

2. Last date and time for withdrawal of candidature : 13th June, 1967 (up to 3.00 P.M.)
3. Date and time of election : 15th June, 1967 (between 3.00 P.M. and 5.00 P.M.)
4. Place of election : Room No. 63, First Floor, Parliament House, New Delhi.
5. Method of election : Proportional representation by means of the single transferable vote.

MR. CHAIRMAN: The House stands adjourned till 3.00 P.M.

The House then adjourned for lunch at five minutes past two of the clock.

The House reassembled after lunch at three of the clock, The Vice-Chairman, (SHRI M. P. BHARGAVA) in the Chair.

#### RESOLUTION RE. NATIONALISATION OF CREDIT INSTITUTIONS IN THE COUNTRY—*contd.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Chitta Basu.

SHRI CHITTA BASU (West Bengal): Mr. Vice-Chairman, I rise in support of the Resolution moved by my friend, Shri Banka Behary Das, demanding immediate nationalisation of banks and of the credit institutions in the country including insurance. I think many of the Members present in this House would agree with me when I say that the demand for nationalisation of banks is not the demand of a section of the Members of Parliament here; this demand has already assumed the shape of a national demand because this demand corresponds with the needs of our economy today, because this leads our economy towards progress and socialism. I know that the ruling

party has adopted a resolution advocating social control over the banks and just in tune with that resolution, a Resolution has also been brought forward in this House, which we are considering.

Mr. Vice-Chairman, I fail to understand what is the actual meaning or actual connotation or actual significance of the catch-phrase 'social control'. I would be very much glad if any of the Members opposite rises and explains to this House what he actually means by that catch-phrase 'social control'. Sir, nationalisation . . . (*Interruptions*) Please listen to me.

SHRI LOKANATH MISRA (Orissa): Neither he nor you can define it.

AN HON. MEMBER: There are people who have defined it.

SHRI CHITTA BASU: If you ask me Sir, nationalisation is not contrary to social control; rather, those who are in favour of social control must be in favour of nationalisation. One is not opposed to the other; rather one leads to another. Now, the question comes—where to begin from? According to me, nationalisation is a step towards social control. Unless you nationalise, you cannot have social control. It is for that social Control that nationalisation is needed. Now, some body may say that the Reserve Bank of India or some other institution might be controlling the private banks. Sir, I do not know whether the Members opposite, who support the idea of social control, make the Reserve Bank synonymous with society. I think that in the Reserve Bank of India Act or in the Banking Companies Act, there are many provisions by which the banking industry may be regulated. That does not mean that by simply having more powers conferred upon the Reserve Bank of India, social control can be ensured. Social control over the private banks can be ensured only by the nationalisation of the banks, by taking over the private

banks by the State, and if the State proceeds with the interest of meeting the social needs, then the purpose of social control will be met.

**SHRI LOKANATH MISRA:** Can I give an amendment? My interpretation would be that social control can only be achieved if the entire society is nationalised.

**THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA):** You need not make any amendment.

**SHRI CHITTA BASU:** Society is not above the nation.

**SHRI LOKANATH MISRA:** Society is the nation.

**SHRI AKBAR ALI KHAN (Andhra Pradesh):** That is right.

**SHRI CHITTA BASU:** My first point is that nationalisation is the first stage. Therefore, I am strongly opposed to the idea of having an amendment with the phrase 'social control'. It has got no meaning; it has got no significance; it is rather ambiguous; it is making the whole issue confused. Sir, it is simply to hoodwink the people; it is simply to soft-pedal the issue, it is simply to equivocate over the issue.

Now, I come to the major point—why nationalisation of the banks is needed. Sir, you know that the economic programme of the Congress in 1948 advocated the nationalisation of banks. I have also heard many of our friends here, particularly our hon. friend, Mr. Dharia who, in the course of a debate regarding food or something like that, strongly made the plea of nationalisation of the banks to meet the demands and needs of agricultural production, to meet the credit needs of the country.

**SHRI M. M. DHARIA (Maharashtra):** I am going to say it today also.

**SHRI CHITTA BASU:** Thank you.

Sir, the Economists' Panel of the Second Five Year Plan also recommended the nationalisation of banks.

Now, why was that recommendation made. There are 68 scheduled banks in the country including 14 exchange banks. Out of the 68 scheduled banks and 14 exchange banks, there are only 12 big banks. They have got a total capital of only Rs. 17.67 crores. But in these 12 banks, their deposits come to a huge amount of money, to the tune of about a thousand crores. I am coming to what is the actual deposit. In another survey, I find—in that study of the Reserve Bank—that 30 banks had, at the end of 1964, Rs. 2,523 crores as deposits. In 1965, it rose to Rs. 2,600 crores. In August, 1966, the total deposits were to the tune of Rs. 2,871 crores. With a small amount of capital, some big banks have got huge deposits on their hands with which they can predominate over the economic policy of our country.

**SHRI BANKA BEHARY DAS (Orissa):** Is it not Rs. 2,301 crores?

**SHRI CHITTA BASU:** I have taken the figures of previous period. I think it is about Rs. 2,871 crores. The Reserve Bank reports in Trends and Progress in Banks, 1964 "marked growth and higher profits" that the total earnings of the 30 scheduled banks again show an increase of Rs. 13 crores over the year 1963. Now, let us see how the banking industry utilises these huge deposits for the growth of our economy. I particularly refer to the credit needs of our country. I have got certain figures to show that agriculture, which is a huge sector, till today accounts for 46.8 per cent. of our national income. But this sector is being neglected due to want of sufficient credit which is necessary to step up food production.

Sir, the indebtedness of the peasant has increased from Rs. 934 crores in 1952-53 to Rs. 1,332 crores in 1962-63. During this period of time the indebtedness of peasant has grown immeasurably. And this indebtedness is not from banks; it is from other sources which claim very heavy interest. Unless we provide sufficient arrangement to provide necessary

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credit facilities to the agriculturists, we cannot expect the food production of the country to increase or self-sufficiency in food production to be achieved so that we cease to depend upon imports from foreign countries.

