

**SHRI VASANT SATHE:** No. This is Mr. R. N. Kapoor, Chairman of MOIL. He purchased shares worth about a crore and now he wants to pass off those shares. This is what the report says. I am glad the hon. Finance Minister is here. The hon. Minister for Mines is here. The paper says that this proposal was approved by a committee set up by the Finance Ministry and Economic Sub-Committee. The proposal was to sell the shares of this R. N. Kapoor, Chairman of CPMO company. They held 49 per cent shares in MOIL and these shares it is alleged were purchased by this Mr. Kapur and he made a proposal to the Government that his shares should be purchased for 80 lakhs. The paper says that this proposal was cleared by the Finance Ministry. Then it says that this matter was exposed when the Government found that the value of the shares today is hardly Rs. 10, and what was intended to be bought for Rs. 80 lakhs would not in the market fetch even Rs. 10 lakhs. When this was found, the Ministry took their hands off this deal and said, hold it up, we will examine it. This is what happened. My questions are: Who made this proposal first? I want a thorough enquiry. Who is this R. N. Kapoor who is situated in London? When the CPMO holds 49 per cent of shares and the Government holds 51 per cent of shares why did they not offer them first to Government if they wanted to sell? So I want a thorough-enquiry to be made in the matter. Who knows, if this deal had gone through the Government would have paid Rs. 80 lakhs worth in foreign exchange for shares worth nothing. Let the hon. Minister thoroughly enquire into this matter and come out with a statement. I am interested in this matter because I come from a region where the manganese industry is located. The hon. Minister may take time but let him say he will come out with a statement.

**THE MINISTER OF STEEL AND MINES (SHRI K. D. MALAVIYA):** We are seized of the matter. Enqui-

ries are being made. But the whole story is still to be revealed and therefore it will take time. I will make a statement.

1524 hrs.

**STATUTORY RESOLUTIONS RE. DISAPPROVAL OF ORDINANCES NOS. 7 AND 9 OF 1974 AND COMPANIES (TEMPORARY RESTRICTIONS ON DIVIDENDS) BILL—*contd.***

**MR. DEPUTY SPEAKER:** We resume further discussion of the Statutory Resolution moved by Shri R. R. Sharma. Shri B. V. Naik.

**SHRI B. V. NAIK (Kanara)** Mr Deputy-Speaker, Sir, I have gone through this Bill. The principal point which I would like to raise as a point of clarification, will be in regard to the provisions of the Act which says that the applicability of the dividend restriction Ordinance which is now going to be converted into a dividend restriction Act, as far as companies are concerned, is this. We have categorised here in Section 3 (a), (b), (c), (d) and (e) certain companies. I wonder as to why these companies have been included, for example, in regard to Section 3(c), the Indian Company, whose business consists mainly of the construction of ships or in the manufacture or processing of goods or in mining or in generation or distribution of electricity or any other form of power, we find that most of the companies connected with the generation of electricity are in the public sector—they are either in the State sectors or they are in the Central Sector by themselves. Secondly I have also gone through the number of companies which we have here. There are a number of them which we have in the public sector and in the private sector. They are fairly large. As on 30th September, 1973, we had 36,527

[Shri B. V. Naik]

joint stock companies who had an aggregate paid-up capital of Rs. 5,422 crores. Out of this, we find that those companies which fall in the category of public sector companies come to 412 having a paid up capital of Rs. 3,041 crores. As against this, we have got 36,115 companies under the category of private sector companies. All of them putting together have a paid up capital structure of Rs. 2,380 crores. The proportional distribution of the paid up capital structure at least between the public and the private sectors seems to be that it is in the proportion of about 30 to 28—even to even. I would like to know from the hon. Minister as to what will be the applicability of this Ordinance or this particular Bill which is going to be enacted soon in regard to the public sector undertakings in our country which are public limited companies numbering 135 and 237 private limited companies. All along dividend or the profitability in the private sector has been an indicator to the performance to an extent that the undertaking which has been functioning successfully shows results in surplus or, what we call, a profit. The same could not be true as far as our public sector companies are concerned. I would like to know here that when it is a question of the saving of resources of these undertakings, the total amount, according to the statement made by the Minister of Finance yesterday is this. The resources that would be saved as a result of imposition of this law on these undertakings would be to the extent of Rs. 60 crores. I am certain that the calculations that have been made will be confined only to the extent of Rs. 60 crores that the savings or in other words the flowing back of the undistributed profits into the working of an institution will be to the extent of Rs. 60 crores. If this legislation is put in operation for the period that has been stipulated in that case I do feel in spite of the fact that only a lakh and odd rupees are going to be

spent as a financial outlay in regard to this Bill and its imposition much of which will be by the Ministry of Company Law that a lakh of rupees expenditure as against a saving of nothing at all to the exchequer as such whether this amount instead of being siphoned back into the undertakings themselves if it had been credited in the form of a fund or if it had been credited in the form of a fund which could circulate and on which amount the State or the Company Law Department or the Ministry of Finance would have certain amount of control whether this money would not have been better utilised.

I would also like to know as to what would happen at the end of two years. I am not clear about it after going through the Bill. We have now placed a limit and the amount gets re-cycled back into the particular undertaking but what will happen after two years whether it will go back to the share holders for being distributed as an accumulated money or whether it will be permanently flowed back.

Here is a word which I would like to say and that I do not think will be very palatable that dividend of the private sector undertakings—only 2,000 have been identified which will be coming within the net. This is not a tax net. This is just giving back to those people who earned dividends—have ceased to be a source of income or a source of livelihood either for the stock-holders or as our hon friend, Mr. Mody, put it the widows savings and the savings of such other people. Sir, most of the stocks today are manipulated a few people who are in a position to corner the shares. Nor can we say this any more serves as a source of security or life-savings or pensioners investment. Under these circumstances dividend has progressively ceased to be a source of income or a source of livelihood or have anyone

of the beneficiary qualities which are attributed to it.

But the sources of income from these private concerns are either to the purchase decision or in the form of hidden reserves or excessive depreciation or undisclosed profits. These are the sources where the funds of the private sector are getting stuck today. I think until and unless we are able to have a better costing system and a cost audit saystem in respect of the private sector undertakings, we shall not be in a position to do anything. From that point of view, this pertains more to the Department of Company Law Administration. The total number of concerns in which cost audit was done out of 36,000 concerns, during the period from 1st April to 30th November, 1973, was only 37. The cost audit reports were available in them which means one per thousand. As long as the purchase decisions as well as the sale decisions vest with the managing directors or the managing agents, there is no point in going after only the tip of an ice-berg. Not much will be served by going after the tip of an ice-berg, because the major saving factors will not have been taken care of by that.

However, I welcome this, in spite of the dismal review that was aptly quoted yesterday Shri R. R. Sharma, as it has been reported in the Economic Times, that this will not have much. But still in principle, even though Mr. Banerjee did not agree, it amounts to a profit-freeze, a sort of principle of equity whereunder the people who own the stocks, the capital-owing group of people will have sacrificed something, similarly the wage-earner would have sacrificed something; a natural sort of parity between the owners and workers can be established only through this.

**SHRI PILOO MODY (Godhra):** What do the Ministers sacrifice?

**SHRI B. V. NAIK:** The Ministers' sacrifice is involved as in the case of

any one of us here, in the higher prices being paid due to the inflation...

**SHRI SOMNATH CHATTERJEE (Burdwan):** This is the most atrocious piece of legislation.

**SHRI B. V. NAIK:** It is not. It is not atrocious. This is one of these pieces of legislation in respect of which particularly from Members like Shri Somnath Chatterjee and Shri S. M. Banerjee I expected a compliment for a change, because this is one of these which at best can be.

**SHRI SOMNATH CHATTERJEE:** If the other one is withdrawn; we shall support it.

**SHRI B. V. NAIK:** I do not agree on the question of horsetrading. This is the first legislation, a progressive one in which there are certain curbs being placed in regard to the return that is being given in capital, particularly in regard to the unearned income from capital there are certain limits being placed on that.

