

Non-Availability of Cotton Yarn at Fair Price Shops

*605. SHRI PURUSHOTTAM KAKODKAR :

SHRI SHRIKISHAN MODI :

Will the Minister of COMMERCE be pleased to state :

(a) whether there is non-availability of cotton yarn at Fair Price Shops in the country, especially in Delhi ;

(b) if so, whether 200 Hosiery Units in Delhi have been closed down ;

(c) if so, whether 10,000 workers have become unemployed; and

(d) whether Government have taken any steps to ensure supply of cotton yarns to small Hosiery Units at control price?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE) : (a) to (c). There is no distribution control now on cotton yarn of counts upto 80s. Distribution arrangements for cotton yarn above counts 80s were affected by stay orders obtained by various mills. Information about the No. of hosiery units which have closed down in Delhi and the No. of workers who have become unemployed is not available, as the hosiery sector is highly decentralised.

(d) The scheme regarding control over prices and distribution of cotton yarn is being reviewed.

Investment Policy of Life Insurance Corporation of India

*606. SHRI NAWAL KISHORE SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been invited to the Press Article which appeared in the 'Economic Times' dated the 23rd November, 1973 regarding "Lop-sided LIC Investment policy which calls for Second Look"; and

(b) the reaction of Government thereto and the steps taken or proposed to be taken to review that investment policy of LIC ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI-MATI SUSHILA ROHATGI) : (a) and (b). The Government has seen the press

article which appeared in the "Economic Times" dated the 23rd November, 73 regarding "Lop sided L.I.C. Investment policy which calls for Second Look."

The article criticises the pattern of LIC investment mainly on the following grounds :—

(i) A consistently upward trend in the investment in the 10 larger houses though there is marginal decline in the share of investment in the private sector. The overall share of the 75 big houses has also increased during 1967 to 1973.

(ii) Decline in the net advances to states for housing.

(iii) Decline in loans to Apex Co-operative Housing Finance Societies to the full extent of their requirements with particular reference to Maharashtra Apex Cooperative Housing Finance Society Ltd.

(iv) Concentration of investment in comparatively well developed regions and states.

The increase in absolute terms and decrease in terms of percentages of investments of the L.I.C. in the private sector can be attributed to the faster growth of the investible funds of the L.I.C. compared with a relatively slower pace of growth of the private corporate sector and a greater emphasis laid by LIC in stepping up its investment under socially oriented schemes.

The L.I.C.'s investment in private sector & joint sector have come down from 15.3% to 14%. Out of these investments, the investments in the 10 business houses have gone up from 37.05% to 38.57% partly due to amalgamation of some banking companies with other companies and partly due to greater investment opportunities provided by the wider base of the paid-up capital and debentures of the 10 larger houses. The LIC's investment policy has to be based on the need to secure the highest possible yield consistent with security of capital.

The amount to be advanced to the State Governments as loan for housing each year is determined by Government in the Ministry of Housing after taking into account all the relevant factors. The decline in the net advances to the States for housing is due to repayments. The correct way of assessing