

recently four Indian women have won this title. It is something we should really be proud of. We must congratulate her. It is not only the physical statistics, but also the mental statistics of those women that is taken into account in the selection process. Because of that, they are selected. So, we congratulate her.

SHRI EDUARDO FALEIRO (Goa) Madam Deputy Chairman, now that you have mentioned that, I would like to say that we have a person in this House, who, in the poll carried out by the Times of India, is among the one hundred most prominent persons in the whole of Asia, in the field of intellect and culture. That person is the Leader of the Opposition, Dr. Manmohan Singh. I think the whole House should felicitate him.

THE DEPUTY CHAIRMAN: Congratulations.

Our House is so proud of having such nice persons. I think more recognitions should come to the Rajya Sabha. It should also come to the Lok Sabha.

KUMARI MAMTA BANERJEE: Madam, the new millennium is for India. We are proud of that. I say this because, in every field, Indians are getting recognition.

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### **THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY BILL, 1999**

THE DEPUTY CHAIRMAN : She was selected as Miss Femina also. Now, we will go to the Mantriji. The Insurance Regulatory and Development Authority Bill, 1999. Shri Yashwant Sinha.

### **THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY BILL, 1999**

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA):  
Madam Deputy Chairman, I move:

"That the Bill to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote and insure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to

amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972, as passed by Lok Sabha, be taken into consideration."

Madam Deputy Chairperson, I rise in all humility to seek the indulgence of the House for the consideration of the Insurance Regulatory and Development Authority Bill, 1999. Madam, as you and all the hon. Members are aware, in order to provide better insurance coverage to citizens and to augment the flow of long-term resources for infrastructure, I had proposed in the Budget Speech of 1998-99, opening of the insurance sector to competition from Indian insurance companies in the private sector. An Interim Regulatory Authority was also to be converted into a statutory body.

Accordingly, the Insurance Regulatory Authority Bill, 1998 was introduced in the Lok Sabha on 15th December, 1998. The Bill was referred for scrutiny to the Parliamentary Standing Committee on Finance on 4th January, 1999. The Committee examined it thoroughly and considered the views of experts, trade unions, managements of LIC and GIC and academics, apart from Government. After a thorough consideration, it made its recommendations. All the recommendations made by the Standing Committee were finally accepted by the Government. Accordingly, amendments were moved to the Insurance Regulatory Authority Bill, 1998. However, consequent upon the dissolution of the Lok Sabha, the IRA Bill, 1998 could not be taken up for consideration. The Insurance Regulatory and Development Authority Bill, 1999 which incorporated provisions of the Insurance Regulatory Authority Bill, 1998 and amendments recommended by the Standing Committee on Finance was, thereafter, introduced in the Lok Sabha on 28th October, 1999. It was passed by the Lok Sabha on 2nd December, 1999 after incorporating four amendments, which were moved by the Government to further strengthen the overall objective of the Bill.

Madam Deputy Chairperson, at this stage itself, I will hasten to add that there are three features of the Bill which should be taken into account; and the concerns which have been expressed inside and outside Parliament could be taken care of.

Madam, the first is about the public sector insurance companies. The public sector insurance companies have played a very important role in the

growth of the insurance sector. They have performed very well all these years. They will continue to play this important role even after the sector gets opened. I would like to reiterate that the Government has no intention at all of divesting the equity of the nationalised companies. These will continue to be governed and controlled by the Government. I have been talking to the management of the LIC and the GIC and four subsidiaries of the GIC in this regard. Already many steps have been taken by them to strengthen the public sector insurance companies. Opening up of the insurance sector will help to expand the insurance market and shall in the long run result in creation of new employment opportunities. There is no question of retrenchment of any staff from these public sector insurance companies, namely, LIC, GIC and its subsidiaries. Let me assure the House that all further measures which are necessary in this direction will also be taken by the Government in due course to make these organisations strong.

In the new environment, expansion of the insurance market will help generate additional finances for the infrastructure sector and will help in improving the quality of services and products available to the consumers.

Madam Deputy Chairperson, the second point to which I want to draw the attention of the House is in regard to the investment by foreign companies. We have clearly said that the aggregate investment by foreign companies shall not exceed 26 per cent. A doubt has been raised that through financial engineering, it might be possible for the foreign companies to increase their stake in these Indian companies. I would hasten to add, Madam Deputy Chairperson, that this is not possible. I have consulted the Ministry of Law once again and have been assured that in terms of the provisions of this Bill, in terms of the other extant Bills and legislations, it is not possible for any foreign company to exceed the 26 per cent investment tab which has been laid down. Madam Deputy Chairperson, a 'foreign company' is defined in the Income-tax Act under section 223A. This mentions a 'domestic company' defined in section 222A and includes the definition of a company. A company, under section 217, is defined very widely. In view of all this, body corporates outside India or associations of persons or trusts, etc., cannot invest more than 26 per cent through themselves or their successors or nominees. The word 'nominee' has a fairly wide connotation and effectively stops all investments from foreign individuals.

The FERA Act and its successor the FEMA Bill, which has been passed by the Lok Sabha and will come up for consideration by this august House, have also to be seen in this regard. Section 9 of the FERA and clause 6 of the FEMA Bill prohibit investment in India on capital account without the Central Government's/RBI's permission. In view of this 26 per cent tab mentioned earlier, it will not be possible for any person to invest directly in any Indian company unless a specific permission has been given and that permission, as I said, will not be given because the purpose of the Act is very clear.

Even further, Madam Deputy Chairperson, provision 6AA of this Bill prohibits transfer, without the approval of the authority, of even one per cent share. An inter-promoter transfer is hit by the provision of the MRTTP Act also where the definitions are fairly wide. Therefore, I can quite confidently say that this is not going to be breached by any strategem that any foreign investor might adopt.

Then, the third issue which has been discussed in a section of the media is in regard to investment by Indian insurance companies in U.K. Government securities. I hasten to add Madam Deputy Chairperson that this is not a matter of concern at all. This was a provision in the 1938 Insurance Act. The 1938 Insurance Act has not been amended. We have only amended certain parts of it. We amended certain parts of it when life insurance was nationalised in 1956. We amended certain parts in 1972 when general insurance was nationalised and some parts are being amended now. But I would like to say that investment under UK securities was introduced by an amendment in 1950. The Life Insurance Corporation was nationalised in 1956. This was six years before that and the period prescribed for investment in U.K. securities was six years. So it has already lapsed. It is a dead letter which is not operative any more. And therefore any concern that this is going to permit them to invest in U.K. securities is not necessary. The question, Madam Chairperson, does not arise.

I would move, Madam Deputy Chairperson, with your permission that the Bill be taken up for consideration and the House pass it unanimously.

SHRI GURUDAS DAS GUPTA (West Bengal): Madam, may I put one question?

THE DEPUTY CHAIRMAN: I have not moved the question yet. You cannot put any question now.

SHRI GURUDAS DAS GUPTA: After you move, Madam?

THE DEPUTY CHAIRMAN: I have so many other things to move just now.

SHRI GURUDAS DAS GUPTA: Can I just seek a clarification, Madam?

THE DEPUTY CHAIRMAN: Not just now. You can seek any clarification, Gurudasji. But let it go in the proper order.

Now, there are eight amendments, by Shri Rama Shanker Kaushik, Shri Gurudas Das Gupta, Shri Dipankar Mukherjee, Shri Nilotpal Basu, Shri J. Chitharanjan, Shri Eduardo Falerio, Shri Jibon Roy, Shri Bratin Sengupta, Shri Ramachandran Pillai and Shri A. Vijaya Raghavan, for reference of the Bill to a Select Committee of the Rajya Sabha.

The hon. Members may move the amendments at this stage without making any speech. Shall we put all of them together?

SHRI MD. SALIM(West Bengal): Madam, every Member has a right to speak.

THE DEPUTY CHAIRMAN: All right. Let Shri Rama Shanker Kaushik move his amendment first.

श्री रमा शंकर कौशिक (उत्तर प्रदेश) : मैडम, मैं प्रस्ताव करता हूँ कि:

‘बीमा पॉलिसी-धारकों के हितों का संरक्षण करने, बीमा उद्योग का विनियमन, संप्रवर्तन तथा उसका व्यवस्थित रूप से विकास सुनिश्चित करने के लिए प्राधिकरण की स्थापना तथा उससे संबंधित या उसके आनुषंगिक विषयों और बीमा अधिनियम, 1938, जीवन बीमा निगम अधिनियम, 1956 और साधारण बीमा कारबार (राष्ट्रीयकरण) अधिनियम, 1972 का और संशोधन करने का उपबंध करने वाले विधेयक को राज्य सभा की प्रवर समिति को सौंपा जाए। जिसमें निम्नलिखित सदस्य होंगे, अर्थात:

1. श्री के. आर. मलकानी
2. श्री वायालार रवि

3. श्री ई. बालानन्दन
4. श्री एस. आर. बोम्मई
5. श्री रंजन प्रसाद यादव
6. श्री गुरुदास दासगुप्त
7. श्री आर. मार्गबन्धु
8. प्रो. रामगोपाल यादव
9. डा. अलादी पी. राजकुमार
10. श्री कांशी राम

समिति को यह अनुदेश दिया जाए कि वह अगले सत्र के प्रथम दिवस तक अपना प्रतिवेदन दे।'

SHRI GURUDAS DAS GUPTA : Madam Deputy Chairman, I beg to move:-

'That the Bill to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972, be referred to a Select Committee of the Rajya Sabha consisting of the following Members namely:-

1. Shri K.R. Malkani
2. Shri Vayalar Ravi
3. Shri E. Balanandan
4. Shri S.R. Bommai
5. Shri Ranjan Prasad Yadav
6. Shri Gurudas Das Gupta
7. Shri R. Margabandu
8. Prof. Ram Gopal Yadav
9. Dr. Alladi P. Rajkumar
10. Shri Kanshi Ram

With the instructions to report by the first day of the next Session.

But I take this opportunity to inform the House that the hon. Minister was referring to a report of the Department-related Standing Committee of Parliament of which I was a Member. That Standing Committee had no time to go into the Bill in all its details and the report that was given was a

majority report. A number of Members had given their dissent notes. It is also true that the Standing Committee had invited a number of leading people of the country to give deposition before the Committee and that Committee did not have the time to offtake the deposition. Therefore, the report which is said to be presented by the said Committee is of a nature which the House should seriously take into consideration, and therefore, the House should agree to refer it again to a Select Committee of Rajya Sabha because the opening up of the insurance sector will have far reaching repercussions on the course of the economic development of the country.

THE DEPUTY CHAIRMAN: Shri Dipanker Mukherjee and Shri Nilotpal Basu. एक ही मेम्बर बोल दीजिए। दोनों को एक ही बात कहनी है या अलग-अलग बात कहनी है।

श्री संघ प्रिय गौतम (उत्तर प्रदेश) : दोनों एक ही साथ बोलते हैं।

श्री दीपांकर मुखर्जी (पश्चिमी बंगाल) : नहीं, कभी नहीं बोलते हैं।

श्री संघ प्रिय गौतम : हम बता देंगे।

SHRI DIPANKAR MUKHERJEE (West Bengal) : Madam, I beg to move:-

That the Bill to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972, be referred to a Select Committee of the Rajya Sabha consisting of the following Members namely:-

1. Shri K.R. Malkani
2. Shri Vayalar Ravi
3. Shri E. Balanandan
4. Shri S.R. Bommai
5. Shri Ranjan Prasad Yadav
6. Shri Gurudas Dās Gupta

7. Shri R. Margabandu
8. Prof. Ram Gopal Yadav
9. Dr. Alladi P. Rajkumar
10. Shri S. Viduthalai Virumbi

with the instructions to report by the first day of the next Session.

Madam, I would like to make one point here. I think it is for the House to consider it. As Chairman of the Committee on Petitions, I had the privilege of going through the recommendations of my esteemed predecessor, Shrimati Sushma Swaraj, on the same subject and the recommendations of the Committee were placed before the House. That Committee, in its unanimity, had decided ...*(Interruptions)* This is the Committee on Petitions for Rajya Sabha. That is why it is absolutely an important thing which is to be told to the Rajya Sabha.

We shared a recommendation made by my esteemed predecessor, Shrimati Sushma Swaraj. Unfortunately, there were no backward thinker, those static fellows in that Committee! There was no Communist Member in the Committee. That was another good thing in that! So, they had given a recommendation that financial sector should not be opened up. And this was a recommendation given to the Parliament, and this House unanimously....*(interruptions)*....

SHRI NARENDRA MOHAN (Uttar Pradesh): When was it given?

SHRI DIPANKAR MUKHERJEE: In 1995, You were not there. It is very old. It was about 200 years back. In 1995, I thought, this House, Rajya Sabha ...*(interruptions)*... गौतम जी, अब कौन इनटरवीन कर रहा है ?

SHRI MD. SALIM: He is talking about the Petitions Committee of Rajya Sabha. ...*(interruptions)*...

SHRI DIPANKAR MUKHERJEE: Madam, let us take it seriously because it is now the property of the House. Now this is what we are talking about. When the Finance Minister was trying to explain some of the points, viz. the United Kingdom—there are certain issues—the basic issue we had inherited is that we are taking absolutely a position opposite to that recommendation. It is necessary that this House, the House of Elders,



should go through it, and our proposal is with instructions to report by the first week of the next Session. So, we can sit through it and see what the actual position was in 1995, what it was in 1999, what the changes are and why the House should today think something else. This is my humble suggestion to the forward looking, dynamic, modern dinosaur or Jurassic Finance Minister that the dynamic Finance Minister should have this dynamic thinking that we must have a thinking. What is wrong if I go to the next.

THE DEPUTY CHAIRMAN: You are calling the Finance Minister a "jurassic Minister"!

SHRI DIPANKAR MUKHERJEE: No, Madam. We are Jurassic, but he is a modern dinosaur.

THE DEPUTY CHAIRMAN: He is talking of a lot of zoological terms, Jurassic and what not!

SHRI DIPANKAR MUKHERJEE: All these terms I have learnt from him, Madam!

SHRI J. CHITHARANJAN (Kerala): Madam Deputy Chairman, I beg to move the following Motion:

" That the Bill to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972, be referred to the Select Committee of the Rajya Sabha consisting of the following Members:-

1. Shri K.R. Malkani
2. Shri Vayalar Ravi
3. Shri E. Balanandan
4. Shri S.R. Bommai
5. Shri Ranjan Prasad Yadav

6. Shri Gurudas Das Gupta
7. Shri R. Margabandu
8. Prof. Ram Gopal Yadav
9. Dr. Alladi P. Rajkumar
10. Shri Kashi Ram Rana

with instructions to report by the first day of the next Session."

Madam, I would like to say that it is not at all proper to pass the Bill in a haste. It is a very controversial Bill, and if this Bill is adopted and implemented, that will affect our economy in a serious manner. Therefore, this matter should be given serious consideration. That is why, I have moved this Motion. I request the House that this should be seriously considered.

THE DEPUTY CHAIRMAN: Shri Eduardo Faleiro, not here. Shri Jibon Roy.

SHRI JIBON ROY (West Bengal): Madam, I do agree with my esteemed colleague, Shri Dipankar Mukherjee. The Petitions Committee constituted by the House has recommended against opening up the financial sector to private people. And there is also a recommendation made by the Petitions Committee, comprising Members of all the parties except the Left, and it was chaired by Madam Sushma Swaraj, that we should not take any opposite view unless it is thoroughly reviewed. All the more, since we have started opening up the financial sector, a lot of developments have taken place in our country, and also outside the country. Very recently, we have a report, the UNCTAD Report. They have said that all the hopes generated by the Uruguay Round of negotiations are not fulfilled. They have sent a very shocking wave.

THE DEPUTY CHAIRMAN: What is this? Are you moving the Motion?

SHRI JIBON ROY: I am moving it.

THE DEPUTY CHAIRMAN: You must first move the Motion and then speak. Putting the cart before the horse is not proper.

SHRI JIBON ROY : Madam, I move:

" That the Bill to provide for the establishment of an

Authority to protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972, be referred to a Select Committee of the Rajya Sabha consisting of the following Members namely:

1. Shri K.R. Malkani
2. Shri Vayalar Ravi
3. Shri E. Balanandan
4. Shri S.R. Bommai
5. Shri Ranjan Prasad Yadav
6. Shri J. Chitharanjan
7. Shri R. Margabandu
8. Prof. Ram Gopal Yadav
9. Dr. Alladi P. Rajkumar and
10. Shri S. Viduthalai Virumbi

with instructions to report by the first day of the next Session.

My suggestion is that before we take up new issues, further opening up various sectors of our economy, let us review the entire thing. What have we done during the last 4-5 years? What is the result? What will be the consequences? The formation of a Select Committee will give an opportunity to the Committee to review and to discuss the entire thing. Then, if we are all convinced, we may go along with the Finance Minister also.

**उपसभापति :** इतने अधिक नाम आप ले रहे हैं, मलकानी जी, चितरंजन जी, क्या आपने उनकी इजाजत ली है ? You are taking the names of even those Members who are not here. I would like to know whether they have been taken into confidence or not. Now, have Mr. Jibon Roy and Mr. Bratin Sengupta put it together?

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SHRI JIBON ROY: No. *(Interruptions)*.

SHRI SANGH PRIYA GAUTAM: They are hardly seen in the House. *(Interruptions)*

SHRI NILOTPAL BASU (West Bengal): But he can be replaced by you. *(Interruptions)*

SHRI JIBON ROY: Are you talking about Mr. Malkani? *(Interruptions)*

THE DEPUTY CHAIRMAN: Mr. Malkani is not here and Mr. Vayalar Ravi is also not here. I would like to know whether they have given their consent or not. *(Interruptions)*

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Madam, it is for the record that...*(Interruptions)*

उपसभापति : आप करिए, तो यह जल्दी-जल्दी हो जाए।

SHRI BRATIN SENGUPTA (West Bengal) : Madam, I move:

"That the Bill to provide for the establishment of an Authority to protect the interests of holders of Insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972, be referred to a Select Committee of the Rajya Sabha consisting of the following Members namely:

1. Shri Jibon Roy
2. Shri S. Ramachandran Pillai
3. Shri K.R. Malkani
4. Dr. Mahesh Chandra Sharma
5. Shri Raghavji
6. Miss Saroj Khaparde
7. Shri Khan Ghufraan Zahidi

8. Prof.(Smt.) Bharati Ray
9. Shri E. Balanandan, and
10. Shri Pranab Mukherjee.

with instructions to report by the first day of the next Session."

I am moving the Motion to refer the Bill to a Select Committee of the House. I am talking about the Insurance Regulatory and Development Authority Bill, 1999. The reason is this. Madam, much before it being presented to this House, this proposed Bill had evoked widespread national response from eminent economists; from the Members of the Rajya Sabha's Petition Committee; Members from many other relevant committees of both the Houses; and eminent people all over the country. It has been widely said that this particular Bill does not necessarily serve the national interest, which the insurance sector of a country is supposed to do. Given this kind of a serious reaction against the Bill, coming from eminent quarters and from quarters which deserve serious attention by this particular House, I am proposing to refer this Bill to a Select Committee of the House.

THE DEPUTY CHAIRMAN: Very good.

SHRI PRANAB MUKHERJEE (West Bengal) : Madam, I have to seek your permission to withdraw my name from the list.

MISS SAROJ KHAPARDE (Maharashtra) : It is very nice that Shri Bratin Sengupta has suggested my name in that Committee. But I must express my inability to serve on the Committee.

श्री राघवजी : मेरा नाम भी स्टैंडिंग कमेटी में रखा जाए...(व्यवधान)...

SHRI S. VIDUTHALAI VIRUMBI: Madam, I want to reiterate that my name was included without my consent; so, my name may be excluded.

THE DEPUTY CHAIRMAN: The whole thing is that somebody is suggesting your name. But till now, the House has not taken into consideration whether a Select Committee will be formed or not. It is very nice of them to remember different people from different parties. It shows how every Member is considerate to each other. So, you should not take it otherwise. You may always refuse to work, or, show your inability to be a Member of that Committee. The last amendment is by Shri Pillai and Shri A. Vijaya Raghavan.

SHRI S. RAMACHANDRAN PILLAI (Kerala): Madam, I beg to the following motion:

"That the Bill to provide for the establishment of an Authority to protect the interests of holders of insurance policies, to regulate, promote

and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto and further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972, be referred to a Select Committee of the Rajya Sabha consisting of the following Members, namely:-

1. Shri K.R. Malkani.
2. Shri Vayalar Ravi.
3. Shri E. Balanandan.
4. Shri S.R. Bommai.
5. Shri Ranjan Prasad Yadav.
6. Shri J. Chitharanjan.
7. Shri R. Margabandu.
8. Prof. Ram Gopal Yadav.
9. Dr. Alladi P. Rajkumar.
10. Shri S. Viduthalai Virumbi.

This is an issue intimately connected with our national interest and national development. This requires a further detailed consideration. That is why I move the motion that this Bill be referred to a Select Committee.

*The questions were proposed.*

THE DEPUTY CHAIRMAN: The motion for consideration of the Insurance Regulatory and Development Authority Bill, 1999 and the amendments thereto are now open for discussion. Shri Pranab Mukherjee.

SHRI PRANAB MUKHERJEE : Madam Deputy Chairperson, while participating in the discussion on the Insurance Regulatory and Development Authority Bill, 1999, it comes to my mind that, sometimes, we give extraordinary importance to a normal piece of business, and the debate, which is going on, is *veering round* to the view that if this piece of legislation—this Bill has been passed by the Lok Sabha—is passed and put into operation and transformed into an Act, the entire national economy, so far as the insurance sector is concerned, is going to collapse and what was

done almost half-a-century ago is being totally undone. I don't subscribe to this view. No doubt, this is an important piece of legislation to carry out a series of changes in our economic policies; but to describe that this will spell the doomsday for the Indian economy and sound the death-knell of the public sector, to my mind, is too much. At the same time, I don't expect that simply by opening the insurance sector, we will be flooded with funds from external sources. In this very House, while participating in a debate, I pointed out that the investible surplus all over the world was limited and the demand from various competing sources were many, and we had to create a conducive atmosphere for having investment from abroad, and merely providing facilities was not enough. Therefore, in the context of these two extreme positions, we shall have to evaluate and give our consent and approval, so far as this House is concerned, to this proposed piece of legislation, as passed by the Lok Sabha. So far as my party is concerned, I would like to make one thing clear, because a lot of comments have been made in regard to our party's stand towards reforms, and, particularly, towards reforms in the insurance sector. It is not today. Even before, when we went to the hustings in the 13th Lok Sabha elections - in the manifesto, on page 50 - we clearly and unmistakably pointed out that "if we are voted to power, we will introduce reforms. And, in fact, we did introduce reforms. It was we and nobody else who had introduced these reforms. In 1956, some fifty years back, I still remember the words of Shri T.T. Krishnamachari, when he piloted the Bill. Perhaps, Shri C.D. Deshmukh came thereafter. Or perhaps, Shri C.D. Deshmukh was there because Shri T.T. Krishnamachari just went out. "Certain institutions which affect the life of a large number of people should be guided by the broad national interest and not individual interest." There was no doubt that in 1956, this approach was absolutely called for. Private Sector was in a very poor condition. They hardly had any base. Therefore, for making investment in infrastructure areas, especially, in areas where long-term investment is required, which have a long gestation period, like power, roads, transport and other infrastructure, these type of institutional arrangements were required. It was absolutely in conformity with this objective that 14 commercial banks were nationalised in July, 1969. And, thereafter, General Insurance Companies (with its four subsidiaries) were also nationalised in 1972. The world is not stagnant. And that was amply demonstrated in this policy which had been formulated by us. We cannot remain stagnant. If I

remember correctly, after Independence, the first Industrial Policy Resolution was introduced in 1948. Major changes in the Industrial Policy Resolution were made in 1956. Thereafter, in 1973; then, in 1980; then in 1985; and then, in 1991. There should be some continuity and policies must change, keeping in view the changing world scenario, the changing domestic situation. If we effectively interact with the changes, we succeed, if we cannot, we fail. The second proposition and general point which I would like to emphasise is not merely relevant to the Congress, but it is relevant to all other political parties. Mere changing of seats need not necessarily mean changing of views and ideological postulations. What I should say sitting there, should not change the moment I come here. That is not my concept. If I find that the Treasury Benches, to which I am opposed, are in conformity with the policies and programmes of my own, simply because of the fact that the seat has changed, I cannot change my views. I must have my own view. This should be the logic. When Mr. Malkani said that "I had signed the WTO. I agree; I signed it. I did not shirk from my responsibility. I signed it and I signed it correctly. It helped the country, and it will help the country. I should not change my views simply because I am sitting on the other side now. Now, all of you are supporting this Bill. Firstly, I would like to make it quite clear that we should not dilute the public sector units. We have never stated in our manifesto that we would like to dilute LIC and GIC. We have used two phrases. We have talked about professionalisation and we have talked about corporatisation. If I understood correctly, the Finance Minister has stated in his speech that there is no question of diluting the share of the Government in these two public sector units." Not only here, even when we talk of foreign investment, investment by foreign companies, there also, if I have understood it correctly, the plain reading of the provision of the Bill is, it is an enabling provision. It is not necessary that every Indian company will have to go for 26 per cent share. Somebody may satisfy itself with four per cent. Somebody may satisfy itself with ten per cent and somebody may go up to 15 per cent. So far as foreign investment is concerned, the maximum level to which an Indian company can go is 26 per cent. But certain doubts were raised here. I think the Finance Minister has tried to clarify the position. But I would like to request the Finance Minister to have an authoritative interpretation. As stated by the Finance Minister, he has consulted the Law Ministry. But he may kindly have an authoritative interpretation from the



Attorney General of India that whether Section 28 of the Bill can be interpreted and capping of 26 per cent can be diluted. The whole purpose of the Bill is, from whatever source it may come, the total shareholding of foreign companies would not be more than 26 per cent and the definition of foreign companies, as he has interpreted in the context of the definition of the Income Tax Act, is that the definition in the Bill itself is explicit because Section 28 does not debar the operations of other Acts and other regulations which are in operation. Therefore, the question which was raised by my colleagues in the other House and which has been articulated in some other forum is that the definition of foreign companies which vary from an Act to an Act and given the definition so far as the purpose of this Bill is concerned, it is the definition given by the Income Tax Act. I have no problems that definitive and cohesive interpretation can be considered. But it would be better if we have an authoritative version from the Attorney General of India.