I do not understand the classification of the companies to which this measure would apply I am leaving out the eighth category. I am confining myself only to companies engaged in construction of ships or in the manufacture or processing of goods or in mining or in generation or distribution of electricity. As far company law is concerned, there is no classification of companies on the basis of the businesses which they undertake. Take, for instance, manufacture or construction of ships. We have all public sector undertakings or shipyard all along the coast. I do not see how this measure can apply to them, unless it is intended or it is presumed otherwise, how does the construction of ships,—with the Cochin shipyard being what it is, Haldia still coming, the next shipyard not decided,—yield anything in the country. They are all in the public sector. Under the circumstances, I



[Shri B. V. Naik]

have not been able to understand the wisdom of this categorisation.

I would be failing in my duty if I do not point out that as long as the public sector does hold a very big amount of the capital structure of the incorporated bodies and as long as we do not make them productive, we will not be able to bring about the transformation we wish. Here may I also urge the old point once again that the public sector undertakings, whether they are incorporated bodies or otherwise, will have to be made accountable in some form or other and for that this is the proper forum to discuss it at length and see to it that each one of them functions, first according to its capacity and then functions in such a way as to result in profitability. I welcome the Bill.

श्री मधु लिमये (बांका) अध्यक्ष महोदय, मैं संकल्पों का समर्थन करना हूँ और इनके विधेयक का तीव्र विरोध करता हूँ। ऐसा अनुमान लगाया गया है कि इस विधेयक के पास होने के बाद एक साल में 75 करोड़ रुपया जो डिबीडेड के रूप में बाटा जाता, बहुरोक दिया जायेगा और कम्पनी को उसे इस्तेमाल करने का इसमें मौका मिलेगा। दो वर्षों में यह रकम डेढ़ सौ करोड़ हो जायेगी। लेकिन इनके इस कानून का साधारण लोगों पर क्या असर होने वाला है इस पर मुझे लगता है सरकार ने और वित्त मन्त्री ने बिल्कुल विचार नहीं किया है। इनके इस कानून के चलते हजारों ऐसे साधारण शेयर होल्डर्स जिनके पास जीविका का और कोई साधन नहीं है वे भ्रूखों मरने लगेंगे। म हवा में बात वहीं करना चाहता हूँ एक ऐसे शेयर होल्डर को जानता हूँ जिन्होंने जिनगी भर इमानदारी से काम किया और अपनी बचत का जो पैसा था—चोरी का पैसा नहीं ब्लैंक का पैसा नहीं जैसा कि कांग्रेसियों, सरकार के मंत्रियों और नौकरशाहों का होता है—उस पैसे को उन्होंने इस देश की तीन जो

अच्छी कम्पनियां मानी जाती हैं उनमें लगाया उनके पास टाटा आइररी के 400 शेयर हैं (टिस्को जिसको कहा जाता है)। ए० सी० सी० के उ के पास 200 शेयर हैं। और टेलको—यह भी टाटा की कम्पनी है—इसके उनके पास 200 शेयर हैं। अब तक उनको एक साल में औसत डिबीडेड के रूप में टाटा आइररी से 3,440 रुपए मिलते थे, ए० सी० सी० से 2,400 रुपए मिलते थे और टेलको की ओर से 3 हजार रुपए मिलते थे। कुल मिलाकर उनकी सालाना आमदनी 8,840 रुपया होती थी।

श्री बी० बी० शायक : वे क्या काम करते थे ?

श्री मधु लिमये : वह रिटायर्ड बुद्धे आमदनी है। इमानदारी से जिन्दगी भर काम करके जो कुछ पैसा बचा उसको उन्होंने शेयरों में लगाया और उनको सालाना आमदनी 8,840 रुपया होती थी। अब आपके इस डिबीडेड फ्रीज का क्या नतीजा होने जा रहा है ? उसको पहले टाटा आइररी से एक शेयर पर 8.60 मिलते थे ए० सी० सी० से 12 रुपए मिलते थे और टेलको से उसको 15 रुपए मिलते थे। अब डिबीडेड फ्रीज के बाद टाटा आइररी से उनको साढ़े 4 रुपए मिलेंगे ए० सी० सी० से शून्य रुपया डिबीडेड मिलेगा और टेलको से उनको 9.60 ६० मिलेंगे। कुल मिलाकर उनकी आमदनी जो पहले 8,840 रुपया थी अब घटकर 3,720 रुपया रह जायेगी। मैं गणेश जी के सामने यह एक ठोस, कांफ़ीट उदाहरण पेश कर रहा हूँ। महीने में 7 सौ रुपए की आमदनी में 4 सौ रुपए का कट हो रहा है। मैं इस विधेयक का समर्थन करने के लिए तैयार हूँ बशर्त कि वित्त मन्त्री, प्रधान मन्त्री, सारे मन्त्री और नौकर-शाह अपनी तनब्याह में इसी अनुपात में कटौती के लिए तैयार हो ज.य. संसद सदस्य भी इसके लिए तैयार हो जायें तो मैं भी इसका समर्थन

करने के लिए तैयार हूँ। लेकिन आज एक ठोंग यहाँ मचाया जा रहा है। दाम वृद्धि को रोकने के नाम पर, मुद्रास्फीति को रोकने के नाम पर जो पेंशनर, विधवायें और गरीब लोग हैं उनकी आमदनी को छीनने का काम आप कर रहे हैं। इनका कहना है कि इन कानूनों के जरिए से हम लोग जो मनी सप्लाई है वह तेजी से कम करेंगे, जीवन आवश्यक चीजों के दामों पर तत्काल इसका असर होगा और दाम गिरने लगेंगे लेकिन मैं जानना चाहता हूँ क्या दामों पर इसका कोई असर हो रहा है ?

आज का जो एकोनामिक टाइम्स है उसको जरा आप देख लीजिए :

*Prices shoot up in Bombay*

Prices of all essential commodities have shot up by 10 to 30 per cent in the past three weeks making life more difficult for the poor man and less comfortable for people in the upper income brackets—reports UNI By far, the biggest increase has been in the price of groundnut oil which jumped from Rs. 8.80 to Rs. 11.30 per Kilo, an increase of 28 per cent. The price of refined groundnut oil shot up to Rs 16.75 per Kilo from Rs 14.25, a rise of 21 per cent."

इसी तरह अन्य जीवन आवश्यक चीजों के बारे में भी इसमें कहा गया है। तो मैं ज नना चाहता हूँ अभी मैं ने जिस शेयरहोल्डर की बात की . . .

SHRI B. V. NAIK: You are speaking on dividends or on yield? You say he is an old man. He might have invested years before. He may be a hypothetical old man.

उसने कितना इन्वेस्टमेंट किया, यह भी तो बताइये।

श्री मधु लिमबे : यह केस उन्होंने भेजा है और वह मैं से आपको बताया है। हार्ड-पैथेटिकल नहीं है।

MR. DEPUTY-SPEAKER: How can he be hypothetical?