Sir, with these huge deposits at the hands of our banks, what amount of money has been invested in agriculture through banks, let us see. In 1963 it was only 0.3 per cent. In 1965 it was 0.2 per cent. only. Whereas in other sectors, in 1965, I think it was 61.5 and in 1964 it was 59.5 per cent. By this I mean to show that these huge deposits are never utilised for meeting the needs of credit to the agriculturists of our country. But this huge capital, or huge deposits at the hands of the bankers are being utilised for industries.

Now, Sir, these industries are not meant for the general growth of our country, but it adds to the concentration of monopoly power. You will find that there has been interlocking of banks and industries. In the Hazari Report, which we were all discussing, many hon. Members made out that concentration of economic power is mainly due to the interlocking of industry and the banks, and that if the Government is willing to break the grip of monopoly over our economy, the first step that we should take is to nationalise banks so that monopoly concentration becomes impossible.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You have a minute more, Mr Chitta Basu.

SHRI CHITTA BASU: I am finishing.

SHRI D. L. SEN GUPTA (West Bengal): Let him be given my time  
(Interruptions)

SHRI CHITTA BASU: Please do not consume my time in that way. The time is very valuable. Sir, with this huge deposit of money, they sometimes encourage speculation. You will find advances against food articles. In 1959 the

advances were 87.3 crores, in 1962-157.62 crores and in 1965-164.15 crores. I do not possess the current figure advanced against food articles. With this huge money at the hands of the banks, they indulge in speculation in food articles, creating artificial rise in prices and causing hardship to the people of our country.

(Time bell rings)

Before concluding, let me mention just three points for which nationalisation of banks is needed. It is necessary to break the monopoly grip over our economy for the abolition of interlocking of banking and industry which leads to economic concentration in the hands of a few. This places a huge sum of money, nearly Rs. 3,000 crores, at the hands of private parties instead of this huge amount being invested in the welfare programmes of the country. It will provide sufficient credit facilities to our agriculturists so that our country may be self-sufficient in food. It will prevent inflation and check price rise. Therefore, Sir, those who are thinking in terms of progress of our economy, progress towards socialism, should not oppose the move of nationalisation of banks today. I support the Resolution moved by Mr Banka Behary Das and I strongly oppose the amendment put by some other hon. Members.

SHRI M. M. DHARIA: Mr Vice-Chairman, Sir, I support the Resolution moved by my friend, Shri Banka Behary Das.

SHRI LOKANATH MISRA: Sir, those who are not here may be given a chance to speak.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): If they are not here their names will be struck off.

SHRI M. M. DHARIA: Sir, it is not because I stand for nationalisation, that I am supporting this Resolution. But when I think of the needs

of the country today, I feel that nationalisation of banks has become the need of the hour. My Party has pledged to the country that it is wedded to the philosophy of socialism, and if socialism is to be implemented, I feel that nationalisation of banking has become absolutely essential

SHRI LOKANATH MISRA. That you have been saying all these twenty years

SHRI M. M. DHARIA: When I say nationalisation, I should make myself very clear. I know the charges that are being levelled against the public sector. It is said that although nearly Rs. 3,000 crores has been invested in the public sector, the returns are hardly 6 per cent. There are two difficulties, Sir. The industries which are being run under the public sector are heavy industries. A lot of investment has been made in these industries. It takes some time to reap the harvest. And if I am to quote the illustration of the Penicillin factory near Poona, when this factory was not in existence the price per bottle of penicillin was Rs. 450 to Rs. 500. It is only after the functioning of this Penicillin factory that the price of penicillin came down to 12 annas per bottle. So it is because of this principle of 'no profit no loss but service to the society' that we cannot make profit in the public sector. That does not mean that there are no grounds to grudge. Today when I look at some of the industries that are nationalised, I feel that having regard to the present functioning of such industries, it is not in the real sense nationalisation. At the most we can say that the private capitalists have gone and instead State capitalism has come in. There we have not been able to function according to our own objectives. When I say nationalisation of a particular industry, I feel that it should include public economy. It should include the growth of industry. It should serve the case of the employees and the interest of the

employees and ultimately, the industries in the public sector should be in a position to transform the society and the country. If these needs are not satisfied by the public sector then I am not prepared to accept that it is in the real sense a nationalised industry. It is in this context that I speak of nationalisation of banking institutions.

Now, why do I support this resolution? Sir, various figures have been given by Mr. Banka Behary Das and so I would not repeat the same figures. But I have no doubt that a few families or houses, who have hardly invested Rs. 100 crores, get through these banking institutions, by way of deposits, to the tune of Rs. 2,200 crores every year and out of this amount, only Rs. 400 to Rs. 500 crores go for the small industries or the agriculturists. Nearly Rs. 1,800 to Rs. 1,900 crores lie in the hands of those who have hardly invested Rs. 100 crores. And this is the cause of the growth of monopoly in this country. The other day, we discussed here Dr. Hazari's Report and the licensing policy of the Government. It has been stated somewhere in that report that it is the Birlas who have implemented the licences as compared to the other applicants. But why? It is because of these credit policies of our Government that the Birlas could do that. Even if we look at the present policies of our Life Insurance Corporation and the Finance Corporation, what do we find? Who govern these finance corporations and these nationalised sectors? There are again the representatives of these industrialists and these big monopolists are there and so from the nationalised source also, the amount is reverting back for the growth of this private sector. I do not look at nationalisation from that point of view.

