

12 NOON.

**CALLING ATTENTION TO A
MATTER OF URGENT PUBLIC
IMPORTANCE**

**THREATENED STRIKE BY EMPLOYEES
OF THE LIFE INSURANCE CORPORATION
OF INDIA**

श्री गिरिराज किशोर कपूर (मध्य प्रदेश) :
अध्यक्ष महोदय, भारतीय जीवन निगम के
बहुत से अधिकारियों तथा फील्ड-वर्कर्स
द्वारा हड़ताल किये जाने की धमकी की
ओर वित्त मंत्री महोदय का ध्यान मैं आकर्षित
करता हूँ।

THE MINISTER OF FINANCE (SHRI T.
T. KRISHNAMACHARI) : It is a long statement.
May I place it on the Table ?

MR. CHAIRMAN : That will be better.
Would the House like it to be read ?

SHRI D. THENGARI (Uttar Pradesh) : It
should be read out.

**श्री विमलकुमार मन्नालालजी चौरडिया
(मध्य प्रदेश) : या तो उसका जिस्ट दे दें।**

SHRI A. D. MANI (Madhya Pradesh) : It
should be read out and (then placed on the
Table.

SHRI T. T. KRISHNAMACHARI : The
Life Insurance Corporation announced on the
22nd February, 1965, the revision of terms of
Class I Officers, whereunder the pay scales
for all Class I Officers, except the two top
grades, were revised upwards. The Dearness
Allowance for the lower category of Class I
Officers were also enhanced to bring the total
emoluments on par with similar Central
Government Class I Officers. In addition,
House Rent Allowance at the same rate as
for Central Government Officers, has been
sanctioned to these officers. Further in the
case of promotions to the rank of Class I
Officers the emoluments drawn before
promotion to Class I, including Dearness
Allowance, House Rent Allowance and the
Bonus equivalent, have been protected.
These benefits have been given retrospective
effect

from the 1st April 1964. The Corporation is
also finalising a scheme of medical benefits to
its officers and is also considering the question
of giving them other facilities admissible to
Government officer*.

It seems that without waiting for the an-
nouncement of the revised terms for Class I
Officers, the President of the Life Insurance
Corporation of India Class I Officers'
Association and the President of the National
Federation of Insurance Field Workers of India
issued a joint statement to the Press on the 19th
February 1965, announcing their decision to
launch countrywide agitation from and from 1st
March 1965, including protest rallies, hunger
strikes and other stronger forms of agitation.

After the announcement of the revised pay
scales by the Corporation on the 22nd
February 1965, the two Presidents again issued
a Press Statement stating *inter alia* that both
Class I and Class II Officers will launch a joint
line of agitation on an all-India basis,
demanding revision of salary scales, annual
cash bonuses, better incentive, linking of
Dearness Allowance to Consumers' Price
Index, House Rent and medical benefits for
officers and their families, etc.

The President of the Life Insurance Cor-
poration Class I Officers' Association
addressed a letter to the Chairman of the
Corporation on the 25th February 1965
intimating that the Federation will launch
struggle for securing their demands by what is
termed as 'Down with Tools' taking effect
from 9th March, 1965. The Federation's
decision to call upon its members to observe
24 hours' mass fasting from 2 P.M. on 6th
March to 2 P.M. on the 7th March 1965, was
also communicated. Furthermore, the
President of the Association stated that he was
satisfied that the demands of Class II Officers
were very fair and reasonable.

I would now give the House a brief account
of the Life Insurance Corporation's efforts in
regard to meeting the demands of the Class II
Officers, that is, Develop-

