। अगर असली कारण होते तो इस बहस को को उठाने की हमें कोई जरूरत ही नहीं होती।

सभापति महोदय : अभी तो आपको सवाल करने हैं।

श्री मधु लिमये : हमारे मित्र ने जितना समय लिया है उसके प्रोपॉशन में कुछ हमारे लिए भी सोचिए।

सभापति महोदय : आपके मित्र को भी सोचना था।

श्री मधु लिमये : यह विषय इतना महत्व का है कि आप पांच मिनट मुझे इस पर दीजिए।

सभापति महोदय : आप सवाल पूछिये।

श्री मधु लिमये : आपने कहा कि रेजीवेंट बोलना चाहिए। इन्होंने जो प्रश्न उठाया है उसका उत्तर झूठा है, अपूर्ण है गुमराह करने वाला है।

MR. CHAIRMAN: I would like Shri Limaye to know about one thing that he is always within his rights to speak. But here only questions are to be asked. If you do otherwise, then you will take much time. Therefore, please ask only questions.

श्री मधु लिमये : मैं केवल पूछना ही करता हूँ। मैं अभी इकानॉमिक एंड पॉलीटिकल बॉकरो का जो उद्धरण दूंगा, उसी पर मेरा प्रश्न आधारित होगा? उस में कहा गया है:

"The extraordinary manoeuvres which sent sugar prices sky-rocketing last month apparently had a definite political purpose, what with the elections in U.P. only a few months away. An idea of what can be achieved by even very short-term manipulation of prices can be had from the fact that an average increase of Re. 1 per k.g. in the realisation on the free sale sugar quota of 1.15 lakh tonnes for just a month of November can rake in as much as Rs. 11.50 crores for the sugar industry and trade—all or a large part of which could be made available for keeping U.P. safe for the ruling party. The sugar industry, after all, has a special responsibility for U.P."

आप जानते होंगे कि उस समय बम्बई में 7 रुपये किन्नी के हिसाब से चीनी बिक रही थी।

शेयर्स के दाम क्यों बढ़ रहे हैं?

सभापति महोदय : आप सवाल पूछिये?

श्री मधु लिमये : क्या सरकार ने पिछले कुछ महीनों में कई कनसर्ज को बड़े पैमाने पर बोनस शेयर्स की इजाजत दी है या नहीं, जैसे जे० के० सिन्थेटिक्स और जे० के० की दूसरी कम्पनी, रेयमंड वूलन मिल्स, को? क्या यह सही नहीं है कि बोनस शेयर्स

[श्री मधु लियवे]

बांटने का मतलब यह होता है कि अगर सरकार डिविडेंड को नियंत्रित कर भी दे, तो भी चूँकि कानज्यूमर को लूट कर बोनस शेयरजं मुफ्त में मिलते हैं, इस लिए उन के डिविडेंड और मुनाफे भी बढ़ जाते हैं ?

इकानॉमिक एंड पोलिटीकल बीकली कहता है :

"The return on capital has improved significantly surpassing in 1970-71, 1960-61 level and to some extent even those of 1960-61 and 1961-62."

क्या यह सही नहीं है कि जिस साल प्रधान मंत्री संबंध फ़िनांस मिनिस्टर बनी, और गरिबी, हटाओ का चुनाव हुआ, उस साल यद्यपि औद्योगिक उत्पादन घट रहा था और उपभोक्ता मर रहा था, लेकिन उन कम्पनियों की प्रॉफ़िटबिलिटी बढ़ी और उन्होंने बोनस शेयरजं बांटे। इसके पीछे क्या रहस्य है ? जूट में लूट, चीनी में लूट, नाइलोन यार्न में लूट, टायर में लूट—कोई ऐसी चीज नहीं रही, जिस में लूट न हुई हो। प्रीमियम डबल हो गई ?

मैं चाहता हूँ कि मंत्री महोदय इन बातों की सफ़ाई दें कि मुनाफे में इस तरह की जो अनुचित वृद्धि होनी है, शेयरजं में स्पेकुलेशन होता है और जनता को लूटा जाता है, उस के बारे में वह क्या करने आ रहे हैं। वह जरा तफ़सील से बताने। यह सब जानकारी उन को इस प्रश्न के उत्तर में ही देनी चाहिए था, लेकिन उन्होंने नहीं दी, बल्कि उन्होंने बातों को छिपाया।

SHRI JYOTIRMOY BOSU: Before you call the Minister, if I want to describe the hon. Prime Minister as financial wizard because she is a

female, am I right? Or what should I call her? I just want you to make this clear.

