

on the Table a copy each of the following Declarations of Exemption under the proviso to section 6 of the Registration of Foreigners Act, 1939—

(1) No. 1/2V57-F.L., dated the 21st March, 1957 (1 Declaration).

(2) No. 1/27/57-F.I., dated the 10th April, 1957 (6 Declarations).

(3) No. 1/28/57-F.I., dated the 11th April, 1957 (1 Declaration).

(4) No. 1/30/57-F.L., dated the 18th April, 1957 (1 Declaration).

(5) No. 1/33/57-F.L., dated the 16th May, 1957 (1 Declaration).

[Placed in Library. See No. S-66/57.]

MINISTRY OF FINANCE NOTIFICATIONS

THE DEPUTY MINISTER FOR FINANCE (SHRI B. R. BHAGAT): Sir, I beg to lay on the Table a copy each of the following Notifications under sub-section (4) of section 43B of the Sea Customs Act, 1878:—

(i) Ministry of Finance (Department of Revenue) Notification No. 55, dated the 4th May, 1957, relating to the allowance of drawback in respect of duty-paid foreign pyridine base and chlorosulphonic acid used in the manufacture of "Solubilised Vat Green IB Type Powder."

(ii) Ministry of Finance (Department of Revenue) Notification No. 56, dated the 4th May, 1957, publishing the Customs Duties Drawback (Dye Stuffs) Rules, 1957.

[Placed in Library, See No. 75/57.]

THE COAL BEARING AREAS (ACQUISITION AND DEVELOP- MENT) BILL, 1957—*continued*

MR. CHAIRMAN: We have just 21 minutes left.

THE MINISTER FOR MINES AND OIL (SHRI K. D. MALAVIYA): Sir, the few speeches made yesterday in connection with this Coal Bearing Areas (Acquisition and Development) Bill led me to the impression of a general support that this Bill receives

from the House. Therefore, my task is not very difficult, except that I have to meet a few of the caustic remarks made, reflecting on the efficiency of the Government, the State concerns or the general public sector. Before I say something about it, I would, with your permission, deal with the specific points raised by some of the hon. Members while criticising or offering some suggestions on the Bill.

Let us take first the suggestion made by Mr. Sinha who undoubtedly made some notable contributions to the debate and I should offer my congratulations to him. Nevertheless, it is not possible for the Government to accept them with the insinuations, if I am allowed to say so, or to accept the advice based on his presumption of the entire situation concerned. He predicts that the cost of production of coal will rise after the end of the Second Five Year Plan mainly because the Government have taken upon themselves the responsibility of raising a production of 12 million tons of coal.

SHRI RAJENDRA PRATAP SINHA (Bihar): Probably, my hon. friend is confusing me for some other Member. I never said that the cost of production would rise. Probably, Mr. Parikh said about that.

SHRI K. D. MALAVIYA: Well, I gathered the impression from his speech also that he was doubtful about the efficiency of the public sector.

SHRI RAJENDRA PRATAP SINHA: No, no. I was merely saying that probably, my fear was that you would not be able to deliver the 12 million tons of additional coal. That was my only contention.

SHRI K. D. MALAVIYA: I am coming to that. Anyway, I can assure the House that we do not feel, after our assessment of the whole situation and the programme that is before us, that there is any justification for the fear that the cost of production of coal

[Shri K. D. Malaviya.] might rise mainly because it is now substantially proposed to be handled by the public sector. I do not find any justification for the fear which Mr. Sinha entertains that we may not be able to achieve the target that has been set by us. I do not know how he has come to that conclusion. If there is any rational thinking behind this, then, I would like to know this from him by private conversation. But I may tell the House that in spite of the fact that for decades the private sector held the monopoly in the field of development of coal areas, they could not go beyond 35 or slightly less million tons of coal. Whether they had their own difficulties or not, I do not discuss; I do not want to deal with that. But the fact remains that their progress was slow; there was something wrong there.