[Shri T. T. Krishnamachari]

ment Officers. It was only less than one year ago, on the 10th March 1964, that the Corporation concluded an agreement with the Federation revising the pay scales, dearness allowance and conveyance allowance to Development Officers. The question of procedure for granting increments was left over for further discussions. In this connection I should like to mention that the Development Officers are engaged on outdoor work. By the very nature of their work, they have no office or any regular office hours and the only way to judge their work is by results in the light of certain standards or norms. The Corporation feels that it would not be possible or proper to grant them automatic increments regardless of their performance. While discussions were going on between the Corporation and the representatives of the Federation it was agreed that a Development Officer would be given a chance to explain his position before his increment is withheld and would also be given the right of appeal to the Zonal Manager. The question about norms of work was left to be taken up after the Federal Council meeting on the 6th and 7th February 1965 at the instance of the Federation's representatives to enable them to consult their colleagues. Notwithstanding this, the Federal Council decided on automatic increments with effect from 1st January 1965 and also on unconditional release of increments for the year 1964 to all Development Officers. After the Council meeting, the Federation issued a circular stating that in case these demands were not accepted by the Corporation the Federation would start an agitation in March, which would *inter alia* include 'no new business' programme. The Corporation discussed the matter with the Federation President on the 18th February 1965 and impressed on him the unreasonableness of the Federation's demand for unconditional grant of increments. It was also impressed by the Corporation that the contemplated agitation to be launched in March 1965, particularly the 'no new business' programme was obviously meant to coerce the Corporation into accepting their demands. The Corporation urged the President to consider dispassionately the suggestions made to him.

The Corporation regrets that the Federa-

tion has decided to go on 'no new business' campaign, which is not only against the interest of the institution which they are serving but also against the interest of the agents and the general public who wish to go in for insurance protection. The decision of the Life Insurance Corporation Class I Officers' Association and the National Federation of Insurance Field Workers to launch agitation for redressal of their grievances, especially so when the Corporation has done all that it could to meet the legitimate demands of the Class I Officers and the Development Officers is unfortunate. The remuneration of the Life Insurance Corporation Class I Officers is as I stated already on par with Class I Officers of Government and the question of giving them other facilities like medical benefits, etc. is engaging the Corporation's attention. About Development Officers, the utility of a Development Officer depends entirely on the volume of business he is able to bring to the Corporation. The acceptance of the demand for automatic increments without relating it to the performance would not be in the interest of the Corporation and its policy-holders.

In this context I would like to mention that the Corporation's renewal expense ratio has to be within the statutory limit of 15 per cent, prescribed under the Insurance Act. Already on account of the agreement between the Corporation and the Class III and Class IV Employees' Association and the consequent additional cost involved in implementing the agreement, the renewal expense ratio during the year 1964-65 would go up to 13-64 per cent, and to 14-27 per cent, in 1965-66. With the revision of pay scales and the grant of House Rent Allowance to Class I Officers, the renewal expenses ratio will be pushed up further.

The House will appreciate that as envisaged under the Statute, the Corporation has to function on business principles and has, therefore, to keep a continuous check on the renewal expense ratio so that the statutory limit is not exceeded. While I am sympathetic towards the legitimate demands of officers, I cannot but depreciate the agitation, which is not only against the interest of the institution which they are serving

but is also against public interest. I hope that the Federation would still see its way to resume discussions and give up this agitation. I can assure the House that the Corporation wants to be fair to its officers and will do all that is possible to safeguard their legitimate interests and aspirations subject only to the paramount interest of the Corporation and its policy-holders. I do hope the Class I Officers and the Development officers will reconsider their attitude and call off the programme which they have announced. On their part, Government while maintaining an attitude of sympathy towards the genuine difficulties and grievances of the employees, will in the event of the Class I officers and the Development officers implementing their programme of 'Down with Tools' or 'No New Business' render all assistance to the management to ensure that the normal work of the Corporation and the interests of the Policy-holders do not suffer.

In the end I might also mention that a new Chairman has taken charge only last week. I earnestly hope that the Life Insurance Corporation Class I Officers' Association and the National Federation of Field Workers of India will give the new Chairman reasonable chance to arrive at an amicable settlement, which would promote not only the interests of the Class I and Class II Officers but also the interests of the Corporation and its policy-holders.