Now, if I may take agriculture, in this land of ours, there are 35 crores of acres of land. But what is the credit that is made available for this agrarian sector every year? I am

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giving it from the report of the Reserve Bank Bulletin—it is hardly Rs. 350 crores that is made available for agricultural credit; that is, per acre, we give a credit of Rs. 10 only. And with this average credit of Rs. 10, we want all possible modern developments to take place in agriculture in this country. Is it possible? It is not at all possible. Sir, enough credit facilities should be extended to the poor agriculturists, to the small industries people and to the young entrepreneurs who are coming up in this country. The present banks will not be allowed to do that. Dr. Hazari has also stated that this is because of the grip of these big industrialists. New entrants have no way to come in. So in order to avoid that growth of monopoly, nationalisation of banking institutions is the need of the day. This credit system shall have to be regulated. But, Sir, when I speak of nationalisation of banking institutions, I do not mean to say that this will be the only way of bringing in socialism. Sir, along with nationalisation of banking institutions, I feel that State trading is also necessary, that general insurance has to be nationalised and export and import trade has to be nationalised and in order to maintain the pace of economic development the distribution system of all the essential articles shall have to be taken over by the Government and managed either through the State sector or through the co-operative sector. Otherwise, it is not possible for this country to meet the needs of the hour.

Sir, we know that we have been passing through a very critical period. Economic development has taken place in our country in a haphazard way and it has not been able to cope with the demands of the day. If in this country, which is adding nearly 35,000 people every day to our population and which has been creating a new Australia every year, we cannot regulate economy, how can we bring in socialism? Socialism cannot come by words. My friends

were saying that from that corner. I am aware of it. If my party only goes on preaching socialism and fails in action, it will not be possible for the party to bring in socialism. And in that case, if people revolt against the party, I am not here to blame the people but I shall blame the party itself. We have no right whatsoever to cheat people and to deceive people by just talking of socialism. Socialism is not only a philosophy. It is a philosophy which has to be acted on. It is a way of our life and it shall have to be implemented in its various aspects.

In this context, nationalisation of banking institutions is the need of the hour. What do we see to-day? What has happened in this country? You will be surprised to know, Sir, that when we are in shortage of foodgrains and pulses, there are dealers who are taking huge advances from banks and they are marketing them out of these huge advances from banks. Who is going to control that? There are these blackmarketeers, some of these industrialists, who are having black accounts and double accounts in their banks. It is with the help of these banks that they are cheating this country to-day. I am not blaming all. But I know that those who have created their economic power, have gone to that length without minding the interests of the country. They only look at their own interest. That is why I referred to the Birlas the other day. The Birlas have well established their biggest possible empire. They have been telling the people "We are not interested in having more; we have enough money." So I made a proposal to their representative—"why don't you create a trust of your industries? Some of my friends are prepared to work as trustees in that free of charge." But they are not prepared to do that. So that is why . . .

SHRI LOKANATH MISRA: You have a trustee in Mr. Sinha. He is one of the trustees.

SHRI M. M. DHARIA: I do not know. I have a very limited knowledge.

SHRI V. M. CHORDIA (Madhya Pradesh): Refer Aroraji.

SHRI M. M. DHARIA: So I was saying that these growing monopolies in this country have not only harmed our economy, but they are harming the progress of this country also. Sir, I know there are young people coming forward from my own areas. I can say that there are young scientists and young technocrats who say that they are prepared to manufacture a car of the type of Ambassador at a price of Rs. 7,000 to Rs. 8,000. But they do not get any opportunity. There are people who are prepared to manufacture scooters. But they do not get opportunities. They do not get credit facilities. Sir, it is because of this grip of the big industrialists that it is not possible for these people to go ahead. If we want to take this country forward, then this grip shall have to be cracked and this cracking is possible only by nationalising all the banking institutions and not otherwise.

Sir, my friend, Mr. M. C. Shah, moved an amendment to this Resolution. He has suggested that the Government should examine the nature and extent of control of these institutions. Sir, if I have understood my party correctly, they have considered these matters on several occasions, and when they thought of social control they thought social control would be much more effective than nationalisation. Actually this 'social control', according to me, includes nationalisation. It is a part of nationalisation. So it is in this context that the amendment moved by Mr. Shah is not proper. It is doing harm to the policies enunciated by the party itself. And for this reason, I am not here to accept the amendment moved by Mr. Shah. I would request him that he may kindly withdraw his amendment. . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): It is for Mr.

Banka Behary Das to accept or not to accept.

SHRI M. M. DHARIA: I am not accepting it. By moving this amendment, he is doing an anti-party activity. I would like to make myself very clear that I am here in favour of the Resolution.

SHRI LOKANATH MISRA: May I know what is the whip he has received from his party—where to vote and how to vote?

SHRI M. M. DHARIA: My party is a democratic party. Therefore, it has allowed us to exercise our free right of expressing our views. But if the Communist Party comes to power, they will not be allowed to do so. They have already started Telengana in Bengal. It is not being done by my party, and I have strong faith in my party. Therefore, I support the Resolution and I oppose the amendment.

Thank you very much.

SHRI BABUBHAI M. CHINAI (Maharashtra): Mr. Vice-Chairman, I have listened very carefully to the enthusiastic speech of the mover of the Resolution and also to the other speakers on the subject. In his enthusiasm, unfortunately, the mover has not given full consideration or understood the different implications or even the proper meaning of social control, a phrase which was evolved after much discussion in the meeting of the Congress Working Committee. I did not participate in this discussion but the very fact that the words 'social control'—and here I would like to emphasise the word 'control'—has been used in preference to the word 'nationalisation', itself means that the Congress preferred control to ownership, which goes with nationalisation. No doubt, the phrase has been interpreted in many ways by different politicians and economists. But this does not vitiate the original intention. If social control meant nationalisation then obviously there was no need to evolve this new phrase. Obviously it

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cannot mean anything more than nationalisation because I believe there is nothing more than nationalisation that Government can do. From this simple reason it appears to me that social control is something very much less than ownership by Government. Therefore, to say that the Congress Party did not know its mind is only idle talk. I do agree with the mover of the Resolution that Government have not yet decided on the exact shape of this social control of banks and this is not without reasons either. The issue is very complex and there are a number of considerations which cannot be neglected. No Government can decide an issue merely on emotional basis. There are some important considerations like the effect of the measure on our economy, on the progress that we have decided to make, on the convenience and well-being of the citizen and so on. I think the mover of the Resolution will agree with me that in a mixed economy the Government has to intervene in any sector only when that sector has not been operating in national interest or has failed to make the desired progress. At the same time, the Government is responsible to see that there are no obstacles in the way of speedy development. The mover of the Resolution has given no such reasons to indicate why the banks would be brought under Government control except that there is some concentration as far as the bank advances are concerned. No doubt, it is a matter to which we have to give some thought but we should not forget the more important things. Our greatest need to-day is to achieve greater production and to improve the conditions of living as quickly as possible. It is only when we have been able to achieve a standard of living that we have to think of other aspects.