SHRI PILOO MODY Many of these hypothetical old men are alive

MR DEPUTY-SPEAKER I would like to know whether any man can be hypothetical A man may be hypothecated but not hypothetical

डा० कैलास (बम्बई-दक्षिण) : मैं भी दो व्यक्तियों को जानता हूँ। मधु लिमबे जी ने जैसा उदाहरण दिया है ठीक वैसा ही दशा उनकी भी है। वे अपनी जिदगी कैसे चलायेंगे भगवान ही जाने।

श्री मधु लिमबे : मैं डा० कैलास को धन्यवाद देना चाहता हूँ कि उन्हें मेरी बात का समर्थन किया है।

एक श्रावणी का जो पत्र आया है उसमें उसने सारी तफसील दी है। इसमें ब्लैंक का पैसा नहीं इसीलिए उसकी हिम्मत हुई सारी बात कहने की।

तो मैं यह कह रहा था कि दाम-वृद्धि को यह रोक नहीं पा रहे हैं। वित्त मन्त्री जी के आने के पहले मैं एकोनामिक्स टाइम्स का एक अंश पढ़ रहा था।

वित्त मंत्र (श्री यशवन्तराव च-हाण)  
फिर पढ़िये।

MR DEPUTY-SPEAKER It is not necessary The junior minister has taken note of it

श्री मधु लिमबे मैं ऐसा मान कर चलता हूँ कि जवाब देने से पहले यह इस को पढ़ लेंगे।

इसलिए मेरा कहना यह है कि दाम-वृद्धि इन से रोकने वाली नहीं है और जो बड़े लोग हैं, जिन के पास बहुत ज्यादा शेयर्स हैं, उन लोगों का क्या होगा ? वे कम इनकम टैक्स देंगे और क्योंकि शेयर्स के दाम भी गिर गये हैं, इसलिए बॉन्ड-टैक्स भी कम देंगे। कहा से ये अर्थ-शास्त्र पढ़ कर आए है ? मेरे ख्याल से इनको पूछा ही नहीं गया है। प्र.इम मिनिस्टर के सेक्रेटेरियेट से इन के पास मसविदा आया और उन को केवल कहा गया कि आप दस्तखत कर के

[श्रीमदु लामने]

प्रोमलगेट कर दीजिए। न इन कानूनों को मन्त्री महोदय जानते हैं और न इन कानूनों के वे पक्ष में हैं और न इन कानूनों से दाम-वृद्धि रुकेगी। ये तो उपचार के पीछे पर अपना फर्ज निभा रहे हैं (शुद्धबन्) और लक्ष्मण रेखा को अगर छोड़ कर वे जाएंगे तो आज दोपहर को कुरेशी साहब की दुर्गति हुई, वंसी ही इन की भी हो जाएगी। उपाध्यक्ष महोदय, आप जानते हैं कि कुरेशी जी की आज दोपहर दुर्गति हो गई और जैसा मैं ने कहा था वसा हुआ है। प्रधान मन्त्री जी ने कहा कि उनके एक मन्त्री या दो मन्त्री क्या कहते हैं, उन से कोई मतलब नहीं है। इसलिए चव्हाण साहब बड़े होशियार हैं, वे लक्ष्मण रेखा को छोड़ कर जाते नहीं हैं और उसी के अन्दर वे बेचारे रहते हैं।

इसलिए मैं आप का ज्यादा समय नहीं लेना वाला हूँ, लेकिन मैं यह जानना चाहता हूँ कि जब इस में इन की इन्कम टैक्स की आमदनी कम होने वाली है, सम्पत्ति कर की आमदनी कम होने वाली है, दाम-वृद्धि बिनकन नहीं रुकने वाली है और जो गरीब लोग हैं और माधारण लोग हैं वे भूखें मरने वाले हैं, तो इस विधेयक का क्या औचित्य है? इसलिए मैं मन्त्री महोदय से कहूँगा कि हालांकि वे लक्ष्मण रेखा के अन्दर रहना पसन्द करते हैं, एक दफा जरूर हिम्मत कर दें और हम ने जो बातें कही हैं, उन के आधार पर इस विधेयक को वापस लेने का काम करें।

**SHRI SOMNATH CHATTERJEE** (Burdwan): Sir, this Bill has been introduced more for the purpose of trying to tell the common people of this country that this Government is not against the poor people alone but they are also sometimes thinking of taking steps against the rich people. In my view, it is a very crude form of deception which is being committed on the common people and the struggling masses.

The total amount of money that will be retained by certain companies in this count will amount to about 75 crores per year; in two years it will be Rs 150. What will happen to these Rs. 150 crores which will be compulsorily left in the hands of the companies? What will be the effect of the withdrawal from circulation of this money from the people who would get it? It is interesting to note that 74 per cent of the dividends are distributed by 293 companies.

Therefore, 293 companies, large companies, which are distributing 74 per cent of the total dividend, will be required to distribute a lesser amount by way of dividend. Out of these 292 companies 200 companies have been paying considerably higher than 12 per cent dividend. What is the result of this? These 200 big companies will have in their hands about Rs 60 crores of these Rs 75 crores. So far as medium or small companies which really require funds, who are starving for funds, for liquid capital, so far as they are concerned, they will not get any benefit out of it because very little amounts are being distributed by them, which could be retained by them under this Ordinance

So, what is very important is what these large companies will do with the additional funds that will be available in their hands. No provision is made in the Ordinance or in the Bill as to what will happen to these additional funds. So far as the Additional Emoluments (Compulsory deposit) Bill is concerned, it provides for the immobilisation of Rs. 500 crores every year. That will remain in the coffers of the Reserve Bank, accruing interest to the deposit to the people who will ultimately get it. But, so far as this measure is concerned, certain big companies will have additional resources in their hands without any direction as to how to utilize it for any productive purpose. It is im-



portant to note that there is no compulsion.

15.57 hrs.

(SHRI VASANT SATHE in the Chair)

It is also important to note that most of these companies which will have additional funds in their hands are concentrated in the non-priority and non-core sector. Therefore, there will be about Rs. 50 crores of additional funds in the hands of big companies which do not require them for the purpose for carrying on their normal business as such, which are primarily in the non-priority and non core sector, with no compulsion about their investments.

So far as companies which are manufacturing cement, fertilizer or paper are concerned, they are not distributing dividend at rates higher than what is specified now. So, those companies will not have additional funds generated as a result of this Ordinance. Therefore, those companies which are perpetually in need of funds will not get any benefit out of it and the priority sector will not get any benefit out of it. Also, there is no question of it resulting increase in agricultural income or agricultural production in this country. So far as medium companies are concerned, they do not get any benefit out of it.

There may some fond hope in the Finance Minister that these big companies will utilize these funds for the purpose of expansion or diversification. Suppose a big company retains Rs. 5 crores of additional funds in its hands because of this measure. If the economic condition of this country improves after two years, which is very unlikely, this restriction will go and they will be entitled to declare a higher rate of dividend. What sort of expansion or diversification could they do with these Rs. 10 crores? Because, after the expiry of two years there will be no necessity of retaining these funds and the companies would prefer to declare higher dividends and keep their shareholders happy and satisfied. Therefore, there is no hope that the amounts which

will be generated in these two years will be utilized for expansion or diversification of industries by big companies which will retain this money in their hands.

16.00 hrs.

There is one theory which is propounded that if the companies have larger amounts in their hands, they will not go to the banks for bank credits. It is very well known that the banks do not give long-term credit facilities. Even the nationalised bank, are not giving long-term credit facilities of large amounts to any business houses. Therefore, the companies which will retain these funds will not be thereby precluded from going to the banks for bank credits. Because the banks do not give long term credit facilities, these money will be utilised for increasing their working capital, the liquid amounts in their hands

Now, Rs 10 crores, instead of being utilised for the purpose of any development expenditure by the companies or for expansion of their working working capacity will be utilised for their working capital. Therefore, when the companies will have larger resources as liquid capital in their hands, they cannot possibly achieve any of the supposedly intended objectives of this legislation, namely, it will have an anti-inflationary effect

So far as the calculation of the net profits is concerned you kindly see how the Government's mind has been working. I cannot help agreeing wholly with Mr. Madhu Limaye when he said, probably, the Finance Minister had no hand in this. A thoughtless measure was issued in the garb of the first Ordinance and, when the preposterity of it was realised, I believe I do not know, I would like to stand corrected--it was amended by an amending Ordinance. Probably, this has reached a pinnacle of the thoughtlessness of the Legislative Department. Within two or three days, they issued another amending Ordinance. Whether the Legislative Department is func-

[Shri Som Nath Chatterjee]

tioning properly or the head-office is functioning properly, it is very difficult to ascertain.