Now I come to the basic questions. Why was it needed? It is true one can say that LIC and GIC did not do their job. But let us search our hearts. I had the privilege of making my maiden speech on nationalization of banks more than a quarter century ago in this very House. Have we been able to generate adequate resources? Why have we come to this stage? It is true that from the Sixth Plan to the Ninth Plan the contribution of LIC has increased substantially. But what is the increase in terms of percentage of GDP? It is easy to say that in absolute terms it has gone up from Rs. 3,000 crores to Rs.30,000 crores. But if you take it in totality, the Sixth Plan outlay was Rs. 97,500 crores and the Eighth Plan outlay was 4,34,000 crores and the Ninth Plan outlay is 7,50,000 crores. If you compare these absolute figures with those absolute figures, does it not reveal there? Why has the present state of affairs come? It is mainly because when the 12 principles were determined for the public sector outlay, out of those 12 principles, the sixth principle was to generate adequate resources. We did not do that. And, when we did not do that, there was no carpet under which we can keep these serious distortions. This has resulted in a situation where the Finance Minister had to present a Budget for the year 1999-2000 wherein the total receipts of the Central Government, taking tax and non-tax together, is 1,82,000 and odd crores of rupees, out of which the interest payment itself would be Rs.88,000 crores, while the expenditure of the Government of India - I just made a rough calculation -- would be roughly

Rs.800 crores per day. Therefore, in this situation, if we live in a 'make-believe' world that somehow the resources would be available, it is simply not available. The fact remains -- as the former Deputy Chairman of the Planning Commission, I can say with some authority - that planning will be totally meaningless because what we are doing today is that we are distributing the non-existing resources, and when we are making the allocations in the Plan, at the beginning of the year, we are projecting a very rosy picture and, at the end of the year, we are coming and throwing our hands saying, "Sorry, we could not do it", and the net result is that the real investment in terms of percentage of the total expenditure is heading from 32 per cent to 35 per cent, but it is nowhere near the projected target which we are determining at the beginning of the year. Therefore, if we want investment, in real terms and seriously, in the basic infrastructure sectors, I am afraid that we must augment our resources. It is true that out of the total domestic savings, in the savings basket kitty, the LIC and the GIC are making their contributions substantially. But, so far as my knowledge goes, as far as this Bill is concerned, it does not give anything. But if the condition is, if the argument is that once they lose their monopoly position, they will not be able to do so, I am afraid that in this new environment, it is simply not possible. What you could do in the early 80s or in the late 70s or in the early 70s, we cannot simply do it now. However, we may have the desire to do that because the objective conditions have changed. We do not have a situation where the Finance Minister will have to scratch his head to keep the fiscal deficit at 5.6 per cent or at 5.5 per cent. And, there is every apprehension that it will burst easily. You cannot eat the cake and, at the same time, have it. The time has come when we shall have to determine and choose our priorities, not just in one sector, but in every economic activity. And this is the area where I do feel that the Government should make serious efforts to build up a consensus. We can pass a legislation. We can make the law. But, while putting the legislation into operation, translating the law into action, it will not be easy. And, how to evolve the consensus? Consensus can be evolved if we recognise the ground reality -- not what we believe, not what we want to have, not the desire to have; we may desire to have certain things in the areas of foreign investment. Very often, we have said, "Yes, we want investment in certain sectors, in our core sectors, in our priority sectors. These are our priority sectors. But, for the person who has the money, his priority is something different. His priority is profit. His

priority is not our patriotism. His priority is not to build the Indian economy. Wherever you have a greater scope for earning profit, wherever you have a more conducive environment for investment, he will go there because the whole world is seeking investment. And, the number of those who come to make investment is limited. We may have that type of ideology that, "yes, we will allow larger participation as we did at one point of time; larger participation in transfer of technology". But who will transfer the technology? It is not gratis. There cannot be any free lunch. Transfer of technology can take place effectively only when there is a scope for profit-earning investment and, at the same time, ensuring that there can be repatriation of the profit. Therefore, a compromise was to be made. What has been that compromise? That compromise is in a certain sector where we, at the same time, want investment for our own benefit - not to help others to earn profit at our cost. So, I will request the Finance Minister to examine all the provisions critically. Yes; the Seattle round of talks may fail. MAI may not be an immediate danger. But these things will come and in your legislation, you must be transparent. Where you want to protect your national interest, you must build up your argument, you must fortify your case, in such a way that you can argue in all the international fora, because there you are not satisfying the Indian Parliament, but there you will have to satisfy the 135 countries of the world who are interested equally in protecting their own national interests. I am digressing a little. We need not necessarily be elated that the Seattle round of talks have failed and, therefore, nothing more is going to happen, because what is going to happen is the exact replica of what happened after the Uruguay Round of talks. Bilateral discussions will take place. Pressure will be mounted and, one after another, the poor countries will start succumbing to the pressure and, ultimately, in some seminar some Third World Leader will come out, as it happened in 1987 talks, and they will all go to the big powers and start arguing that whatever be the text and whatever be the draft, there may be another Dunkel and you accept it. That is why, from the beginning, we wanted that we can get our view-points put across so that if we engage ourselves - not disengage ourselves - if we effectively participate in the discussions, score our view-points, place our view-points and effectively argue our case, and, when the bilateral discussions and negotiations take place, we can have the *quid pro quo* so that in that situation, ultimately, at the end of the day, in the scope of our bargaining, we can protect our

**3.00 p.m.**

national interests. But that is a different case altogether. When we come to that, we will discuss it.

Coming to the third aspect of this Bill, Madam, I would like to request the Finance Minister to examine it. For example, take the way efforts were made to misuse the investments from the NRIs. But I would like to know whether some sort of an omnibus provision in the Bill is possible, as what you are stating in the form of explanation that there will be nothing beyond the profit, nothing beyond the dividend, because our interest is that our money should not be invested abroad; it should be invested here. I would like to know whether the legal formulations and stipulations that you have made are adequate, and there, there will be a question. Somebody was telling -- and it has been quoted - that, 'yes,' foreign banks are making profit. You have allowed them that they can repatriate their profits. How to prevent it? And, if you prevent it, why would they come? They have no interest. At one point of time, we did not allow them to grow. From 1969 till 1991, we did not allow the foreign banks to grow. Their expansion was physically stopped. But, despite that, why are they earning profit, why has their profit increased? Their profit has increased because they have been able to provide better customer service, people have gone to them. Therefore, when the competition will come, even if you provide them a level-playing field, which you must -- we must provide them a level-playing field -what you have quoted in the other House, if we can multiply that, replicate that, the UTI, the way it has expanded, if we can do that, I am sure, even after nationalisation, the growth which has taken place over the years, that momentum of growth, can be retained after the opening of the insurance sector to private companies, both domestic and foreign.

The last point on which I would like to emphasise is the protection of the employees and professionalisation. It is not that our people don't work or they don't have any sincerity or commitment. But what is needed is the tool; what is needed is professional efficiency; what is needed is new methodology, new technology. You have said in your statement that you would like to have new technology, and I do hope that with investment, with the permission given for investment, you will be able to get that technology. But, even where you are not permitting investment, in our own companies, like the LIC and the GIC, unless we have new technology, new

work-culture, new professionalisation, I am afraid, we won't be able to compete with them. Patriotism, after all, does not go beyond a point. We have seen it even in the concept of collective bargaining, how it has been distorted, and what has been the result of the savings-generation efforts of the public sector. It is not a happy thing because we were the managers. It is we who had to manage, nobody came from outside. We failed to do that, and, today, we have to pay for it.

Therefore, Madam Deputy Chairperson, so far as this piece of legislation - I started my observations by saying that neither it is bringing millennia, nor it is going to be a piece of legislation which can be considered as causing harm to our national interest or national pride - it is a piece of legislation which is needed to reform the insurance sector, to ensure availability of additional funds, whatever be the quantum, to ensure

availability of new technology and to tap the investible resources available. The hard fact is not only its contribution in terms of GDP, but also its coverage. Why did companies like Peerless come, why did the private savings organisations come, and why were the people cheated; and the Government had to pass the Chit Fund Act. We had a nightmare because the Government was not in a position to tap the entire insurable resources, through the LIC and the GIC. If we had been able to do that, then there was no need for it. But the hard fact remains. Even when no insurance business is permissible, still, the clandestine business goes on; some fund-raisers, some this and some that savings organisations come, allure the people with their abnormal profits, even dupe the people and perpetrate fraud. So, there is a scope. That scope could not be utilised and could not be tapped by the LIC or the GIC. We shall have to recognise this hard core fact. It is not a reflection on these organisations. Therefore, if additional organisations come, if new companies come, heavens are not going to fall and they would be in a position to tap additional resources, and the additional resources will help us.

The last point to be taken note of is with regard to the relationship between the statutory regulatory authority and Parliament. Another point on which I would like to draw the attention of the hon. Finance Minister is with regard to the bitter differences in the relationship between the executive and the statutory authority, Prasar Bharati. We were never known for championing the cause of bringing Prasar Bharati under a corporation. We

were accused, "You are in the Government. The Government is utilising the electronic media totally to propagate the Government's opinion. Therefore, there is a need for having an independent organisation, Prasar Bharati." We also agreed. There was an overwhelming view of the Opposition. The Prasar Bharati institution was created. What are you doing? How are you treating this organisation? How are you treating the TRAI? Therefore, in regard to the statutory regulatory authority which you are going to create by this Act you should be quite clear as to how you are going to treat it. Yes, the Government should have the authority. I do not mind having the authority for giving direction and providing guidance. Even if you want to have the right of superintendence, have it. But it must be transparent and it should not be like the Prasar Bharati experience. I must say that Parliament must have a closer link because a statutory authority cannot be brought under the control or supervision or examination of the Government. We may like to examine it. Whoever may be the Minister, that Minister will answer on their behalf. But, here, he will not have any effective control or authority. How are you going to resolve it? These problems are bound to come if you create more and more authorities. The type of operation which we had vis-a-vis public sector undertakings, that arrangement is not being contemplated here. On the other hand, Parliament would like to have some linkage. What would be that linkage here? How are you going to institutionalise? Would it be in the form of a Minister for it? Who is accountable to the Parliament? You can think of an arrangement like any other PSU. It could be brought under the purview of some committee. Of course, the Parliamentary Committees are undergoing changes -- they are being thought of. To my mind, it seems, some institutional arrangement is necessary. If you can clarify these positions, I would be happy. You can bring it under an official arrangement or you can institutionalise it under the rules which will be framed under these. These aspects should not be forgotten. We have already seen what happened to the Prasar Bharati and what happened to the TRAI.

With these words, I support the Bill. Thank you, Madam.

THE DEPUTY CHAIRMAN: I am happy that Mr. Mukherjee made a mention that we are not abrogating the authority of the Parliament, while giving autonomy through any legislation because Parliament in a Parliamentary democracy should be supreme. The people's representatives should have some say in the matter. This is what my concern is.

SHRI NARENDRA MOHAN : Madam Deputy Chairman, I am very happy that my hon. colleague, Shri Pranab Mukherjee has supported the Bill. As has been done in the Lok Sabha, I am sure, this Bill would get the unanimous support of this House. Perhaps, I have my doubts with regard to my Leftist friends and the Socialist friends. But, I think whatever deliberations that have taken place here and also in Lok Sabha, will change their views. There was no need for the motion for referring this Bill to a Select Committee. The allegation that the Standing Committee has not deliberated upon it is a false allegation. I think if my friends had read even the introductory note of the Standing Committee, it would have been very clear to them that the Standing Committee discussed it five times. More than that, Madam, since April 1993, the country has been discussing the insurance reforms. It has been examined by a retired Governor of the Reserve Bank, Shri R.N. Malhotra. That Committee also very elaborately discussed the whole matter and a report was submitted. Perhaps my Leftist friends have not carefully read it or if they have read it, they do not want to agree to it because their views are such that Lenin and Marx still exist and they can dominate the world opinion. Perhaps even if they could have read the Reports of the Standing Committee which Shri Sharad Yadav submitted, things would have been very clear to them. If they had read the discussion which took place when the Bill was introduced by the United Front Government, my Leftist friends, could have known as to who can be a bigger Leftist than Indrajit Gupta himself because it is he who supported this Bill. Once he supported, but his followers today claim that they have better wisdom and they would oppose it. I do not see any reasons for that. Unfortunately, the Leftists have to change their views and they have to agree that the world is moving very fast and we are going to the next millennium and in the next millennium it is only the liberalisation which can help us. ...*(Interruptions)*... I will tell you that also. Madam Deputy Chairman, we know that this is not the Bill which was discussed in 1993 or 1996. Many, many reforms have been done and it is for the first time that our Finance Minister has categorically stated that all the recommendations of the Standing Committee have been incorporated in this Bill. At that time the need to refer the Bill to the Standing Committee arose because the earlier Bills, which were introduced were not as good as the present one is. That is why at that time we opposed it because we wanted to have more discussion on it. Once they had done so, we would have agreed to it. That

is how the question raised by my Leftist friends has been answered here. ....(Interruptions)... Perhaps they should know ....(Interruptions)...

उपसभापति : बोलने दीजिए, उन्होंने बिलकुल डिस्टर्ब नहीं किया ।  
....(व्यवधान)...

SHRI NARENDRA MOHAN: The country cannot go on on its own, merely on its own, without implementing or without initiating the second-generation reforms. ....(Interruptions).. The second-generation reforms are reflected in the present Bill and they should be supported. I am glad that Dr. Manmohan Singh who initiated the economic reforms is sitting in front of us. I am grateful that the fire to support the economic reforms still exists in the Congress. But, I wish the same fire to support the economic reforms had somehow come into the Leftist friends. I do not know whether that will come or not. Madam, I am not provoking them. They are very good friends of mine. I want to put them into good humour ....(Interruptions)...

SHRI MD. SALIM: What will happen to your future?(Interruptions)You know what happened to the first generation reforms and you know what is going to happen to the second generation reforms ....(Interruptions)...

SHRI NARENDRA MOHAN: I wish, we, all Members of Parliament, seriously read the Rakesh Mohan Committee Report. Madam, the Rakesh Mohan Committee Report on infrastructure is so important and valid; it has said that the country cannot move forward unless it mobilizes resources to improve infrastructure facilities. Madam Deputy Chairperson, Rs. 4,00,000 crores are needed for the infrastructure. When that money is not with us, we have to mobilize it. The problem with our country is this. We have been able to mobilize short-term savings. But the long-term contractual savings are very little in this country - very insignificant. I am glad Shri Pranab Mukherjee has stated this point. After all, what is the percentage of coverage? The Life Insurance has not been able to cover even 7 per cent of the total population. Madam, 93 per cent of our population is without any life insurance coverage. The conditions with regard to social insurance for elderly people are not prevalent in this country. At present, less than 10 per cent of the workers, between the age group of 20 to 59 in the organized sector, are prepared for income security in old age, using existing formal



systems. The National Social Assistance Programme, which was launched in this country, gives only Rs. 75 per month, and, that too, only to a few elderly people. It is so insignificant that unless we go and create a system, create an atmosphere or create institutions, which can help, motivate people to do something for their future or to save something for their future, we will not be able to do much. This social security problem, every day, is becoming, I would say, crucial, and that point has to be looked into.

According to the National Family Health Survey, which was conducted some years ago, the number of elderly people in India is growing. When they were working, either in the organized sector or in the unorganized sector, they did not want to invest for their life insurance or for their medical insurance or for their health insurance. How to motivate them? Madam, the G.I.C. and the L.I.C. have failed to motivate them. The G.I.C. has not been able to cover even one per cent - rather, it is less than half percent - of the population for health insurance. With this background, the country needs reforms in the insurance sector. These reforms will come only if we all accept this Bill, which has been presented by our Finance Minister and which has been passed and approved by the Lok Sabha, unanimously. I fail to understand why my Leftist friends do not want to realize that only 1.3 million i.e., 13 lakh people, out of the 100 crore population, are covered by health insurance in this country. Madam, only 13 lakh people are covered in this country. Who is going to cover the rest? Then, we have crop insurance and other regions.

SHRI NILOTPAL BASU: Do you know how many are paying income tax in this country?

SHRI NARENDRA MOHAN: Yes. I know.

SHRI NILOTPAL BASU: How many?

SHRI NARENDRA MOHAN: It is more than one per cent. It is not 13 lakhs. At least, those who pay income tax are covered by the insurance sector. The contractual savings will rise phenomenally. Therefore, motivation is needed for that. New projects are needed. The projects that have been offered by the present structure are insufficient. They are obsolete. Unless we are willing to reform the projects, unless we are willing to give them a better functionality and a better coverage, perhaps, things will not improve. This is an attempt to move in that direction. That is why I

support this Bill. Insurance is a big business. *(Interruptions)* Madam, he is again referring to the Standing Committee. This has already been discussed five times in the Standing Committee. Since 1993, we have been discussing about insurance here. We have been discussing about insurance for six years! Even that is not satisfying them, what will satisfy them. Will a couple of extra months satisfy them? *...(Interruptions)* I am not yielding to you, Mr. Jebo Roy. Madam, insurance sector is a big business. This is a fact. It is doing a business to the tune of about 400 billion rupees. This business of Rs. 400 billion will definitely grow much faster, if better projects are offered. Estimation has been done by the Malhotra Committee, and by other experts. We believe that it will definitely increase four-fold or five-fold. So, if it goes up, a lot of money will be available for our investment, and contractual investment. That money we need; and that money can build up the future India. That money can bring better economic growth. The solution of the problem lies there. It is something that is not occurring to my friends who are opposing it. What to talk of rural class, or, poor class; even middle classes have not been properly covered by insurance. *(Interruptions)* I am not yielding to you, brother. *...(Interruptions)...*

THE DEPUTY CHAIRMAN: I will compensate the time.

SHRI NARENDRA MOHAN: The point that we are discussing is: why are we inviting foreign investment into this business. This question has to be suitably replied. It has already been replied to by my friend, Shri Pranab Mukherjee; and also by our hon. Finance Minister. If I repeat the whole thing, it will not be of any use. My only point, here, is that if the insurance sector is opened to foreign companies, the estimate is that a minimum of six billion dollars worth of investment will come in two years' time. Six billion dollars! *(Interruptions)* Madam, when I was the Member of the Standing Committee, these points were discussed there. Unfortunately, my Leftist friends did not raise these points there. Their note of dissent, if I read it out to you, does not mention these things. It does not take care of these problems. I would like to refer to Mr. Biplab Dasgupta's note of dissent, which is here. If you go through it, you will see that. *(Interruptions)*

SHRI GURUDAS DASGUPTA : Madam, may I point out that it would be better if the hon. Member relies on his own opinion because the note of dissent is likely to be produced in the House? It is not wise to discuss them here. *(Interruptions)*

THE DEPUTY CHAIRMAN : Gurudas Das Guptaji, the utilization of time is his discretion. Whatever he likes to speak, I have to permit him.

SHRI NARENDRA MOHAN : Madam, the new techniques with which these companies will come will give us a superior risk evaluation. Our risk evaluation in India is of very low quality; that is why projects like DABHOL, and our hydel projects and power projects, are to be re-insured. Unless there is re-insurance, these huge projects cannot be properly insured. So, even in re-insurance, 98% or, sometimes, 99%, of the premium which companies like DABHOL are paying is going in foreign exchange to other countries.

SHRI GURUDAS DAS GUPTA : Madam, I do not like to interrupt my friend. ...*(Interruptions)*...

THE DEPUTY CHAIRMAN : Yes; I too.

SHRI NARENDRA MOHAN : I am not yielding; Gurudas Dasji. I do not want your opinion in this regard. ...*(Interruptions)*...

SHRI GURUDAS DAS GUPTA : Madam, his information is not correct. ...*(Interruptions)*...

SHRI NARENDRA MOHAN : I know what I am saying. Gurudas Dasji, you can contradict me when your chance comes. *(Interruptions)* Madam, they are encroaching upon my time and that is what they are doing all the time.

THE DEPUTY CHAIRMAN : Please do not interrupt. It is not fair.

SHRI NARENDRA MOHAN : So, Madam, the insurance is one sector which is to be strengthened. This can only be strengthened if the foreign companies are allowed to come here. Once these companies come here and start getting premium, they will not be allowed to take back the premium abroad. It is a very important point. As per the present Bill, they will not be allowed to take their premium out. Certainly, they are allowed to take back some fractional part of the profit, but that repatriation they will be able to do only after 6-7 years. They are not going to do it today. I do not know why my friends do not realize it. The question is to save that 10 million dollars or whatever that amount is. Why that amount should go out as foreign exchange, in the shape of re-insurance? Can't we save it? If we

can save it, we should try to save it. This is the point I am going to make. The argument that the foreign companies will demolish the L.I.C. and the G.I.C. is completely an off-the-track argument. Madam, with 6000 offices, the L.I.C. and the G.I.C. have become giants. Now, can we make the L.I.C. and the G.I.C. global organization; the global companies? We can make them global organisations only if they are strengthened, modernized, and are able to have new technology. The new technology which will come to India, with these foreign companies, in the insurance sector, will not remain only with these foreign companies; it will definitely percolate to the G.I.C. and the L.I.C. and once it percolate to them, once it goes to them, the G.I.C. and the L.I.C. will definitely have better chances to operate in the international market. Now, Madam Chairperson, doubts have been raised here, and in the Lok Sabha also, that this Bill is going to bring unemployment to those two lakh workers, who are working with the G.I.C. and the L.I.C. Madam, these doubts have already been cleared by the Finance Minister in the Lok Sabha and also in the Standing Committee. When the officers and Chairman of the G.I.C. and the L.I.C. were there in the Standing Committee, these points were raised, and, at that point of time the Chairman and Officers of the G.I.C. and the L.I.C. assured the Committee that there was not going to be any retrenchment on account of this Bill. Once it has been assured that there is not going to any retrenchment on account of this Bill, why these doubts are raised every now and then? The question is we have some duty to our customers. The quality of service must be improved for the persons who are insured. The quality of service can only improve if there is competition. Why the L.I.C. and the G.I.C. remain monopolies now? We are not in the age of monopolies. We want to have competition, and competition will give us a better atmosphere of service, better products, better customer orientation, and that is what is needed. In India, the customer orientation is very very poor. We should improve it. We can improve it only when there are many more companies which are willing to do insurance business, general insurance and life insurance with more new ideas. This is definitely going to create a better and healthy economic climate. It is said that these foreign companies will create conditions whereby they can take away our money. Later on, they will go bankrupt. How can they go bankrupt? Not like that. There are so many provisions already in the Bill. Firstly, there is the Advisory Committee. Then, there is the Regulatory Authority. And above them is the Government

of India which will constantly monitor them. Over and above, the Act says this categorically in clause 19: Madam, let me read it:

"That certain instances exist which render, if necessary, in the public interest so to do, the Central Government may, by notification and for reasons to be specified therein, supercede the Authority."

So, the Government of India is here to protect us. It will keep a constant vigil on the insurance companies in the private sector. So, the doubts that are being raised here, are not of much consequence and are not of much value. But, still the doubts are there.

One question is: will these insurance companies invest in Government securities, as has been prescribed? This is again a doubt that has been raised. Again, it has been made amply clear in the Standing Committee and more so, if I remember correctly, by Mr. Rangachari and also by the Secretary in that Committee that the existing guidelines for investment in the Government securities are not going to be changed. It has been made clear. Moreover, these guidelines will be formulated by the Authority, and that Authority will coordinate with the Government. It is not going to be a completely autonomous Authority. It is not the intention of the Bill to give total freedom to the Authority to do whatever it likes. It will work under some parameters, and those parameters have been very well defined in the Bill.

My submission, Madam, is that we should now discuss the Bill in detail. If my Leftist friends had wanted to bring in other changes, they could have brought them. They do not want to discuss it clause by clause. They did not discuss it even in the Standing Committee. Here also they did not make any suggestions which could be incorporated into the Bill. By walk-outs, we cannot go into the second generation of reforms which they themselves had accepted when they were in the Government.

Now, the question is: what more can be done for our people, for our society and for the insurance companies? Perhaps, here, we can think of it. My submission to the Finance Minister is that we should have a broadbased appointments panel because you want to have on the Committees persons with integrity, having a lot of knowledge. It may be the Tariff Committee. It may be the Advisory Committee. It may be the Regulatory Committee. Where do you get them from? The first point is this. It should not become a place where retired bureaucrats or retired politicians could be

accommodated. You have to see to this; you have to ensure this. Can you really bring such a situation by using clause 7? Perhaps, you can do it. But it has to be looked into to stop this.

Madam, one more point, the last point, I would like to raise here is this. The Members of the Regulatory Authority have been prohibited, debarred from taking employment after completion of their service. But, if they start working as consultants, how are you going to prohibit? We know these people retired from the organisation, start working as consultants till the cooling off period. They should not be allowed to do so.

These are the few suggestions that I would like to make. With these suggestions, I support the Bill. I hope the House will adopt it unanimously.