MR. CHAIRMAN: The hon Minister.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): Sir, Shri Bosu has covered a much wider area than the clarification on this particular question to which a reply was given. I would mean a very thorough discussion if I have to go into all the points that he has raised.

So, I shall try to answer some of the basic questions that are there. It is a fact, as we have indicated in the reply, that the prices of shares have gone up in the year 1973, recently. I cannot enter into a discussion. He has raised so many points and he has quoted so many figures.

After stagnating for three or four years, the prices of shares have increased. These are facts about which there is no dispute. What are the reasons for this increase in share prices? That is the question that has to be gone into.

18.00 hrs.

There are a number of reasons which I shall list. There has been acute shortage of scrips of particularly well-established companies vis-a-vis the total amount of investment available in the shareholding. This has resulted in larger demand of good scrips and their availability being limited, the prices have shown a significant increase.

Secondly, unprecedented is in commodity prices during the past year and a half seemed to have shifted money income in favour of the relatively richer sections of the community, and therefore, their demands for shares have risen partly as a hedge against inflation.

Then, on account of certain regulations and uncertainties in the com-

modity market and the fear of ceiling on real estates, some of the investible funds have gone in favour of share markets.

Then, there has been bulk support provided by financial institutions for important scrips which was a factor which had induced a firm basis for those shares in the share market. There has been some fear of demotisation of notes of higher denomination, and, therefore also, there has been a rush as far as the question of shares is concerned.

These are some of the reasons which have shifted and brought about....

SHRI P. G. MAVALANKAR (Ahmedabad): What are the other reasons?

SHRI K. R. GANESH: These are some of the reasons which have brought about a change in the availability of the shares and the prices of shares going up. From this, to draw the conclusion that this has benefited only a few monopolists and big traders and speculators will not be completely a correct picture, because the equity shareholding is now firmly broad-based and that trend or direction is quite discernible.

The Reserve Bank had conducted a survey in 1967-68 and it has shown that 189 companies with a paid-up capital of Rs. 423 crores had accounted for more than a million individual shareholders. Certain definite measures have also been taken to ensure larger dispersal of shareholdings.

According to the existing guidelines which government issued in 1972, where a public company gets a quotation for share at the stock exchange, the amount of issue capital it has to offer for public subscription should not be 60 per cent as against the earlier stipulation of 49 per cent. For the allotment of shares, in cases of new issues, a heavy weightage has been provided in favour of small applications and an

overwhelming proportion of the new shareholders, as the report indicates, is of people who have made small investments. It is the declared policy of Government to broadbase shareholdings in the corporate sector. There is a large bulk of the investing public in this sector. From this also it is clear that there has been a significant rise in the small and middle class holdings in the case of share capital and there is a broader and broader dispersal.

Apart from this, the financial institutions have also heavily invested so far as these companies are concerned. As far as the question of giving medium and long-term assistance is concerned, the financial institutions have got assess now known as convertible....

SHRI JYOTIRMOY BOSU: How is this relevant? We are interested in the boom that has come in the share market because of the great profitability of private capital in the country. We are talking about how Government propose to control this excessive profiteering of foreign and Indian concerns. We are concerned with whether they are going to see that the consumers are not fleeced and profits are not accumulated at the cost of the blood and sweat of the poor consumer.

What is all this he is taking about, I do not know.

SHRI K. R. GANESH: He wants me to reply to what all he said.

MR. CHAIRMAN: He can reply to the relevant points in the matter under discussion.

SHRI K. R. GANESH: May I submit in all humility that I am replying to the point under discussion?

MR. CHAIRMAN: I am not stopping you.

SHRI K. R. GANESH: The hon. Member has gone through a wide cam-

[Shri K. R. Ganesh]

was for which he should raise a discussion and we will be able to reply. This is an unstarred question in which the question of an increase in price of scrips was indicated.

SHRI JYOTIRMOY BOSU: I pray you leave on record your observation that a discussion under rule 193 be admitted tomorrow. We shall be here to allow the Minister to speak at length. But if they want to run away, they will run away.