Indeed, the increase in production itself can be a good leveller. The learned mover of the Resolution will have read the well-known book of Prof. Galbraith "Affluent Society"

where he has built up a convincing argument to prove that "production has eliminated the more acute tensions associated with inequality and it has become evident to the conservatives and liberals alike that increasing aggregate output is an alternative to distribution and even to reduction in inequality." The same argument has been put forth by the Monopolies Enquiry Commission. A certain degree of concentration is inevitable in a developing society. In fact, some degree of concentration is a pre-condition to rapid growth. In modern world, technology, management and organisation are developing faster and are making it necessary, in the interest of efficiency and economy, to go in for large-scale operations in the working. Indeed, most of our troubles to-day are due to our slavish adherence to backward techniques and antique methods of management which look so very ridiculous. I would therefore urge the House not to be too much pre-occupied about this great concept of concentration or terms such as 'control' or 'nationalisation' which can do no one any good and which certainly slow down our pace of progress.

SHRI D. L. SEN GUPTA: Can he read a speech here written by somebody?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): He is consulting his note.

SHRI BABUBHAI M. CHINAI: At present, almost a third of the Indian banking system, consisting of the State Bank of India and its seven subsidiaries, is under Government ownership and management. The rest, consisting of joint-stock banks (both Indian and foreign), is owned by thousands of shareholders. The Reserve Bank of India regulates, guides and directs the operations and administration of the entire banking system.

Under the Banking Companies Act and the Reserve Bank of India Act,

the Government and the Reserve Bank of India have extensive powers of control over banks. No bank can commence its business or open an office without a licence from the Reserve Bank. The appointment of the Managing Director or Chief Executive Officer of every bank and the fixation of his emoluments are subject to the approval of the Reserve Bank. The Reserve Bank can make any bank carry out a change in the latter's management if it considers it necessary. It has powers to appoint one of its officers to observe the manner in which the affairs of any bank are conducted and to report on it, etc.

No person can be a director of more than one bank at a time. Unsecured advances to any of the directors of a bank or to firms or private companies in which it or any of its directors is interested as a partner or managing agent or to any individuals, firms or private companies in cases where any of the directors is a guarantor, are prohibited.

No bank can have control of, or even interest in, a non-banking business. A bank can hold the shares of another company only to a limited extent. Banks have to keep a certain portion of their deposits as a cash reserve with the Reserve Bank of India and a fairly large portion in the form of investments in Government securities.

The shareholders of the banks number several tens of thousands and each of them, in a large majority of cases, has a small holding. The large amount of credit granted by banks reflect thousands of decisions taken daily by managers of nearly 5000 branches of banks in the country in giving advances to customers within limits allowed to them. Bank lending is highly individualistic and decentralised. The fact that a small percentage of banks control a large percentage of deposits in the country is due to the existence of a small number of large banks with an all-India character, and a large number of small banks, local in character.

There is no point in condemning large banks, merely because they have been successful in mobilising large resources from different parts of the country and employing them in national productive activities.

Where large undertakings are owned and managed by the State, a large degree of centralisation and concentration of power prevails in their working. Centralisation produces such a degree of standardisation and uniformity that flexibility and individual discretion are replaced by procedural delays and rigidities which are very annoying to the customers as well as the staff. Thus, the personal touch which is essential in all business is lost and customer-consciousness is absent. If banking is taken over by the State managers of bank offices all over, the country would be deprived of their initiative and power to take decisions and would have to refer most things to the central organisation and carry out its instructions.

Even if joint-stock banks are acquired by the State, they would not be able to replace the profit motive by the service motive in their operations. It is not consistent with any banking principles or practice to lend money for schemes which are not expected to make a profit or at least to pay their way. Moreover, planning implies an optimum use of resources. Unless nationalised banks maintain a commercial approach in their operations it will be impossible to determine whether they are utilising their resources in the best manner possible.

Now let me examine the demand for nationalisation of general insurance. During 1966 the total profit made by both Indian and non-Indian insurers was about Rs. 3 crores. This includes investment of shareholders' funds of about Rs 30 crores. Their sources at the disposal of general insurers for long-term investment was about Rs 58 crores. The annual accretion in the investible resources is estimated at not more than Rs. 5



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crores. Approximately 90 per cent. of the investible resources of the Indian insurers and 82 per cent. of the non-Indian insurers are invested in Government and stock exchange securities, the balance being invested in loans, properties and mortgages. I have no doubt that a profit of about Rs 3 crores is not a big sum to justify nationalisation of general insurance. In fact, the Government is already getting some portion of the profits by way of tax on dividend in the hands of shareholders. Neither the resources at the disposal of the general insurance for investment purposes are substantial. Mere transfer of these resources from private to the public sector would not give any advantages, either quantitative or qualitative, to the national economy.

Nationalisation has a bad effect on balance of payments. The overseas business of Indian insurance is of the order of £7 million. During the past five years the insurance business faced rough weather due to bad cycle of insurance operations abroad, particularly in European and American markets. However, this is not expected to last long. There is a reasonable prospect of Indian insurers making an annual profit of £5,00,000 in the near future.

Every insurance market needs re-insurance covers, especially a young and developing market like India. The Indian market is aware of the drain and has been taking steps to absorb every risk to the maximum possible extent in the country. Already 80 per cent. of the gross direct business is retained by Indian insurers in the country. Further steps in the formation of Fire and Marine Hull Pools in 1966 have already been taken to maximise the retention in the country. The fruits of these steps are being felt at present and will be felt more in the years to come.