**उपसभापति :** अब आप जो इंटरप्ट करके कह रहे थे उनसे, आप स्ट्रुक्चर्ड वे में कह दीजिए।

**SHRI NILOTPAL BASU :** Madam, I rise to oppose the Bill with all the strength I have at my command.

I cannot say all these things with any sense of rancour. I feel a peculiar kind of sadness. At this point of time I tend to become nostalgic also. Eleven years back, of course, I was eleven years younger and was a student activist, I was inspired by the speech of the then Socialist, Shri Yashwant Sinha. We were audience to a convention, which was protesting at the misuse of Special 301 of the US Trade Act. Mr. Sinha, at that point of time, while trying to inspire young people like all of us, said that there are certain basic inequalities in the global system, which have to be fought with all our might. But, unfortunately, I find that the Finance Minister, who is piloting the Bill here today, has been transformed. I was really amused by the utterances of the hon. Member, Shri Narendra Mohan. I do not know why he was bothering so much, because the other day in the other House, the Finance Minister had already misquoted Trotsky to consign us to the dustbin of history. He was also very concerned about why we are left behind and cannot keep ourselves abreast of the developments in the changing times that all of us are passing through. I know, eleven years back it was more an innocent time. We now live in a more difficult and complicated time. Therefore, changing certain basic views about life, about developments, about the role of the country in the Comity of Nations has become a euphamism for looking forward. But, Madam, I was also listening with rapt attention to the mover of the discussion.

THE DEPUTY CHAIRMAN: In this discussion, the mover is the Minister. *(Interruptions)*

SHRI NILOTPAL BASU: I stand corrected. But, the point is situations have changed. Four or five years back, during the time of the Marrakesh talks, certain things were being discussed. I know Pranab Da will take full responsibility for that. I have no problem with that. But, during these four or five years, the way the world has changed, the way the globalisation has taken place and the manner in which the globalisation has affected the life and livelihood of the millions of people in the developing countries, have led them to reach to a certain kind of understanding. I don't disagree with Pranabda when he said that tomorrow pressures will be there. At the same time, it will be wrong on our part if we overlook the sudden shift that is taking place in the realisation of the other countries towards the WTO. It is a fact that globalisation did not bring fruits to the millions of people. It is borne by the fact that exports from developing countries to the developed countries have fallen short by one per cent; and exports from developed countries have gone up. The price of primary commodities has gone down. It is a major constituent of our export basket whereas the prices of products of developed countries have gone up. Therefore, a realisation is also taking place at the level of the developing countries. So, which change are you talking about? We want to make it very, very clear that we are not opposed to reforms. But the point is whether that reform process will enable us to face the challenges that the world is posing before us today. That is the vital question.

Madam Deputy Chairperson, we don't have to go back much. Just four or five days back our Commerce Minister, Mr. Murasoli Maran spoke eloquently at the Seattle meet pointing out the kind of asymmetries and inequalities that have emerged in the present day world. Without addressing those concerns of the developing countries, it was made abundantly clear to the entire developed world also that things cannot move. Therefore, I found that Pranabda also did not address a very specific question which related to the insurance sector. Some time back, Mr. Narendra Mohan was talking about why the LIC and the GIC couldn't become global giants and why they chose to be Indian giant companies.. Now, the simple reason for this is that the insurance sector all over the world is a protected sector. It is not a liberalised sector. We have the figures from the 'SIGMA' which is a very, very prestigious Swiss insurance journal. It says that the USA have opened

up their insurance sector to the extent of 3 per cent only to the non-U.S. companies, France 5 per cent, Switzerland 5 per cent, United Kingdom 5 per cent and Japan 5 per cent. Is there a reciprocity in the opening up of the insurance that we are indulging in? Is liberalisation really taking place in the insurance sector all over the world? The answer is, a big no.

Very recently we have seen how the Chinese have bargained for the opening up their insurance sector in lieu of their entry into the WTO. We have a big market which could have been utilised as a major bargaining counter for the Indian market. We could have also put across certain areas where we have our competitive advantage. We are crying about the WTO process where we were supposed to get certain advantages from the Marrakesh meeting both in the area of phasing out of the Multi-Fibre Agreement and in the area of agriculture. These did not accrue to us. Then, why did you take recourse to those hard bargainings? I would like to ask the Government : Why did you open this sector unilaterally? That is a very, very vital question because there was no dictum from the WTO for you to open up this sector in this manner. The further proof of that is this sector is not liberalised. We have heard about the Americans' concern towards labour standards, environment linkage with trade, we have heard about the multi-lateral investment question. But trade in services, and more particularly in the insurance sector, has not come up for priority by the American delegation and the American administration. This is simply because their own market is protected and they are not allowing anybody to go in. Now we are being told that this is the other road which would lead us to prosperity. Now, a lot of reference in this House also used to be made about the 'Asian Miracle', about the 'Asian Tigers' and what kind of boom that the Asian countries, South-East Asia, East Asia, etc. were having. But, nowadays, we do not get to listen about the 'Asian Miracles' any more because it is known that there is a very big gap between our resource requirement and our resource mobilisation. As FDI could be a major component, could be a major instrument, in overcoming that gap, it was one of the routes chosen by the East Asians. What happened to that? We have a report made by the UNCTAD. I am sure the learned Finance Minister has already gone through it. It talks about the Malaysian case. The Malaysian case is, between 1991 and 1993, there was a 12.8 billion dollar investment in the Malaysian economy through FDI and it was extrapolated that if Malaysia could attract that kind of money and if it was replicated in the



whole of the developing countries, then where we would be! But again, that study itself shows that it is absolutely unachievable because if that kind of FDI flow was to come to all the developing countries, then, it would account for 27 per cent of the total global FDI, and that is not achievable. Now, we have seen what has happened in Malaysia. The Malaysian Prime Minister, Dr. Mahathir Mohamad, explained the situation at the Jamaican meeting of the G-50. Are we going to examine all these things with an open mind, whether this route will really help us to go ahead, how much FDI we can attract and how much infrastructure we can build? Madam, we are also being informed by the *Financial Express* of London very recently, two months back, that developing countries cannot expect further doses of FDI in the infrastructure sector because all the infrastructure built in Europe or North America or Japan in the past are mature for a renewal; therefore, they need the investments there. Therefore, that kind of a big FDI flow cannot take place in the infrastructure sector of the developing countries. That is not my assessment. It is the *Financial Express* of London which is saying this. It is not a Left critic of this approach. This is also a reality which we have to contend with. We cannot overcome this kind of a situation. We have a terrible report of the UNCTAD, again, the World Investment Report. What has the World Investment Report to say? I will just go through some of the figures to show what has been the impact and what has been the areas in which this FDI has actually been invested. I quote. The World Investment Report, 1998 published by the UNCTAD, eloquently deals with the concentration of capital in the process of globalisation and privatisation. The bulk of the FDI flows, the report illustrates, were utilised for mergers and acquisitions which increased from 69.5 per cent of the total in 1992, to 74.6 per cent in 1993, to 80.8 per cent in 1994, to 71.6 per cent in 1995, to 81.4 per cent in 1996, and to 85.3 per cent in 1997." The average investment of FDI for the purpose of mergers and acquisitions during this period has been 75 per cent. Now, Madam, I am really confused. Is this FDI flow leading to more concentration of capital, or, construction of infrastructure sector? We hear something, when we come to the House, by the first- generation reformers as well as by the second- generation reformers. But when we try to study some of these things independently as to what is happening at the global level, the facts and figures that we are getting are something totally different. Therefore, our point is very clear. There is no shortcut method. Now, Mr. Pranab Mukherjee was saying that

that was a weakness, that the resources could not be developed. Now, there again, I am confused because the same insurance journal 'SIGMA' is pointing out today that the growth of the insurance industry worldwide, in the developed countries, is 1.5 per cent in life business and only one per cent in non-life general insurance business, and here, in our country, we have figures--I am not going into all the figures-- everybody knows about it. What has been the growth in the LIC? What has been the growth in the GIC? What was the per capita equity capital? What has been the growth? But, consistently, the growth has been between 15 per cent and 20 per cent, and we had reached a situation where, in the Ninth Plan, the LIC and the GIC would have been in a position to invest Rs. 1,30,000 crores. Now, I do not understand this thing. The other day, the Finance Minister was saying that the Indian cake is very big. Therefore, with additionality of companies, that cake will be taken, and Mr. Pranab Mukherjee was saying that they are not coming for charity. I accept that they cannot come for charity. They will invest and they will go into the business only in those areas where they can make profit. Therefore, the unaddressed market, the unattended market, which was sought to be tapped by the LIC and the GIC, will be opened up. The other day, Mr. M. Venkaiah Naidu had agreed that in the aftermath of the super cyclone, we have to have crop insurance for the farmers or the artisans because we do not know how we can restore them back to the economic activity. Now, the point is: "Will the private companies address the untapped segment of the market? If it is for profit, then it cannot happen. Then, how will the additionality or proliferation of companies address the market which have as yet not been tapped? I have been a follower of the telecom sector in this country. A lot of things were said about the telecom sector being opened up. What is the situation? The less we talk about it, the better it is. What has been the additionality in the telecom infrastructure after the private people have come in? We have seen that as a result of the so-called competition and the so-called independent action of TRAI, revenue receipts of the telecom department have come down, about which the Government has to do something at the end of the year, in the Budget. That is the situation. So, I think it is very, very mechanical. Please explain to us. We are prepared to understand how the additionality of new insurance companies will allow us to bridge the gap which could not be bridged till now by the LIC and the GIC because we understand that the insurance sector is an instrument of savings also. And

since it is an instrument of savings, it cannot be an autonomous entity. It has to be a function of income distribution as well as savings. When the domestic saving in this country is stagnating between 24 per cent and 26 per cent and when our per capita GDP is as low as 425 US dollars, in this kind of a situation, how can we have two per cent of insurance business as compared to the GDP which grew up to 4 per cent in four years with this new scenario? That also we fail to understand.

Then I may blow another myth, i.e. Narendra Mohanji was vexing eloquently about the great efficiency of the private sector and the private business. So, for the sake of information of the House I just quote a few lines from a Report, not by any left ideologue, but by a Committee of the House of Representatives of the United States. The Report is known as "Failed Promises - Insurance Company's insolvencies." They have shown how out of 3,000 insurance companies in the United States, 300 have gone broke. One of the 500 fortune companies, --the name of the Company is the "First Executive"-- went broke in 1991 and it sent shivers throughout the capital market all over the world. Now what does the Chairman, in his authorisation of the Report, say? He says:

"The parallels between the present situation in the insurance industry and the early stages of the savings and loan debacle are both obvious and deeply disturbing. They encompass scandalous mismanagement and rascality."

--"rascality" mind my words, it is not the kind of words we normally use---

"...by certain persons entrusted with operating insurance companies along with an appalling lack of regulatory controls to detect, prevent, and punish such activities. Because the ill effects of fraud...(interruptions)..."

I think the US market is more regulated than we will have, after this Bill.

SHRI NARENDRA MOHAN: That is the experience they have learnt. We are sure that the Government of India will do it under the anti-dumping law.

SHRI NILOTPAL BASU: Okay. Let us come to what is happening now. Madam, he is questioning because that had happened eight years back.

**4.00 P.M.**

Let us come to what is happening now. What does the latest Report say? The latest Report says:

"To cap it all the Report mentions in page 285 that ...."

--this is the latest Report of 1998--

"....many of the largest troubled 'Top Fifty' pension funds have been underfunded for at least a decade" obviously pulling wool over the eyes of the regulators."

Get my point.

"The publication refers to commercial failures of savings and loan accounts and commercial banks in pages 89-91. The publication constitutes a revealing testimony of financial companies, particularly life insurance and pension companies, dodging the regulators and dispossessing the customers of their hard earned savings. The loss to the customers because of savings and loan collapses in the 1980s amounted to a total of 1148 companies involving a mind-boggling 375 US dollars. The Report also mentions in page 90 the number of bank failures in different States in USA between 1982 and 1989, with Texas alone accounting for 368 commercial bank failures. 1990s as correctly projected by the article has witnessed a lot more of bank failures than ever in USA."

SHRI DIPANKAR MUKHERJEE: To which dustbin are you putting it?

SHRI SANGH PRIYA GAUTAM: Let him speak. He is speaking very well.

SHRI NILOTPAL BASU: So, Madam, I am really confused as to how these kinds of institutions will impinge on greater efficiency in our insurance system. I am really confused, and it is up to the Finance Minister...*(Interruptions)*... really to disabuse my apprehensions. I have another point which has to be taken into account. It would have been better if the Leader of the House had been here. While replying to the debate on the President's Address he was saying 'across the political parties.' We have received a message from the electorate of this country after this last round of general elections. What is it? People are not prepared to put up with the kind of infrastructure they have today. People are not prepared to put up

with the quality of social sector delivery they have today. We have to have rural roads; we have to have rural power; we have to have better quality of primary education. We have to have better quality of primary health. These are the imperative needs of the people today. They are basic necessities. All of us agree, in our own way, that 'yes' these are some of the priority areas for the whole country, and that the country is forging for a consensus. Please tell us this. How, on the one hand, profiteering, which will be the prime mover of the activities of the insurance companies, and their investing in these areas on the other, go together? I would like to know whether it can happen. We feel that it is not possible if we do not take the harder route of resource mobilisation from our internal sources. Yes; it is true that the quality of service in the LIC and the GIC can improve. They can expand if they get the support. But, why, at this point of time we threaten, we disrupt, their business, by allowing some people for cherry-picking? There is no doubt that there will be undercutting of premium. This is what has happened all over the world. Why then has the insurance sector failed? Why have they defrauded people all over? Because it is inherent in the nature of the insurance business that to gain access to market, they have to undercut on the premium and thereby put the money in some risky business; speculate in the share market and thereby create a situation whereby the entire money becomes bad, and, therefore, the people who are insured are duped, are defrauded, and they never get back their money. So, Madam, what we are pointing out is that it is also not consistent with the position that we are taking at Seattle. They have been attacking us; attacking the Left, but we are thinking about the exports of the country. We are not linking the question of labour to trade because we know that the American President, when he talks of core labour standards and all that, it is a mock concern. Ultimately, that will lead to greater access to Indian markets. So, Indian labour is prepared to sacrifice and postpone their very legitimate rights, assertion of their legitimate rights, in the national interest. Madam, I am very pained to say this. From the first day, what has happened? The language used in the mainstream Press is, 'suspects make noise', as if we are criminals and we are committing a national crime by articulating the views that we are expressing now. They have been issuing comments after comments in the FICCI and in the CII. I am sorry to say, I was pained to hear the Finance Minister, or other Ministers, and the entire speech that Mr. Narendra Mohan gave. It is not a question of teaching us a lesson. We are also patriotic. We

also want that India should become prosperous; we also want the country to move ahead. These are areas of day to day concern. Whatever you say, this 26% foreign equity cap is totally a myth. You may provide me many legal explanations. (*Interruptions*)... I am not talking about Maruti. You have the Telecom Policy, where you had 49% cap on foreign equity. I don't know. Mr. Adhik Shirodkar from Bombay is sitting there. He also keeps a McHachinsons cell phone. McHachinsons is a company where the foreign partner Hachinsons is having 70% of equity. If you have any other information, please give it to the House. This is a fact. When the company is being listed in the share market, there is no way you can stop it from controlling the market. A lot of noise was made. Last year we saw photographs in the electronic media of Mr. Gurumurthy of the Swadeshi Jagran Manch. There was a lot of discussion and bargaining between the Government and the Swadeshi Jagran Manch. Then Yashwant Sinhaji came and said, "there is an agreement and there is no problem". A lot of people, who are right now on your side, cannot be present and they have to go back because they have to eat whatever they have said earlier. The issue is not this. By shouting from roof-tops you cannot stop people. Ultimately, how much is the equity? How much the Tatas own in their own companies? We are not saying this. Some time back, Lord Sawraj Paul came and said, "Is there any private company in this country today?" No. Why? Only the names of a selected group of companies have been listed. They have invested Rs.256 crores and they are controlling Rs.27,000 crores which belong to the LIC, GIC and UTI. How can you stop, with 26% foreign equity, foreign companies from controlling those things? You are saying in this Bill that no other income than dividends will go out. Mr. Pranab Mukherjee has also supported it. Can you stop this? We know the problem. Now, the practice in the international insurance business is that the insurance companies have to go in for insurance to cover the risk. Now, GIC, being a public sector company, exercised that social orientation. But how can you expect a private company, with a foreign equity component, to judiciously and scrupulously use that provision? Is it possible? So, in the name of insurance, money can go out. You have provided that no fund will go out. But there is a saving clause that if you pay Rs.5 lakhs of compensation, you can take the money out. So, people will take money out and pay you Rs.5 lakhs. We have this provision in the telecom sector also. You have to give 10% of your total lines in the rural areas. But if you fail to

give, you can pay a penalty. They would rather pay penalty because by taking money out they can make more profit. You see, there are umpteen reports. There are reports of the RBI that in the first five years of reforms--I don't want to hurt anybody's sentiments; but these are the facts--not more than 3 billion dollars of FDI has taken place in any year. You have mentioned about it in your 1998 amendment. Mr. John Fernandes is not there. He is in the habit of quoting all documents to say how bad we are, how much the CPM is opposed to the Congress, now it is not opposing the Congress so much, etc. He used to quote like that. If you think that by putting some provisions in the laws you can control the equity structure of that company, it is a myth. It is an absolute myth. As against a maximum of 3 billion dollars of FDI in a particular year, how much money has gone out? Fifteen billion dollars have gone out. This is the RBI report. There is a negative transfer of resources. You are saying that this is the only way; if you do not agree, the country will go backward. You are taking the country to the jorassic age. You have just said that we have been consigned to the dustbin of history. All these things are there.

THE DEPUTY CHAIRMAN: Mr. Basu..

SHRI NILOTPAL BASU: Madam, I will just take two or three minutes.

SHRI NARENDRA MOHAN: What are your suggestions?

SHRI NILOTPAL BASU: My suggestions are being sent to the Select Committee. I can also add your name. I do not have any problem.

SHRI ADHIK SHIRODKAR (Maharashtra): And what about the constructive suggestions?

SHRI NILOTPAL BASU: I am coming to the constructive suggestions. My constructive suggestion is to follow the phenomenon of what other developed countries have been doing in the insurance sector all over the world. This is my constructive suggestion.

THE DEPUTY CHAIRMAN: Mr. Basu..

SHRI NILOTPAL BASU: Madam, I would like to say a few words on the regulatory system. I think that you have been provided with the authority of prescribing the rules. It would have been better if Mr. Pranab Mukherjee had been here; I would have told him how much independence and regulation should be there. There is a news report with me. In fact, this

report has been quoted from the CIG Report of last year. "The TRAI has given it on to themselves to allot \$ 500 as daily allowance for travelling abroad". This is more than what is earned by the executives of US Administration who are today the highest-paid in the whole world. Under what rule have you done this? I do not know. Mr. Finance Minister, if you are going to allow this kind of allocation, you will definitely come to the House for grants. There has to be some kind of accountability.

THE DEPUTY CHAIRMAN: I feel, the Finance Minister gets less than \$ 100. (*Interruptions*)

SHRI NILOTPAL BASU: I know, Madam. But my point is this. My constructive suggestion is, if you take so many things out of the purview of the Parliament, or out of the Government and invest some independent authority with new powers, there is no problem. But I would like to emphasise that the element of accountability must be there. That point must be kept in mind. This is one area which, in my opinion, has not been covered. People are talking about reforms in the power sector and particularly with reference to developments in Orissa. Mr. Finance Minister, I do not know whether you are aware of all these incidents or not.

There is one American company, CESCO. It is a power distributing company, which supplies power to Orissa. Now it has stopped providing power to rural and individual consumers in Bhubaneswar beyond 65%, in Cuttack beyond 65%, in Paradip beyond 40%. Their simple logic is that they have lost their money in the cyclone. Now they say that either they be allowed to raise tariff by more than thrice or the Government should compensate with a cash loan of Rs.200 crores from the World Bank with a counter-guarantee from the Government. These are the kind of developments that are taking place in the infrastructure sector. And you are saying that without the help of private sector, foreign insurance companies, we cannot build infrastructure. Mr. Finance Minister, you must also be aware of the new disturbing development in the road project. The National Highway Authority of India has come out with a tender, with an outrageous stipulation that no Indian Company can compete for the tender. These are the things which cannot be sweepingly washed away. We know we are in difficult times. But by hoping that what comes from the IMF and the World Bank will automatically lead us to the road to prosperity, I think it is not correct. I would like to quote what the Finance Minister said in reply to the



question raised by Shri Vilas Muttemwar in the Lok Sabha. He asked, "Whether the International Monetary Fund has asked India to accelerate the structural reforms in taxation, banking and corporate sector to ensure greater transparency in Government activities". The Finance Minister said, "On the basis of discussions at the Board on India, the IMF, on September, 22, 1998 had stated, *inter alia*, as follows:

"Directors welcomed the new Government's intention to push the reform agenda across a range of fronts, including privatization, infrastructure, insurance, and foreign direct investment, and urged quick implementation of these activities. Directors noted that the room still exists for simplifying the regulatory framework...."

Whatever regulation you want to put that should not be put. It should be further simplified to facilitate what they want to do.

The Finance Minister further said, "Enhancing transparency, and thereby facilitating investment decisions. As if the investment decisions depend on your transparency and how you run your system in the country. The objective reality of how much FDIs could be made available to developing countries is actually going down. The protest in Seattle by workers was all about this and it was supported by the Government there. The US trade representative actually issued a statement supporting them that you cannot allow exports from developing countries and you cannot invest your money in developing countries.

The Finance Minister further said, "Directors underscored that considerable efficiency gains could be reaped by accelerating trade liberalisation, including through further tariff cuts and a more rapid elimination of remaining quantitative restrictions on consumer goods. Directors welcomed the strategy for financial sector reforms outlined in the recent Narasimham Committee report. They urged the authorities to accelerate implementation of these reforms".

Later on the Finance Minister said, "We are independent and we are under no pressure, but we agree with all these recommendations". The nation today owes an explanation. We do not want to degenerate this debate into Right and Left, I mean everybody on one side and the Left on the other side. These are questions which are of vital concern to the country. We are equally agitated about all this. How can we achieve this and how can we overcome the resource gap? What will be the area of resource mobilization? Let us be frank. Let us be candid. Let us not blindly imitate what other

people say. We were everyday hearing at the time of Kargil war or at the time of Pokhran tests that we are proud of the nation. Now everybody is seeing eye to eye. Therefore, on economic matters also there is a need for the nation to stand collectively. We are prepared to cooperate. We are prepared to discuss and debate these issues. But let us not indulge in legalistic semantics, saying that by putting that cap on 26 per cent we will keep the foreign companies at bay. We need a much more introspective discussion on all these things. Then only a national consensus can be created. The way Shri Narendra Mohan was pleading, I feel sorry for him. That is not the way to really forge a consensus in this great country. If we have to go ahead, we cannot dispense with national consensus and the kind of democratic ethos that we have built up over the years. I hope the Government will take it in true spirit. We can have a dialogue. There is no hurry. If the Select Committee takes it into consideration, some aspects might change. Madam, these are very vital things. Then, he was talking about products; insurance of new, fashionable, products. I remember a very interesting anecdote. In the 30s, Madam, you must have heard of Marilyn Dietrich.

THE DEPUTY CHAIRMAN: In the 30's, I was not born.

SHRI NILOTPAL BASU: In 1940's, if I remember right, Marilyn Dietrich was a very famous hollywood actress. The whole world went ga-ga when the Great Llyods Insurance Company of England insured one of her legs...*(Interruptions)* Now, Mr. Shirodkar is indicating 'two legs'. Maybe; I do not know. I was not born at that point of time. But the point is, what are these new instruments? The wrist of Sachin Tendulkar, - it is a very interesting product -- the hands of Yeuhudi Menuhin, who plays violin, or some such products; these are very important ones. I don't disagree. But, in a country, where we have a hundred crore people, where the official figure of the poverty level is 40 per cent, where we have to take care of our social sector and infrastructure investment, should the debate of this national nature be informed by considerations of such specialised instruments of insurance? And, if that is the situation, then, I think, it is a very, very sad day for this country and for the democracy of this country. I think we should rise above all this and really take an objective, dispassionate, look at the state of affairs in the country today. We must collectively apply our mind and come to an unanimous conclusion which can only be facilitated through the formation of a Select Committee. Thank you.

THE DEPUTY CHAIRMAN: I wish somebody could insure my throat and my finger, which presses this button, because these are the two most important things in the functioning of the House.

SHRI NILOTPAL BASU: Madam, I am thankful for your indulgence.

THE DEPUTY CHAIRMAN: You were speaking very soberly. So, I didn't want to interrupt. आज पहली बार इतना अच्छा बोले । जब कोई अच्छा बोलता है तो सब ध्यान से सुनते हैं । सब अच्छा बोलें तो सब ध्यान से सुनें ।

श्री संघ प्रिय गौतम : इनको भी कहिए कि ये भी ध्यान से सुनें ।

एक माननीय सदस्य : अच्छा बोलेंगे तो ध्यान से सुनेंगे ।

SHRI SURESH A. KESWANI (Maharashtra): Madam Deputy Chairman, let me first of all thank you for giving me the time to speak on this very vital Bill. We have, before this august House, the Insurance Regulatory Development Authority Bill, 1999, duly passed by the Lok Sabha on 2nd December, 1999. The Bill seeks to amend the Insurance Act of 1938, the LIC Act of 1956 and the GIC Act of 1972.

Madam, this Bill has created a great deal of controversy. Last year, I was in the Standing Committee on Finance, wherein a large number of witnesses were examined. One of them was the Chairman of the LIC. I asked him candidly: "Mr. Chairman, don't you see that your days are now coming to an end? Don't you think that the LIC is going to go down because yours is one of the largest corporations contributing so significantly to the development of this country, earning enormous profits? Virtually, you had developed into a monolithic organisation. Don't you think that competition is going to affect you adversely?" The Chairman gave a very peculiar kind of reply. He said, "Mr. Keswani, this is nothing new for us. We know very well that this Malhotra Committee, which came into being in 1992-93, since then this has been talked about continuously. For five years, we have geared up to a situation where we think we are now ready for competition and we are willing to take on all the global giants. We know what kind of products they are likely to bring, and that is also going to improve the quality of service that we provide. In fact, partly, we have already been witnessing a significant level of improvement in our own working". It was very heartening to hear this from him. The sad part was that the company had to wait for the competition to arrive to pull up its

socks and begin to perform.