श्री मधु लिमये: मेरा प्वाइंट आफ ऑर्डर है। मैं मंत्री महोदय के भाषण में कोई व्यवधान नहीं डालना चाहता। लेकिन मैं बहुत शांति से सुन रहा हूँ। उन्होंने पहले जो कारण बताए, आप के सामने प्रश्न का उत्तर है, उन्हीं को उन्होंने दोहराया, आप जरा देखिये इसको। बहुत उठाई गई इमलिंग कि जो पहले उत्तर दिया गया था उस का और खुलासा हो, इस में जो अपूर्णता है, उस को पूरा किया जाए। अगर उन्हीं बातों को दोहराना है तो मुझे कुछ नहीं कहना है। अगर हमने कुछ सवाल पूछे हैं। उन सवालों का उत्तर हमें मिलेगा ऐसी आशा हम करते हैं। उस के लिए वह चाहे जितना समय ले लें, हम उस के लिए तैयार हैं। लेकिन उन सवालों का उत्तर आना चाहिए। इतना ही मुझे कहना है।

MR. CHAIRMAN: The question asked and the discussion for half an hour that has been raised under the rule relates to a specific item on which certain questions are asked.

SHRI MADHU LIMAYE: Why is he repeating the old answers?

MR. CHAIRMAN: If the members are not satisfied, they can have their own way and get satisfaction.

श्री मधु लिमये: मैं आप की रुझिंग चाहता हूँ।

MR. CHAIRMAN: The Chair cannot force the Minister to reply in such and such way.

श्री मधु लिमये: आप ने इन को तो कहा कि आप रेलीवेट बाते कहिए। अगर वह अपने पुराने उत्तर की ही पढ़ कर सुनाना चाहते हैं तो वह तो हम घर में भी बैठकर पढ़ सकते हैं। वह फिर हमने जो मुद्दे उठाए हैं। जिनको वह रेलीवेट समझते हैं उन्हीं का अभाव दें।

सभापति महोदय: ठीक है। लेकिन उन्होंने अभी खत्म नहीं किया है। खत्म करने के बाद आप कह सकते हैं कि आप का उत्तर नहीं आया।

SHRI JYOTIRMOY BOSU: The truth of the matter is that the hon. Minister has come with a typewritten reply, readymade before he heard me. I know he cannot do anything better than this. But what I am saying is that you can help us. The hon. Minister has invited us to ask for a discussion, a short duration discussion, under rule 193. I am quite ready even now, right now, to have it. Let Government come forward, accept a debate like that. The Chair can fix a date early which will help us in getting a discussion under rule 193 on this on the list of business. But they run away. I know these slippery fellows; they all run away.

SHRI K. R. GANESH: The hon. member takes liberties with this House. He can say anything any time, he can call anybody any name, he can use any phrase he likes. But if we use one small phrase, he will creak. That has been the experience. But I am not going to do that.

The point I was trying to make was that the question had arisen as a result of the reply we gave. The hon. member has taken the discussion over a very wide field in which he has given the profitability of many concerns, he has dealt with various other things, he has introduced politics also

into it. I am trying to confine my observations to that, according to Government are the reasons why there has been a sort of profitability and there has been an increase in the price of shares, as has been indicated in the reply.

In a recent study made of 652 companies which announced dividends between March and September 1973, it has been observed that only 33 per cent of the companies were able to raise their dividends to offset the inflationary rise in prices, whereas 38 per cent were merely able to maintain the dividends, 10 per cent actually reduced the dividends, and as many as 19 per cent skipped dividends altogether. Therefore, it would be incorrect to say that there has been a fantastic increase in the rate of distribution of dividends at the cost of the general public.

MR. CHAIRMAN: Just a minute. I have before me an explanatory note which I hope the Minister must have got. In that it is stated "according to me, the Government policy and practice are surrendered to the pressure of the monopolists. It is the basic reason for this state of affairs." To that also the Minister may kindly reply, because this is a point for which the discussion has been asked for.

SHRI JYOTIRMOY BOSU: Thank you.

SHRI K. R. GANESH: I am trying to explain how the Government policy is on dispersal of shareholdings; how is the Government policy on guidelines which have been introduced; how the Government policy is on convertibility clauses and how the Government policy is on the financial institutions having a convertibility clause as well as having a right to have directors,—how all these are steps in the direction of seeing that those companies do not make high profits and that their profits are dispersed.

There is the steep rise in prices; it is seen and it is quite obvious that the profits of some of those companies would go up. But I have indicated the reasons for it and also the steps that the Government have taken in this regard to control the rise in the prices of shares. (Interruptions)

Several Hon. Members rose—

MR. CHAIRMAN: If the members allow me I will do better. The House stands adjourned till 11 a.m. tomorrow.

18.12 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, December 13, 1973/Agrahayana 22, 1895 (Saka).