

NATIONALISATION OF GENERAL
INSURANCE

*695 SHRI RAJENDRA PRATAP
SINHA
DR SALIG RAM
SHRI ARJUN ARORA †
SHRI KRISHAN KANT

Will the Minister of FINANCE be pleased to state

(a) whether Government have taken any decision regarding nationalisation of general insurance, and

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

THE DEPUTY MINISTER IN THE
MINISTRY OF FINANCE (SHRI K R
GANESH) (a) and (b) Government is
fully seized of the matter

SHRI ARJUN ARORA Has the matter seized the Government or has the Government seized the matter ? This question of nationalisation of general insurance has been before the Government for a number of years. Right from 1966-67 the Government has repeatedly been telling us that it is seized of the matter. It appears that this matter has seized the Government and the Government is no more independent to function. May I know when the Government will free itself of the entanglement and take a positive decision to nationalise general insurance and whether it will be done by an Ordinance or by a Bill ?

SHRI K R GANESH Sir, as is known, social control was introduced in 1968 and recently this question of nationalisation of general insurance has once again come up and it is receiving very serious consideration at the highest level. It is not the convention, it is not customary to give in answer to a question the steps on a policy matter like this that the Government is taking. But I can assure the hon. Member that the Government is aware of this matter, as it is said in the reply, is fully seized of the matter and we will take a decision.

SHRI A G KULKARNI Sir, on a point of order. The Deputy Minister in the Ministry of Finance has said that the Government is seized of the matter. My point of order is this. If you read today's papers, the Government has decided yesterday in the Cabinet to ask the Life Insurance Corporation

†The question was actually asked on the floor of the House by Shri Arjun Arora

MR CHAIRMAN This is no point of order

SHRI A G KULKARNI Sir, you please listen to me. After listening you say it is no point of order.

MR CHAIRMAN You have told me you have read something in the paper. It is no point of order.

SHRI A G KULKARNI It has been brought out that general insurance has been taken out from the Life Insurance Corporation (*interruption*). If this is so, how the Deputy Minister can say that the Government is seized of the matter ?

MR CHAIRMAN No point of order. Please sit down. Mr Arora do you want to put another question ?

SHRI ARJUN ARORA Yes Sir. Firstly, he has not replied to my first question, and I seek this clarification whether the Government is not declaring its decision merely because it is a policy matter and the Minister cannot declare the policy in reply to a question. If so may I table a calling attention motion for tomorrow and will the Government then give the policy ?

SHRI Y B CHAVAN He has already explained the policy.

SHRI ARJUN ARORA Secondly

SHRI Y B CHAVAN I may say this. My friend is unnecessarily complicating it. What the Minister has stated is that a policy decision is taken. In principle we have accepted the point of nationalisation of general insurance. It is a question of fixing the time. Normally the wording would have been it is under active consideration or examination. He has said Government is seized of the matter. I think it is an improvement.

SHRI KRISHAN KANT May I know from the hon. Minister of Finance whether he did hear the speech of Mr Y B Chavan in the Bombay session of the Congress where he had said that general insurance nationalisation is one of the immediate tasks before the Congress ?

Is he aware of the speech of Mr Chavan ? That is what I am asking. If so,

SHRI BHUPESH GUPTA On a point of order. Is the hon. Member entitled to have optical illusions ?

MR CHAIRMAN No

SHRI KRISHAN KANT Sir nationalisation of general insurance was one of the programmes to be immediately implemented. And if he is aware of that may I know what the period of "immediacy" is by which time it will be nationalised?

SHRI Y B HAVAN Sir, I can assure the hon. Member that I have heard the speech of Mr. Y. B. Chavan. But when we said that it was an immediate priority, naturally there were also certain other matters of immediate priority. They have to be taken according to the sequence of time. We have accepted the principle. But these matters require some time. And in this matter the Government has to make a choice of its own time.

SHRI G. A. APPAN May I know from the hon. Minister whether it is not a fact that the *per capita* level of saving in our country is very very low and whether it is not a fact that only the richer class of people are taking to this life insurance and not the lower class? If so may I know whether it will not be possible for him to bring forward a legislation so that not a single person of age is left uncovered by life insurance?

SHRI K. R. GANESH Sir this supplementary question relates to life insurance while the main question is about general insurance. As far as life insurance is concerned if you permit me to answer that, it is the policy of the Life Insurance Corporation to see that all people are covered.

SHRI G. A. APPAN The Government should guide the Life Insurance Corporation.

MR. CHAIRMAN Next question.

LOANS AND CREDITS FROM WORLD BANK AND INTERNATIONAL DEVELOPMENT ASSOCIATION

*696 **SHRI K. P. MALLIKARJUNUDU** Will the Minister of FINANCE be pleased to state

(a) what is the total amount of loans and credits received by the Union Government from the World Bank and the International Development Association during the year 1969-70 separately,

(b) whether they are tied to any projects,

(c) what are the terms of interest and other conditions of repayment, and

(d) the total amount of credits and loans received so far till the end of the fiscal year 1969-70?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) (a) The total amount for which Agreements were signed by the Government of India with the World Bank and IDA during 1969-70 was \$40.50 million (Rs. 30.375 crores) and \$117.50 million (Rs. 88.125 crores) respectively.

(b) Yes, Sir.

(c) World Bank loans given in 1969-70 carried an interest rate of 6 per cent per annum and are repayable in 30 years with a grace period of 10 years. IDA Credits are interest free but involve the payment of a service charge of 3/4 of 1 per cent per annum and are repayable in 50 years with a grace period of 10 years.

(d) The Total amount of World Bank loans and IDA credits given to India since the inception of these institutions upto 31st March, 1970 is \$1011.45 million (Rs. 758.59 crores) and \$1126.15 million (Rs. 844.61 crores) respectively.

SHRI K. P. MALLIKARJUNUDU May I know the interest payable or paid on the amounts mentioned in item (d)?

SHRI Y. B. CHAVAN I have not got those detailed figures readily available with me. If he wants specific information about them, he can put a specific question.

MR. CHAIRMAN Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

UNEMPLOYED PILOTS

*697 **SHRI A. G. KULKARNI**

SHRI B. S. SAVNEKAR

SHRI T. G. DESHMUKH

SHRI N. P. CHAUDHARI

SHRIMATI VIMAL PUNJAB DESHMUKH

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state

(a) whether Government's attention has been drawn to the news-item in the Times of India, dated the 20th August, 1970 to the effect that there are 250 pilots without planes, and

(b) if so, what are the reasons therefor?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH) (a) Yes, Sir. While precise information in this regard is not available