Madam, so far as this Bill is concerned, the controversy that has been appearing in various newspapers is, perhaps, partly due to the image of this Government. As I have said before in this House, their leader, that is, the Prime Minister heading this Government, used to shout from house-tops about probity in public life. But if one examined their record right from the first day of their thirteen-day incarnation, one would find that they had cleared the Enron proposal - which they had opposed tooth and nail -- in a record time which should appear in the Guinness Book of Records. This was along with various other files which had they cleared in those thirteen days. It is this stigma which is attached to this Government. The Government comes to power last year and for no rhyme or reason, for no ostensible purpose, hands over the management of the Maruti Udyog Limited to the Suzuki Corporation, thereby, significantly reducing the value of our own shareholding. Today, if we want to sell that company without the management, we are likely to realise less than what we will realise on selling it with the management. These are some of the things. There are a number of other scams. You had the sugar scam. Yesterday, we talked about the wheat scam. Tomorrow, I am going to bring another scam wherein they have surreptitiously handed over the Steel Authority of India to Lakshmi Mittal of U.K. Now, these kinds of things which this Government keeps on doing, are the reason for such a great degree of suspicion with which every step of this Government is being watched. Having said all this, I must now turn to the important part of this Bill and examine as to what really the truth is, which must concern us more than the rhetoric which follows the various ideologies which are our own pursuits. It must be realised in today's times that private corporations are far more transparent; they are more widely held; they are being scrutinised by financial institutions, the media, the advisers who are advising the investing public and various other people who are keeping a watch on the movement of markets, performance of their companies and examining all these things. If you compare them with our public sector undertakings, the public sector undertakings have given a poor account of themselves. They are more monolithic. They are less transparent. Even the Parliament is not able to adequately control, supervise or even regulate their conduct. Their efficiency level is low. As we know, this morning, there was a discussion and the hon. Minister, Shri Manohar Joshi was explaining that out of so

many public sector undertakings, nearly 48 of them are on the sick list, some are already dying, some are dead and others are on their way to death. With this kind of record of the public sector, and having examined the Chairman of the LIC who himself confessed that but for the fact there was a competition, the LIC would not have pulled up the socks, I think the time has come when we must examine all our economic policies *de novo*. We must realise that we are going into the 21st century, the age which is rightly described as the emerging information age. The geographic boundaries which divide nations are going to recede comparatively. We are going to be a global player whether we like it or not. Our population is 20 per cent of the world's population. There is not a single major international market where our people are not operating already. In this scenario, with globalisation fast picking up, with multinational corporations losing the racial or any geographic identity, they becoming global in nature, with the shareholder, i.e. the owner of the company, and the management being separated, where the chief executives often are not the owners of the corporations, with this whole new phenomena coming before us, with democracy getting so deep-rooted in the private sector management, we will have to take a fresh look as to how are we going to organise our businesses, our industries, and those sectors which provide services.

Madam, I am not suggesting that while we accept this Bill, while we support this Bill, while we invite competition, we should give up our hawk like vigilance. I am not suggesting that just because we are getting foreign direct investment, we give up the vigilance that is required. We, as a Parliament, will always be watching and looking up to the interests of our country, the interests of our people and the interests of our investors, and we shall try and see how we can do this effectively. The only problem that arises is that this Government does not stand up to any kind of scrutiny, whether they can have a viable stability because there are 24 partners. Today, they are in agreement; tomorrow, they may not be, and how are they going to be able to do this function is not quite clear.

Thirdly, Madam, our policy of protectionism must not dwarf our productive forces, and if we take these strategic decisions wisely, we will be able to stand up to world competition, and I am sure, they will not come in our way. We have already proved our performance in the area of computer software, diamonds and various other items, like textiles,

garments. We are able to match the world standards, and we should be able to do well if we are exposed to world competition.

Madam, Mr. Nilotpal Basu said that there has been, perhaps, no *quid pro quo* that we could have bargained with the world powers that when we allow them into the insurance area we could have bargained and got something which they could offer. I would say this that such *quid pro quo* really does not work. We have seen recently in the WTO that this kind of measures do not really produce results, and it would be more graceful on our part to realise what is our exact situation. We have to realise where our financial standing is today and take those measures which are workable. If we are inviting foreign participation in some areas, they will set in motion the centripetal force of investment from the world over. We will be able to attract investment from everywhere. In the beginning, we may have to make some sacrifice, and such a sacrifice would be worth its while because it will usher in a totally new era for this country.

We have to be responsible because half of our population lives below the poverty line. It is our responsibility to these people that we must buck up and see that we have a totally new kind of thinking -- and a paradigm shift, if you will -- in our approach by which we must get out of the problem. Just by sitting back, closing our doors to the rest of the world, we are unlikely to be able to solve these problems. I, therefore, feel that if we are able to get an assurance from this Government that they will not allow the use of this Bill as a backdoor entry for privatisation of the LIC and the GIC, and that they will obtain the Attorney-General's opinion as to how we can tighten up the 26% cap and keep a vigil on the movement of the ownership of these companies, and that if we make sure that our regulators are able to do the same kind of a job, which our Reserve Bank does, in regulating our financial mechanism in ensuring stability of our banking sector, we will be able to ensure the stability of the insurance sector as well, in the same way.

With these words, I support this Bill. I request the House also to support the Bill. I also request the House not to waste too much time on debate and go ahead so that we get down to business. Thank you.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Thank you, Madam Deputy Chairman.

THE DEPUTY CHAIRMAN: Can you move to the front? There are

better mikes there. Please come forward. Come to the seat behind Mr. Gurudas Das Gupta.

**SHRI C. RAMACHANDRAIAH :** Madam, neither I want to arrogate myself with the powers of the Minister, nor shoulder the responsibility to defend this Bill. But I rise to support the Bill. It is quite paradoxical that this Bill has been introduced by the Government led by the BJP which has tried to scuttle it sometime back. Hon. Pranab was saying that the seats have changed and the philosophies of the parties are changing. That is not good in a democracy but, however, the Telugu Desam Party subscribes to the philosophy of liberalisation and globalisation, and we are supporting it. The Bill has got two components - creation of a regulatory authority and enabling amendments to provide for privatisation. Madam, I do not want to go into the details of the justifications of the Bill. But a lot of apprehension has been entertained and a lot of debate is taking place. Madam, six years have elapsed since the submission of the Malhotra Committee Report. Every party has got its own philosophy whether it is realistic or it is dogmatic and it is supporting or opposing the Bill according to its own philosophy. As far as we are concerned, we are very glad that the second phase of economic reforms is being introduced with more vigour that is the need of the hour. My request is, do not have half-hearted measures, have unanimity in your own party and simultaneously do not create confusion among your allies. The economic reforms, which were introduced by the Narasimha Rao Government, have not yielded results for the obvious reasons that they lacked social cause and did not have a human face. Though this Bill is called a Regulatory Authority Bill, I think, the Government is regulating the Bill itself. I do not know to what extent this Bill will regulate the insurance business. In the Statement of Objects and Reasons it has been stated that it is going to be autonomous, autonomy is going to be provided to it. But after reading the Bill, I have seen umpteen instances where the Government has made provisions to interfere with the administration of the Regulatory Authority. It is true that some of the Members have said that it will improve the services and when there is a competition naturally the customers will be benefited and the people will have a wide coverage of choices with low premium. All these advantages are to be provided by the private sector. But the greatest advantage is that for the development of the country, for creating infrastructural facilities, we will have the long-term funds. This is a particular sector, rather I should

say one of the few sectors, which can provide long-term funds to the economy. When I was comparing the total funds in this sector I found that in Japan it was 1.3 trillion dollars, in South Korea it was 58 billion dollars, in Taiwan it was 25 billion dollars and in our country it was only 15 billion dollars which is far below for a country of India's size. It indicates that there is vast potential which has to be explored. In the insurance sector, we collect only 2 per cent of the GDP. Madam, insurance sector is an engine for the long-term growth. In India it has been a huge stagnant pool characterised by poor returns due to primitive methods and poor service. The question of the private sector or the public sector is secondary. The real problem is whether there is a competition in this field. One of our gentlemen said, "Can we make the LIC global?" I posed a question: "Do we need global companies in our country as long as they do not serve the people?" So, we need institutions which cater to the needs of the people to their satisfaction. It is not our intention to create global companies. Our intention is to serve the people in a better way. We all know India's experience in telecommunications. Madam, unless the Government makes institutions more autonomous, the experience of telecommunications will recur. If you want to make it autonomous, make it fully autonomous. Do not try to keep the power and regulate through other channels. That would not serve any purpose. That would not help you in achieving the objectives. Madam, I wanted to give some suggestions and I need some clarifications. This Bill stipulates that the directions shall be binding on the IRDA only on questions of policy, other than those relating to technical and administrative aspects. What does it mean - "policy, other than administrative and technical aspects?" I have seen a number of instances where the Government has got the power even in administrative and technical matters. The so-called autonomy is not being provided fully. I think, I once heard the Finance Minister saying that even liberalization has to be regulated. If that is the answer, I cannot say anything. It has to be clearly stated as to what the technical and administrative aspects are, and where the IRDA will not interfere in the administration, or, in the running of an insurance company.

The second aspect is, there is a provision which says, "No insurer shall directly or indirectly invest outside India the funds of the policy-holder." It is a very good thing. There was an apprehension and furore that the premia that is being collected from the policy-holders may be diverted or repatriated to other countries, if they allow foreign equity. But,



are those funds the funds of the policy-holders? Once the premia is received, it does not belong to the policy -holder, but it belongs, technically, to the company itself. I think there seems to be a lacuna in this. It has to be rectified.

The next aspect which I would like to touch upon is about foreign equity or a cap on foreign equity to the tune of 26 per cent. If any Indian promoter promotes a company with more than 26 per cent of equity, that 26 per cent of the equity he has to divested after ten years. The stipulated period within which he has to do it is not mentioned. I do not know why it is silent? The funniest thing is, when the original Bill was circulated - I have gone through the proceedings of the Standing Committee - it had stipulated that the Indian promoter has to divest the excess of 26 per cent before the expiry of six years. Hon. Minister should make a note of it. The Indian promoter, if he has got more than 26 per cent of the equity in an insurance company, he has to divest it before the stipulated period of six years. Now, the revised Bill, which has been introduced, has a provision that it has to be divested after ten years. Why there is so much change? Why the original Bill was so poorly drafted, or, what was the intention of the drafters of the earlier Bill? This is also to be clarified. I have one more apprehension. A foreign company can have a share of 26 per cent equity. And an Indian promoter can have 74 per cent, or, a group of promoters can have 74 per cent of the equity. What will be the case if a foreign promoter has a participation in the equity of the Indian promoter? So, that will be controlling more than 26 per cent through an indirect method. This has to be taken note of. In the definition, it has been said through subsidiaries, through nominees that if I hold equity in a particular company, that company cannot be called as a nominee. That company need not be called as a subsidiary. So, in such an eventuality, the very spirit of the Bill -- the cap of 26 per cent foreign equity -- will be defeated. The Indian promoter after the expiry of ten years will have to divest the excess of 26 per cent. The intention of the Government seems to be that the management of the company should be in Indian hands. So, when there is equal percentage of equity between the foreign company and the Indian company, it will not serve the purpose. Obviously, the intention of the Government seems to be that the management should be in Indian hands. So, if you allow the foreign company to have the equity up to 26 per cent, and you restrict the Indian

company, the Indian promoter, also to 26 per cent, the purpose will not be served, and the objective will not be achieved.

I would like to give one more suggestion. Cooperatives have got a wide network in the country. Whether it is milk cooperatives or sugar cooperatives, why can we not consider utilising the infrastructure facilities of all these sectors to augment the business of insurance so that it can penetrate very fast? What are the constraints that prevent the cooperative sector from doing this business? This can also be considered. Then, we have stipulated certain percentage of business for the rural sector. We have stipulated a fine for violating the provisions of the Bill. With all our peculiar conditions, with a major percentage of the population, living below the poverty line, will it be possible to achieve those targets by the companies? In such eventuality, should they not be liable to pay the penalty if they do not achieve those targets? So, this aspect has also to be taken into consideration. But since it is in tune with globalisation, the country needs funds in the infrastructure sector, that too, long-term funds. It is going to send a very good message to the world also. It should have been possible long time back; otherwise, the spirit of liberalisation would have been eroded. I am very happy that the Bill is going to be passed. It will send a very good message to the countries that we are determined to go ahead with it.

**THE DEPUTY CHAIRMAN:** Dr. Selvie Das is not feeling well. She asked me if I could permit her for five minutes. So, I will call her. But Dr. Das, you have got only five minutes.

**DR. (MS.) P. SELVIE DAS (Nominated) :** Madam Deputy Chairman, I thank you for the opportunity you have given me to speak on this Bill. Madam, I do not know whether I support the Insurance Regulatory and Development Authority Bill or not. Mine is a big "Yes" and a small "No". Well, Madam, when one is thinking in terms of growing and developing constantly, one has to do planning and evaluation, looking into the execution of any system that we are in. The title of the Bill itself is "Regulatory and the Development Authority Bill". A lot of thinking and planning would have gone in, even to bring that title, the history of the insurance sector would have been looked into. Madam, according to the 1938 Act, the insurance sector was in private hands. Later on, in 1956, the Life Insurance Corporation was nationalized, and, in 1972, the General Insurance Corporation was nationalized because the private concerns were not

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delivering the goods to the people. Our main concern is whether our people are being benefited or not. So, these companies had been nationalized. All our experience is that there is not much of orientation to our customers, as far as this insurance is concerned. Even the people who are employed in the Government have group insurance, general insurance, life insurance, but they are not at all familiar with these things. This needs a lot of customer orientation. That might have been taken into consideration when the Government have thought of bringing this Bill. Secondly, there are not a large number of products that have come through, as we see in other countries. After 1956, when the L.I.C. was nationalized, and in 1972, when the G.I.C. was nationalized, it has been found that these industries have diminished very badly, as far as their role is concerned. Secondly, there has been a big monopoly. Whenever there is a monopoly, only a group of people will be holding the whole industry. Well, I am not talking about banks today, but I am taking the banks as an example. If a group of people have started a bank, it is only the people of that particular region, who have been holding positions in the bank, and even the customers have been mostly from that region. Such a thing had happened even in the insurance industry. So, in order to break that monopoly, this Bill has been brought in. When we do not have monopoly, naturally, there is more competition; a large number of people will be competing, either foreigners, or even countries, and we all

know that when there is competition, efficiency increases. Madam, one of our hon. Members made a statement. Well, we are not paralysed, as far as the insurance industry is concerned. We may not be completely paralysed. But I feel we are getting nearer to getting paralysed. If you think in terms of the upper class - I mean, the economically upper class - and the middle class (economically), they may be aware of it. If you think in terms of the under-privileged people, people who are below the poverty line, they are not at all aware of it. So, if you bring in a large number of companies in the insurance sector, the people from these companies will be going to the rural areas and a large number of customers will be covered. Of course, when I went through the Bill, I find the Government have thought about the insurance sector's "Super Cop". They have used this terminology. It may be a statutory body. It works out all the methodology and everything that is needed. They are trying to give autonomy. Madam, I am happy, if autonomy is given to any system or any institution. From my own

experience, any institution -- even in the educational set-up -- to which autonomy is given, and they have always done much better than the institutions which have been controlled by a lot of red-tapism by Government or any other set-up. Of course, total autonomy should not be given even to statutory bodies. As our friend said, there should be some amount of control of the Government of India on the autonomy that is given. Otherwise, a lot of anomalies will come in.

Another thing I want to point out is that I have been hearing words, of course, outside the House: "Are we going to sell our country to foreigners?"

No citizen and no government belonging to this country would like to sell the country or any of our things to other people. Nor are we interested in getting others. But I also get a doubt. When foreigners are coming with a big capital, high technology and modern methodology, will our private concerns be able to cope up with them? That is one of the concerns that I have because even our employers will be attracted a lot by those foreigners because they will get \$500 as daily allowance. Will our people be able to cope up with the foreign market? I am trying to think of one thing. By our bringing in foreign firms, will our private concerns be able to cope up with them? Suppose we think that we are not going to allow foreign market, foreign traders. All over the world, people are thinking in terms of a global market. Why should we alone in India sit back and think that we are very comfortable with our insurance policy? As one of our friends has said, we have covered 7 per cent in the LIC and 1 per cent in the GIC. Are we happy with that? Should we leave it like that? We have to think in terms of a global market without losing our own status. Here, I want to say one thing about liberalisation. When the liberalisation policy was brought a few years back, most of us were happy because we thought that it was going to really boost up our national economy. But, now, when we sit and think of how it has boosted up our national economy, we feel that our economy has gone down a lot after that time.

Madam, I can give you one example. I am coming from a place, called, "Kolar Gold Fields" in the Kolar district of Karnataka. The Kolar Gold Fields was earlier owned by John Tailor & Co. The royalty they paid to the Government was very less, but what they have taken back was very large. This has to be really worked out by our Government; our hon. Minister for Finance. How much are we going to get? Of course, we have talked about

bringing down the equity to 26 per cent after ten years. All these things they have worked out. But, still, I really feel that when they come with a big capital like multinational companies, their profits and their yields will be much more than the yield that our own people will get. So, this is my another concern.

Another thing is that when there is a lot of competitive spirit, when there is no monopoly, when foreigners come, when we compete in a big way and when there is no nationalisation, there will be a lot of dedication. I feel that there will be a lot of hard work. Take some of our private concerns or our own Government set-up in some places, in some sectors. Take even our officials. The amount of dedication that they have, the amount of hard work that they have, the spirit of owning, that "this is mine" leads to efficiency. The sense of security that we get in our Government and national institutions overshadows our efficiency. This way, when there is an open market, when everybody competes, everybody will become alert and there will be more sense of responsibility. Actually, we should not be going with any negative attitude while dealing with this Bill. Well, we will get more expertise and high technology. When foreigners are doing this, do you think our Indians are going to keep quiet? They will automatically learn and bring in high technology. They will bring in modern methodology and equipment to work with. When I learnt that this involves a business of Rs.400 billion, and when it has become so much shallow, I all the more feel that it is the responsibility of the Government to see that we bring in the change and see that we bring in more money for our national growth and development.

Now, I would touch upon a small thing. Kindly give me a few more minutes.

THE DEPUTY CHAIRMAN: I gave you five minutes.

DR. (MS.) P. SELVIE DAS: Madam, I do not belong to any group. I am a nominated Member. I will just take two minutes more and sit down. Madam, unemployment is going to be a big problem. When we bring in high-technology and modernisation and liberalisation, naturally, there will be unemployment. Moreover, this move has not encouraged the under-privileged, the Scheduled Castes and Scheduled Tribes and minorities. I want this to be noted by the hon. Minister. Kindly tell me how many multi-national companies have taken in the Scheduled Caste and Scheduled Tribe people? How many big posts have been given to them? They have

definitely not been given any post. Therefore, I humbly request you very humbly to please include us. Otherwise, we will be completely thrown out. Thank you for giving me this opportunity.

THE DEPUTY CHAIRMAN: In any case, you have got the opportunity. I upgraded you from a very long list of speakers to this position.

SHRI GURUDAS DAS GUPTA: Madam, I rise to oppose this Bill lock, stock and barrel. Let me, at the outset, state that the line of development and the line of resource mobilisation that the Governments, one after another, have adopted, has not yielded the desired results. Liberalisation had set in 1994, under the able leadership of Dr. Manmohan Singh. We are given to understand that if the secondary market is liberalised, if the foreign investors are allowed to participate in the secondary market, there will be a tremendous inflow of foreign funds. In order to cater to the needs of the foreign banks, the Government had taken the position of being soft on foreign banks. This was all done to invite foreign capital, which, they believed, can play a crucial role in the economic development of the country. Nearly a decade has passed since the day liberalisation had set in. Wooing foreign funds had been one of the noble missions of the successive Governments that the country had.

The time has come to take stock of the situation and find out as to what extent the liberalisation that is meant for has yielded the result. Shri Yashwant Sinha, the present Finance Minister has been eloquent in describing that the country, if not flooded, will be having enough inflow of foreign funds. I had the privilege of listening to a former Finance Minister. While delivering his speech, he has taken a middle role, neither the policy is a policy of doom, nor is the policy a policy of flooding the country with foreign funds. He was really wide off the mark. The question that has to be answered really is : How is India going to be benefited by liberalising the insurance sector? That is the prime question.. I do not stand here to discuss the interests of the employees. I stand here to raise the issue of the national interest.. How is the country going to be benefited? What are the economic fundamentals that justify the opening up of the insurance sector? Till now, I have not found out a single important economic fundamental that can justify the opening up of the insurance sector. Then, I have an apprehension that the Government is not guided by economic considerations. The decision to

open up the insurance sector is a political decision arising out of a commitment that the Government has made somewhere. It is not in a distant past that our Finance Minister, while participating in a luncheon meeting in Washington has given a blanket assurance that within three days of the convening of the Parliament session, this Bill is going to be passed. I do not know if the assurance was given in Washington or to Washington, whether it was a presentation made in Washington or a commitment made to the Government of the United States. Madam, the point is, what is the economic justification for opening up of the insurance sector? Do they believe that there will be enough inflow of foreign funds? If they believe that there is going to be an enough inflow of foreign funds to cater to the needs of India, where from are they expecting the sources?

Secondly, if they believe that by opening up of the insurance sector, it will lead to inviting of modernised technology, let us know, what is the technology needed for the insurance business. What is that technology needed? If the Government believes that competition will lead to diversification of products, will help the common policy-holders, let us know, what is the justification? Madam, I believe that the country will not gain, rather it will lose.

My friend was speaking of foreign investment. Let me begin from the point where he had left.

THE DEPUTY CHAIRMAN : Which friend?

SHRI GURUDAS DAS GUPTA : Mr. Basu.

THE DEPUTY CHAIRMAN : There are many friends here.

SHRI GURUDAS DAS GUPTA : No, Madam. I would like to make this point very clear. Our friends are not able to make out their position public. That is my point. We have our friends on this side as well as on that side. But our friends are not able to speak out. It is not a Left case that we are pleading. Neither is the Communist case that we are pleading for. It is a national case that we are pleading for. We have friends in both the principal parties, who seek to combine to pass this Bill. It is the party whip that stands in their way of speaking the truth. (*Interruption*).

श्री सी.एम.इब्राहीम (कर्णाटक): "मियां-बीवी राजी तो क्या करेगा काज़ी ।"

SHRI GURUDAS DAS GUPTA: Madam, the point is, the pattern of international investment.... (*Interruption*).

MISS SAROJ KHAPARDE: Did you get his point?

SHRI GURUDAS DAS GUPTA: Generally, I do not listen to him; generally, I look at you.

SHRI MD. SALIM: It is all about marriage.

उपसभापति : He said "मियां-बीवी राजी तो क्या करेगा काज़ी ।"

The question is, who is the 'mian', who is the 'beevi'?

SHRI MD. SALIM: It is a marriage of convenience.

SHRI NILOTPAL BASU: Let us not probe into that question.

SHRI GURUDAS DAS GUPTA: But how long does the divorce wait? I do not know.

Madam, the point is, it is a truth that the two principal parties of the country have combined to pass a Bill which, in my opinion, is against the interests of the nation. Why do I say so? Madam, before I go into that question, let me begin from where he had ended the International investment pattern. Very little is left in the International market which India can expect to invite or to get; very little! Let me give the figures. The total foreign investment in the world, widespread, was 350 billion dollars. What is the nature of the investment? The nature of the investment is, most of the foreign capital today flows into the secondary market of the world. It looks for high-yielding, short-term, investments. Most of the world capital is looking for high returns in short-term investments and in India also, it is the same. In India also, you will find the same pattern. Madam, according to the latest report of the Reserve Bank, the total stock of foreign funds in this country is about 10 billion dollars. Out of that, seven billion is invested in the secondary market; three billion was in the productive sector, the same as the world pattern. The money that had come in was looking for high returns in the secondary market. Seventy per cent of the foreign money that came to India was invested in the stock market, and three billion was in the productive sector. May I point out, Madam-and will the Minister of Finance kindly corroborate it-that out of the three billion which was invested in the productive sector, one billion has gone out of the country? Instead of



liberalisation being able to augment our foreign exchange reserves, despite the country taking to liberalisation, unguarded liberalisation, despite that, there has not been any inflow, there has only been an outflow; and the outflow has been not from the secondary market but has been from the productive sector! Therefore, Madam, the point is, there is not likely to be inflow of foreign funds to the expected level. Even if there is an inflow of foreign funds, that will find its way into the stock market, not for infrastructure, to oblige our eloquent Finance Minister, to oblige the Congress party which had been looking for a joint venture in the sphere of liberalisation. They are not going to oblige you. Even if foreign funds come, they will find their way into the stock market, the secondary market, to the real estate business. Even if money comes through this route, that money will be used for high-yielding, short-term, investments. And what are the sectors? The sectors are stock market, real estate.

Thirdly, Madam, let me warn Mr. Rahul Bajaj, the representative of the Indian capitalists. If there is enough funds left with the foreign insurance companies, that money will be utilised to take over the profitable Indian companies. Therefore, let them not live in glee. There is an extending danger of takeover of Indian firms, if the foreign firms, insurance firms, are allowed to come. Why? What is the Government's mandate? The Government's mandate is, 50 per cent of the investible funds will have to be utilised in government securities and government-approved securities, which means 50 per cent of the investible funds will be allowed to be invested by the foreign insurance companies, according to their own sweet will. Where will this money go? Let me know. If the Finance Minister believes that this investible fund that can be generated by the foreign insurance companies, will flow into the infrastructure, he is living in a fool's paradise. If he believes that it will become a source of finance for development, he is living in a fool's paradise. He cannot have control over the flow of funds beyond the mandatory limit. He cannot control beyond fifty per cent even through a regulatory agency which he believes he can do. He cannot do it. To speak of market mechanism and liberalisation on the one hand, and to speak of backdoor regulations through the regulatory system on the other hand, is complete nonsense. Nowhere in the world, a regulatory system has been able to discipline and control the insurance companies, not even in the paradise of the free economy. Therefore, Madam, my first point is that this country is going to lose. We will not gain. How shall we lose?

