

Law return on capital] Invested by Government Finance Corporations

1520. SHRI BABUBHAI M. CHINAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government Finance Corporations have represented that they would not be in a position to advance funds for establishment of new units in view of the low return on capital permitted by Government; and

(b) if so, which are the industrial units likely to be affected thereby and what is the reaction of Government thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI-MATI SUSHILA ROHATGI): (a) and (b) No, Sir. None of the all-India long term public sector financial institutions has made any such representation to the Government. The institutions continue to assist new projects which are viable and promise moderate financial return and are likely to have substantial direct and indirect economic and social benefits.

Recession in Indian economy

1521. SHRI BABUBHAI M. CHINAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any steps to check recession in the Indian economy; and

(b) if so, what are the details in this regard?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) and (b) Government do not agree that there is any general recessionary trend in the economy. While difficulties may have been experienced in certain sectors of business activity, these would largely be attributable to bottlenecks in the supply of key inputs and not to any reduction in ag-

gregate demand. Government's attention has, therefore, been directed towards the removal of such bottlenecks, and industrial production appears to have improved since the last quarter of 1974. Even otherwise, Government's economic policies are kept under constant review, and action is taken in accordance with the needs of the emerging situation. Thus, for example, in order to improve the capital market, an amendment of the Companies (Temporary Restrictions on Dividends) Act, 1974 is contemplated so as to enable declaration of dividends higher than those permissible under the Act, but subject to the deferred dividend being payable, after the expiry of the Act. The substantial step-up in the development outlays in 1975-76 which is envisaged in the Central Budget for 1975-76 should further help to allay the fears of a recession.

Arbitration in International trade disputes

1522. SHRI BABUBHAI M. CHINAI: Will the Minister of COMMERCE be pleased to state:

(a) whether Government propose to make arbitration compulsory in case of International trade disputes; and

(b) if so, what are the details in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH): (a) No, Sir.

(b) This does not arise.

Floation of new issues

1523. SHRI BABUBHAI M. CHINAI: Will the Minister of FINANCE be pleased to state:

(a) what is the amount of new issues floated during the past five-years; and