Then there is the question of quality and efficiency of service by the

State-owned General Insurance Corporation. Will the public continue to receive the same kind of service as it is getting now? If the experience of some persons, well known in public life, who have had dealings with the L.I.C. in general insurance, be any guide, the fear is that a satisfactory settlement of claims will be a rare event. This fear is further strengthened by the performance of other State-owned enterprises, the state of indiscipline that prevails there, particularly in the L.I.C. The general apprehension is that the public will not only not get good service and there will be inordinate delays and red-tape in the settlement of claims, but that the volume of general insurance business might itself go down.

The Congress Working Committee's recommendation to take over general insurance becomes all the more inexplicable when it is viewed in the context of Government's own reported thinking in terms of splitting the monolithic L.I.C. into three units. Some have been urging, ever since the life insurance business was nationalised, that the Corporation should be split into five zones. The underlying idea is to let in fresh air of competition within the corridors of L.I.C. How is it then that the Congress Working Committee has recommended a different approach for general insurance?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You have a minute more.

SHRI BABUBHAI M. CHINAI: Yes, Sir, I shall try to finish.

General insurance, like banking and shipping, is, by its nature, international in character and presupposes freedom of trade and capital movement. The country has to rely on foreign capital and generous foreign aid in other forms, for some years to come, for successful implementation of our planned programmes. It is therefore important from the national point of

view to preserve the principle of freedom of trade in the field of insurance. The foreign trade would also need freedom of insurance.

Nationalisation of General Insurance would, without realising any tangible financial advantages, adversely affect the claimate of confidence in our economic policies, which we are trying to build up abroad to attract foreign enterprise and capital in the country, disrupt and undermine the national efforts in the building up of foreign trade, particularly exports, and destroy our chances to improve the position of Indian insurers abroad.

Nationalisation will have adverse psychological repercussions on the private sector, apart from its financial impact, which may prove detrimental to the national interests at large. Mere transfer of general insurance from one sector to the other would not serve any constructive purpose.

Before concluding I would like to draw the attention of the House to a reference made by the mover of the Resolution to "credit institutions" other than banks. I am not quite clear what the Member has in mind. Presumably, he is alluding to institutions like the investment trust, hire purchase and other finance houses which supply credit for financing investment and consumption. I am sure the Member is aware that the overwhelming bulk of such credit is already in the hands of the Government-sponsored institutions like the I.F.C., I.D.B.I., I.C.I.C., State Finance Corporations, etc. I would particularly like to mention the Unit Trust, an experiment which has proved its worth. The Member will no doubt agree that such institutions have to be multiplied and, to ensure their efficiency, put on a competitive basis. In this view, I am sure the investment trusts and similar credit houses, organised by private individuals, would be in the interest of smoothening the development of our industrial sector.

With these words, I oppose the Resolution and commend the amendment of Shri M. C. Shah for acceptance by the House.

SHRI BANKA BEHARY DAS: Is it capitalists' commentary on Congress policy?

श्री विश्वनाथकुमार भन्नालालजी चौरङ्गियाः  
उपसभाध्यक्ष महोदय, यहाँ जो प्रस्ताव है वह दो बातों के संबंध में है। एक तो बैंक और दूसरा बीमा के राष्ट्रीयकरण के बारे में है। कम समय होने से मैं अपने विचार केवल बीमा के संबंध में ही सीमित रखूंगा।

हमारे यहाँ भारतवर्ष में लगभग 75 करोड़ रुपये वार्षिक जनरल बीमा के प्रीमियम का होता है जो नजदीक भविष्य में 100 करोड़ रुपये तक पहुँच जायगा। इसका जो विभाजन है, उसके अनुसार लगभग 15 प्रतिशत कमीशन में चला जाता है, 10 प्रतिशत फील्ड के काम के खर्च में चला जाता है, 15 प्रतिशत आफिस के खर्च के लिए चला जाता है, 50 प्रतिशत क्लेम्स के केसेज में चला जाता है, और 10 प्रतिशत प्राफिट के रूप में रहता है। तो यह जो रकम है, उस रकम का लगभग, मेरा अनुमान है, 30 से 40 प्रतिशत तक बीच में ही गोलमाल हो जाता है। यानी 75 करोड़ रुपये की रकम में से करीब 25 करोड़ रुपये के आसपास की रकम ऐसी है जिसका कोई हिसाब-किताब नहीं है, जिस रकम पर हमारे पंत जी का आयकर विभाग न कोई कर लगा पाता है और इस तरह से करोड़ों रुपये की हर साल गड़बड़ होती रहती है।

उपसभाध्यक्ष जी, हमारे यहाँ जो जनरल बीमा होता है उसमें सब से पहले कमीशन के जरिये गड़बड़ होती है। हमारे यहाँ जो कमीशन के रेट्स निर्धारित हैं, वे बोगस हैं। इनके अलावा हमारे यहाँ किस तरह से कमीशन देने की परम्परा बनी हुई है।

[श्री विमलकुमार मन्नालालजी चौरडिया]