Sir, the real intention of this legislation has been to come out to show to the people of the country at large that this Government has immobilised or impounded about Rs 500 crores every year from the common people, from the wage earners, whose real income has become reduced to almost nothing because of inflation, and they have also tried to immobilise Rs. 75 crores from the rich people.

There is another point which is very important. As Mr. Limaye has rightly pointed out and stressed, how much of this income is being utilised by what will happen to them on the ordinary people and common people? Reduction of the income with the price is going on? These Ordinances have become only paper Ordinances. This has no real effect on inflation. What will happen is that with the rising and galloping prices, so far as these people are concerned, a large number of them depend on dividend income on their investments made and, therefore, this will not in any way act as an anti-inflationary measure. So far as dividend income is concerned, over 85 per cent of the dividend income goes to individuals whose earning capacity is over Rs. 25,000 per year. I am quoting from one of the very well known economic journals. So far as these people are concerned, those who have large incomes, they are not going to spend this money. But the remaining 15 to 20 per cent of the people who depend for their livelihood on this dividend income will be substantially deprived of it. There is also the question of loss of money value. Whatever amount 50 per cent or even lesser they will get will also be reduced in value with the galloping inflation. Therefore, this Bill has not been conceived for public benefit. This has not been conceived to achieve any anti-inflationary tendency. This has been conceived with a view only to creating a deception in the minds of

the ordinary people that this Government is also supposedly against the rich people.

Now what is the position of the economy in this country? So far as investments are concerned, they remain stagnant for the last almost ten years. There is growing unemployment; on this aspect there cannot be any dispute, I am sure. So far as the overall industrial and agricultural production is concerned, there has been no improvement. So far as the population is concerned, 50 per cent of the people of this country live below the poverty line. With the slowing down of the development expenditure in the public sector to the extent of Rs 400 crores, the consequences are obvious; it is slowing down the progress of the country. There will be less and less employment opportunities. The common people are not getting any benefit. You are slowing down the developmental expenditure to the extent of Rs. 400 crores in this country. You are not assuring any larger expansion in the private sector. It appears that you cannot afford to touch the big people. Your real target is the small people who depend on this income for their livelihood. It is a sort of soft-peddling the working class people of this country who will be seriously affected by the provisions of the next Bill which you are threatening to pass, if I may use that expression. That is why I started, and I also end saying that this is nothing but a crude form of hoax played on the common people of this country.

Sir, I oppose this Bill.

SHRI D. K. PANDA (Bhanjanagar): Mr. Chairman, Sir, the present Bill has been declared as an anti-inflationary measure and it has also been said that it would reduce the prices. We are not going to achieve the so-called two objectives in reality.

So far as the measure restricting the distribution of dividend to 33.33 per cent of the net profit of the company is concerned, I would point out what some of the great economists of this country have said. It is a big hoax



played on the people of this country. Mr. K. Janardhana Rao has said that this is a device invented to justify the cut of the DA and bonus to half of its increase after July 6, which erodes directly the food-plates of nearly 20 million workers and employees and four times the number of their dependents. I would like to say categorically that this measure does not restrict the income position of the shareholders.

Secondly, I hope, the Finance Minister will definitely agree with me that it is not at all a cut in the profits or super profits of those monopoly houses.

Thirdly it does not check even to a little possible extent the profits of those profiteers, black-marketeers etc. dealing with black money. Absolutely it does nothing to check these things..

One eminent economist says that the dividend ordinance favours the monopolists who own more shares in one or several companies, as against smaller capitalists. There is no limit placed on dividend income; Tatas and Birlas and their ilk can take twelve per cent dividend from as many companies as they have. On the other hand the smaller capitalists with share in only one company have to be satisfied with the twelve per cent from single Companies. I want and answer to this aspect which has been enunciated by an eminent economist.

Now I wish to refer to something which has been highlighted by the Reserve Bank of India in its bulletin. In a survey they found that 209 companies out of 3772 are going to be affected. The Economic Times said on 16th July that the number of companies affected by the ordinance is merely 105 only. Of these 82 were covered by 12 per cent limit and the remaining 23 are covered by the 33.33 per cent limit. The question is whether these measures are taken to check inflation to any extent. My view is that it is not being achieved. This

will again be flouted and sabotaged by the capitalists and you cannot immobilise anything. The big Monopoly houses will artificially depreciate their profits. This is what happens. There is no cost audit system there. In the absence of cost audit system capitalists manipulate things in such a way that the cost goes up. Profit elements as a constituent of the cost had been steadily raising industry and this is one of the important causes of this inflation. So, immobilising any part of this money is not going to come about. Mr. Chavan expressed the hope in the Consultative Committee that the fund would be available for expansion and to diversify production, and that, to that extent, dependence on bank credit will be reduced. Is there anybody, I ask, who takes these things seriously; I don't think he will himself take it seriously. He has been expressing his hopes several times. I need not take up the time of the House by referring to those hopes. He said that excess profits will be turned into reserve which in turn will be transferred into bonus shares notwithstanding the restrictions now imposed on the frequency of issue of bonus shares.

Whether such excess profits would be available at all are in doubt. These are some of the doubts. A doubt has perhaps been expressed also by several economists. After this very many things came to light. We find innumerable articles that are coming. They are really patriots. Therefore, I feel that this is a hoax because the ordinance that has been brought by Government is a war against the working class. They immobilise Rs. 450 crores from the wage earners by impounding the increase of D.A. Definitely the war is against the working-class. Therefore, while opposing this Ordinance against the working class, I would only say something concerning this particular aspect. I want to know what is the basis of this Ordinance. It has been pointed out by one great economist Shri Boudhayan Chattopadhyay. He has pointed out what is

[Shri D. K. Panda]

basically wrong with our Prices and Incomes Policy? I quote:

"The Prices and Incomes Policy" has been a fashion in the west, with the Tories, the Gaullists and with the L.B.J. Nixon cohort for a decade now. Among a section of western economists the wage-push-and-pull theory of Inflation has been the fashion since one of them produced the fatuous... Phillips curve which discovered a wonderful gimmicky coefficient called the positive correlation between wages and prices.

"From this came the policy-prescription. To prevent prices from rising, wages must be pegged."

On the one hand this is a hoax—this Ordinance is limiting the dividends—to limit the dividend and on the other hand, simultaneously this is an attack on the working-class—an attempt to immobilise their wage earnings thereby depriving them of their essential commodities which they would have been in a position to purchase. Therefore, what I want to say is this. There must be a radical change brought about. For that purpose I would remind the Government and the hon. Finance Minister to take all these suggestions into consideration which can really bring down the inflationary effect and bring down the prices.

You want only Rs. 500 crores. Take the hoarders, the big landlords in the rural sectors. We have also got these people in the cooperative sector. They are dominating in the cooperative sectors too. But, Rs. 450 crores by way of arrears have not been paid by them. These have to be realised. About Rs. 90 crores in regard to electricity charges have to be realised from them; Rs. 148 crores have to be realised from the aluminium industry and Rs. 400 crores from the farmers have to be realised as dues towards electricity to the Electricity Board. They are rich farmers. There are dues of Rs. 832 crores which include

arrears of incometax and also penalties. I can cite many instances. But, for want of time, I am unable to do so. Have we made any attempt to recover the dues from these tycoons, these monopolists, these hoarders and blackmarketeers?

Unless there is a political will and some structural changes are not made we cannot collect. So, this wage freeze ordinance should be immediately withdrawn so that you can get the cooperation of the people who are hit by the inflation. There should be immediate demonetisation and nationalisation of essential industries like sugar, vegetable oils, cotton textiles, etc. so that private profiteers do not play with production of essential commodities to mint money and inflict misery on the poor. There should be wholesale foodgrains trade takeover and distribution of foodgrains through shops at all industrial units and depots in village under popular committee. The peasant producer should be guaranteed a remunerative price. Speculative credit by banks and financing institutions should be totally prohibited. Stopping of all non-development advances to State Governments. Realising from the States and the rich landlords and kulaks of bank advances, arrears of irrigation etc. amounting to several hundred crores. Stopping all overdrafts to State governments which are issued for nothing but fraudulent construction schemes to benefit big money interests in the cities.