It is after giving consideration to the progress made so far and the difficulties that the country faces with regard to fuel that we have decided for a change in the institutional setup. But it is not wholly with the intention of excluding the private sector. The underlying policy is not to exclude the private sector but to go side by side with it and try to expedite and step up the target of production according to the schedule that we are putting before the House.

Mr. Sinha also wanted us to nationalise the coking coal mines and to have washeries because, as he rightly thinks, without washeries, the programme of coal production and the problem of transport cannot be achieved satisfactorily. We are already contemplating to have a number of washeries—two or three in the private sector and one in the public sector at Bokaro. The three washeries that are being planned in connection with the steel plants will be entirely in the private sector. One washery is contemplated under the public sector at Bokaro Kargill area. So, there are four washeries that we are planning to have in this Plan period. Washing of coal in order to lessen the ash-content and to lessen

the transport difficulties is undoubtedly an important aspect of coal production programme and we are keenly alive to it.

Then, Sir, Mr. Sinha raised the question of contiguous areas

SHRI BAJENDRA PRATAP SINHA: May I know, Sir, what is the total output expected from these washeries?

SHRI K. D. MALAVIYA: The plans are perhaps not yet finally ready and I am not in a position to tell the House now as to the quantity of coal that could be washed under these plans. But, Sir, he referred to the contiguous areas. He perhaps does not want us to interfere with such contiguous areas which are under the private sector today. Sir, it is not the intention of the Government to interfere with the legitimate expansion of the private sector wherever the areas are being worked by them. The intention is to examine the technological and economic aspects of such unworked areas which could be taken up conveniently by the Government with a view of expeditiously take up the work of starting coal mining in that area. Therefore, we will examine, as I said, the technological and economic aspects of the question and we will 'of course' give all legitimate help and extend our co-operation to the private sector in order to enable it to achieve the target which has been set for it.

Then, Sir, Mr. Sinha feels that some of the compensation clauses are too liberal. Well, we feel that they are adequate. But if he thinks that they are liberal, that may be so. At any rate there will be the feeling that we have not been unjust so far as the private sector is concerned, because we want it to prosper side by side with the programme that is being envisaged by us.

Then, Sir, Mr. Himatsingka referred to the inefficiency of the Government collieries and he said that there were huge losses sustained by the public collieries. As was pointed out by my

.senior colleague, the Minis *Urf* ior Steel, Mines and Fuel, the overall picture is not so bad as has been made out by Mr. Himatsingka. There were a number of collieries where losses were sustained, and the difficulties were real. The transport and geographical conditions were not quite favourable for the economic development of those specific coal mines. But the net profit accrued to the Government after the working of the Government mines was about Rs. 34-97 lakhs. The profit in 1953-54 was Rs. 42-5 lakhs. But since the capital cost of a shaft in the Jarangdih mine, which was abandoned many decades ago, was written off in 1953-54, the net profit was reduced by Rs. 1'35 lakhs. And therefore the true net profit in that year was only Rs. 42-5 lakhs.

SHRI C. P. PARIKH (Bombay): What was the capital invested?

SHRI K. D. MALAVIYA: I am afraid I will not be able to give you those figures just now. But I am pointing out the overall net profit that all the State collieries made in the year 1953-54.

SHRI C. P. PARIKH: Sir, I am entitled to know the capital outlay in order to understand the percentage of profit.

SHRI K. D. MALAVIYA: So far as their profits are concerned, I have said that I have not got the figures of the capital outlay here. But when I said that the net profit was Rs. 42.5 obviously that did not mean any loss. But I will let the hon. Member have the actual figures so the capital outlay is concerned.

As I said, Sir, there were huge losses in some of the collieries, but 'the causes' were unavoidably, and I think that as we proceed with our programme of tackling the public collieries, these difficulties will be met with successfully and the losses will not remain as they have remained in the previous one or two years. Well, Sir, I have some figures

with regard to the capital outlay; Rs. 7-5 crores is the written down value of the capital

SHRI C. P. PARIKH: A half per cent, return.