जो रेगुलर कमीशन है उसमें भी हर तरह की गड़बड़ी होती है। कई बार रास्ते में चलते हुए आदमी को उसका एजेंट बना दिया जाता है। अक्सर कई जगहों में ऐसी बात देखने में आई है कि जहां किसी तहसीलदार का ज्यादा प्रभाव है वहां पर उसकी पत्नी को एजेंट बना दिया जाता है चाहे वह घर से बाहर न निकले। (Interruptions) तो यह जो एजेंट है बुरे वाली मर्तिनाएँ एजेंट बनती है, जो घर के बाहर तक नहीं निकल सकती हैं। इसी तरह से पदों में रहने वाली महिलाओं को एजेंट बनाया जाता है। ये लोग कितना काम कर सकते हैं इसका अन्दाजा अच्छी तरह से लगाया जा सकता है। इस तरह से बोगस एजेंसी मिस्टम की प्रथा बनी हुई है जिसकी वजह से बहुत सा रुपया इसमें चला जाता है। इस तरह से निर्धारित कमीशन के अलावा एक्स्ट्रा कमीशन भी रहता है। फायर में इसके लिए 15 परसेंट है। जैसे किसी सेठ के पास बीमा कराने के लिए कोई एजेंट गया तो वह कहता है कि 25 परसेंट दोगे, तो बात करता हूँ। निर्धारित 15 प्रतिशत के अनिश्चित 10 प्रतिशत और लिया जाता है। इस तरह से सेठ साहब की जेब में ऊपर से ही रकम आ जाती है जिसका कोई हिसाब नहीं होता है। वह समझता है कि मेरी जेब में एक लाख रुपया बगैर कमाये हुए ही आ गया, अगर मुझे कमाने पड़ते तो उसके लिए ढाई-तीन लाख रुपये की रकम कमाना पड़ती और इसके साथ ही साथ मुझे इन्कम टैक्स भी देना पड़ता, बचत में 1 लाख रुपये रहते। अगर यहां पर तो एक लाख रुपया वैसे ही जेब में आ गया जिस पर कोई टैक्स भी नहीं देना पड़ा। तो इस तरह से बीमे कम्पनी वाले अपना कार्य करते हैं। इस तरह से वे लोग एकचुअली तो 10 परसेंट का खर्च करते हैं मगर बाकी सब बोगस हिसाब-किताब चलता है। फील्ड वर्क में 10 परसेंट दिखलाते हैं मगर असली खर्च 5 ही परसेंट होता है। इसी

तरह से क्लेम में 50 परसेंट दिखलाते हैं मगर उसमें 20 परसेंट फर्जी होता है और बाकी जो होता है वह इधर-उधर एडजस्टमेंट करने में चला जाता है। इस तरह से जो 30 परसेंट का मार्जिन है उसमें ही यह सारी गड़बड़ चलती है और इस तरह से अधिक रकम एडजस्ट होती है।

इसी तरह से जो एक्स्ट्रा कमीशन की रकम कही जाती है, वह भी बोगस क्लेम, बेतनों को बढ़ाकर, बेनामी एजेंसी दिखलाकर झूठे टी० ए० और डी० ए० के बिल दिखलाकर तथा अन्य खर्च बढ़ाकर दिखलाना जैसे स्टेशनरी, नौकरों का खर्च और ऊपर से लेकर नीचे तक सब खर्च उसमें दिखला दिया जाता है। इस तरह से ये लोग अपना काम जमाते हैं। एक भी आदमी इसमें में फूट जाय तो बड़ा गड़बड़ हो जाता है।

फिर, बोगस क्लेम का हिमाब बढ़ा विचित्र है। कई कम्पनियों ने तो अपना रेगुलर फीचर बना रखा है कि दो-तीन माल में जितना वे प्रीमियम देती हैं मान लीजिये किसी ने तीन साल के अन्दर दो लाख रुपये का प्रीमियम दिया, तो दूसरे-तीसरे साल उनके यहां आग लग जायगा आग कहां से लगती है यह भगवान जाने, लेकिन आग लगाकर वह दो या तीन लाख रुपये का जो प्रीमियम देता है, उसके बदले में आग लगी यह बताकर के छ या सात लाख का वह क्लेम कर लेता है। जो सर्वेयर होते हैं उनके ऊपर कोई नियंत्रण नहीं होता है और न उनकी कोई क्वालिफिकेशन होती है। कई स्थानों पर तो क्लेम की रिपोर्ट आफिस में टाइप हो जाती है और सर्वेयर की रिपोर्ट पर केवल सर्वेयर के हस्ताक्षर करा कर पेश कर देते हैं क्योंकि वह जानता है कि सेठ को नाराज करेंगे तो हमको बीमा नहीं मिलेगा और उसमें आर्थिक लाभ भी होता है। इस तरह से सारी गड़बड़ होती है और सारों की कनाई-वेस से जो दो लाख का प्रीमियम धरा है उसके बदले में पांच लाख रुपये का क्लेम वसूल कर लेते हैं।

फिर आगे जाकर जब साल्वेज में भी गोलमाल होता है, तो अगर आग लग गई एक लाख के माल में तो वे बतायेंगे पांच लाख। फिर कहेंगे कि साल्वेज का इसका एक दो लाख से ज्यादा नहीं दे सकते तो दो लाख में चार लाख का माल किसी के नाम ले कर के, फिर पांच लाख में दूसरे के नाम पर कम्पनी को वापिस भेज देते हैं। इस तरह से सारे लोगों में यह जाल के रूप में काम चलता है। इसमें एक आदमी का काम नहीं होता है। इसका माल उसको भेजा, और इस तरह के बीमे में भी बहुत गड़बड़ियां होती हैं। जैसे इंग्लैंड से कोई मशीनरी मंगवाई और उसका मैगिन इंश्योरेंस करवा लिया। उसका नान-टैरिफ हो तो नान-टैरिफ के हिसाब से जैसा तय हुआ उसकी बेसिस पर प्रीमियम तय हो गया और यहां आकर, के उसने क्लेम मांग लिया और उसी को दूसरे के नाम पर साल्वेज में बिकवा दिया और फिर उसी को रिपैर कर के बम्बई पोर्ट से दिल्ली भेजा और फिर उस पर भी क्लेम मांग लिया कि मशीन डिफेक्टिव निकली। तो इस तरह की गड़बड़ी बीमा के व्यवसाय में हो रही है।

