

Shri Asoka Mehta: The Finance Minister and I were both involved in an important meeting. I have come here and requested him to remain there. If there is any important matter, I am willing to discuss it.

श्री दुग्धम वन्द का दाय : संसद का काम ज्यादा जरूरी है इसलिए उनको यहां पर मौजूद रहना चाहिए ।

प्रत्यक्ष महोदय : प्रन्धी बात है ।

Shri Hem Barua: May I know if it is a fact that the World Bank has recommended devaluation of the rupee to meet our present economic difficulties by increasing exports that a section of our economic planners and a section in the Reserve Bank have also recommended it or are of the same opinion as reported in the London papers; if so, will the Government clarify this position?

Shri B. R. Bhagat: What am I to answer in this?

Mr. Speaker: I have followed his question, but after what we have discussed a minute ago, is it desirable that this question should be pressed now?

Shri Hem Barua: May I submit that it is desirable because the London papers are carrying all sorts of news, and they have gone to the extent of saying that the World Bank has recommended the devaluation of the rupee to the Government of India, and also that some of our economic planners and some in the Reserve Bank also think in the same way. They say that devaluation is necessary, that if it does not come today, it is unavoidable, it will have to come in the end. These are the words.

Mr. Speaker: That might be their opinion. Shri Asoka Mehta has answered that.

श्री ए. ए. दिवेदी : प्रत्यक्ष महोदय, मैं यह निवेदन करना चाहता हूँ कि प्रश्नों का बंटा विशद का बंटा नहीं है । अगर एक एक

प्रश्न बीस बीस मिनट तक चलना, तो फिर प्रश्नों का बंटा समाप्त कर दिया जाये ।

प्रत्यक्ष महोदय : ठीक है ।

श्री ए. ए. दिवेदी : किसी भी लोक सभा में ऐसा नहीं होता है । आप को इस सम्बन्ध में समय-निर्धारण करना चाहिए ।

Capital Market

+

*64. **Shri P. C. Borooah:**

Dr. L. M. Singhvi:

Will the Minister of Finance be pleased to state:

(a) whether Government are cognisant of the flagging state of the capital market;

(b) whether any remedial measures to revive the same are being contemplated by Government; and

(c) if not, the reasons therefor?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):

(a) to (c). Government is aware that there has been some sagging in the capital market during 1965. Government is, however, keeping a continual watch on the conditions in the capital market and it has been taking steps to improve the investment climate.

Shri P. C. Borooah: Is it a fact that two-fifths of the newly subscribed joint stock capital in India had been wiped off during the last three years on account of the erosion in the value of the capital market and if so, what is the estimate of the losses, and what steps have the government taken to revitalize the capital market and keep the country's industrial progress on the track?

Shri B. R. Bhagat: There has been an erosion of the equity values whether of the new or old shares. I want notice to give the extent of that erosion.

Shri P. C. Borooah: Has the attention of the government been drawn to the statement of the president of the stock exchanges in India to the effect that seventy per cent of the corporate tax is far too high compared to the rates prevailing in Scandinavia, Britain and other countries where the percentage is round about 55 per cent. May I know whether the government is considering to reduce the ceiling?

Shri B. R. Bhagat: I cannot discuss the taxation measures which the Finance Minister may be thinking. In the last budget a number of concessions for investments, particularly in priority industries and exports and others were given by way of fiscal and other incentives. It has to be balanced with that.

Shri Shivaji Rao S. Deshmukh: What is the government's estimate of the extent of India's capital market as controlled by capitalists? Is it a fact that big money is interested in pumping capital underground rather than the capital market?

Shri B. R. Bhagat: It is a very general question. It is true that big money is operating but it is also true that medium and small moneys are operating in the capital market.

Shri Indrajit Gupta: In view of the fact that the profit index of industries shows no sign of declining and on the contrary is rising, and in view of the statement made recently by Sir Thomas Kipping while touring this country to the effect that the investment climate in India is very good, does the Minister think that there is real and genuine sagging in the capital market or it is highly exaggerated by big business in order to extract concessions from the government?