श्री गिरिराज किशोर कपूर : अध्यक्ष महोदय, मैंने 20 अगस्त 1964 से ही वित्त मंत्री महोदय का ध्यान आने वाले समय के ऊपर आकर्षित किया। सरकार की टाल-मटोल की नीति से इन तीनों महीनों में निगम का क्या बिजनेस हुआ और इन तीन महीनों के पहले कितना बिजनेस हुआ और इस टाल-मटोल की नीति से निगम को कितना नुकसान हुआ—क्या मंत्री महोदय बताने की कृपा करेंगे ?

SHRI T. T. KRISHNAMACHARI : Sir, I have not got the figures before me but the trend during 1964 shows that there may have been a drop in business.

श्री गिरिराज किशोर कपूर : अध्यक्ष महोदय, दो तरह के अफसरान एल० आई० सी० में काम करते हैं। एक तो लाइफ इन्श्योरेंस के उच्च अधिकारी कहलाते हैं, दूसरे फील्ड आफिसर कहलाते हैं। फील्ड आफिसर्स के ऊपर वही जिम्मेदारियाँ हैं जो एल० आई० सी० के दूसरे अधिकारियों के ऊपर रखी गई हैं, मगर न तो उन्हें कोई वार्षिक इन्क्रीमेंट दिया जाता है, न जीवन निदेशक के साथ मंहगाई भत्ता जोड़ा गया है, न मकान और किराए की सुविधा दी गई है और न तनख्वाह के अनुपात में बोनस की व्यवस्था की गई है, न कोई डाक्टरी सुविधा दी गई है और न उनकी अन्य उचित मांगों पर विचार हुआ है। बोर्ड ने एक मत से सरकार से प्रार्थना की है कि यह मांगें उचित हैं और पूरी की जानी चाहिए। फिर क्या सबब है कि इसमें अब भी टाल-मटोल किया जा रहा है और देश को नुकसान पहुँचाया जा रहा है ?

SHRI T. T. KRISHNAMACHARI : Sir, the Corporation is being run by a Board consisting of a Chairman and various other officers. So far it is not being run departmentally by Government. The hon. Member will please forgive me if I say that the premises of the question are a bit incorrect too. There is of course the provision to give annual increments to these Development Officers provided their business is good. Now these Development Officers occupy a somewhat anomalous position for this reason. They are not the people who procure the business, nor are they the officers who register the business and take further action; they are in between the two and a number of factors intervene and their increments are governed by them; and their increment is subject to their getting the agencies to increase the business, but the other facilities which, I believe, under the agreement that they had last year, many of them have been conceded, but I would not say anything more at the moment. Therefore I feel that the hon. Member's question is not correct, nor is it a primary responsibility of the Government — Government only come in a secondary way — and so far as I am concerned, I do

[Shri T. T. Krishnamachari.]

not think Government have said anything about the Development Officer's remuneration, though we feel it is quite correct that where there are increments, the increments are not automatic in the case of officers whose work has to be evaluated, and naturally their increments are subject to the evaluation of their work.

श्री बिमलकुमार मन्नालालजी चौरडिया :

श्रीमान् ने अपने वक्तव्य में यह बताया कि उनके लेजिटिमेट डिमान्ड्स पर विचार करेंगे और कहा कि उन्हें अपना हड़ताल खीरह सब वापस ले लेना चाहिए । क्या सरकार ने अभी तक यह निर्णय किया कि उनकी कौन-कौन-सी लेजिटिमेट डिमान्ड्स हैं जिनको आप मानने के लिए तैयार हैं । दूसरी बात यह है कि हमारी इस सरकार की परम्परा हो गई है कि जब तक हड़ताल नहीं की जाए, कुछ प्रदर्शन नहीं की जाए, तब तक कुछ सुनती नहीं । तो ऐसी स्थिति में जब उन्होंने काफी अरसा पहले सूचना दी थी और अपनी मांगें प्रस्तुत कर दी थीं तो उन पर शीघ्र निर्णय क्यों नहीं लिया जा रहा ? तीसरी बात, आज के अखबार में प्रकाशित हुआ है कि वित्त मंत्री महोदय ने उनके कुछ अधिकारियों से चर्चा की है, हाल के दो-एक दिनों में, तो उस चर्चा का क्या परिणाम निकला है ?