Finally, I will say come with this limited dividend ordinance and withdraw the ordinance on wage freeze and only then this can be supported.

श्री जनेश्वर मिश्र (इलाहाबाद) :  
सभापति जी, मैं इस समय का हूँ कि अकाल साहब को अपने इस विधेयक को वापस ले लेना चाहिए, यह एक निर्बंध विस्म का विधेयक है और 6 जुलाई को जो अध्यादेश राष्ट्रपति

जी ने जारी किया था, मैं इस राय का हूँ कि वह अध्यादेश बिलकुल बेमतलब था। सफाई देते हुए ब्रह्मण साहब ने जो बक्तव्य दिया था, उस में उन्होंने कहा था कि ये कम्पनिया जो आपस में लाभांश बांट लिया करती हैं, अगर रोक लगा दी जायेगी तो 60-70 करोड़ रुपया सालाना बच जायेगा। लेकिन वह बच कर कहा जायेगा? दो सालों में करीब 125 से 150 करोड़ रुपया आयगा, यह किम मद में खर्च होगा, इस का कही भी व्यौरा नहीं दिया गया है।

अगर यह सही है, तो इस के पीछे यह शक भी लगता है कि इन्होंने जिस तरह से कर्मचारियों की तनख्वाहों को जाम किया था और उससे 300 करोड़ रुपए से ज्यादा की बचत करा ली थी, यह पूरे देश को दिखाने के लिए किया है कि गरीब मजदूरों और कर्मचारियों के खिलाफ ही नहीं, बल्कि बड़ी-बड़ी कम्पनियों के खिलाफ भी हम इस तरह की कार्यवाही कर रहे हैं। इस तरह की कार्यवाही का इन्होंने पैकेज बना है। अब इन सारी कार्यवाहियों को जोड़ दि। जाय तो क्या इस से देश में महंगाई खत्म हो जायेगी? जो कम्पनिया सालाना 60-70 करोड़ रुपया आपस में बांट लिया करती थी, उसको रोकने के लिये इन्होंने यह कानून बनाया, लेकिन आज ही रेल मंत्री जी ने जो टैक्स बढ़ाये हैं, वे 100 करोड़ से ज्यादा हो गये हैं, हमको समझ नहीं आ रहा कि इससे महंगाई कैसे खत्म होगी? क्योंकि एक तरफ तो ये कम्पनिया पर इस तरह की रोक लगायेगी जो बिलकुल निरर्थक है और अगर सच पूछें तो हममें जो छोटे हिस्सेदार होंगे वे ही मारे जायेंगे, जो भूखों मरने वाले लोग हैं, वे ही इससे प्रभावित होंगे, क्योंकि टाटा और बिरला केवल जाभाश से नहीं चिया करते, उनके कमाने और खर्च करने के तरीके दूसरे होते हैं। लेकिन जो छोटे-छोटे हिस्सेदार हुआ करते हैं वे बेचारे खरीब होते हैं उनकी रोजी को जोड़ लगेगी।

इसके साथ साथ इन्होंने अपने विधेयक के कालम 6 और 7 में लिखा है कि इस तरह के लाभांश या कम्पनी के पास कोई एसेट है तो उसका बटवारा कम्पनी सरकार की एप्रुवल से कर सकती है। दोनों में एक ही बात लिखी है—“एक्सेप्ट विद दी प्रीवियस एप्रुवल आफ दी सैन्ट्रल गवर्नमेंट”। ये कम्पनिया ऐसा दो सालों तक अपने आप नहीं कर सकती है, लेकिन सैन्ट्रल गवर्नमेंट की एप्रुवल ले ले तो यह बटवारा भी कर सकती है। इस का मतलब यह हुआ करता है कि जिस तरह से अब तक ऐसी कम्पनियों को लूटने के लिये मौजूदा सरकार अपने कर्मचारियों का इस्तेमाल किया करती है, इसी तरह का एक और चंगुल इन कम्पनियों पर लगने जा रहा है।

सभापति महोदय, हिन्दुस्तान के व्यापार की दुर्दशा का जो पक्ष अब तक रहा है, वह आज से नहीं है, बल्कि बहुत दिनों से चला आ रहा है—इस देश के मन का मालिक रहा है—ब्राह्मण और पेट का मालिक रहा है—वनिया। इस देश की सरकार को चलाने वाला ब्रह्मण रहा है—चाहे ब्राह्मण मर्द रहा हो या ब्राह्मण के बेटे, रईस, हीं और व्यापार चलाने वाला रहा है—बिरला। इन दोनों की साठगाठ नीकरशाही के जरिये हुआ करती है, दोनों एक दूसरे का फायदा किया करते हैं।

श्री भूलचन्द डागा (पार्ल.) : सभापति महोदय, मेरा प्वाइन्ट आफ ऑर्डर है। मैं क्या जातिवाद का आक्षेप लगा रहे हैं?

श्री जनेश्वर सिन्धु : मैं आक्षेप नहीं लगा रहा हूँ—आपने समझा नहीं है।

श्री भूलचन्द डागा : सभापति जी, इन्होंने अपने भाषण में यह कहा है कि ब्राह्मण या उसकी बेटा और वनिये ने मिल कर देश को लूटा है—यह गलत है।





हाथ में क्यों नहीं ले लेते ? यह खुद नहीं लेते तो आम जनता के हाथ में देते लेकिन यह कुछ भी नहीं करेंगे। गांधी जी का ट्रस्टीशिप का कानून यह मानने के लिए तैयार नहीं है। यह इस देश की अर्थव्यवस्था के केवल पैन्ड लंगाने का ही काम करेंगे। यह कहना कि थोड़े से लाभ, श. पर रोक लगा देंगे तो इस देश की अर्थ-व्यवस्था सुधर जायेगी, में समझता हूँ यह नामुमकिन है। आप थोड़े से कर्मचारियों के मंहगाई भत्ते पर थोड़े दिन के लिए रोक लगा दीजिए तो क्या उस से इस देश की अर्थ-व्यवस्था सुधर जायेगी ? 3 हजार कम्पनियों में केवल 2 सौ कम्पनियाँ हैं जो इस विधेयक के तहत आयेंगी और इन 2 सौ कम्पनियों की थोड़ी सी आमदनी 60-70 करोड़ की हिन्दुस्तान जैसे बड़े मुल्क की अर्थ-व्यवस्था में दाल में नमक के बराबर हुआ करती है। एक तरफ आप कुछ करोड़ साल भर के लिए रोक लेंगे और दूसरी तरफ रेलवे का पूरक बजट लाकर रेलवे के किराये भाड़े में उड़ सी रुपया बढ़ा देंगे, इस तरह से किसी भी अर्थ-व्यवस्था में किसी भी पक्ष का कोई मुकाबला नहीं होने जा रहा है। मंहगाई इसी तरह में बढ़ेगी। अगर आप को मंहगाई रोकनी है कि बजाये डिवाइडेंड रोकने के, कम्पनियाँ जो उत्पादन किया करती हैं और उस के जरिए जो मुनाफा कमाती हैं, उस पर रोक लगायें। आप लाभान्श पर नहीं, उत्पादन पर नहीं, कम्पनी के लाभ पर रोक लगायें क्योंकि कम्पनियों का मुनाफा अघ्राधुंध है, सौ फीसदी तक है। लेकिन उस पर आप रोक लगाने की हिम्मत नहीं कर सकते हैं। आज मिलों में जो कपड़ा 8 आना गज में पैदा होता है वही कपड़ा बाजार में 5 रुपये गज विक्रित रहा है। इस में दो रुपए एक गज पर सरकार का टैक्स भी मान लें तब भी मिलें दवाई रुपया एक गज पर मुनाफा कमाती हैं। इस मुनाफे पर आप रोक न लगा कर लाभान्श के बटवारे पर रोक लगायेंगे। मैं समझता हूँ कि हिन्दुस्तान की अर्थ-व्यवस्था को सुधारने का यह एक नकली रास्ता है जिस को आप छोड़े