Shri B. R. Bhagat: When I said that it was sagging, I took into account the facts as to how far the new issues were subscribed and the value index of the capital market; I stated facts, not an opinion.

2435 (A) LS—2

Shri Hari Vishnu Kamath: Are there any valid grounds for the apprehensions voiced in a section of the press to the effect that the speech made by the Minister of Planning at a certain university congregation recently has affected or is likely to affect adversely the capital market and, if so, did the proposals made by him, or the speech made by him, reflect the policy of the government as a whole?

The Minister of Planning (Shri Asoka Mehta): As for the first part, it is for my colleague to answer. As for the second part, I do not know if the hon. Member has had an opportunity, or cared to have an opportunity to look at the address which I delivered; it is a printed address. If he will look at that address, he will find that it was a kind of address, which I always deliver before university students, which deals not with policies but with the kind of problems that I want the younger generation to come to grips with.

Shri Hari Vishnu Kamath: My question was different. You have followed the question, Sir, and so please put that question to him. Is that the policy of Government?

Shri Tyagi: He may be the younger generation! (Interruption)

Shri Hari Vishnu Kamath: Let Shri Tyagi become a Minister again. Let him go back to the treasury Benches.

Shri Surendranath Dwivedy: That part of the question has not been answered.

Shri Hari Vishnu Kamath: Whether it is the policy of the Government.

Shri B. R. Bhagat: Temporarily, for a day, it has had an impact, by the fact that the market went down, but after that, the market recovered. (Interruption).

Shri Hari Vishnu Kamath: The second part has not been answered: whether it reflected the Government's

policy as a whole; he does not answer it. (*Interruption*)

Mr. Speaker: In this manner we cannot get along. When I said the other day that there ought to be some orderly conduct in the House, I was also criticised at that time by some hon. Members that there was a feeling in the House and the Members felt compelled. What I am requesting is, when a question has been put, that should be completely answered. (*Interruption*). Order, order. When a question has been put, the whole answer should come in one form. Otherwise, I am being put to trouble, and I cannot proceed.

Shri Asoka Mehta: I can only answer that part which refers to me.

Mr. Speaker: That part has been answered. The second one also has to be answered. The Minister concerned should answer it. The answer must come; whoever answers that, I am not concerned with. The question put was, "was that the Government policy or was that an individual opinion expressed". (*Interruption*).

Shri A. P. Sharma: I suggest that it is better that one and the same Minister answers such questions. Answers to part one of the question by one Minister and answer to part two of the question by another Minister are bound to create confusion. So, I suggest that it would be better if one and the same Minister answers such questions.

Shri Tyagi: A convention may be established whereby the Finance Minister is made to be present during the Question Hour; particularly the Finance Minister, despite the fact that he has to attend an important meeting.

Shri Hari Vishnu Kamath: The answer has not been given, Sir. You had asked him to answer that part of my question.

Shri Daji: Whether the Minister's speech reflected the Government's policy or not, he should tell us. (*Interruption*).

Mr. Speaker: Order, order. Everyone should not stand up and put questions in this way.

Shri B. R. Bhagat: The particular speech referred to reflected the views of the speaker. (*Interruption*).

Shri Hari Vishnu Kamath: We cannot hear. What is the answer?

Mr. Speaker: He said it was the individual opinion of the speaker concerned.

Shri Bhagwat Jha Azad: Has the Government enquired into the matter that a handful of big monied men who control the press in this country have tried to give a twist to this policy and if people at large in this country welcome the decision that there should be greater control in this country by some people? Have Government enquired into this? (*Interruption*).

Shri K. D. Malaviya: Except a few Members of Parliament!

Shri B. R. Bhagat: What is the question, Sir? Whether a few big press have given a twist or not?

Mr. Speaker: Whether a few capitalists or a few big monied people who have control over the press have given a twist to this policy.

Shri B. R. Bhagat: That is a matter of opinion. I do not know what I am to answer. (*Interruption*)

Shri Bhagwat Jha Azad: What is the answer of the Government? When he says that the market has depressed, he gave one opinion. Have they enquired into what the public and the people say? (*Interruption*)