SHRI T. T. KRISHNAMACHARI : I am afraid again the hon. Member has not quite correctly understood the position of Government in regard to this institution. This institution is being managed by a Board and there are only certain residuary powers vesting in Government, and Government do not exercise those powers without due reasons, and I can tell, the hon. Member might be interested to know, that I have not met anybody, nor have I the intention of meeting anybody. I say so because the Chairman is there—he is in charge of the position—and I believe they had mentioned to him that they would meet him in Delhi. and the Chairman has come over to Delhi in order to meet them this evening, and I would defer my comments, if any I have

to make, until that meeting takes place, until the results of their discussion are known.

'SHRI D. THENGARI : Sir, may I refresh the memory of the hon. Finance Minister because his statement suffers from certain serious inaccuracies ? Regarding annual increments, the Memorandum of Settlement between the Life Insurance Corporation and the National Federation of Insurance Field Workers clearly states :

"N.F.I.F.W.I. has been demanding that the present system of appraisals should be ended and Development Officers be granted regular annual increments in the time scale of pay. The Development Officers have under certain appraisal formulae developed the organisation of business for the past eight years. The time has now come when the introduction of a regular annual increment in the time scale of pay may be considered. The L.I.C. therefore agrees with N.F.I.F.W.I. that introduction of a regular annual increment in the time scale of pay would be feasible as it gives a sense of security to Development Officers. Both sides agree that a regular annual increment in the time scale of pay should ultimately progressively result in greater efficiency in developing business of L.I.C. on sound and healthy lines," etc.

Then in the monthly magazine of the Life Insurance Corporation of India 'Yogakshema' published from its Central Office in the month of August 1964, there is a speech by the Chairman of the L.I.C. reported therein, and he has said on July 18, 1964.

MR. CHAIRMAN : Mr. Thengan, if it is a speech, it is bound to be long. So will you please give the purport of what you want to say ?

SHRI D. THENGARI : Yes, Sir; in his speech also he has admitted that the principle of annual increments has already been accepted by the L.I.C. In a recent letter from the L.I.C. to the Federation of

Insurance Field Workers dated the 30th January, 1965, it is stated :

"As you are aware, the principle of regular annual increment in the time scale of pay has been accepted by the Corporation."

In view of this the statement by the hon. Finance Minister is certainly incorrect and there is no justification whatsoever for denying regular annual increments to them. Regarding the method of implementation it has already been suggested that provision No. 2 of sub-clause (2) of section 56 of the Staff Regulations should be deleted, and section 39 of the Staff Regulations should be used, as it is used for purposes of penalty, as a disciplinary action against all employees. Secondly, the question of house rent also was accepted, but it is not being given. So are we to understand . . .

MR. CHAIRMAN : Everything has been conceded, it seems. What is the trouble about ?

SHRI D. THENGARI : No, what we want to say is . . .

SHRI A. B. VAJPAYEE : Not implemented.

SHRI D. THENGARI : What we want to ask is : Is it a sort of loss of memory that whatever had already been accepted is not now being remembered by the Government ? It is all in black and white, particularly the principle of annual increments. It has been accepted and yet now it is being said by the hon. Finance Minister that they are not in a position to do so; so many arguments are being advanced . . .

MR. CHAIRMAN : He said that it was not automatic; he gave the reasons.

SHRI A. D. MANI : He does not accept automation.

SHRI T. T. KRISHNAMACHARI : One thing the hon. Member forgets is this. Of course I might suffer from amnesia and I

think the hon. Member also will do; when he attains my age he may also probably suffer from the same ailment. Now I do not come in in this case, because I was not a party to these discussions. I did not infringe any agreement. I did not write any letter to them and therefore there is nothing incorrect in what I said. But may I point out to the hon. Member that what he says is right ? But still, the standards and norms for which these regular increments could be given were held over for further discussion. The question is fixation of the standards and norms; what are the standards to be fixed ? If a person does not get increased business; should he get his regular increments all the same ? that is the question. Therefore it is a matter which has to be qualified by the discussion that is to take place to establish the standards and norms, and as such there is no basic inaccuracy in what I have said. I quite agree that the hon. Member is extremely well informed, may be the Life Insurance Corporation officers have not briefed me to the same extent and I have not done as well as he. I hope my officers would brief me better in future.