करना 27 साल से जिस कुर्सी पर बैस कर आप ने इस मुल्क को तवाही के रास्ते पर ढकेला है उसी तरह से इस के जरिए भी उसी तवाही के रास्ते पर और ढकेल जा रहे हैं इन शब्दों के साथ इसके अघ्रादेश और विधेयक का विरोध करते हुए और इस पक्ष के सदस्यों ने जो संकल्प यहाँ रखे हैं उन का समर्थन करते हुए अपनी बात समाप्त करता हूँ।

SHRI P. G. MAVALANKAR (Ahmedabad): I am prepared to accept the fact that Government's anxieties on the problem of the national economic crisis are genuine. I am also ready to agree that the hon. Finance Minister's intentions are honest and well-meaning. Yesterday he ridiculed some of the Opposition criticism when people on this side referred to what is called the package and said 'if you can see the package, see it; if you cannot see it, do not see it.' I am prepared to be one of those who are willing to see the package, but that package must at least gradually be unfolded. If the package remains packed and if the community at large is going to be hit, particularly those who are fixed wage-earners, middle class people, and if you are going to leave out certain people who need to be taxed and punished much more than the rest of the community, if that is what is going to be the meaning of the package proposals, I am afraid not only will the package proposals not be unfolded, but it will only mean keeping the community, particularly the middle classes, restricted to undesirable restraints on their spendings and on their general living.

Sir, the Finance Minister's objects are to seek to curb consumer spending and promote savings and that is why, this particular measure of asking the companies not to pay beyond a certain percentage of dividend. But I would like to ask the hon. Finance Minister as to how much money the companies will retain in terms of not giving ex-

[Shri P. G. Mavalankar]

tra dividend, beyond a certain percentage. Will that money so saved really help the large companies in terms of further expansion of their plants? Sir, I do not want to take the time of the House and give too many examples. But, then, if large companies save a couple of lakhs or even a crore or so, do you mean to say that they will be able to use this money for further expansion? In other words, will they be able to reinvest the money saved for further production and expansion? Will they be able to use the money, the amount that is denied to thousands of shareholders who, by and large—if not substantially, at least significantly—depend on this kind of income? I would like to ask the hon. Finance Minister, will he tell us whether there is any relationship, whether there is any fairness involved, whether there is any justice involved in this kind of punishment, which is being meted out to these small shareholders? Sir, my contention is precisely this. Of course, we must come to a stage when we should say dividend income should not become the sole income. In fact, dividend income is an unearned income and we should not depend on unearned income. We must make people work for their bread, for their butter if they can get additional butter, for their jam if they can still get additional jam and then be done with it. But, the point is, although dividend income is unearned income and is wrong strictly in terms of principles of a socialist and egalitarian society, as things obtain today, will he say all dividend income, of necessity, is wrong or illegal or immoral or undesirable? He would not say so. So, he would concede to the point that there are people who legitimately depend on dividend income. They will not go into any kind of speculation in the share market. They will have their hard earned income, perhaps, at the end of their profession, may be in the case of a private school teacher or a widow or people

belonging to the lower middle class, who have fixed income, not very high income, invested in shares. They may still save some money every month or every year and over a period of several years judiciously and wisely and without speculation—I repeat—invest something by way of shares in good companies. Now, companies—good companies—obviously mean two things. Companies which would give a large percentage of dividend and companies which have a reputation of stability and certain responsibility, both in the economic and social life of the country. If large number of such ordinary people, teachers, old men and women etc. have invested in such shares, how is it that you are going to help solve the economic crisis by denying dividend to these very people on whose honesty and labour and hard work in many fields you depend, for solving the economic and other problems? How are you going to help the situation? This is my problem. This is my anxiety. Therefore, I would appeal to the hon. Finance Minister. Of course, he cannot retrace at this stage the steps which he has already taken. But, I would request him to consider the matter again with all sympathy and sincerity which it obviously deserves and then find out the proportionate injustice done to these small shareholders, the proportionately little benefit which will accrue to the companies for re-investment, and further, the proportionately smaller advantage to the Government in terms of arresting the money supply in the country's economy. Sir, if all these things are taken into account, I am sure he will say that this package deal may still require some amendments, a few more amendments. I started by saying that the intentions of the Finance Minister are good. He wants to solve the difficulties. In that case, I hope he will give some thought and spare those who cannot and should not be punished. He says that these ordinary people should also curb consumption.



I am with him. I am with the Government when they say that every person and every section of the community must sacrifice. But, Sir, if you take all these Ordinances which have been recently promulgated and which are now being translated into legislative enactments, if you combine them all and assess the total effect, will he honestly say that this will lead to arresting, to a certain extent, if not to a large extent, the consumption patterns in this country? On the other hand, the Government have by and large left out the very small section of the community who are very rich and who possess black money and who indulge in all kinds of conspicuous consumption. If you want to lift this country out of the economic crisis, by all means ask those who can work and contribute to contribute. But don't ask people who cannot sacrifice to sacrifice and do not spare people who must be not only made to sacrifice but who must be punished as well for that their wrong doings. This is my fundamental objection to this package deal

By this, Government have also denied themselves a part of the income-tax which could have been deducted at the source. They have also made it possible for the wealthy managing directors to get lesser income on their share of dividends and thereby reduce their wealth tax level. If I am wrong, I may be corrected. I feel you have allowed the rich to go almost scot free and made the poor and the middle class to suffer. The middle-class people are honest, hard-working and have fixed wages. They have no means of making money through undesirable means. And, yet, it is they who are being hit. As Aristotle said, the backbone of any policy is ultimately the middle class. Today, the middle-class people of this country are sandwiched between the few who are very rich and the vast millions of extremely poor people. These middle class people are the intellectuals with professional skill, people with intelli-

gence and patriotism. If you are going to curb the enthusiasm of these people, I am afraid even granting you save in terms of finance to some extent, you are not going to save in terms of making the middle-class people suffer less, who today are much worse economically, and who are much more helpless financially! Please, therefore, do not compel them to resort to all kinds of illegal practices. I hope the minister will have a second look at the whole thing and correct the various mistakes and imbalances that have been unfortunately created by these various ordinances.

जी हकम चन्द कछवाय (मुरैना) ·  
गणपूर्ति करा दीजिए। मंत्री जी बोलें और 50  
सदस्य भी सुनने वाले न हों, यह शोभा की  
बात नहीं है।

MR. CHAIRMAN: Now there is quorum. The Finance Minister.

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): Mr. Chairman, I heard the debate with interest. Some points have been raised and I would like to deal with them one by one. But I must make one general point. Unfortunately, this Bill either has not been understood properly, or has been misunderstood deliberately. Because, I have not made any unnecessarily exaggerated claim for this Bill. The Bill is intended to save, as far as possible, the money that could have been distributed by way of dividends and added a certain pressure to the consumption. This Bill is not intended to redistribute the share holding, control monopolies, reduce profit-making or any other desirable object. It is intended purely, and that too for a temporary period, to achieve this one result. So, I would like hon. Members to judge it only from that point of view.

Some hon. Members ask whether it will make any impact on inflation, because they are doubtful about it. I

[Shri Yeshwantrao Chayan]

can understand that. Nor am I making any claim that this Bill alone will make an impact. We are thinking of a series of steps which we hope will make the necessary impact over a period of time.

Some of the hon. Members asked about the size of the money that is likely to be available. According to our assessment on the basis of some survey the saving by this measure would be about Rs. 60 to 70 crores a year or Rs. 140 to 150 crores in two years. An annual pressure on consumption of Rs. 70 crores is not a small amount.