SHRI SANGH PRIYA GAUTAM: Madam, the hon. Member has used the word nonsense. I would like to know whether it is parliamentary or unparliamentary.

SHRI GURUDAS DAS GUPTA: I did not mean anybody. I have referred to a policy. The second important point is that the hon. Minister was referring to the high technology, new technology. What technology is needed in the insurance sector? It is the computer technology that is needed, the high - tech computer technology. Do we have that technology? If we do not have the technology, we can purchase outright from the International market. Thirdly, if we cannot purchase, we can hire it. There is no need to liberalise the insurance sector to get the computer technology that is only needed for the insurance sector. Therefore, the country is not going to derive any benefit by the induction of foreign insurance companies so far as technology is concerned.

[THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE) In the Chair]

Fourthly, the hon. Minister has referred to the new products. What is the new products which would be supplied by the foreign insurance companies? What is that? I believe there will be new products. But whom are they going to serve?

They are going to serve the elitist business class; they are going to serve the high profile rich clientele of the country. It is quite possible that we give products for a limited few. What about the common citizens? What about the middle class? What about the lower middle class? What about the urban poor? So far as this section is concerned, the foreign insurance company will be nowhere near our programme. Why? They do not have the elaborate infrastructure to be able to go to the rural areas. They will be having limited infrastructure and with limited infrastructure, they will only seek to cater to the needs of the high-salaried urban population. They will try to corner the urban business and by doing so, they will be able to take a big slice out of the investible funds that the nationalised insurance sector has generated. Therefore, there is going to be diversion of funds, and they will take care of the elitist section of the clientele in the same way in which foreign banks are doing. I only take pity on those who believe that because of the foreign banks, there has been an improvement in the banking sector. I

take pity on them. What new service are they rendering? The Grindlays, the Standard Chartered, the American Express, these banks are rendering a highly selective banking service to the neo-rich of the society. Is that what India needs today? Is that the way in which their policy is directed at? Similarly, the foreign insurance companies will cater to the needs of the neo-rich, high profile clientele of the country. Ninety per cent of the Indian population and the Indian society is not going to be benefited by the induction of foreign companies. The question that remains to be seen is of penetration. It is a unique phrase "penetration". How do we penetrate deep into the Indian society to expand the insurance business? That has nothing to do with the purchasing power. Jaswant Singhji believes in penetration, without taking into account India's declining domestic saving rate. It is not stagnating, my dear Basu; there has been a decline. There has been a decline in the national saving rate, there has been a decline in the household saving rate. Please do believe that India is a country where the largest volume of the poor people of the world lives today. Please believe that India is a country where the largest volume of illiterate people lives. Without looking into the social and economic background of the Indian society, you believe in artificial penetration. If there has to be a larger penetration, then there has also to be an improvement in income of the people who can be your potential policy-holders; there has to be an increase in the income, an increase in employment, an increase in the purchasing power of the people. Without there being an increase in the economic variables, there is not likely to be much more enhanced penetration of insurance business. Madam, just look at the electronic business. It was all booming. The electronic business was all booming. Only the day before yesterday, there was a report that there is a glut. There is no man to purchase; there is no potential buyer to purchase a colour television because all those who have money, have already purchased it. There is a glut. Similarly, the penetration of the insurance business depends upon the extent to which you can enable the people to increase their purchasing power, their income and employment. Madam, can I give an example? We were celebrating the anniversary of the gas disaster in Bhopal. Even today, you have not been able to discipline the Union Carbide! Even today, you have not been able to discipline them. And our Minister believes that he can discipline the foreign insurers! It will have the same fate as you had in Bhopal. You will not be able to discipline them. The Indian social system, the Indian political system and the nodal agency

that you seem to set up will be completely incapable to discipline the foreign insurance companies. Bhopal, you could not take care of, the Congress Government could not take care of, the BJP Government could not take care of, and it is a shame that the United Front Government also could not take care of. This is the inadequacy arising out of our peculiar economic situation. We cannot be hard on them. Therefore, the question is, if you want to increase the penetration, there has to be an economic change.

Madam, in Bhopal, 3000 people died. Only 18 persons had a policy. Why is it so? Is it because the agents did not approach them for having a policy? Is it because the workers of the Bhopal Gas Factory did not have the money to purchase a policy? They did not have the money! Therefore, to have a better penetration, there is need for a social and economic change with regard to the purchasing power of the people. Without that, even if there is a penetration, it is going to be insignificant and nominal. There is not likely to be augmentation or mobilisation of funds for the development of the country. Madam, the question is: How are you going to lose? How is the country going to lose? The country is going to lose in this way. Before coming to the specific point that the country is losing, let me tell you that despite the liberalised economic policy that the Government is pursuing, the economic recession of the country goes unabated. The recession is going unabated. Therefore, I call to question the credibility of the economic policy that has been pursued. The latest report of the RBI says, 'deceleration in industrial production witnessed from 1996-97 deepened during 1998-99 with industrial production showing as low as never before, that is, four per cent'. There is a contraction in manufacturing growth. There is a decline in power generation and there is a decline of 2 per cent in the much glorified service sector. There is a decline in the rate of saving, coinciding with a decline in the rate of investment. This is the position of the country. Therefore, the question is this. If the insurance sector is opened up, then, can this crisis be mitigated, or, is this crisis going to be accentuated? I say that it is going to be accentuated. Why? The Life Insurance Corporation has built up a Life Fund of One Lakh and Twenty Seven Thousand crores, which my friend, Mr. Basu, was referring to. Around 80 - 84 per cent of the surplus fund generated by the insurance business finances the Government schemes, its investment in Government securities, Government bonds and Government approved securities. What does it mean? This 84 per cent represents a huge national saving. Around 80 -84 per cent of this

saving goes into the productive channel through investment in Government securities and approved securities. Therefore, it is utilised for the economic development of the country. On the other hand, you take general insurance. General Insurance is like Life Fund. They have an investible surplus of Rs. 5000 crores each year. That also finds its place in the economic and social development of the country through its investment in the Government funds. Now, the point is—this is a crucial point—that it is not growing according to the mandate of the law. The mandate of the law presupposes only investment of 50 per cent. But, since it is nationalised, the Government can ask these nationalised institutions to invest this fund in a direct way. The same cannot be done in case of private insurance companies. They are only mandated to invest 50 per cent. What does it mean? The private insurance companies will be investing 50 per cent of their sum in high-yielding short-term securities and make money. At the same time, our public sector will be mandated to utilize 84 per cent of the investible sum in low-yielding government securities, which is financing our development. Is this the level-playing-ground we conceive of the private sector and the public sector in the coming years? How to solve this anachronism? It should solve the anachronism by amending the Bill and make a provision, not by giving expression to its past desire to satisfy their Congress friends. My Congress friends were clamouring that a substantial part of the investible sum should be invested in the productive sector. They were asking for an amendment. Our hon. Finance Minister took the opportunity to assure them. And his assurance was considered to be holy. His assurance was considered to be holy and acting on the basis of assurance, my friends on the other side have withdrawn their amendment to the great peril of the country. How is the assurance going to be implemented? The assurance of the Minister has no value. If he defaults, we can only take it up in the Committee on Assurances. We can only produce a report. If he defaults in the implementing of the assurance, you cannot go to a court of law, you cannot haul him up; you cannot compel him. Therefore, my friends, you have all been cheated, grossly cheated by the assurance... (*Interruptions*). I do believe their heart is with me, their soul is with me. But they cannot speak with me because of their party line. I believe there are many on this side of the House.

AN HON. MEMBER: Why do you embarrass them?

SHRI GURUDAS DAS GUPTA: I am not embarrassing them. I am

only speaking that which they were supposed to say in this House. I am only speaking for them. I am speaking for many of them. I am not representing only the Left, nor the Third Front parties. I represent both of them because you have been silent.

Many of them have been caused to be silent by the party mandate. Anyway, that is not the issue. That is for them to take up in their respective party fora. Madam, the point is this. How is the anachronism going to be sorted out? The anachronism can be sorted out in two ways. Either the Government should agree to include in the body of the law a provision that 75% of the investible funds to be generated by the insurance companies, general and life, should be invested in Government securities for the development of infrastructure, the development of water management, the development of irrigation, the eradication of poverty and creation of employment in the country. Let it be part of the law, not a solemn declaration of a great Finance Minister of the country. No, let it be a part of the law. What is the harm? You believe that funds from outside will come to finance the infrastructure. You believe that funds will be coming to finance the infrastructure. If you do believe it, make it a part of the law. Let there be freedom for 25% equity. Why shouldn't there be freedom for 50%? The Regulatory Authority will be able to divert the investible funds in the guided direction. There may be fools to believe that. But there are, at least, some people who can understand the fallacy of your argument. It cannot be done like that. On the one side, you have to speak of market consumption and, on the other, you have to satisfy the critics by saying that you would regulate. It is not possible. Market will have its own forces. Market will have its own laws. Market will have its own friends. The foreign money, which is flowing into the country, if at all there is any flow, will automatically be diverted into a direction where it can earn high profits. You cannot regulate them. If you regulate them, they will take the clandestine route. If you regulate them, there will be an outflow of foreign funds. We know the role of foreign funds in the world today. It is impossible to control them. Madam, the point is this. Has the Regulatory Authority been able to control these foreign companies even in America? He had been referring to one report. Let me refer to many other reports. There has been the latest committee set up by the House of Representatives and that committee mentioned about the relationship between the regulatory agency and the behaviour of the insurance companies. That committee has made a mention

about this issue. That committee says, "This Committee on Oversight and Investigation." Please note the words. "There are solvency regulations, stiff regulatory mechanisms. Yet the multiple insolvencies show how a big chunk of the insurance industry could become an irresistible target of the financial knaves and buccaneers." What a categorical denunciation by a group of American Parliamentarians! They say that regulatory authorities are not wanted. It is not wanted. The President of America, Mr. Clinton, cannot have his administration to regulate the insurance companies. Am I to believe the present Prime Minister, the Foreign Minister and the Finance Minister are that powerful to be able to discipline them? Madam, that is not the only issue. There are other issues. He had mentioned about SIGMA, the Swiss Reassurance Company. I quote from another report. What does it say? It mentions about the deviation in the behaviour of insurance companies. Just mark the words. I am referring to the deviations. "Such deviations from standard practice is almost a routine affair." But can more indictment be there? Such deviations from standard practice is a routine affair. Even after the failure of the regulatory agencies in many of the western countries, does India believe that the concept of regulatory agency is going to discipline them? Is it possible? I should not join words with my friend, but too much he is expecting. To be modest to him, I believe too much he is expecting and too much of confidence he is displaying, only to be rebuffed by lessons of history, not in a very distant future. Madam, what happened to the leading insurance company of America, - Prudential.

THE VICE CHAIRMAN (MISS SAROJ KHAPERDE) : Mr. Das Gupta, your party has been allotted 12 minutes.

SHRI MD. SALIM: There are many parties.. *(Interruptions)*

SHRI GURUDAS DAS GUPTA : Madam, I seek your indulgence.

THE VICE-CHAIRMAN (MISS SAROJ KHAPERDE): Mr. Das Gupta, how much more time would you like to take?

SHRI GURUDAS DAS GUPTA : Madam, I also seek the indulgence of the Finance Minister because he should get his confusion cleared... *(Interruptions)*.

THE VICE-CHAIRMAN (MISS SAROJ KHAPERDE): Do you think he has any confusion in his mind? He is a very...

SHRI GURUDAS DAS GUPTA :Still, madam....

THE VICE-CHAIRMAN (MISS SAROJ KHAPERDE): I don't think so. He does not look like a confused Minister, Mr. Das Gupta.

SHRI GURUDAS DAS GUPTA :Little later, I will show you how confused he is, not now; at the end, I will show you. (*Interruptions*).

Madam, the point is..

SHRI YASHWANT SINHA: Madam, in trying to clear my confusion, he should not get confused.

THE VICE-CHAIRMAN (MISS SAROJ KHAPERDE): That is true.

SHRI GURUDAS DAS GUPTA : Madam, even my worst enemies say that I am a confused person. They can object to my views, but I always have my views clear. (*Interruptions*). Madam, the company in question is Prudential Company. It had to pay a fine of 35 billion only two years back. Why? Because their selling agents had abused their rights, had cheated the customers. I am speaking not only of United States. What has happened in Japan, another paradise of market economy? Only recently, the two leading companies of Japan have been found to be insolvent. They are the Nisan Mutual Fund and the 'Japan Mutual Life'. One collapsed and the other turned insolvent. There are some more instances but I should not take your time. In America, out of 3500 insurance companies, most of whom were incurring losses, 272 turned insolvent. Who are going to bear the brunt of this insolvency? The poor customers. It is neither the Finance Minister nor the Members of Parliament. If the insurance companies turn insolvent, who are hit the most? The common policy-holders. Therefore, madam, the question is whether any money is coming. If at all some money comes, it will be directed to the stock market. It will be directed to making high profit, in real terms. If at all money comes, it will be used with the *mala fide* intention to take over the Indian industry because even the Tatas are only pigmies. According to international standard, it is only a pigmie. Therefore, no money is like to come. If at all some money comes, it will go into the productive sector. The money will not be there to oblige our Finance Minister, who wants to finance our infrastructure sector. Secondly, there is no need for hi-tech because you can easily acquire it. There is no possibility of new product that will cater to the needs of the common people. And there is not likely to be any appreciable improvement in



penetration because the problem of our country is the problem of low income and problem of poverty. Madam, then, the question that I have raised before you is this. There is likely to be diversion of funds. We are spending less than one per cent of the GDP on social security which is the lowest in the world, and whatever remains in the country as a social security or a social support comes from the insurance companies. This social obligation of the insurance companies will get completely diluted because of the competition, because of the level playing field. If they have to move according to a social commitment, they will have to invest in low yielding Government security and be at a disadvantageous position because the private sector will be utilizing 50 per cent of their investible fund in the high yielding short term deposits. Therefore, there will be a diversion. Therefore, the Indian public sector will be at a disadvantage or there will be a diversion. In both the cases, the country is going to lose. Madam, who is going to lose? The country will lose. What are the examples? The country will lose because there will be less cross-subsidization. Does the Finance Minister know that fifty lakh people who are below the poverty line enjoy insurance support on the basis of subsidized insurance because those insurance policies are cross-subsidized? Fifty lakh people enjoy the benefit of subsidized insurance. In the case of death, they get Rs. 5,000 and in the case of an accidental death, they get Rs. 25,000. They are paying subsidized premium. How can the LIC do it? They can do it because a part of the profit that the LIC is able to gather from other sectors is diverted to the social sector. Because of the opening up of the insurance sector, it is apprehended, they will lose a substantial part of the profit. The private insurance companies will take over the high profit urban business in a manipulated way. As a result, their investible surplus will get reduced and because of the reduction in investible surplus the development in the country will get reduced. As a result of the fall in profit, they will not be in a position to cross subsidize the insurance schemes for the common people. Madam, nearly five crore people enjoy the benefit of different types of products that the GIC has been able to develop. What are those products? Those products are cattle insurance, live stock insurance, poultry insurance, janta personal accident insurance, gramin personal accident insurance, etc. This kind of social support is given to the common people because of cross subsidization. Madam, fifty lakh people are benefited because of subsidized insurance schemes.

[6 December, 1999]

RAJYA SABHA

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): Mr. Gupta, please look at the watch. You have already taken forty minutes.

SHRI GURUDAS DAS GUPTA: Madam, I will take five or six minutes more.

Therefore, these people are going to be affected because LIC and GIC would lose profit. They will lose business. Their investible fund will get reduced. Their capacity to cross subsidization will get reduced. As a result, the common people who enjoy some sort of social support which the Government fails to give them because they are spending so little on social sector, will be affected. Will the Government take this into consideration? Do you believe that an American firm will be investing money for cross subsidization? Can you compel them? You cannot compel them. They will rather pay a fine. Instead of going in for social services, they will rather pay a fine. They are not coming to India for social service. They are coming to India to make profit. Therefore, it is a high yielding social sector for them. The low yielding social sector will be closed to them. They cannot afford to go into the low yielding sector. On the other hand, they will capture the urban business. The nationalised sector will lose; investment funds will reduce, and the capacity to cross-subsidise will get reduced. Madam, competition will lead to improvement in quality. I agree that it is so in some cases, but not in all cases. Competition may also lead to elimination. Competition may also lead to monopoly growth. An American company, having resources of 135 billion dollars - that is the capital base - can undercut the Indian competition; it can afford to absorb the shock of loss for some time, till some of the Indian companies are wiped out, and then taking advantage of the monopoly position, they can fleece and they can loot the naive Indian policy holders. What is the guarantee? How can we stop them? The market forces would lead to elimination. How can the regulatory system be allowed to go against the market forces? Madam, there is no statutory provision that gives the regulatory power, the authority, when the private players are there in the market.

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): Will you please conclude now?

SHRI GURUDAS DAS GUPTA: Yes. Madam, I am not repeating any of my points.

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): You are not repeating the points. But there is the time constraint also. The other Members also must speak on it.

SHRI GURUDAS DAS GUPTA: The House must be enlightened about this. The point is that there is no mandatory provision...

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE): Whom are you enlightening? Is it the Finance Minister? He has already...*(Interruptions)*

SHRI GURUDAS DAS GUPTA: I am speaking to my nation. I am in this national forum not to speak to the representative of the Government, but I am speaking to my nation. I am speaking to my countrymen. I don't believe that the Finance Minister will have the last word today. Even the two parties combined together cannot turn the face of history. I am speaking to my countrymen, as a representative. Therefore, the point is, there is no statutory authority that can give power to the Regulatory Authority to enforce the conditions which I am saying. Madam, they are speaking of China. In China, opening up of insurance has been done only in Shanghai. In another case, opening up of insurance has been done in a small province adjoining Hong Kong. Therefore, Madam, I believe that there is no economic ground that can justify the opening up of this sector. It is a political decision. It is because of political pressure. The International insurance companies need a market. The European market has almost saturated. Where is the market? They can have the market in China. They can have the market in India. But it is not easy for them to enter China. The Chinese Government is not going to oblige them to expand their market there. And they have found an obliging Government in India...*(Interruptions)* Yes, successive Governments. Therefore, the point is, it is only at the pressure of the World Bank, at the pressure of the transnational companies, that the Government is taking this suicidal step of opening up this insurance sector.

Madam, lastly, I appeal to the Government to think over it. What is the need for hurrying up? My last point is, I would like to know from the Government as to where the need to hurry up is. Why cannot the decision wait for two more months? What is the need to hurry up? Let them wait for two more months. Let a committee be constituted. Let us go into it in detail. Let us consolidate the public opinion. Let us know the opinion of the experts, many of whom have openly stated against your great Mr.

[6 December, 1999]

RAJYA SABHA

Raghavachari, the man whom you have foisted as the Regulatory Authority. Many people have objected to it. They are not Communists by any account. Therefore, we should know... *(Interruptions)*

SHRI YASHWANT SINHA: Mr. Raghavachari is not a Member of this House... *(Interruptions)*

SHRI GURUDAS DAS GUPTA: So what? He had been campaigning even before this Bill was passed... *(Interruptions)*

SHRI YASHWANT SINHA: Why bring an official into it? *(Interruptions)* We will discuss this thing. You can appeal to me. I am here to answer your charges. But why bring in an official... *(Interruptions)*

SHRI T.N. CHATURVEDI (Uttar Pradesh) : You can say, 'the Chairman'.

SHRI YASHWANT SINHA: Okay. I say, 'the Chairman'. I accept your suggestion. I accept my good friend's suggestion. But, Madam, I should say that this House has not yet passed this Bill.

SHRI GURUDAS DAS GUPTA : Till now, the insurance business is the monopoly of the LIC and the GIC. The House should not be taken for granted. There should not be any presupposition. Why should a person, who is a salaried employee of the Government, go on campaigning and saying that it should be opened up?

SHRI T. N. CHATURVEDI : Madam, I am sorry. Mr. Gurudas Das Gupta, after all, there are always academic discussions. People do want to know about these things. What is wrong in it?

SHRI GURUDAS DAS GUPTA : Why should he do it? You have economists in your party. Your party, I am told, is not very poor in intellect. You have intellectuals.

SHRI T. N. CHATURVEDI: I don't think you have the yardstick to judge the intellect of others. But the only point is that, in academic discussions, you do talk about these things. Why should you...

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE) : Mr. Das Gupta, will you please conclude now? It is high time you concluded because I have to give the floor to other Members also.

SHRI GURUDAS DAS GUPTA : I am only saying, why should a person, who occupies the exalted office of the Chairman of the regulatory authority, should go about campaigning throughout the country that it should be opened up, before Parliament has passed the Bill? Should the Parliament be taken for a ride? Till now, it is not opened up. I take serious exception to this. Lastly, Madam....

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE) : How many times you will say lastly, lastly and lastly?

SHRI GURUDAS DAS GUPTA: It is a huge Bill, Madam.

THE VICE-CHAIRMAN (MISS SAROJ KHAPARDE) :That is why I have given you so much time.

SHRI GURUDAS DAS GUPTA: I will take just one more minute, Madam. On page 47 of the Bill, it is mentioned where the money can be invested. It is categorically said that no insurer shall invest or keep invested any part of his control fund otherwise than in any of the following approved securities:

(i) Approved securities;

(ii) Securities of or guaranteed as to principal and interest by the Government of the United Kingdom. This is a part of the law. How can the hon. Finance Minister say that this part of the law was in vogue for a limited period? Where is it there in the law? Madam, this, after all, is a sovereign country, despite the WTO. A sovereign country's Bill should indicate that it should be invested in U.K.! I believe it has been a slip. I believe it is a slip. Only the earlier Bill was copied by somebody. Madam, I say, nowhere in the Bill it is said that this particular portion is valid for six years. This must be amended and the Government should have the wisdom to come to the House with its own amendments. If, instead of coming to the House with its own amendments, it says that it was in vogue for six years, I would only say that the Government is going to stand by its own position, which cannot be defended. This will be considered to be unfortunate.

I call upon my country, I call upon my friends, I call upon my colleagues, I call upon the Members of the House, to rise to the occasion and to see the danger inherent in the reckless way of liberalisation that the

**6.00-P.M.**

Government is continuing and rise in protest and ensure that the Bill is not passed.

**श्री राघवजी :** उपसभाध्यक्ष महोदया, बीमा सेक्टर का समय-चक्र घड़ी की सुई की भांति पूरा एक चक्कर लगा चुका है और अपने स्थान पर वापस आ गया है। 1956 के पहले जीवन बीमा प्राइवेट सेक्टर में था। पहली बार 1956 में इसका राष्ट्रीयकरण हुआ, जीवन बीमा निगम बना और दो सौ प्राइवेट कंपनियों का राष्ट्रीयकरण हुआ। इसी तरह से 1973 में जी.आई.सी. का राष्ट्रीयकरण हुआ और सामान्य बीमा उसके अंतर्गत आया। एक फेज़ वह था जब प्राइवेट कंपनियों में बीमा का कारोबार होता था, वह फेज़ खत्म हुआ। इसके बाद एक फेज़ वह आया जिसमें राष्ट्रीयकृत कंपनियों ने जीवन बीमा भी संभाला और सामान्य बीमा भी संभाला। अब फिर से ये आईआरडीए पास करके बीमा सेक्टर को निजी कंपनियों के लिए खोला जा रहा है। फर्क सिर्फ इतना है कि सरकारी उपक्रम एलआईसी और जीआईसी भी रहेंगे और इसके साथ-साथ निजी कंपनियां जो इस क्षेत्र में आना चाहेंगी वह आ सकेंगी। उनके लिए रास्ता खोला जाएगा। अभी कुछ प्रस्ताव आए थे कि इस बिल को सलेक्ट कमेटी को सौंप दिया जाए। मेरी समझ में नहीं आता है कि वास्तव में इसके पीछे उनकी नीयत क्या है। उनकी नीयत सही में इसको सलेक्ट कमेटी को सौंपने की है या इस बिल के पास होने में बाधा डालने की है। इसका टाइम निकल जाएगा तो यह आगे बढ़ जाएगा। वास्तव में इस बिल को सलेक्ट कमेटी को सौंपने का कोई प्रकरण नहीं बनता है।

1993 में रिजर्व बैंक के गवर्नर आर.एन. मल्होत्रा की अध्यक्षता में एक कमेटी बनी थी कि बीमा व्यापार में किस प्रकार से सुधार किया जाए। उनसे इस बारे में व्यवस्था करने के लिए कहा गया। आर.एन. मल्होत्रा कमेटी ने अपनी रिपोर्ट 1994 में दे दी थी। उन्होंने रिपोर्ट देने से पहले सारे मुद्दों पर विचार किया था। मैं आर.एन. मल्होत्रा कमेटी की रिपोर्ट का एक अंश पढ़कर सुना रहा हूँ। आर.एन. मल्होत्रा न कांग्रेस के आदमी थे और न बीजेपी के थे, वह रिजर्व बैंक के गवर्नर थे, वह एक्सपर्ट थे। उस कमेटी ने अपनी रिपोर्ट में जो लिखा है वह बात विचारणीय है। उस कमेटी की रिपोर्ट का भाग मैं पढ़कर सुनाता हूँ :-

"The Committee also held that a majority of areas previously reserved for the public sector have been thrown open to the private sector in order strengthen the focus of competition, life and general insurance companies in India continue to remain state monopoly with very little competition."