SHRI DAHYABHAI V. PATEL (Gujarat) : Sir, in view of the Finance Minister's answer and in view of the fact that there has recently been a change in the Chairmanship and the new Chairman has taken over recently, may I take it from him that all the difficulties of the employees will be reviewed and all their grievances will be considered sympathetically and an early settlement will be arrived at with the employees ?

SHRI T. T. KRISHNAMACHARI : I would like to assure hon. Members that nothing would give me greater pleasure than to see that there is amicable relationship between the management and the employees and I have every confidence that the officer who has taken charge will do his level best to reach that very desirable end.

SHRI DAHYABHAI V. PATEL : May I ask one more question. Sir ?

MR. CHAIRMAN : Yes.

SHRI DAHYABHAI V. PATEL: There has been a feeling amongst certain categories of senior officers that their case has not been reviewed. Will the Finance Minister recommend that their case also may be reconsidered?

SHRI T. T. KRISHNAMACHARI: They can make a representation to the Chairman or the Board, 'Sir, and it is for the Chairman or the Board to consider this matter. I have no knowledge of any such thing. Maybe they have got a grievance of which I am not cognisant.

MR. CHAIRMAN: Shri Ram Singh, Shri Sundar Mani Patel, Shri Kuthna-swamy, Shri Lokanath Misra, Shri I. K. Gujral.

SHRI I. K. GUJRAL (Delhi): Sir, time and again the issue has arisen here of the relationship between the Corporation, this L.I.C, and the Government; and unfortunately, every time the stand taken here has been that the Government should leave it to the Corporation which is autonomous. I would like to ask the hon. Minister through you, Sir, whether after appointing the Board of Directors which does not manage the affairs of the Corporation well and which results in dissatisfaction all round and which also results in a drop in business as has been said by the hon. Minister, in the middle of 1964, and a stage has come when there is a proposal to completely close the Corporation, will the hon. Minister consider, firstly, the possibility of reconvening the Board of Directors in such a way that it has on its representatives of the employees, as well as of the policyholders so that it is more sensitive to the needs of the time; and secondly, if he will agree to referring the entire issue to an independent tribunal to determine and settle the issues once and for all?

SHRI T. T. KRISHNAMACHARI: Again I have the misfortune of having to point out to the hon. Member that the pre-mises of his question do not exist. I am unable to give him any satisfactory answer to the demand made and the Government does not propose to do anything of that sort.

SHRIMATI SHAKUNTALA PARANJPYE (.Nominated): May I know how many Development Officers were denied increment because they were not able to get enough business and how many were given, the increment?

SHRI T. T. KRISHNAMACHARI: I would like to have notice, Sir.

MR. CHAIRMAN: Mr. Kumaran, you also want to ask a question? There is a long list of names here—of those who had given notice of the question and I have called all their names. But if further questions are necessary, you may ask.

SHRI P. K. KUMARAN (Andhra Pradesh): The hon. Minister completed his Statement with the hope that there will be a settlement since he has appointed a new Chairman who has taken charge only last week. May I know whether the previous Chairman was subject to any handicap in negotiating the issue with the persons concerned? Secondly, may I know what objection the Government has to calling the representatives of the Corporation, the representatives of the Employees' Federation and the Government representatives at a tripartite meeting to thrash out the issue? What is the Government's objection to that?

SHRI T. T. KRISHNAMACHARI: It does not follow that when a Chairman vacates his office by flux of time that he is responsible or that any adverse inference can be drawn about his administration. 'Secondly it is for the Corporation to sit down with these people and discuss the matter.

PAPERS LAID ON THE TABLE

THE INDIAN AIRCRAFT (FIRST AMENDMENT) RULES, 1965 AND EXPLANATORY NOTE THEREON

THE MINISTER OF CIVIL AVIATION (SHRI N. KANUNGO): Sir, I beg to lay on