Then, some members have attacked it on all possible grounds. It is very easy politically to say that it will help the rich or hurt the poor. In this case, they have argued both ways—this will not merely help the rich but will also hurt the poor. I do concede the point that there may be a widow or some person who is depending only on shareholding who may be put to some difficulty. I have my sympathies with them. Unfortunately, I cannot give more than that in this particular case. But, normally, a poor man cannot be expected to invest in a big profit making company. There may be some genuine cases. But when you are enacting a law you cannot make such exceptions.

A question was asked why the money saved by this measure is not kept under the control of the Government. If you accept the position that money is going to be saved or put out of circulation, by this measure then you will come along with me. My main point is that the money saved will be, not at the disposal of consumption but at the disposal of production. By creating a special fund of it, I would have been required to give them additional interest on that. I do not want to do that. This money is being kept at the companies level.

Whether they will be using the money, as Mr. Mavalankar made a point, a very interesting point. That with Rs. 80 or 70 crores they are not going to make any modernisation or any replacement or any diversification, if they are the type of people whom he knows, I do not know. Suppose Rs. 1 crore is at the disposal of a company. If they do not make use of it, do you think they are unwise? They will certainly make use of it. If they do not make use of it, I will make use of the position that they will not go to banks to get money. At least, this much we can do. To that extent, there will be lesser pressure on the banking system.

SHRI S. M. BANERJEE (Kanpur): Some of the concerns, whether in Kanpur or somewhere else, textile mills or jute mills, were paid quite a handful amount by financial institutions. Instead of using that money for expansion or modernisation, they converted the unit into a junk and started another unit. You have seen that.

SHRI YESHWANTRAO CHAVAN: They cannot do that. Financial institutions must be at fault if they have not taken care of the money. But in this case, the money will be in the hands of the companies. They will be accountable. Certainly, the money will be under the control of the company and the company will be controlled by the Companies Act. So, they cannot play with the money as they like. To say that this money is not kept under the control of someone is not correct because, I should say, on a careful consideration, we decided that this should be the method we should allow in this particular case.

The other point that was raised by Mr. Mavalankar was about the managerial remuneration. This Bill does not deal with the managerial remuneration. This Bill, as I said, merely deals with the dividend income, not more than that.



**SHRI P. G. MAVALANKAR:** There may be managing directors who own shares in their particular companies. To that extent, their income will go down and the Government will lose in terms of wealth-tax. Is that not correct?

**SHRI YESHWANTRAO CHAVAN:** If he holds a share, to that extent, possibly, it will. Theoretically, it is quite conceivable. Supposing somebody earns income from the shares, if he is a wealth-tax payer, to that extent, he will be saving his wealth-tax. Conceivably, yes. I do not say, no. But this is very marginal.

The other point that was raised by Mr. Janeshwar Misra was about an exception that we have made in clause 7. He said that the Government, with this power of exception, will try to save some of their own people. I can assure the House that this is not the intention of the Bill. There will be proper guidelines according to which these powers will be exercised. There is no question of making any distinction. But there are certain occasions which may occur. I can tell you what is in our mind. When we are trying to deal with a certain transaction of companies, sometimes, what happens is that some of the shareholders are also the employers of the companies. They have to be given loans. Sometimes, this comes in the way. Some such cases may be there. Suppose somebody wants to wind up his business or curtail his business. In order to do that, they have to distribute shares. Now, instead of going into liquidation, they try to terminate the business in some other way. In some such cases, this sort of power comes to the rescue. The idea is not to make the type of exception that he has in mind. Only genuine cases will be considered.

Some other Members made a point as to why not the cooperative societies be made an exception to this. I can tell them that this Bill applies only to the companies; not to the cooperative societies. Automatically the co-

operative societies are not controlled by this.

Then my hon. friend, Mr. Naik made one point as to why certain categories of companies have been included in the Bill and why not others. The companies which are covered by Section 104 of the Income-tax Act have been excluded because in their case they are required to specifically distribute a specified percentage of distributable income falling which the companies are liable to pay additional income-tax under this Section. Taking this position into consideration, this was allowed to be done.

Mr. R. R. Sharma made a point that the rate of interest had gone up to 11 per cent and, therefore, some allowance should be given for the rich category. While I agree that there should be a difference in the rate of return on borrowed capital and on this capital, as far as new investors are concerned, there is no danger of their losing anything because no new company in the first two years, would declare dividend. Therefore, as far as new investment is concerned, this Bill would not act as a disincentive.

Sir, I have done.

16.56 hrs.

[SHRI DINESH CHANDRA GOSWAMI in the Chair]

श्री राम रतन शर्मा (बादा) : मेने वित्त मंत्री जी तथा माननीय सदस्यों ने जो वाचन किया है उनको बड़े ध्यान से सुना है। श्री जनेश्वर मिश्र ने एक बात बड़ी थी। यह मेरे विषय बलाज बारे में थी। मंत्री महोदय ने इस के बारे में कहा है कि गाइड लाइन बनेगी। जितने भी एक्सट बचते हैं उनमें जो श्री रविशंकर कलज रखे जाते हैं और इस बिज में श्री रविशंकर कलज हैं वे जरूर होते हैं और जो भी भारत में रहता है वह उस का समुचित फायदा उठाता है। इसलिए मेरा आग्रह है कि कम



श्री राम रतन शर्मा

से कम सेविंग क्लाज को तो आप हटा ही हैं। तभी आप की जनता की सहानुभूति मिल सकती है।

आप का बहुत सा इनकम टैक्स का रुपया बाकी पड़ा हुआ है और उस की वसूली की तरफ आप ध्यान नहीं दे रहे हैं। उस अवस्था में इन छोटे-छोटे मध्यम श्रेणी के शेयर होल्डर्स के लाभों पर कटौती लगाना या उसको जमा कर लेना उचित नहीं है।

मैंने इनप्लेशन रोकने के सम्बन्ध में एक बात कही थी जिस का मंत्री महोदय ने उत्तर देना शायद उचित नहीं समझा या उसको साइड ट्रैक कर दिया है। मैंने निवेदन किया था कि काला घन मुद्रा स्फीति को बढ़ाने का बहुत बड़ा माध्यम है और इस काले घन को रोकने के लिये केवल व्यापारियों को दोष नहीं दिया जा सकता है। उस के लिये आप और हम सब जिम्मेदार हैं। मैंने अप्रह किया था कि सम्पूर्ण मंत्रीगण प्रधानमंत्री और तमाम संसद् सदस्य अपनी-अपनी सम्पत्ति का ब्यौरा दें। इसके लिए एक विधेयक भी बनाया जा सकता है कि चुनाव लड़ने के पूर्व चाहेवह एम एल ए का चुनाव लड़ रहा हो, या संसद् का लड़ रहा हो और चाहे वह अपने हाईएस्ट आफिस राष्ट्रपति का चुनाव लड़ रहा हो, उस को अपनी सम्पत्ति का ब्यौरा दे देना चाहिए ताकि अपने टैन्डर आफ आफिस में उस ने किस तरह से रकम इकट्ठी कर ली है—चाहे रुपयों की शकल में हो, सोने चांदी की शकल में हो या गहनों की शकल में हो, या मकान खड़ा करने और जमीन इकट्ठी करने की शकल में हो यह भी जनता के सामने आ सके और जनता का उस पर बैंक रह सके, जनता उस को अच्छी तरह से समझ सके। मेरा आग्रह है कि मंत्री महोदय इस और ध्यान दें और कम से कम अपने भंजिमण्डल में से इस की शुरुआत पहले पहल करवा दें। भंजिमण्डल के सदस्य, उनके पास क्या सम्पत्ति है इन का योग देने की कृपा करेंगे।

17.00 hrs.