यह आर.एन. मल्होत्रा कमेटी ने अपनी रिपोर्ट में लिखा है। उन्होंने जो सिफारिशें की हैं, उन सिफारिशों में दो सिफारिशें बहुत महत्वपूर्ण थीं। एक तो यह थी कि एलआईसी और जीआईसी की पूंजी पांच करोड़ हैं, उसको बढ़ाकर बीस करोड़ का किया जाए और उसमें से आधी पूंजी जनता के लिए शेयर खरीदने के लिए छोड़ दी जाए। दूसरी सिफारिश उन्होंने यह की थी कि जीवन बीमा और सामान्य बीमा क्षेत्र को कुछ प्राइवेट कम्पनियों, निजी कम्पनियों के लिए खोल दिया जाए, उन्हें इस क्षेत्र में आने के लिए अलाऊ किया जाए जिससे कि वे इस क्षेत्र में आ सकें। उन्होंने तीसरी सिफारिश यह की थी कि इसको रेगुलेट करने के लिए कोई अथॉरिटी बनाई जाए। ये सिफारिशें उस वक्त 1994 में हो गई थीं। इसके बाद उन्हीं सिफारिशों के आधार पर शायद 1996 में एक बिल संसद में प्रस्तुत हुआ। 1996 में जो बिल प्रस्तुत हुआ वह बिल पार्लियामेंट्री स्टैंडिंग कमेटी में भेजा गया। स्टैंडिंग कमेटी ने 9 मई, 1997 को अपनी रिपोर्ट दे दी। यह स्टैंडिंग कमेटी 45 संसद सदस्यों की होती है और जिसमें सभी पार्टियों के सदस्य शामिल होते हैं। फिर उसके बाद यह बिल लोक सभा में प्रस्तुत हुआ। लेकिन वह पास नहीं हो सका और वह बिल वापस ले लिया गया।

उपसभाध्यक्ष महोदया, दुबारा यह बिल लाया गया और 4 जनवरी, 1999 को दूसरी स्टैंडिंग कमेटी में यह बिल गया। मुझे उस स्टैंडिंग कमेटी में रहने का सौभाग्य मिला और हमारे वरिष्ठ सदस्य श्री गुरुदास दासगुप्त, डा. मनमोहन सिंह जी भी उस कमेटी में थे। उस स्टैंडिंग कमेटी के अध्यक्ष श्री मुरली देवड़ा जी थे। यह बिल स्टैंडिंग कमेटी में 4.1.99 को आया और इस पर 16.3.99 तक कमेटी ने कई लोगों को सुनने के बाद, विभिन्न संगठनों को सुनने के बाद, श्रमिक संगठनों को सुनने के बाद, उद्योग क्षेत्र के संगठनों को सुनने के बाद, कई एक्सपर्ट को सुनने के बाद अपनी रिपोर्ट प्रस्तुत की। माननीय वित्त मंत्री जी ने बताया है कि उनकी रिपोर्ट की अधिकांश बातों को मानकर यह आईआरडीए बिल प्रस्तुत किया गया है। तो अब इसको सलेक्ट कमेटी में भेजने का मामला कहां बनता है? वर्ष 1993 से यह कसरत चली आ रही है और अब 1999 हो गया है। अगर छह साल तक कसरत करने के बाद, दो-दो स्टैंडिंग कमेटियों को सौंपने के बाद, जिसमें 45 संसद सदस्य सभी पार्टियों के होते हैं, उसकी रिपोर्ट आने के बाद अब इस बिल को सलेक्ट कमेटी को फिर से सौंपने की बात नहीं बनती है। इसलिए इसका कोई औचित्य नहीं है। आईआरडीए का यह जो बिल प्रस्तुत हुआ है इसके बारे में कई आशंकाएं प्रकट की गई हैं। एक बात तो बिल्कुल साफ है कि पिछले कई वर्षों से एलआईसी और जीआईसी इस देश में काम कर रही हैं और उनके कार्यों की सराहना अवश्य ही की जानी चाहिए। क्योंकि बीमा सैक्टर में ये दोनों कम्पनियां, जो सरकारी उपक्रम हैं, बहुत उल्लेखनीय और सराहनीय कार्य कर चुकी हैं।

1955-56 में कुल 56 लाख जीवन बीमा पालिसियां थी। ये 1997-98 में बढ़कर 850 लाख यानी साढ़े आठ करोड़ के करीब हो गई। प्रीमियम 1955-56 में 88 करोड़ था, वह 1998-99 में बढ़कर 22,805 करोड़ हो गया। लाइफ फंड जिसका जिक्र गुरुदास दासगुप्त जी ने किया। विनियोग करने लायक फंड 1955-56 में जो कुल 410 करोड़ था, वह 1998-99 में बढ़कर 1,27,389 करोड़ हो गया। इसकी शाखाएं 240 से बढ़कर 2,046 हो गई। इसी प्रकार से जीआईसी की स्थिति है। 1993 में इसका राष्ट्रीयकरण हुआ। इसका शुद्ध प्रीमियम 1973 में 184 करोड़ था। यह 1998 में बढ़कर 8,405 करोड़ हो गया। 1973 में जो मुनाफा 14 करोड़ था, वह बढ़कर 1,094 करोड़ हो गया और विनियोग करने लायक जो फंड 345 करोड़ का था वह बढ़कर 16,691 हो गया।

इनकी संख्या भी 4 हजार से ऊपर है। यह कल्पना की जाए कि यह निजी सेक्टर के लिए अगर खोल दिया जाए तो लोग इसमें आने लगेंगे और एलआईसी और जीआईसी दोनों कम्पनियां डूब जाएंगी, यह सोचना बिल्कुल काल्पनिक है। इतनी बड़ी दोनों की इन्कम है। इनका मुकाबला करना किसी साधारण बीमा कंपनी के बस की बात नहीं रहा। जिनकी 6 हजार शाखाएं पूरे देश में फैली हों और जिनके पास विनियोग करने लायक 27,000 करोड़ का फंड हो तो इनकी सेहत पर कोई खराब असर नहीं पड़ने वाला है। हमारे वामपंथी मित्रों को इससे बिल्कुल आश्चर्य हो जाना चाहिए। अभी गुरुदास दासगुप्त जी ने कहा कि मैं वामपंथी दलों की वकालत नहीं कर रहा हूं, मैं पूरे देश की वकालत कर रहा हूं। वे पूरे देश की वकालत कैसे कर रहे हैं? वामपंथी दलों को छोड़कर, सभी ने इस बिल का स्वागत किया है। निगम के कर्मचारियों ने जरूर इसका विरोध किया है, चाहे वे एलआईसी के हों या जीआईसी के। इनके अलावा व्यापार जगत में इसका स्वागत हुआ है, उद्योग जगत में इसका स्वागत हुआ है, परिवहन संस्थाओं में इसका स्वागत हुआ है। अर्थशास्त्रियों ने इसका स्वागत किया है, उपभोक्ताओं की जितनी फोरम्स बनी हुई हैं, और जितने उनके पालिसी होल्डर्स हैं, सभी ने इस पर हर्ष व्यक्त किया है। तो क्या देश हित का टेका केवल वामपंथी दलों ने ले रखा है? यदि उनकी ऐसी सोच है तो मैं समझता हूं कि वह सोच बहुत सही नहीं है।

कुछ और आशंकाएं हमारे मित्र नीलोत्पल बसु ने भी व्यक्त की हैं। उन्होंने कहा है कि एलआईसी और जीआईसी ने इतना अच्छा काम किया है कि इसके बाद कोई स्कोप बचता नहीं है कि बहुत ज्यादा लोग इश्योरेंस करने लायक बच गए हों। यह बात भी मैं समझता हूं कि सही नहीं है। अभी भी इस देश के अंदर जीडीपी का केवल दो प्रतिशत बीमा प्रीमियम आता है जब कि दूसरे देशों में कितना आता है वह मैं आपको बताता हूं। दक्षिण अफ्रीका में 12.8 प्रतिशत बीमा प्रीमियम जीडीपी का आता है। दक्षिण कोरिया में 12.3 प्रतिशत, जापान



में 8.6 प्रतिशत, ताईवान में 4.8 प्रतिशत और भारत में 1.7 प्रतिशत यानी दो प्रतिशत से भी कम है। अमेरिका में 8.83 प्रतिशत है, कनाडा में 6.97 प्रतिशत। ये सारे देश हमारे देश से प्रीमियम के प्रतिशत के मामले में आगे हैं। इसका मतलब यह हुआ कि हमारे देश में प्रीमियम प्रतिशत की काफी संभावनाएं हैं। लेकिन उन संभावनाओं को एलआईसी और जीआईसी के सारे अच्छे प्रयासों के बावजूद भी हम टैप नहीं कर सके। उनको टैप करनी की गुंजाइश अभी भी बची हुई है। पूरे देश की जनसंख्या के मुश्किल से सात प्रतिशत लोग जीवन बीमा में, सामान्य बीमा में कवर होते हैं। इतना ही नहीं, बीमा करने योग्य जो जनसंख्या है उसका तीन चौथाई हिस्सा ऐसा है, एक आकलन से यह बात सामने आई है कि बीमा करने योग्य लोग तो हैं परंतु बीमे के अंदर नहीं आ रहे हैं। उनकी यह आशंका निर्मूल है। इस देश में अब ऐसा हिस्सा अधिक नहीं रह गया है जिसमें बीमे की संभावनाएं बची न हों। अतः यह बात निर्मूल है। निजी कंपनियां आएंगी, उनका प्रवेश होगा। जीवन बीमा निगम, एल.आई.सी. और जी.आई.सी. अपनी जगह पर रहेंगी, वे भी अपनी जगह पर रहेंगी, वे भी बढ़ती रहेंगी उनकी ग्रोथ होगी, नये लोग आएंगे, अपना कार्य करेंगे। नये उपभोक्ता मिलेंगे, नये लोग जीवन बीमा क्षेत्र और सामान्य बीमा निगम के अंतर्गत आएंगे।

स्वास्थ्य का क्षेत्र बिल्कुल अछूता है, काफी अछूता है। महोदया, आपसे पूर्व, उपसभापति जी ने कहा कि कोई मेरे गले का बीमा करा दे, तो उनके गले का बीमा तो तभी हो पाएगा जब निजी कंपनियों के लिए द्वार खुल जाएगा। अभी स्वास्थ्य के क्षेत्र में एल.आई.सी. और जी.आई.सी. की रुचि नहीं है। विदेशों में आंख, कान, गले का इंश्योरेंस होता है। उनको अवसर मिलेगा तो वे इस क्षेत्र में प्रवेश कर सकेंगे। इसलिए इस बात को समझना है कि स्कोप काफी है तथा इससे चिंतित होने की आवश्यकता नहीं है।

सामान्य तौर पर इसकी आलोचना की जाती है कि प्रीमियम का पैसा विदेशों में चला जाएगा। मैं समझता हूं कि उनको विधेयक पढ़ना चाहिए। विधेयक में सब तरह की व्यवस्था की गई है। यह गलत समझा जा रहा है कि यह केवल बीमा कंपनियों का निजीकरण करने के लिए किया गया है। वास्तव में यह निजीकरण का रास्ता खोलने का विधेयक तो है परंतु नियंत्रण लगाने का भी विधेयक है। रेग्युलेटरी भी है, डेवलेपमेन्ट भी है, दोनों बातें इसमें शामिल हैं। केवल निजीकरण का विधेयक नहीं है। जो भी बंधन लगाए गए हैं, वे ठीक प्रकार के बंधन हैं, इसके कारण जो दुरुपयोग हो सकता है, निजी क्षेत्र में आ जाने से, वह भी रुक सकता है। प्रीमियम के बारे में बहुत स्पष्ट रखा गया है जितना भी प्रीमियम होगा उसका एक भाग भी विदेशों में नहीं जाएगा। मुनाफे पर प्रतिबंध लगाया गया है। पूरा का पूरा मुनाफा भी नहीं जाएगा। इसके साथ-साथ केवल 26 प्रतिशत बीमा कंपनियां प्रवेश कर

सकती हैं। उनको आठ-दस साल तक तो डिविडेंड प्राप्त होने से रहा क्योंकि बीमा क्षेत्र ऐसा होता है जिसमें आठ-दस साल तक मुनाफा नहीं होता, प्रीमियम ही आता है मुनाफे का। सामान्य बीमे में चार-पांच साल में मुनाफा निकल सकता है किंतु जीवन बीमा निगम में पंद्रह-बीस साल की अवधि हो जाने के बाद ही मुनाफे का पता चलता है इसलिए उसकी आशंका करने की भी जरूरत नहीं है। केवल 26 प्रतिशत विदेशी कंपनियों को प्रवेश की छूट है, अतः इसकी भी चिंता करने की आवश्यकता नहीं है। इस बात को जोर-शोर से कहा गया है कि कमजोर क्षेत्र बीमे से वंचित रह जाएंगे। मैं समझता हूँ कि यह धारणा निर्मूल है क्योंकि 32(ख) और 32(ग) धाराओं को देखें तो इनमें स्पष्ट तौर से लिखा है कि अथॉरिटी को यह अधिकार होगा कि वह यह निर्धारित करे कि कितने प्रतिशत बीमा व्यापार ग्रामीण क्षेत्र में होगा, सामाजिक क्षेत्र में होगा और यह हर एक के लिए बंधनकारी होगा। उस बंधन से कोई भी निजी कंपनी मुक्त नहीं रह सकेगी। अथॉरिटी को ये अधिकार दिए गए हैं, वह इसमें प्रतिशत निर्धारित कर सकती है। तो इससे सामाजिक क्षेत्र भी अछूता नहीं रहेगा और ग्रामीण क्षेत्र भी नहीं रहेगा। इसके साथ 32(ग) में फसल बीमा जोड़ने की बात कही गई है। इन दोनों धाराओं की वजह से, इस क्षेत्र में सामान्यतः लाभ की गुंजाइश कम होती है और निजी कंपनियां प्रवेश नहीं करना चाहतीं लेकिन यह उनकी अनिवार्यता बन जाएगी कि उन क्षेत्रों में जाएं, बीमे का अपना कारोबार खोलें और इन क्षेत्रों को बीमे की सुविधाएं उपलब्ध कराएं। गुरुदास जी ने कहा कि जो सब्सिडाइज बीमा होता है, जिसका पांच करोड़ लोग लाभ उठा रहे हैं, वह समाप्त हो जाएगा। अगर गवर्नमेंट किसी बीमा को सब्सिडाइज करना चाहती है तो आज भी वह कर सकती है और आगे भी करती रहेगी। वह एल.आई.सी. के माध्यम से भी कर सकती है और निजी कंपनियों के माध्यम से भी कर सकती है, उसमें कहीं कोई रोक नहीं है और आगे भी यही स्थिति बनी रहेगी। इसलिए जो शंका व्यक्त की गई है, वह गलत है। यह बात भी कही जाती रही है कि एल.आई.सी. और जी.आई.सी. है, इसलिए काफी क्षेत्रों में जहां विनियोग नहीं किया जा सकता, उन क्षेत्रों को सरकार के कंट्रोल में होने के कारण पैसा मिल रहा है लेकिन भविष्य में भी यह मिलता रहेगा क्योंकि प्रीमियम कहां पर विनियोग किया जाए इसके निर्धारण करने का अधिकार इसी अथॉरिटी को है। अथॉरिटी बनाई इसीलिए गई है कि प्रीमियम का पैसा यह कंपनियां किन क्षेत्रों में लगाएं। केवल थोड़ा सा प्रतिशत ऐसा बचा रहेगा जिसमें इनको छूट होगी, अपनी मर्जी के मुताबिक वह निवेश कर सकेंगे। उसकी मोनिटरिंग अथॉरिटी करेगी। हर वर्ष का लेखा उनके पास आएगा और लेखों के आधार पर पता लग जाएगा कि कहीं जोखिम वाले क्षेत्रों में तो उन्होंने विनियोग नहीं किया है या कंपनियां गलत रास्ते पर जा कर अपनी आर्थिक स्थिति खराब नहीं कर रही हैं जिसकी वजह से वह दिवालिया हो जाएंगी। उसका नियंत्रण हर वर्ष की लेखा रिपोर्ट के आधार पर किया जा

सकेगा और यदि वांछित हो तो उस पर प्रतिबंध लगाया जा सकेगा। इसलिए यह आशंका भी निर्मूल है कि कहीं पैसा स्पेकुलेटिव व्यवसाय में लगा देंगी और बाद में दिवालिया हो जाएंगी, खत्म हो जाएंगी। उन्होंने उदाहरण दिया था अमरीका की साढ़े तीन हजार कंपनियों का जिनमें से 275 बीमा कंपनियां दिवालिया हो गईं। यह बात भी भारत के लिए फिट नहीं बैठती है। वह इसलिए नहीं बैठती है कि भारतवर्ष में जो निजी क्षेत्र के लिए बीमा व्यवसाय खोला गया है उसमें पहला प्रतिबंध तो यह है कि 100 करोड़ की पूंजी और रिइंश्योरेंस की 200 करोड़ की पूंजी होगी और 100 और 200 करोड़ की पूंजी, जिसमें पांच सात साल तक कोई मुनाफा नहीं मिलने वाला है, ऐसी कम्पनियां तो आने वाले दो चार साल में आठ-दस ही मिलेंगे। इससे अधिक मिलने वाले नहीं हैं। तीन साढ़े तीन हजार कंपनियां जो अमरीका में चलती हैं वह हिन्दुस्तान में चलने वाली नहीं हैं। इसके साथ साथ एक और जो प्रतिबंध लगाया गया है वह यह है कि सोलवेंसी मार्जिन इश्योरेंस कंपनियों के लिए 50 करोड़ रखा गया है और रिइंश्योरेंस कंपनियों के लिए 100 करोड़ का होगा। यह 50 करोड़ सोलवेंसी का मार्जिन कोई कम नहीं होता है। इसमें उपभोक्ताओं के हितों की भी सुरक्षा होगी, प्रिमियम का प्रतिशत कहां व्यय करना है इस पर भी नियंत्रण होगा। 50 करोड़ की राशि जमा हुई है सोलवेशन मार्जिन मनी मौजूद है 100 करोड़ की पूंजी जमा हुई है, हर वर्ष उसके वार्षिक लेखे आएंगे उनकी मोनिटरिंग होगी। इस तरह से इस बात की संभावना समाप्त हो जाती है कि एक तरह से इश्योरेंस कंपनियां दिवालिया हो जाएंगी जिसकी वजह से इश्योरेंस कराने वाले परेशान होंगे, उनका पैसा डूब जाएगा। इस तरह की आशंका को समाप्त करने के लिए पर्याप्त व्यवस्था इस बिल में की गई है, इसलिए इसकी चिंता करने की आवश्यकता नहीं है। इसमें एक दो बातों की ओर मैं आपका ध्यान दिलाना चाहूंगा जिसमें कुछ सुधार की आवश्यकता प्रतीत हो रही है। इसमें यह व्यवस्था की गई है कि जो मध्यस्थ होंगे या जो एजेंट होंगे उनको एक वर्ष का प्रशिक्षण लेना पड़ेगा।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** राघवजी, माननीय सदस्यों ने जो सवाल उठाए हैं, यदि आप ही उनका जवाब दे देंगे तो मंत्री जी क्या बोलेंगे ?

**श्री राघवजी :** मंत्री जी के पास बहुत खजाना भरपूर है। मैं जो बोल रहा हूँ इसके इलावा पता नहीं कितनी बातें उनके पास हैं।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** आप सुझाव दीजिये, अपने विचार रखिये। आपकी पार्टी को 40 मिनट का समय दिया गया है और आपके एक दूसरे साथी गौतम जी भी बोलने वाले हैं। आपके हिस्से में 20 मिनट आएंगे।

**श्री राघवजी :** गौतम जी ने मुझे कहा है कि वह पांच मिनट से ज्यादा लेने वाले नहीं हैं।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** मुझे कोई एतराज नहीं है अगर गौतम जी ने कहा है। आप पूरा समय ले लीजिये।

**श्री राघवजी :** कहा हुआ नहीं होता तो मैं खत्म कर देता, मुझे कोई दिक्कत नहीं है।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** यह आप पर निर्भर है।

**श्री राघवजी :** मुझे उन्होंने कहा था कि मैं पांच मिनट से ज्यादा नहीं लूंगा।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** मैंने सुना नहीं है, उन्होंने जो कहा है। मेरे पास लिखित भी नहीं आया है।

**श्री राघवजी :** आपसे नहीं कहा, मुझ से कहा है। पता नहीं कहा चले गये हैं।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** चले नहीं गये हैं। डिप्टी चेयरमैन के चेम्बर में गये हैं।

**श्री राघवजी :** इसकी जिम्मेदारी मेरी है। वह अपनी बात से पीछे नहीं हटेंगे। मैं माननीय मंत्री जी से निवेदन करना चाहता हूँ कि दो प्रावधान जो किये गये हैं, एक तो यह है कि एक वर्ष का प्रशिक्षण होगा जो एजेंट या मध्यस्थता करने वाले होंगे उनके लिए और दूसरा कुछ शैक्षणिक योग्यता उसमें अनिवार्य होगी। अगर यह शर्त पूरी नहीं होगी तो वह पूरी करनी पड़ेगी। इसका अर्थ यह हुआ कि पहले ही इस क्षेत्र में जो एजेंट मौजूद हैं, बड़ी संख्या में हैं, पांच लाख के करीब एजेंट इस देश के अंदर हैं। और कई वर्षों से काम कर रहे हैं। अगर आज जो 30-30, 40-40 साल से काम कर रहे हैं उनसे यह कहा जाए कि आप एक वर्ष का प्रशिक्षण लीजिए तो यह उनके साथ अन्याय होगा। या उनसे अगर यह कहा जाए कि आप मैट्रिक पास नहीं हैं इसलिए या तो आपको हटा दें या आप मैट्रिक पास कर लीजिए तो यह भी संभव नहीं हो पाएगा। इसलिए मेरा माननीय मंत्री महोदय से निवेदन होगा कि यह व्यवस्था अगर लागू करनी है तो इस बिल के पास करने के बाद जो एजेंट बनाए जाएं या मध्यस्थ बनाए जाएं, उनके लिए लागू की जाए। लेकिन जो पहले से कार्यरत हैं उनके लिए यह लागू नहीं होनी चाहिए। यह मेरा उनसे निवेदन है।

फिर यह कहा गया कि इससे बेरोजगारी बढ़ेगी। आम तौर से इस बात की आशंका व्यक्त की जाती है और खास तौर से बीमा कर्मचारियों में इस बात का भय पैदा किया जा रहा है कि अगर यह विधेयक पास हो जाएगा तो इससे रोजगारी बढ़ेगी। मुझे यह बात समझ में नहीं आती कि जो संस्था पिछले 56 से तो नहीं लेकिन पिछले 40 साल से ऊपर कार्य कर

रही है जिसके पास 1,27,000 करोड़ का विनियोग फंड है उसको आगे कैसे किसी प्रकार का नुकसान होने की संभावना है। है ही नहीं। वह सबसे मजबूत बीमा कंपनी इस देश के अंदर होगी और बाकी के लोग जो आएंगे उनको जरूर संघर्ष करना पड़ेगा लेकिन ये जो बीमा कंपनियां हैं जैसे एल.आई.सी. हो, या जी.आई.सी. हो, इनकी संघर्ष की स्थिति नहीं है। इनके मुनाफे में कमी आने वाली नहीं है, इनके व्यापार में कमी आने वाली नहीं है। इसलिए इन दोनों संस्थाओं में से किसी कर्मचारी की छंटनी होगी इसकी तो कोई संभावना ही नहीं है। छंटनी होगी तो उसका कारण राष्ट्रीयकरण या यह जो बिल है वह नहीं बनेगा। उसका कारण यह बन सकता है कि चलो आधुनिकीकरण करना है। कुछ कंप्यूटर्स लगाने हैं। उसके कारण कुछ छंटनी होनी होगी तो होगी लेकिन वह तो यह विधेयक नहीं आएगा तब भी हो सकती है। यह विधेयक आ रहा है इसके कारण से छंटनी एल.आई.सी. या जी.आई.सी. में होगी, मैं नहीं समझता कि यह आशंका, किसी भी प्रकार से उचित है। इसलिए यह जो भय बीमा कर्मचारियों में पैदा किया जा रहा है यह निर्मूल हो जाना चाहिए। बल्कि बीमा कर्मचारियों को मैं इस सदन के माध्यम से यह संदेश पहुंचाना चाहता हूं कि आपके तो वास्तव में आगे बढ़ने के द्वार खुल रहे हैं। अभी तक तो आपकी मजबूरी है कि आपको एल.आई.सी. में रहना है अगर आप एल.आई.सी. के कर्मचारी हैं। आपकी मजबूरी है अगर आप जी.आई.सी. के कर्मचारी हैं तो जी.आई.सी. में रहना है। कल को अगर दस कंपनियां और आ गयीं इस क्षेत्र में तो आपके द्वार तो खुल गए। अगर आपमें प्रतिभा है तो यह प्रतिभा आप उनको दिखाकर और अच्छे वेतन पर दूसरी कंपनियों में जा सकते हैं। इसलिए आपकी तो प्रगति के रास्ते खुल रहे हैं। आपके भविष्य की संभावनाएं मजबूत हो रही हैं, अच्छी हो रही हैं। इसलिए बीमा कर्मचारी जो वर्तमान में चाहे एल.आई.सी. में कार्यरत हों चाहे जी.आई.सी. में, उनको किसी प्रकार से भी आशंकित होने की कतई आवश्यकता नहीं है। यह एक बात उनको मैं इस सदन के माध्यम से और आपके माध्यम से पहुंचाना चाहता हूं और मुझे उम्मीद है कि यह बात उन तक पहुंचेगी तो फिर उनको कोई कठिनाई नहीं होगी।

फिर यह कहा गया कि कमजोर क्षेत्रों का कोई सुधार नहीं होगा। अब किसी ने पढ़ा नहीं है इसमें। इसमें एक सलाहकार समिति बनाने का, गठित करने का प्रस्ताव है और इस सलाहकार समिति में सब तरह का प्रतिनिधित्व होगा। इसके कर्मचारी होंगे, इसमें वाणिज्य वाले होंगे, उद्योग के विशेषज्ञ होंगे, परिवहन के होंगे। इन सबका प्रतिनिधित्व उस सलाहकार समिति में होगा और यह केवल सलाहकार समिति नहीं है। सलाहकार समिति की सिफारिशों को बहुत हद तक मानने के लिए अथारिटीज बाध्य भी रहेंगी। ऐसी एक समिति जब गठित होने वाली है तो फिर किसी को इस बात के लिए आशंकित होने की जरूरत नहीं है कि इसमें कोई गड़बड़ हो सकती है। फिर इसके बाद संसद के प्रति जवाबदारी भी है इस प्राधिकरण