अब मोटर रिपेयर्स का देख लिया जाय। किसी सेठ की कभी मोटर बिगड़ जाय और उन्होंने बीमा करवा लिया है तो यह एजेंट के पास जाते हैं और कहते हैं कि अभी इसमें एक्सीडेंट तो इतना ही हुआ है, कोई दो सौ रुपये का नुकसान है, लेकिन सर्वेयर से मिल कर के और सारी रिपोर्ट जमा कर के वही नुकसान 1200 का बन जाता है। मोटर रिपेयर करने वाला, सर्वेयर और बीमा करने वाला, तीनों उस लूट को बांट लेते हैं और सेठ जी का यह फायदा हो जाता है कि सारी गाड़ी पर पेंट हो जाता है। तो यह सारा काम चलता है कि हम आप की नहीं कहें और आप हमारी नहीं कहें। और इसमें सारे देश का नुकसान होता जा रहा है। इसी के परिणामस्वरूप हमारे यहां पर मोटर गैरेजज बढ़ती जा रही

हैं इंश्योरेंस कम्पनीज में झूठे और फर्जी बिल्म दे कर के। जिन कम्पनीज का कोई एक्जिस्टेंस नहीं है उनका भी बिजनेस बीमा कम्पनियों के रिकार्ड में मिल सकता है। कई ऐसी फर्जी कम्पनीज मिल जाती है कि वे एक्जिस्ट नहीं करती हैं, लेकिन उनके बिल्स बराबर मिलेंगे। तो इस तरह की सारी अव्यवस्था चल रही है। मगर इसका नुकसान उठाने वाला कंज्यूमर है जो ईमानदार है। बीमा करने वालों में जो टैरिफ तय होता है वह सारा एक्सीडेंट की बेसिस पर तय किया जाता है। तो जो बचारा ईमानदार बीमा करवाने वाला है वह नुकसान में है। दूसरे हमारा शासन नुकसान में है और शासन का मतलब सारी जनता से है। तो यह जो सारा नुकसान होता है इसको रोकने के लिये कुछ न कुछ इलाज किया जाना आवश्यक है। एक्मट्रा कमीशन जो दिया जाता है, उसका कोई हिसाब नहीं मिलता। वह ऊपर का ऊपर हो जाता है, चाहे वह कांग्रेस फंड में जाय या कही जाय।

### Interruption

बोगस क्लेम्स के बारे में भी यही हाल है। बनामी एजेंट जो होते हैं उनका भी यही हाल है। उनसे न कोई इनकम टैक्स मिलता है और न कुछ मिलता है। सब से बड़ा एक नुकसान और होता है। हमारे यहां के बिजनेसमैन बड़े होशियार हैं। फारेन कम्पनियां यहां पर बीमा करने वाली हैं। यहां पर अगर कोई एक्सीडेंट हो जाय तो पासपोर्ट ले कर और अपने क्लेम पर पूरा खर्चा ले कर के बाहर उस रकम को खर्च कर के आ सकते हैं। इसकी वजह से हमारे फारेन एक्सचेंज का भी नुकसान हो रहा है। तो क्या इसका हल धारिया जी के अनुसार राष्ट्रीयकरण है? क्या सरकारी कम्पनियों में ऐसी गड़बड़ियां नहीं होती है? क्या हमारे एल० आई० सी० में सब पाप पुण्य में परिवर्तित हो गया है? यह अगर कोई मान कर चलता है कि सब चीजों का इलाज केवल राष्ट्रीयकरण ही है तो मैं उसको ठीक नहीं समझता। हम को इन गलतियों को रेग्युलेट करना चाहिये और इनका नियमन

[श्री विमलकुमार भन्नालालजी चौरडिया]

करना चाहिये, इन पर पाबन्दियां लगाना चाहिये। अगर इसका केवल एक मात्र हल राष्ट्रीयकरण ही मान कर चला जाय, तो मैं पूछना चाहूंगा कि हमारी सरकार की कई कम्पनियां बचज्द समस्त सुविधाओं के दीवाले में क्यों जा रही हैं।

हमारे एल० आई० सी० का भी हाल बड़ा बिचित्र है। शासकीय उद्योग चलाने वाली आटोनामस बाडी है और यह जिस को चाहे उसको अक्वाइंट कर दे, इसलिये दो सौ रुपये पाने वाले कई ऐसे लोग हैं जिन को 1800 रु० हमारी इन पब्लिक अंडरटेकिंग में मिल रहा है। ऐसे एक नहीं कई उदाहरण हैं जिन में हमारे इस धन का दुरुपयोग हो रहा है। हमारा दृष्टिकोण यह है कि हमारे राष्ट्र के हित में क्या चीज है। हम किसी वाद से बन्धे नहीं हैं, न हम राष्ट्रीयकरण के विरोधी हैं और न हम राष्ट्रीयकरण के हिमायती हैं, मगर हम इस बात के हामी हैं कि हमारे देश का नुकसान नहीं होना चाहिये। हम यह चाहते हैं कि हमारे देश में जो यह गोलमाल होता है यह भी रुके और हमारे देश में प्रोडक्शन भी बढ़े। इस दृष्टि से मेरे कुछ सुझाव हैं। सब से पहले जो हमारा एजेंट बगैर है उसको रेग्युलराइज करने के लिये कोई व्यवस्था करनी चाहिये। लाखों का बिजनेस करते हैं और उसके लिये कोई क्वालिफिकेशन की आवश्यकता नहीं है। तीन रुपये का टिकट लगा दिया और वहां के दो-चार आदमियों ने सर्टिफिकेट लगा दिया और बन गये एजेंट। चाहे वह बुर्के वाली हो, चाहे तम्बू वाली हो चाहे कोई हो, वे सब एजेंट का काम कर सकते हैं। इनकी प्रोफेशनल एक्जामिनेशन भी होना चाहिये।

इसके साथ ही एजेंट तथा फील्ड आफिसर से डेवलपमेंट आफिसर जो भी हों, इनका अलग अलग बिजनेस होता है और उसको अलग अलग मानना चाहिये। क्योंकि एजेंट करता है कमीशन की बेसिस पर और फील्ड

आफिसर करता है तनखाह की बेसिस पर।

(Interruption). इसलिये डेवलपमेंट आफिसर के लिये आवश्यक है कि वह जहां एजेंट नहीं जा सकता ऐसे छोटे क्षेत्रों में कनवैस कर के बिजनेस को बढ़ाये। कमीशन जो बढ़ा हुआ है अगर वह ज्यादा लगना है तो उसे कम किया जाना चाहिये। बोनाफाइड एजेंट होने चाहिये और होल टाइम वर्कर्स के रूप में होने चाहिये और होल टाइम वर्कर्स के रूप में एजेंट्स को काम करना चाहिये।