SHRI S. M. BANERJEE (Kanpur): Mr. Y. B. CHAVAN is one of the best debators in the House but today I have soon, while replying, his reply was most unconvincing because it did not come out of his own conviction. It is a fact when this money is in the coffers of the Government there would have been much utility of this money. It is not that I am against all those businessmen. But the real thing is this. In a city like Kanpur my experience is this. Kanpur is a city of poverty and plenty. I have seen cases of Government money not being paid by capitalists. As regards provident fund amounts it runs to Rs. 22 crores or more. Now it is Rs. 32 crores or so which has not been deposited by the employers. In the ESIC it runs to the tune of Rs. 7½ crores and still this is not paid. Sales tax to the tune of crores and income-tax to the tune of Rs. 500 to Rs. 600 crores is still pending. I doubt whether this money will be utilised for the purposes of modernisation and expansion of the industry to push up production. If my contention is correct even by 25 per cent then this Bill or this piece of legislation it not going to serve any useful purpose and a day will come when this Bill will have to be withdrawn.

The Minister while replying said that the poor cannot afford to buy shares. But I can quote instances where even ordinary employers I have become shareholders; they purchase shares worth Rs. 10 or Rs. 20 or Rs. 30. It does not mean that shareholders should buy 500 or 600 shares. Any progressive employer can distribute shares among the employees. I am not talking of those shareholders who are kith and kin or friends or relations of the businessmen, I hold no brief for them. In the Consultative Committee on General Insurance when Mr. J. R. D. Tata pleaded that some of the shareholders are extremely poor, they were widows and so on,

Mr. Chavan said that this matter should be considered. If in the New India Insurance Company there are such poor people it can be the case in other concerns also. I would request the Minister to give a second thought and see whether this Bill is at all necessary, in the larger interests of the country. We should mop up more resources and we should and dependence on foreign countries whether it is the Soviet Union or whether it is U.S.A. In that case, the efficiency can only be achieved if we are able to mobilise money from the business hands and from the labourers combining both of them together. If this is done, then our country can be self-sufficient. That will also reduce the inflation to a great extent. The more production the country has the lesser will be the cost of production and lesser will be the inflation.

With these words, I once again oppose this Bill not because I have moved the Resolution disapproving the Ordinance but because I feel its utility is less and futility is more. On that score I oppose this Bill.

MR. CHAIRMAN: Now I shall put the Statutory Resolution No. 13 moved by Shri Banerjee to the vote of the House. The question is:

"This House disapproves of the Companies (Temporary Restrictions on Dividends) Amendment Ordinance, 1974 (Ordinance No. 9 of 1974) promulgated by the President on 15th July, 1974."

*The motion was negatived.*

MR. CHAIRMAN: I shall put Statutory Resolution No. 12 moved by Shri R. R. Sharma to the vote of the House.

The question is:

"This House disapproves of the Companies (Temporary Restrictions on Dividends) Ordinance, 1974 (Ordinance No. 7 of 1974) promul-

gated by the President on the 6th July, 1974."

The motion was negatived.

MR. CHAIRMAN: Now, I am putting the consideration motion moved by Shri Y. B. Chavan to the vote of the House.

The question is:

"That the Bill to provide, in the interests of national economic development for temporary restrictions on the power of certain companies to declare dividends out of profits and for matters connected therewith or incidental thereto, be taken into consideration."

*The motion was adopted.*

MR. CHAIRMAN: Now we shall take up clause by clause consideration. On Clause 2 there are amendment in the name of Shri Atal Bihari Vajpayee. He is not here. There are three amendments—amendment Nos. 1, 2 and 3 by Shri R. R. Sharma. Are you moving?

SHRI R. R. SHARMA: I beg to move:

Page 2, line 1,—

for "twelve per cent." substitute "twenty per cent." (1).

Page 2, line 4,—

for "lower" substitute—  
"higher" (2).

Page 2, line 2,—

for "face value" substitute  
"current market value" (3).

मुद्रास्फूर्ति के नाम पर गरीबों, विधवाओं और साधारण लोगों को लुटने की साजिश इसमें है। शेयर होल्डरों के ऊपर इसका बहुत बड़ा असर पड़ेगा। और उनकी जीविका का साधन समाप्त हो जायगा। अभी श्री मधु लिमये जी ने एक उदाहरण सामने रखा

था और उस तरफ के भी बहुत से लोगों ने उदाहरण सामने रखे हैं। जो सधारण आदम है जिन्होंने स्टायामेट के बाद अपना सारी आर्थाविका का साधन शेवरो मे लक्ष रखा है उन पर इस का बडा असर पड़ सकता है। इसलिये मैंने ये प्रमेडमेट रखे हैं और मेरा यह आग्रह है कि मन्त्रा महोदय उन को ध्यान से देखे तथा इ-क अनुसार इस क्लाज का धर्मंड करें। (इति)

MR CHAIRMAN. Would you like to say something on these?

THE MINISTER OF FINANCE (SHRI YASHWANTRAO CHAVAN). Sir, I am not accepting them I am rather surprised to see the amendments On the one had they talk of the poor people Now, they want the rate of dividend to be raised from 12 per cent to 20 per cent It seems they are trying to be the advocates of these big—giant—companies I cannot accept them Does it suit them?

MR CHAIRMAN I am putting all these three amendments to the vote of the House

Amendments (Nos 1 to 3 were put and negatved

MR CHAIRMAN The motion is

"That Clause 2 stand part of the Bill"

The motion was adopted.

Clause 2 was added to the Bill  
Clauses 3 to 16, Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI YESHWANTRAO CHAVAN  
Sir, I beg to move'

"That the Bill be passed"

MR CHAIRMAN. Now, the question is?

"That the Bill be passed"

The motion was adopted

MR CHAIRMAN Now, we take up Item No 15 of the agenda

STATUTORY RESOLUTION RE. DISAPPROVAL OF THE ESSENTIAL COMMODITIES (AMENDMENT) ORDINANCE, 1974 AND ESSENTIAL COMMODITIES (AMENDMENT) BILL

17.11 hrs

श्री जगन्नाथ राव जोशी (शाजापुर) : मान्यवर, आप की आज्ञा से मैं निम्नलिखित सफल्य पेश करता हूँ—

"यह मन्त्रा राष्ट्रपति द्वारा 22 जून 1974 को प्रख्यापित आवश्यक वस्तु (संगो-धन) अध्यादेश 1974 (1974 का अध्यादेश मन्त्रा 2) का निरनुमोदन करतः है।"

सभापति महोदय, इस अध्यादेश का आज मैं विरोध करने के लिये खड़ा हुआ हूँ। जिस बात को लेकर यह अध्यादेश लाया गया उससे मैं असहमत हूँ, क्योंकि अध्यादेश के आश्चर्य पर राज्य चलाने की प्रति दिन-प्रवृत्ति दिन बढ़ती चली जा रही है। कुछ ऐसे मामले सकते हैं कि जिन के लिये अध्यादेश का जखरत हो सकता है किन्तु यह जो आश्चर्यक वस्तुओं के विषय में अध्यादेश जारी किया गया है, वह 22 जून को जारी न कर के 22 जुलाई का जा रहता तो हम से कोई अन्तर पडना, ऐसा मुझे नहीं लगता है।

मैं ने राज्यसभा की प्रोमीडिग्स को पढा और मन्त्रा महोदय के वक्तव्य को भी उस मे देखा। उस मे उन्होंने ने कोई बात ऐसी नहीं बतलाई जिन्ना को ले कर इस की अनिवार्यता प्रकट होती। जब कि एक महाने बाद ससद बैठने वाली थी, इस अध्यादेश को ससद की प्रतीक्षा किये बिना पहले कभी जारी किया गया, यह उन्हो ने नहीं बतलाया। इस लिये मन्त्री महोदय अपने उत्तर मे कम मे कम इतना तो बतलायें कि इस अध्यादेश की ऐसी कौनसी आश्चर्यकता थी, जिस के कारण ससद की प्रतीक्षा किये बिना उन को इसे पहले ही जारी करना पड़ा। यदि अध्यादेश लागू नहीं किया जाता, तो ऐश-कौत ह्य असमान टूटने वाला था, किन किन लोगों को आप