की क्योंकि हर वर्ष संसद के सदनों में वहां की वार्षिक रिपोर्ट प्रस्तुत करनी पड़ेगी। जो कुछ भी नियम, उपनियम बनेंगे वे भी संसद के अंदर आएंगे। इसलिए संसद के प्रति भी जवाबदारी है। तो वह गुंजाइश भी इसके अंदर है ...**(समय की घंटी)** आपने घंटी बजा ही दी है तो मैं जल्दी खत्म करूंगा।

**उपसभाध्यक्ष (कुमारी सरोज खापड़)** : गौतम जी को मैंने देखा फिर मुझे लगा कि शायद उनके लिए भी तो टाइम बचाकर रखना चाहिए।

**श्री राघवजी** : नहीं गौतम जी तो कह रहे हैं कि बोलो। वे कह रहे हैं कि आप बोलिए।

अभी इसमें एक और भी गुंजाइश है। जो 32 धारा है जिसमें "ख" और "ग" है - अभी हमारे मित्र ने कहा कि 5 लाख रुपए का जुर्माना भुगता करके सारा पैसा ले जाएंगे, कुछ भी करते रहेंगे, कानूनों का उल्लंघन करते रहेंगे। लेकिन उनको पूरा पढ़ना चाहिए था। एक अंश तो पढ़ लिया उन्होंने 5 लाख रुपए वाला। उन्होंने आगे यह नहीं पढ़ा कि उस में तीन वर्ष की सजा का भी प्रावधान है। अब किसी कंपनी का मैनेजिंग डायरेक्टर या मालिक यह कभी नहीं चाहेगा कि उस को तीन साल की सजा हो जाय। इस का प्रावधान भी इस में है। इस के अतिरिक्त किसी कंपनी का रजिस्ट्रीकरण समाप्त करने का प्रावधान भी इस में है। आप आगे व्यवसाय बंद करने के लिए भी उसे बाध्य कर सकते हैं। मैडम, जब इस तरह के प्रावधान इस बिल के अंदर मौजूद हैं तो फिर इस तरह की आशंका व्यक्त करना कि कोई कंपनी दिवालिया हो जाएगी, पैसा डूब जाएगा या पैसा लेकर भाग जाएंगे - ये सब बातें बिल्कुल निर्मूल हैं और इस बारे में किसी को भी चिंता करने की आवश्यकता नहीं है। मैडम, इस में एक और बंधनकारी बहुत अच्छा प्रावधान है कि जिन कंपनियों का बीमा के लिए रजिस्ट्रीकरण होगा, वह बीमा क्षेत्र के अलावा अन्य कोई व्यवसाय कर ही नहीं सकेंगी। वह किसी अन्य क्षेत्र में प्रवेश नहीं कर सकेंगी। इसलिए पैसे के दुरुपयोग की बात की गुंजाइश भी नहीं बचती है।

इन सब प्रावधानों के होते हुए केवल वामपंथी मित्रों को छोड़कर जब इस बिल का स्वागत पूरा देश कर रहा है, उन के दकियानूसी विचार अभी भी चल रहे हैं। मैडम, उन्हें भी नई सोच अपनानी चाहिए, लेकिन वह उस तक पहुंच नहीं पा रहे हैं। इसलिए उन्हें अपनी सोच में सुधार करना चाहिए। इस तरह जब पूरे देश में सब जगह से इस बिल का स्वागत हो रहा है और अब जबकि यह बिल 6 वर्ष बाद आया है, काफी सोच-विचार कर आया है,

अनेक प्रक्रियाओं से निकलकर और छनकर आया है, उन्हें भी इस का स्वागत करना चाहिए। मैडम, इतना ही कहकर, आप के आदेशानुसार मैं अपनी बात समाप्त कर रहा हूँ। धन्यवाद।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** श्री सी.एम. इब्राहीम । आप कृपया 12 मिनट में अपने विचार रखिए।

**श्री सी.एम. इब्राहीम :** मैडम, मैं पूरे डेढ़ साल के बाद आज सदन में बोल रहा हूँ।

**उपसभाध्यक्ष (कुमारी सरोज खापर्डे) :** आप बोलिए, थोड़े ग्रेस मार्क्स तो दे ही देंगे।

**श्री सी.एम. इब्राहीम :** मैडम, अभी नई सरकार आई है और इतने कम समय में हम किसी सरकार की उपलब्धियों को तौल नहीं सकते, लेकिन मैं एक बात शुरू में कहना चाहता हूँ कि इस देश की आजादी के लिए जिन महा-पुरुषों ने आजादी की लड़ाई लड़ी, वह इस वक्त तो नहीं हैं, लेकिन उन की आत्माएं जरूर यह सुन रही होंगी और सोच रही होंगी कि हम ने किस मुद्दे को लेकर देश को आजाद कराया था। महात्मा गांधी, सरदार वल्लभ भाई पटेल, मौलाना अबुल कलाम आजाद, लाला लाजपत राय, दीनदयाल उपाध्याय - काश अगर आज ये जिंदा होते तो पिछले दस सालों से इस देश में जो कुछ चल रहा है, उस के बारे में हम उन की राय जानते। मैडम, यह देश गुलाम हुआ, तो कोई फौज लेकर आक्रमण करने नहीं आए बल्कि जो लोग यहां आए वे ईस्ट इंडिया कंपनी के नाम से सिर्फ व्यापार के लिए आए। मैडम, मुझे बी.जे.पी. की कोई नीति पसंद नहीं थी, लेकिन स्वदेशी की नीति पसंद थी और बदकिस्मती से आप ने उस नीति का भी त्याग कर दिया है जिस से मेरे मन को बड़ा दुख होता है। मैडम, हमारी आर्थिक नीति के फर्स्ट रिफॉर्मिस्ट डा. मनमोहन सिंह की ऑनेस्टी और इंटेग्रिटी पर मुझे कोई डाउट नहीं है या अटल बिहारी वाजपेयी जी की ऑनेस्टी और इंटेग्रिटी के बारे में कोई दो राय नहीं हैं, लेकिन वर्ष 1990 में हम ने नई दिशा आने के बाद जो दिशा बदली, क्या आप ने देखा कि 10 साल से जो निजीकरण हुआ, उस का फायदा देश को क्या हुआ है या कभी इस बारे में चर्चा की गयी है? आप सभी लोग कह रहे हैं कि सब ठीक है, लेकिन मैडम आप ने देखा होगा कि सिगरेट की डिब्बी पर लिखा रहता है कि "cigarette smoking is injurious to health". यह आदमी पढ़ता है, लेकिन फिर भी सिगरेट फूंकता है। वह पछताता तब है जब मौत की सरहद पर पहुंच जाता है। तब सोचता है कि काश मैं पहले ही संभल गया होता तो मुझे इस तरह की मौत नहीं आती। मैडम, इस देश की दुर्दशा भी इसी तरह से होने वाली है। इच्छा-शक्ति होनी चाहिए सरकार चलाने में। आप कहेंगे कि युनाइटेड फ्रंट सरकार ने इस बिल को बनाया था। मैं आपको एक उदाहरण देना चाहूंगा कि मैं उस वक्त सिविल एवीएशन मिनिस्टर था। सिंगापुर एअरलाइन्स इस देश में आना चाहती थी। उस वक्त सारी कैबिनेट एक तरफ और सी.एम. इब्राहीम एक तरफ था। हमने कहा कि हम इस्तीफा देने के लिए तैयार हैं, लेकिन किसी विदेशी जहाज कंपनी को अपने देश में जहाज उड़ाने नहीं देंगे।

**श्री बलवन्त सिंह रामूवालिआ (उत्तर प्रदेश):** मैंने आपको सपोर्ट किया था ।

**श्री सी.एम. इब्राहीम :** जी हां, आप सभी थे । आज क्या हुआ कि 4 जहाजों से स्वदेशी कंपनी जेट एअरलाइन्स शुरू हुई थी और आज उसके 26 जहाज हो गए हैं । क्या यहां एक हिन्दुस्तानी कंपनी को मौका देने से कोई फायदा हुआ या घाटा हुआ ?

महोदया, बैंकों का नेशनलाइजेशन हुआ । फॉरेन बैंक हमारे यहां आए । आप देखिए, आज हिन्दुस्तान के बैंकों में गांव का रहने वाला पांच रुपए देकर खाता खोल सकता है और सिटी बैंक में जाएं और आपके कपड़े मैले हैं तो आपको कहेंगे कि आप बाहर जाएं, एक हजार रुपए आपको मिनिमम डिपोजिट करना होगा । आज आप यह बिल किसके लिए ला रहे हैं ? हमारे देश की नीति क्या होनी चाहिए ? पूर्वजों ने कहा था - "कृषि पयनास्ति दुर्मिषः, धर्म को नास्ति पापनाशः" । हमारा यह देश कृषि प्रधान देश है । आज भी ८० फीसदी लोग गांव में बसते हैं । मैं पूछता हूँ इस निजीकरण से किसी गांव वाले का कोई फायदा हुआ है ? दलितों की बात, पिछड़ों की बात लीजिए, क्या किसी एक मल्टीनेशनल कंपनी में कोई एक दलित या पिछड़ा किसी बड़े ओहदे पर है ? आप बता सकते हैं ? मैं कोई कम्युनिस्ट नहीं हूँ, न मैं राइटिस्ट हूँ, लेकिन नेशनलिस्ट होने के नाते बात करना चाहता हूँ । इस देश में बैंक नेशनलाइजेशन होने के बाद एक हजार करोड़ से ज्यादा राशि, मलकानी जी का बयान है, एक हजार करोड़ से ज्यादा इस देश की राशि विदेश गई है । मैं पूछता हूँ कि आज क्या आपका इंसोरेन्स नुकसान में है ? मैंने पहले ही यह बात कही, जहां तक प्रधान मंत्री जी का सवाल है इनकी ऑनेस्टी और इंटिग्रेटी में कोई दो राय नहीं और जहां तक वित्त मंत्री जी यशवंत सिन्हा जी का है हमने कभी इनकी ऑनेस्टी या इंटिग्रेटी पर कोई प्रश्न नहीं किया ? लेकिन, आज जो एक जिद बनी हुई है कि यह आना चाहिए । आखिर, आज इतनी जल्दी क्या है ? कौनसी जल्दी है कि हम इसको इतनी जल्दी खोलें ? इन्सोरेन्स सेक्टर में कहां हम घाटे में हैं ? १२०० करोड़ रुपए का मुनाफा कमाने वाला यह इंसोरेन्स है और आज आप इसका कंपीटीशन किसके साथ करने जा रहे हैं ? आप मेरी यह बात याद रखिए, कि अगर यही स्थिति रही तो बीस साल बाद इस देश के जितने इंडस्ट्रलिस्ट हैं उन्हें अपनी कंपनियों में मुंशी बनकर काम करना पड़ेगा और विदेशी जो हैं इन कंपनियों के मालिक होंगे । यही आज से पचास साल पहले इस देश में था और बीस साल बाद फिर यही होगा । क्या हम चाहते हैं कि अपनी आर्थिक आजादी को हम फिर खोलें ?

महोदया, वित्त मंत्री जी का बयान मैंने लोकसभा में सुना । उन्होंने कहा कि मैं इंसोरेन्स कंपनी को खोल नहीं रहा हूँ या इन्सोरेन्स कंपनी को बेच नहीं रहा हूँ । माननीय वित्त मंत्री जी, दो पहलवालों के बीच अगर लड़ाई होती है, उनमें एक पहलवान दूध और बादाम खाकर



आता है और दूसरा पानी पीकर आता है तो फिर पानी पीने वाला जीतेगा या दूध, बादाम खाने वाला जीतेगा ? हिंदुस्तान में किसी पूंजीपति को उधार पैसा चाहिए तो वह 18 परसेंट इंटरैस्ट पर पाता है और विदेशी लेकर आता है 7 परसेंट इंटरैस्ट पर, 6 परसेंट इंटरैस्ट पर लाता है । अब आप 18 परसेंट वाले का उसके सामने मुकाबला करने के लिए कहते हैं । यह कैसे होगा ?

महोदया, अगर उस वक्त इंडियन एअरलाइन्स का प्राइवेटाइजेशन का मान लेते तो क्या स्थिति होती ? आज कश्मीर में हिन्दुस्तान का हवाई जहाज आधे रेट में जा रहा है, नार्थ ईस्ट में आधे रेट पर जा रहा है । उधर जो लोग हमारे कुवैत में फंसे हुए थे तो एअर इंडिया का चूंकि अपना जहाज था, गवर्नमेंट ने उनको मुफ्त में यहां लाकर पहुंचाया । अगर सिंगापुर का मालिक यहां पर उस वक्त जहाज चलाता तो मुझे सिंगापुर के मालिक के सामने जाकर हाथ जोड़कर कहना पड़ता कि हमारे 50 हजार लोग उधर फंसे हुए हैं, उनको इस देश में वापस बुलाओ । क्या इस देश का, जो 100 करोड़ का देश है, 20 करोड़ के देश के सामने सिर झुक जाने देंगे ? अमरीका की आबादी क्या है ? आज उसके पास आर्थिक ताकत होगी, लेकिन नैतिकता की ओर संस्कृति की ताकत आज भी भारत के अंदर मौजूद है । हम 100 करोड़ की जनता भूखों मरने के लिए तैयार हैं, लेकिन किसी के सामने अपनी आर्थिक स्वतंत्रता को, अपने सिर को झुकाने के लिए तैयार नहीं हैं । महात्मा गांधी ने इन्हीं सिद्धांतों को स्वीकार किया था । दीन दयाल उपाध्याय का जो इतिहास है, बदकिस्मती से नाना जी देशमुख आज यहां पर नहीं हैं, उनके साथ मुझे काम करने का मौका मिला है । यह मत समझिए कि आपकी इंटिग्रिटी पर मैं चर्चा कर रहा हूं, लेकिन ज़िद से जरा हटकर देखिएगा । यह मत कहिएगा कि वे लोग 10 कदम भागेंगे तो हम 20 कदम भागेंगे । अमरीका को खुश करने के लिए या यू.के. को खुश करने के लिए हम इस तरह से भाग नहीं सकते । आज हमारी जो नीति बननी चाहिए, गांव की तरफ देखकर बननी चाहिए क्योंकि इस देश की 80 फीसदी आबादी गांवों में बसती है । अगर बी.एस.ई. इंडेक्स गिर गया, डॉलर थम गया तो यू.टी.आई. का फंड ले जाकर हम डॉलर को रोक रहे हैं, लेकिन किसान के पैदा किए हुए अनाज का अगर दाम गिर गया तो हुकूमत से सब्सिडी देकर के उस किसान को बचाने के लिए हम तैयार नहीं हैं । आज इंडोनेशिया जैसी हालत हिन्दुस्तान में नहीं हुई, क्यों ? मलेशिया जैसी हालत हिन्दुस्तान में नहीं हुई, क्यों ? इसकी वजह हमारी आर्थिक स्थिति नहीं है, हमारा अन्नदाता, जो गांव में अनाज पैदा कर रहा है, वह है । वह बी.एस.ई. इंडेक्स देखकर अनाज नहीं पैदा कर रहा है । वह सुबह होने से पहले हल लेकर निकलता है, शाम तक जोतता है, जो भी दाम उसे मिले, लेकिन उस अन्नदाता किसान ने कभी जीतना नहीं

छोड़ा। उस अन्नदाता को प्रणाम है। अगर वह अन्नदाता अन्न को नहीं पकाता, अनाज की पैदावार नहीं होती तो आज इंडोनेशिया से भी ज्यादा खराब स्थिति हमारे देश की होती।

मैडम उपसमाध्यक्ष महोदया, आज हमारे देश में क्या नहीं है? चावल नहीं है, गेहूं नहीं है, चीनी नहीं है, इलायची नहीं है, चाय नहीं है क्या? आप जो चीज़ चाहें, देश का किसान वह आपको देता है लेकिन इसके बावजूद ठीक से मैनेजमेंट नहीं हो रहा। वह इसलिए कि नार्थ ब्लॉक में जो पंचवर्षीय योजना बना रहे हैं, उनको मेट्रोपोलिटिन सिटी से हटकर गांवों की ओर देखना चाहिए। यह उनको देखना चाहिए कि गांवों के लिए कौन सी आर्थिक नीति होनी चाहिए। गांवों की 80 फीसदी जनता, गांव के किसान के लिए अगर आर्थिक नीति बनती तो मैनेजमेंट सही होता। यह दोष मैं सिर्फ आप को दे रहा हूं, यह मत समझिएगा, यह सिस्टम पिछले 50 साल से बन गया है। आज कोई कैमरा हम पर आता नहीं क्योंकि उस वक्त भी हमने कहा था कि विदेशी चीज़, चाहे इन्फार्मेशन है, उसमें भी आप घुसने मत दीजिए। नरेन्द्र मोहन जी निकल गए, प्रिन्ट टेक्नोलॉजी में वह कभी स्वागत नहीं करते लेकिन जहां तक इलेक्ट्रॉनिक मीडिया है, मुझ पर इतना दोष लगा रहे थे कि इब्राहीम 18वीं सेंचुरी का है, यह किसी आश्रम से आया है, यह देश की उन्नति नहीं चाहता, इसलिए रोक रहा है। आज इनको पता चला कि विदेशी टी.वी. आने से हमारी संस्कृति का क्या हो रहा है? आप देख रहे हैं कि सीरियल्स के अंदर आज क्या हाल है? जब तक मैं मंत्री था, शराब का ऐडवर्टाइजमेंट कभी हिन्दुस्तान के टी.वी. में आने नहीं दिया, जब से हमारी सरकार गई, आज दारु का ऐडवर्टाइजमेंट टी.वी. में आ रहा है। क्या हमारी संस्कृति बची है? आज आप देखिए, रिपोर्ट आई हुई है कि आज क्राइम बढ़ा है तो टी.वी. की वजह से बढ़ा है। आज उन पर कोई अंकुश हम लगा नहीं सकते। उनकी राय के आगे हमें केवल चुप होना पड़ेगा। टोनी ब्लेअर, जो यू.के. का प्रधान मंत्री है, वह कहता है कि मैं आज मीडिया के डर से दबकर जी रहा हूं। हिन्दुस्तान की 100 करोड़ जनता को किसी विदेशी के हाथ में दबने का मौका मत दीजिए। आप चलाइए, 5 साल नहीं 10 साल चलाइए, इस देश की जनता आपका साथ देने के लिए तैयार है, लेकिन हमारी आर्थिक आजादी कभी किसी दूसरे के हाथ में जाए, इसका मौका न आने दीजिए। इसलिए हम चाहते हैं कि यह जो बिल है, इस पर इतनी जल्दी मत कीजिए। यशवंत सिन्हा जी, आप बड़े सोशलिस्ट हैं, महान हैं, अच्छे हैं, देश की चिंता आपके दिल में है, इस बात को मैं जानता हूं। हमारे विदेश मंत्री जापान गए हुए थे, आपने भी जो वार्ता देश के लिए की है, ये इस बात को समझ रहे हैं। सिएटल में क्या हुआ? आज वहां की जनता को 12 मिलियन डॉलर का नुकसान हुआ, जनता उठकर पड़ गई। सिएटल में टाटा बिड़ला खो गए। डब्ल्यू.एच.ओ. फेल्योर हो गया। किसी एक देश के लिए, सारी दुनिया को उसका गुलाम बनाए, यह मौका हिन्दुस्तान की धरती से मत दीजिए।

यह गांधी का देश है । यदि आज इंदिरा गांधी ज़िंदा होतीं तो कभी इस बात को तसलीम नहीं करतीं कि भारत की स्वायत्तता को कभी किसी दूसरे के हाथ में सौंपा जाए ।

इसलिए, मैडम, मैं आपके माध्यम से सरकार से विनती करता हूँ कि चर्चा हो, दोनों सदनों में हो, सदन के अंदर चर्चा हो, सदन के बाहर चर्चा हो, 1989 में जो निजीकरण (उपसभापति पीठासीन हुई)

हुआ है क्या इससे देश को फायदा हुआ है ? अगर आप यह साबित कर दें कि इससे देश को फायदा हुआ है तो हम सबसे पहले कहेंगे कि चलो, आप फॉरेन फंड लाओ। फॉरेन फंड कहाँ आएगा ? आपको पता है कि "ऐनरॉन" का जब मामला आया, सरकार हमारी थी, जोशी जी उठकर गए हैं, पूछिए, एक दिन के अंदर "ऐनरॉन" को कैबिनेट के अंदर लाकर हमने एप्रूवल देने का काम किया क्योंकि हम चाहते थे कि यह पावर सैक्टर में हो। जहाँ तक ऑयल सैक्टर का सवाल है, उस सैक्टर में अगर करना है तो वहाँ पर आप फॉरेन इन्वेस्टमेंट के लिए वैलकम कीजिए लेकिन यह पेप्सी-कोला, कोका कोला, डब सोप, दांत साफ करने का कोलगेट, इन चीजों में अगर हमारे देश की पूंजी बाहर जाएगी तो मैं कहता हूँ कि देश खाली हो जाएगा । महात्मा गांधी जी ने दो कपड़े पहनकर देश को आज़ाद कराया था । अगर यही पालिसी रही तो सिर्फ गांधीजी नहीं बल्कि भारत के पूरे १०० करोड़ लोगों को वही लिबास पहनना पड़ेगा क्योंकि हम बिल्कुल खाली हो जाएंगे।

इसलिए मैं विनती करता हूँ यशवंत सिन्हा जी से कि इसको आप जल्दी में पास मत कीजिए । इसे दोनों हाऊसेज की सेलेक्ट कमेटी को भेजिए । वहाँ इस पर आम चर्चा हो। हम पूरी तरह से चाहते हैं कि आपकी सरकार अच्छी तरह से चले। व्यक्तिगत ऐस्पर्शन जो करते हैं, इस बात में मैं विश्वास नहीं करता हूँ । मुझे विश्वास है कि श्री अटल बिहारी वाजपेयी जी देश को अच्छी सरकार देना चाहते हैं । अगर आप अच्छी तरह से शुरुआत करें तो उसका अंत भी अच्छी तरह से होगा ।

इसलिए मैं आपके माध्यम से प्रार्थना करता हूँ कि यह मत देखिए कि कम्युनिस्ट बोल रहा है या कांग्रेस वाला बोल रहा है या भाजपा वाला बोल रहा है । यह देखिए कि बोलने वाला देश के हित के लिए बोल रहा है, देश की 100 करोड़ जनता के हित के लिए बोल रहा है । अब अगर मैं बोलना चाहूँ तो एक घंटा भी बोल सकता हूँ लेकिन यह किस्सा खत्म नहीं होगा और हमारे सामने समय की सीमा है । जिम्मेदारी के साथ मैंने भी 2 साल तक मंत्री के रूप में काम किया है । हमारी पूरी कोशिश यही रही कि हम देश की स्वायत्तता को बचाकर चलें । आज देश के अंदर लाखों नौजवान ऐसे हैं जो खाली हाथ हैं, जिनके पास काम नहीं है। हमें उनके बारे में भी सोचना चाहिए ।

महोदया, आखिर में मैं कहूंगा कि वे हमारे साथ कंपीटीशन नहीं बल्कि इस बीमा कंपनी को बंद करने की योजना के साथ आएंगे। पहले वे अपने कंपीटीटर को खत्म करेंगे, उसके बाद वे अपनी टर्म्स और कंडीशंस तय करेंगे। एयरलाइंस के बारे में भी मैंने जो कदम उठाए थे, उनसे नुकसान नहीं हुआ। उनको आप स्वायत्तता दीजिए। 1996-97 में जब मैं मंत्री था, तब पहली बार 7 साल में 54 करोड़ रुपए इंडियन एयरलाइंस को मुनाफा हुआ। होटल कारपोरेशन ऑफ इंडिया में 30 करोड़ रुपए का मुनाफा हुआ। उसी तरह से एयरपोर्ट ऐथोरिटी में फायदा हुआ। मैं इन्फॉर्मेशन और ब्रॉडकास्टिंग का भी मिनिस्टर था। आप ए.जी. रिपोर्ट निकालकर देख लीजिए, मेरे समय में पहली बार ऑल इंडिया रेडियो का मुनाफा डबल हुआ और दूरदर्शन का मुनाफा भी डबल हुआ। जब मैं स्वायत्तता दे रहा था, उस वक्त मैंने यह नहीं देखा कि यह चेयरमैन किस जाति का है या किस पार्टी का है। मैंने उस वक्त केवल यही देखा कि यह ईमानदार है, चाहे किसी भी जाति का क्यों न हो। तो एकाउंटेबिलिटी होनी चाहिए, फिर आप पावर्स देकर काम ले सकते हैं। इस देश में कभी गरीबी आ नहीं सकती अगर हमारी नीति और नीयत दोनों एक-साथ मिलकर चलें। महोदया, इन्हीं शब्दों के साथ मैं वित्त मंत्री जी से अनुरोध करता हूँ कि वे दोबारा इन बातों पर विचार करें और इस देश को संकट से बचाएं।

**श्री नरेश यादव (बिहार) :** उपसभापति महोदया, मैं बीमा विनियामक और विकास प्राधिकरण विधेयक, 1999 पर बोलने के लिए खड़ा हुआ हूँ। मैं इसे बीमा विनियामक और विकास प्राधिकरण विधेयक नहीं बल्कि विदेशी हितों का विधेयक कहना चाहता हूँ। चूंकि माननीय वित्त मंत्री जी बिहार से आते हैं इसलिए वे यह कहावत अच्छी तरह जानते होंगे, हालांकि अन्य लोग इसे नहीं जानते होंगे, यह कहावत है - "हींग लगे न फिटकरी रंग चोखा जाए"।