इसी तरह से एक क्लेम व्यूरो बनाया जाना चाहिये क्योंकि आज हालत यह है कि जो बीमा लेने जाता है उसी को कम्पेंसेशन देने जाना पड़ता है। तो क्लेम देने वाली अलग एजेंसी चाहिये और बीमा लेने वाली अलग एजेंसी चाहिये और यह अत्यंत आवश्यक है कि क्लेम व्यूरो के अन्तर्गत सर्वेयर को रखा जाय। इसके साथ-साथ सर्वेयर की क्वालिफिकेशन तय होनी चाहिये और यह नहीं होना चाहिये कि बिना क्वालिफिकेशन के जिन को चाहा उनकी अक्वाइंट कर दिया। तो इस पर निबंध बढ़ा आवश्यक है। अपने अपने विषय में उनकी ट्रेनिंग की व्यवस्था की जानी चाहिये। इसी तरह से क्लेम व्यूरो बना कर के उसको पुलिस और फायर ब्रिगेड का पूरा सहयोग दिया जाय। इसके अलावा हमारे यहां पर साल्वेज पर भी नियंत्रण की आवश्यकता है। सर्वेयर पर नियंत्रण होना चाहिये, एजेंट को रेग्युलेट किया जाना चाहिये। जो हमारे यहां पर फर्जी मोटर गैरेज चल रहे हैं उन पर भी नियंत्रण होना चाहिये।

इसलिये मैं कहूंगा कि हमारी सरकार को जो यह सब्ज बाग दिखाया जाता है कि राष्ट्रीयकरण ही सब बातों का हल है, उसको इसके चक्कर में नहीं आना चाहिये। अगर हमारी सरकार राष्ट्रीयकरण के चक्कर में आयेगी तो हमारे देश का वह बहुत बड़ा अहित करेगी। आज जो गलतियां चल रही हैं मैं उनका विरोधी हूं और मैंने कम गलतियां आप को नहीं बताई हैं। राष्ट्रीयकरण का समर्थन

करने वाले बन्धुओं ने भी उतनी गलतियां नहीं बताई हैं जितनी मैंने बताई हैं। तो सब बातों का हल केवल राष्ट्रीयकरण ही नहीं है। आज जो गलतियां हैं उनका पता करना और उनको रेग्युलेट करना हमारा कर्तव्य है। इसमें अगर सरकार अपने आप को असमर्थ समझती है तो इस सारे पाप को पुण्य में परिवर्तित करने की एक मात अपनी संस्था कायम कर के—मानो-पली की पोजीशन रख कर अगर वह गोलमाल करना चाहे तो वह बात अलग है—मैदान में आये और कम्पटीशन कर के देखे कि क्या होता है। जो लाइफ इश्योरेंस कारपोरेशन आपने बनाया उसका लाभ और हानि आप के सामने है। पहले कितना बोनस लोगों को मिलता था और आज कितना मिलता है। पहले कितना प्रीमियम देना पड़ता था और आज कितना देना पड़ता है। पहले कितना स्टाफ था और आज कितना स्टाफ है। यह सारी बातें हैं जो हम को इस कांक्लूजन पर लाती हैं कि हम को किसी वाद से बांधने की आवश्यकता नहीं है। एक ही वाद होना चाहिये कि हमारे देश का किस में हित है और इसको मेरिट पर देख कर के तय करना चाहिये। इसलिये मैं माननीय पन्त साहब से निवेदन करूंगा कि वे धारिया साहब के बताये पथ पर न चल कर के, जो देश के हित में हो उस पर चलें। इसके साथ-साथ जो कारपोरेशंस में गोलमाल चल रहे हैं, उन पर नियंत्रण करने के लिये और उनकी ठीक ठीक व्यवस्था करने के लिये अगर उनको कोई कमेटी बैठानी पड़े, तो उसको भी उनको बिठाना चाहिये और उनको इस सारे गोलमाल को रोकने का पूरा प्रयत्न करना चाहिये। अगर आप ऐसा नहीं करते तो फिर यह देश के लिये अहितकर होगा।

4 P.M.

STATEMENT RE. DELAY IN ARRIVAL OF FOOD SHIPS DUE TO SUEZ CANAL CLOSURE

THE MINISTER OF FOOD AND AGRICULTURE (SHRI JAGJIVAN RAM): Sir, shall I lay the statement on the Table?

SHRI C. D. PANDE (Uttar Pradesh): Sir, we would like to hear what it is.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You might read it.

SHRI JAGJIVAN RAM: Sir, crisis in West Asia and particularly the closure of the Suez Canal with effect from the 6th June, 1967 are likely to result in delay in the arrival of a sizable quantity of foodgrains coming to India from various ports of U.S.A. and Canada on the Atlantic Coast. The delay would arise because the vessels would have to be diverted *via* the Cape of Good Hope so long as the Suez Canal continues to be closed. In respect of foodgrains vessels which have sailed from these ports only recently or will be sailing in the future till the re-opening of the Suez Canal the delay in arrivals at the Indian ports is likely to be of the order of 6 or 7 days in the case of tankers and about 10 to 12 days in the case of dry cargo vessels. No extra time will be taken by super-tankers or bulk carriers which on account of their size and draught, do not normally take the Suez Canal route and, in any case, come via the Cape of Good Hope. In respect, however, of the foodgrains vessels which had sailed earlier and are at present on the high seas but have not crossed the Suez Canal, the actual delay will be determined by the extra mileage required to be covered as a result of re-routing via the Cape of Good Hope and depending on the location of the vessel at the time of the closure of the Suez Canal. This may involve a delay, in the arrival of the vessels at the Indian ports, varying from one week to four weeks depending on the location and the speed of the vessel.