**उपसभापति :** हम भी जानते हैं।

**श्री नरेश यादव :** लगना कुछ नहीं है और अच्छी कमाई आ जाए इससे अच्छा और क्या हो सकता है। पता नहीं हमारी वर्तमान सरकार को क्या हो गया है कि जब हमारी संस्था -एल.आई.सी., जी.आई.सी. अच्छी तरह देश में चल रही हैं, लाभ में चल रही हैं तब विदेशियों को निमंत्रण देने की क्या जरूरत है? आखिर विदेशों के प्रति इतना प्रेम क्यों पैदा हो गया है। वह पार्टी जिसने स्वदेशी आंदोलन चलाया, जिसके लिए सड़कों पर आंदोलन किया हो और जिसके लिए एक माननीय प्रधान मंत्री को खरी-खोटी सुनाई जाए वही पार्टी आज फिर से दोबारा देश में आई है और उन्हीं को इतना विदेश प्रेम हो जाए आखिर यह बात कहां से समझ के बाहर आ रही है हम लोगों को। यह विदेश प्रेम अच्छा तब हो जबकि

विदेशों से हमें लाभ आए। विदेश हमसे लाभ ले आखिर यह कौन सी नीति है, यह कहां का इन्साफ हो सकता है और देश हित में यह बात कहां से आ सकती है, महोदया, मैं माननीय वित्त मंत्री जी से जानना चाहता हूँ? इस विधेयक के विरोध में हिन्दुस्तान के डेढ़ से दो करोड़ लोगों ने हस्ताक्षर करके दिए। आपकी पार्टी की ही सुषमा स्वराज जी ने जब राज्य सभा की कमेटी बनी, इस विधेयक का सम्पूर्ण सर्वसम्मत विरोध किया लेकिन आज फिर से वही लाया जा रहा है। इसके लाने के पीछे क्या है? लाने के पीछे एक कारण है -विदेशी दबाव। अभी इब्राहीम जी ने बताया कि हम किसी पर आश्रित नहीं हैं, हमारे देश को कोई गुलाम नहीं बना सकता है। लेकिन इतिहास साक्षी है कि यहां पर कम्पनी आई हैं देश को गुलाम बनाने के लिए। जो-जो कम्पनियां यहां पर आई देश को गुलाम बनाया। आज गुलाम बनाए या नहीं बनाए वैसे भारत को गुलाम बनाने की ताकत किसी दुनिया में नहीं हैं। लेकिन जो गुलामी हम पर लादी जा रही है, अब तक हमने उनका क्या बिगाड़ लिया? यूनियन कार्बाइड का हमने क्या कर लिया? आज तक घटना घटने के बाद इतनी बड़ी त्रासदी के बाद पीड़ित लोगों को हक नहीं मिला, हमारे मजदूरों और वहां के कर्मचारियों को हक नहीं मिला। हमने पेप्सी को बुलाकर क्या किया? हम लोग पेप्सी को लाए इसी उदार नीति के चलते। वह पेप्सी कम्पनी मालामाल हो गई देश में पानी बेच करके। इस देश का दूध, इस देश का मट्ठा, इस देश का रूहअफजा सब समाप्त हो गया जो हमारे देश का, गांव का गरीब बनाता था, वह सब कुछ समाप्त हो गया, लेकिन पानी बेच बेचकर के पेप्सी कम्पनी मालामाल हो गई। पूरे देश में उसने यह पानी चला दिया। आज यह विदेशी कम्पनी हमको लूट रही है और इस लूट के बाद हमको सावधान होना पड़ेगा।

आप वित्त मंत्री महोदय, निश्चित तौर से थोड़ा सा हिम्मत बंधाइए और उस ओर जाइए जब आप बोलते थे इसी पार्लियामेंट में, इसी राज्य सभा में आप बोलते थे और बिहार की सभा में भी हम आपको सुनते थे। उस समय आप क्या बोलते थे और आज क्या कर रहे हैं आप? यह कैसे हो गया और वही यशवंत सिन्हा जी आज हैं और वही यशवंत सिन्हा जी कल थे। आखिर इतना बदलाव कैसे आ गया? किस परिस्थिति ने बदलाव किया, किस दबाव में आप में बदलाव आया। आज उस दबाव को आपको तोड़ना पड़ेगा और जब तक दबाव नहीं तोड़ेंगे तब तक देश का हित नहीं होने वाला है। महोदया, बहुत बड़ी बात होती है विदेशों के प्रति प्रेम की। जापान में भी कम्पनियां घाटे में चल रही हैं। अभी बताया गया कि अमेरिका में इश्योरेंस की तीन हजार कम्पनियां हैं जिनमें से 300 का दिवाला निकल गया। किसके प्रति प्रेम करते हैं? आज हमारे यहां की दो कम्पनियां एल.आई.सी. और जी.आई.सी. लाभ में हैं, मजबूती में हैं। यहां के कर्मचारियों का हौसला बुलन्द है और वह देश हित में काम कर रही हैं। महोदया, मैं कहना चाहूंगा कि जहां तक बीमा क्षेत्र में पूंजी के प्रवेश का प्रश्न है यह

बिल्कुल अनावश्यक है। बीमा कम्पनी अपनी ओर से कुछ पूंजी तो जुटाती है लेकिन शेष जो पूंजी है वह तो जनता से ही आप लेते हैं, बीमा पोलिसी धारकों से लेते हैं। सारा का सारा आप उसी से ले रहे हैं, उसी से प्राप्त कर रहे हैं, आप दे क्या रहे हैं? सम्पूर्ण राशि आप बीमाधारकों से ही प्राप्त कर रहे हैं और उसमें पूंजी का निवेश कर रहे हैं और लाभ कमा रहे हैं। हम यह कहना चाहते हैं कि इस देश को चाहिए टेक्नालॉजी। इस देश को तकनीकी जानकारी चाहिए, वह तो कोई दे नहीं रहा है। बदले में आपको वे गेहूँ भेज रहे हैं, आपने पचास परसेंट बढ़ा दिया रोकने के लिए, बदले में आपको मक्का भेज रहे हैं जिसे पैदा करने में यह देश सबसे आगे है, बदले में जो दुनिया की सारी वेस्टेज सम्पदा है, वह आपको भेजी जा रही है लेकिन तकनीकी जानकारी आपको नहीं दी जा रही है। हमें चाहिए तकनीकी जानकारी जिससे देश विकास कर सके। हमें यह नहीं चाहिए कि हमारा ही पैसा लेकर तुम मालामाल हो जाओ। हमारे जो जेवर-जेवरात हैं, आज इंग्लैंड के म्यूज़ियम में शोभा बढ़ा रहे हैं, वित्त मंत्री महोदय, लेकिन हम आज कहां हैं? हमारे खजाने लूट कर, हिंदुस्तान के खजाने को लूटकर दूसरे देश मालामाल हो जाएं और हम लुटते जाएं, आज भी आज़ाद भारत के 52 साल के इतिहास में अगर यही होगा, तो यह शर्म का विषय है।

महोदय, मैं आपके माध्यम से एक बात और कहूंगा। हम सिर्फ यही कहना चाहते हैं कि हम सभी आज मानसिक गुलामी के शिकार हो चुके हैं। ज़रूरत है यहां के बुद्धिजीवियों में, यहां के राजनेताओं में यह अहसास करने की, मनोबल को ऊंचा करने की और जो मैंने कहा, यह भी ज़रूरत है कि हम लोग यह महसूस करें कि हम अपनी पूंजी से अपने पांवों पर खड़े होकर इस देश का निर्माण कर सकते हैं।

महोदय, एक बात और कहकर मैं समाप्त करूंगा। अभी हमने उदाहरण देखा कि इस देश में प्रसार भारती विधेयक बना हुआ था। आप अभी एक बीमा विनियम विकास प्राधिकरण बना रहे हैं। उसकी धारा 4 में आपने कहा है -

"प्राधिकरण निम्नलिखित सदस्यों से मिलकर बनेगा, अर्थात् :-

- (क) एक अध्यक्ष;
- (ख) पांच से अनधिक पूर्णकालिक सदस्य;
- (ग) चार से अनधिक अंशकालिक सदस्य"

यह अच्छी बात है। उसमें लिखा है सत्यनिष्ठा, योग्यता आदि लेकिन यह योग्यता आखिर राजेन्द्र यादव और उर्मिला टाकुर में कहां चली गई? यह अचानक कैसे निकल

गई? इसको और स्पष्ट करना पड़ेगा। ये साहित्यकार, विद्वान आदमी जिनको रखा गया था प्रसार भारती में, अचानक रातों रात ये कहां चले गए? इसलिए इसमें और खुलासा करने की ज़रूरत है कि इसका प्रसार भारती वाला हाल न हो जाए, उर्मिला ठाकुर और राजेन्द्र यादव जी वाला हाल न हो जाए। इसलिए महोदया, इस विधेयक का मैं विरोध करता हूँ। सवाल ही पैदा नहीं हो सकता है देश को गुलाम कराने का। आर्थिक गुलामी हमें बरदाश्त नहीं है। इसलिए समर्थन करने का प्रश्न नहीं है, समर्थन जो कर रहा है, वह इस बात को समझे और आज नहीं तो कल परिस्थितियाँ आएंगी जबकि बताया जाएगा कि यह जो प्रस्ताव आज हम लाए हैं, जो विधेयक लाए हैं, वह देश के लिए घाटे का विधेयक होगा। इसलिए हम इस विधेयक को कहते हैं कि यह हमारी आर्थिक सम्पदा के लिए, हमारे आर्थिक विकास की बरबादी का दस्तावेज़ है। यह विधेयक बरबादी का दस्तावेज़ लेकर खड़ा हुआ है इसलिए हम इसका विरोध करते हैं और आग्रह करते हैं कि इसे राज्य सभा की सेलेक्ट कमेटी में भेजा जाए। महोदया, आपने मुझे बोलने का मौका दिया, इसके लिए बहुत-बहुत धन्यवाद।

SHRI GURUDAS DAS GUPTA: Madam, for how long shall we sit today?

SHRI R. MARGABANDU (Tamil Nadu): Madam, there is no use of speaking in this House at this hour. This House is empty. Let it be taken up tomorrow.

THE DEPUTY CHAIRMAN: Let me see as to who is present and who is not present at this hour. जो नहीं हैं, those who are not present, they cannot speak tomorrow also. Those who are present here, they may. क्योंकि जो लोग घर चले गए हैं, Those people who have gone home, should not come and say: "We want to speak." So, let me find out. Mr. V. Kishore Chandra S. Deo is absent. Mr. Santosh Bagrodia is absent. Dr. M.N. Das is here. Miss Mabel Rebello is here. Mr. Brahmakumar Bhatt is absent. Shri Ramachandran Reddy is absent. ....(Interruptions)..... Mr. Rama Shanker Kaushik, I know as to what your name is. I am reading out different names. कौशिक जी, आपका नाम है मेरे पास, Okay. Then we have Mr. R. Margabandu. Mr. V.P. Duraisamy is present. Mr. Satishchandra Pradhan is not there. He is absent. Mr. Ramasamy has withdrawn his name. Mr. Joyont Roy is present. Mr. Balwant Singh Ramoowalia is present. I will count the names.

श्री संघ प्रिय गौतम : मैडम, मैं भी हूँ।

उपसभापति : हाँ, मुझे दिख रहे हैं। आप दिखाई भी नहीं दे रहे हैं तो आपकी

आवाज से पता चल जाता है। Mr.Das, Miss Mabel Rebello, Shri Sangh Priya Gautam, Kaushikji, Mr. Duraisamy, Mr. Margabandu, Mr. Balwant Singh Ramoowalia and Mr. Gandhi Azad. these are the only Members who are present here ...*(Interruptions)*... And also Mr. Joyanta Roy.

SHRI SANGH PRIYA GAUTAM: Madam, the House is empty.

उपसभापति : आई थिंक, 10 मिनट तो और बोल सकते हैं। If the House is empty, the Minister is there. Are you speaking for the Minister or for the Members?

AN HON. MEMBER: for the Minister.

THE DEPUTY CHAIRMAN: I am there, he is there, the Press is there and the Reporters are there. At least speak till seven and then within one hour tomorrow all these nine people will be adjusted. Mabel Rebello. ...*(Interruptions)*...

SHRI DIPANKAR MUKHERJEE: Madam, I want to speak.

THE DEPUTY CHAIRMAN: On what?

SHRI DIPANKAR MUKHERJEE: I think, some rethinking process is going on this issue. Madam, as you said, some of the members are not here. I think the way the debate has gone so far, some rethinking is going on; I mean, the Minister and some of the hon. Members also may have a rethinking because of the appeals that have been made today.

THE DEPUTY CHAIRMAN: They can sleep over the rethinking tonight! But tomorrow, I can assure you that no new names will be admitted. Only those who are present here, will be speaking tomorrow. Okay, Now let me ask Mabel Rebello to speak.

MISS MABEL REBELLO (Madhya Pradesh): I think you, Madam, for giving me the time to speak. I stand here to support the Bill. India is existing in the global supra-system. To exist, and to exist well, the system must vie well with its environment. Madam, after independence, we, the Congress Party, decided upon the development paradigm which was based on the principles of socialism, self-reliance, classless society and public sector, but later on, in 1991, when the present leader of the Opposition Party here, and who was Finance Minister then, decided upon the process of liberalisation and globalisation. And that was necessary because we had to vie well not



**7.00 P.M.**

only with the Indian economy, but the Indian economy also had to vie well with the global economy. Then, to integrate itself with the global economy, there was a complete change in the mindset, and at that time when he brought a number of Bills for liberalisation of the economy, the people sitting on the Treasury Benches now vehemently opposed it, along with my colleagues sitting this side. We know, Madam, that they pooped it, but today, there is a change of mindset again in the present Treasury Benches, and they have brought a Bill. They know there were salient features in the Bill; that is why they have brought it, and I am sure, the House will go through it, and it will be enacted, and it will help the people of our country. We all know--a lot of people before me have also spoken-- that this Bill, if it is enacted, has to go and help a large population of our country. We know that in India it is hardly seven per cent of our population who are covered by the insurance sector. The insurance coverage in Singapore is almost 45 per cent of its population; in Japan, it is nearly hundred per cent. All the Japanese are covered by insurance, and in U.S. it is well over 80 per cent who are covered by insurance. If insurance coverage is given to the vast population of the country, then, the Government will have less burden because the social burden that the Government has to take over - looking after the destitute, looking after the old, looking after the infirm, looking after the handicapped when they meet with accidents, all this burden can be taken over by the Insurance Sector, and the Government will be free to look after the other sectors. The opening of insurance sector - as many other speakers have said before me - would result in massive financial resources

which can be utilised for our infrastructure, for our social sector, for our health sector and also for the productive sectors in the rural areas such as irrigation, water, agriculture and the like. And if this happens, I am sure our economy will grow better. We know, Madam, that even our stock exchanges are very volatile because foreign institutional investors bring a large amount of money and they create disturbances, to a large extent, I would say, in our stock exchanges. They bring the money, they buy the shares, they put up the prices, and, maybe, within a week or two they sell the shares, book the profit and make our stock exchanges volatile, and make our small poor investor lose money. If the insurance sector can mop up large amount of money, and if they can invest in the stock exchange, they can utilize this volatility that is usually brought about by foreign investors. I

would say, this is one of the areas where our insurance can play a healthy role for our economy. Madam, there is also an apprehension in the minds of our people that there may be a flight of capital from the country, if foreign institutional investors come here and play with the insurance sector. I think this is an unfounded fear because they will be allowed to repatriate only 26 per cent of the dividend income. So, I feel this is an unfounded fear and we should discount this fear and we should not be scared of this. They will have to invest the money which they will collect by way of premium in our own country, they cannot repatriate that money. They can only take the dividend and the profits and not the premium that they will collect. They have either got to invest it in the social sector or in the infrastructural sector, and they will have to help our own economy.

Again, about foreign direct investment, there was a lot of fear and I think the foreign direct investment is hardly one per cent of our GDP. So, I do not know why we are so unduly worried about it. In fact, they say that the foreign insurance will bring something like six billion U.S. dollars in foreign direct investment into the country. And I feel this sort of a large amount coming here should be able to create a lot of jobs in our country, direct and indirect. This fear of our people working in the insurance companies like the LIC and the GIC losing jobs, I feel is unfounded. In fact, bringing in a large amount of money, creating jobs will help our local unemployed youth. Today, particularly in India, we have got a large number of youngsters who are technically sound, who are computer literate, and who are experts in software. I think their services will be used by these multinational companies when they come here, and our boys, instead of going abroad can get jobs here, will be able to get very good, well-paid jobs here. They should be able to live very comfortably here. Eventually, they will be able to pick up the skills that people from abroad bring here. Our boys will be able to pick up and they will be able to deliver. So, we should not have this sort of fear. Similarly, I also feel that we in the country are taking a lot of loans from the IMF and the World Bank. I feel that it is better to have foreign direct investment rather than take loans because that is more respectable, dignified, and indeed economical. Firstly because we need not pay that money back. Secondly, we don't have to pay any interest on it. So, it is investment. It is better for us instead of taking a loan. So, these are some of the unfounded fears which we need to clarify and get rid of from our mind.

What are the benefits of having a liberalised insurance sector? The insurance sector, if it is liberalised, will help our economy, the Government, the industry, and the last but not the least, the consumer. The consumer is the person for whom the insurance is meant for and he will be greatly benefited.

What are the benefits to the economy? First of all, we all know that in our country we are very short of finance. This shortage of money is likely to persist in the coming years. We know that we have a cash crunch. The insurance sector is one of the chief providers of funds to the economy. Lack of sophistication in Indian insurance market often results in 100% overseas reinsurance for large industrial units because our insurance companies don't have that sort of money. Therefore, they get themselves reinsured abroad. This takes away a lot of foreign exchange abroad. By having companies who have financial muscle here, we can prevent this sort of flight of capital from the country and conserve our foreign exchange. Besides this, the insurance companies are large institutional investors. Once their activity in the Indian capital market increases, the debt and liquidity in the market will also increase. As I said earlier, the activities of foreign institutional investors, who create volatility in the stock market, will also cease in the long run because our insurance companies will also have a large amount of money and they will also invest equally and checkmate this volatility.

What are the benefits to the Government? The key role of the Government, at the present time, is to provide adequate infrastructure in order to maintain industrial growth. Social objectives such as employment and social security are also accorded high priority by the Government. Since life insurance is a key to social security system, deep penetration of life insurance projects will ease the Government's responsibility to some extent. Given the serious resource constraints with regard to pension and other such schemes, we can provide a service to senior citizens without resorting to Government resources. The Government can use these resources for other productive purposes such as irrigation, generation of power, construction of dams and other things. Liberalisation of the insurance sector will help us to achieve both these objectives. Besides that, the insurance industry is an ideal one to create sustained debt market instruments with a long tenure. This would provide funds for long- gestation projects. This is the key advantage of rapidly expanding insurance industry.

What are the benefits to the insurance sector itself? We know that the Indian insurance industry is, of course, doing quite well. Seven per cent of our people are insured. But when the Government nationalised the insurance industry, the LIC in 1956 and the GIC in 1972, it thought that it would percolate to the masses, to the villages, and a large section of our people would be insured and brought under insurance cover. But this has not happened. That is why we need to sharpen our skills today, particularly in 1999, when we are about to enter into the next millennium. The insurance sector uses information technology and social evaluation system for developing the markets. When the detection and evaluation methods are dependable, the insurance companies are comfortable in providing a large coverage. Advanced risk rating techniques will benefit the Indian insurance industry and allow it to improve its profitability. In addition to that, competition will create pressure on developing innovative projects and pricing options. Besides that, international insurance companies will not only bring in technology and capital, but also provide jobs to our local people, and this will result in transfer of technology and skills. Then, again, I come to the consumer. What does the consumer get by liberalisation? I would say that competition compels the insurance sector to ensure better practices and efficient services. Today, our insurance sector being a monopoly, we do not have as many products, as could meet our consumers' demands. For example, take the Mediclaim policy. When do we get the mediclaim in mediclaim policy? In Mediclaim Policy, we do not get the money in advance. We get only reimbursement. What do we get when a person is sick? When he is insured for sickness, he should be able to get the money in hand, when he goes to a hospital. Here, in India, we have to first go to the hospital, get money from somewhere else, get ourselves treated, come back and then submit the bills and get re-imbursement. That creates a lot of problem for the people who are really poor. Whereas, the new insurance companies that will come in will certainly provide you money when you are going to the hospital. So, this will assist a large number of people. Today, health care is a very expensive thing, especially when people are affected with certain dreaded diseases like cancer, AIDS, etc. If you meet with an accident, you need a huge amount of money and a person may not have it off-hand. It will definitely be of help to him to get this money immediately and get for himself the best available treatment in the country. Therefore, these are some of the areas whereby the customers can be benefited. The

presence of a real competition in the market will result in improved customer orientation and service levels. This will also reflect in quick settlement of claims and more reasonable practices, from the consumers' point of view. Because, today, to get your money, or, to get your claim, you have to run from pillar to post. You have to spend days and sometimes, months together. It causes a lot of problems. You have to approach people. And sometimes, you have to spend some money in order to get back your hard-earned money. Madam, I tried to demystify the implications of the Insurance Bill which we are discussing today in this august House. I am sure when the Bill, which we are discussing now, is enacted, a large number, may be 30-40% of our population, will be covered by this insurance sector. Once they are covered, the Government can think of spending the resources which it is spending today on our people on some other things. We had an unfounded fear in our mind when we opened up banking sector. People thought that all the nationalised banks will die. But that did not happen. Today, the private sector banks and the multinational banks hardly have 8% of the total bank deposits. Since they have now come in, the Indian nationalised banks have improved their services. Earlier, they never cared for their customers. Now, the Indian Banks have brought down their non-performing assets. They are looking for profitability and really care for the customers. They canvas for deposits, they look for good clients, and they are doing a lot of other things also. So, competition is a must. So, Madam, with the opening up of the insurance sector, there is bound to be some additional resource mobilisation for our own economy which could be utilised for the development of our own country. Opening up of the insurance sector is a step in the right direction. It is making India's system vie with global supra- system. *(Interruptions)*

AN HON. MEMBER: Madam, the Finance Minister has started brain-washing people.

THE DEPUTY CHAIRMAN: If he has got any remote control to brain-wash people, I do not know. संघ प्रिय जी, पांच मिनट ।

श्री संघ प्रिय गौतम : आज नहीं, कल बोलूंगा।

उपसभापति : नहीं नहीं आज ही। आप आज ही बोल दीजिये। Tomorrow we will have too much to discuss. Otherwise I will sit here till 8 o'clock.

SHRI GURUDAS DAS GUPTA: Madam, you have kindly agreed to sit till 7 o'clock. Why are you extending it?

THE DEPUTY CHAIRMAN: I have agreed to sit for the whole night. All those who have made their speeches want to go. That is very funny.

श्री रमा शंकर कौशिक : नहीं, ऐसा नहीं है । ... (व्यवधान) ...

उपसभापति : आप तो बोल दिये हैं । बोल कर चले गये । जब लगा कि खत्म हो रहा है, मंत्रीजी जवाब देंगे तो आप आ गये । सब को बैठना चाहिये । आप बैठिये । इतना सीरियस सब्जेक्ट है । अगर सब समझ रहे हैं जिसमें कि बिजनेस एडवाइज़री कमेटी में काफी लड़ाई-झगड़ा हुआ कि आठ घंटे होने चाहिए, दो दिन होने चाहिए, चार दिन होने चाहिए । बैठना तो चाहिए । पता तो लगे कि अच्छा है कि बुरा । जो बोल रहे हैं - मुझे एक कहानी याद आती है कि एक भाषण हो रहा था, एक-एक बोल बोलकर चले जा रहे थे, खाली एक आदमी बैठ गया तो जो बेचारा लास्ट स्पीकर था उसने कहा कि तुम कितने अच्छे हो मेरा भाषण सुन रहे हो । कहने लगा कि नहीं मैं तो माइक वाला हूँ । आप बोल दें तो मैं माइक उठाकर जाऊँ । तो कंडीशन यह होने वाली है कि अगर हम लोग यहां बैठ रहे हैं तो खाली मैं बैठी रहूंगी, फाइनेंस मिनिस्टर बैठेंगे, उनके असिस्टेंट्स बैठेंगे और हमारे रिपोर्टर्स बैठे रहेंगे ।

SHRI GURUDAS DAS GUPTA: Madam, who will sit with you?

THE DEPUTY CHAIRMAN: The thing is I am serious about it. The day we had a discussion on Orissa, I felt so sad because there was hardly anybody present in the House who was showing any concern about that. We want the Parliament to be effective, to be participative and to be contributing in the same way, whatever your views are. At least, the Members should sit here. The backbenchers always complain to the Chairman and to me that they don't get a chance to speak. I don't see any backbencher neither here nor there. Just a few of them are present. It does not reflect very well.

SHRI GURUDAS DAS GUPTA: Madam, the absence is on your left.

THE DEPUTY CHAIRMAN: Both right and left. Mr. Gurudas, where are your Members? They are visible because they are more in number. But let us take it in terms of percentage. How many Members are there? Even from BJP there are a few Members. Even their partners are not there.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): Madam, the Members present behind him are not the Members belonging to his party.

THE DEPUTY CHAIRMAN: I remember that they have said, "We won't have lunch hour. We will discuss this issue because this is the most important issue. The country is going to be ruined". I want the Members to be present here because I want to hear them. संघ प्रिय गौतम जी का भी नाम लिख दो। Now those who are absent, for sure, they should not speak. They have no right to speak. At least, those Members whose names are there in the list and who are sitting here, will get a chance tomorrow. Those Members will not get a chance who are not present here. So I will adjourn the House on this note. Please try to be in the House.

SHRI NARENDRA MOHAN: Madam, is it your ruling?

THE DEPUTY CHAIRMAN: Of course, this is my ruling. Whatever I speak from the Chair becomes a ruling. बस बात खत्म हो गयी आज। So the House is adjourn till 11 o'clock tomorrow.

The House then adjourned at thirteen minutes past seven of the clock : till eleven of the clock on Tuesday, the 7th December, 1999.