SHRI K. D. MALAVIYA: Well, he can make his own calculations.

SHRI C. P. PARIKH: Does it cover depreciation also?

SHRI K. D. MALAVIYA: It does include depreciation also.

Then, Sir, my hon. friend Shri Kishen Chand thought that we were giving unnecessary compensation to a class of prospectors who were more or less speculating and selling away their fields after having obtained the concession from the Government. Well, Sir, it is very difficult to distinguish between a genuine prospector and a speculative prospector. The rules for compensation will not be able to make such distinction. Moreover, Sir, it is difficult to understand the speculation involved after a technical prospecting has proceeded for some time. Well, I can conceive of some one just trying to get hold of a field on the guess that it might contain coal. But prospecting cannot be speculative and the process of prospecting involves some technical investigation which involve a certain expenditure of money. It is very difficult, Sir, to distinguish between a genuine or the so-called speculative prospector. Therefore, it will not be easy for the Government to choose such coal fields only which are supposed to have been selected by the methods of speculation.

Then, Sir, Mr. Bhupesh Gupta gave his general support—no—his enthusiastic support to the Bill. Well, that is my presumption. And I am glad that he understood the spirit behind the Bill more than some of the Members that made caustic remarks about the efficiency or otherwise of the Government coal mines. All may not be well so far as the standard of efficiency of working these coal mines is concerned. There may be

[Shri K. D. Malaviya.] many reasons for this. But I would like to point out in connection with the remarks made by my "friend, Mr. Parikh, yesterday regarding the inefficiency of the public sector and lack of support to the Private Sector, that almost the entire coal-bearing area of the country is today held by the private sector. I want to know as to what standard of efficiency has been shown by the private sector in developing these coal-bearing areas. I would not like to mention but I would just like to give an idea of the dimension of areas held by these gentlemen who claim to be efficient and who think that once a venture comes under the public sector, there is nothing but inefficiency, corruption and maladjustment of finances.

Now, let us look at the picture of the private sector so far as the coal-bearing areas are concerned. One of the parties hold 2 lakh acres of coal fields; another 1,600 acres; then a third party 40 sq. miles, about 25,000 acres; another 2,500 acres. One party holds licences and concessions for 261 villages, another for 33 villages, a third for 36 villages and so on. The list is long.

SHRI BUHPESH GUPTA (West Bengal): But what are you going to do about them?

SHRI K. D. MALAVIYA: The period is not for 20, 30 or 40 years, but they have a monopoly for 999 or 75 years so far as the concessions are concerned. It was all done before the Mineral Concessions Rules were promulgated in 1949. Some of these have been holding coal-bearing areas for decades, and the percentage of the total areas that might have been developed by them may be so poor that I would like to mention it here. The fact is that the areas which have been actually developed by them is very very little in comparison with the areas that they hold.

Now, my friend, Mr. Parikh, compared the coal industry with the tex-

tile, sugar and cement industries, by saying that they are most efficiently and economically run and are making profits, as against the ventures in the public sector under the Government which are not run efficiently; they do not make any profit and so on and so forth. It seems that the allegation is that inefficiency is the monopoly of the Government and that the private sector is not inefficient and that it is expanding in the most healthy way and that therefore it should be allowed to go on unhampered. I do not agree and there I will stop except to say that the Government do not want to throttle the progress of that part of the private sector which is engaged in industrial pursuits consistent with the policy adopted by the Government. We have adopted a mixed pattern of economy so far as industrial programmes are concerned. But to presume that inefficiency is the monopoly of one section of politicians who rule the country is, to say the least, not to understand the problems which face the industry. Inefficiency might have grown out of environments, natural or man-made so far as specific industries are concerned, or slow progress of development might also be the cause of certain environments. But the fact is that there is inefficiency in the handling of both the private sector and the public sector, and it is not fair to compare the coal industry, the slow progress in coal-bearing areas under Government agencies, with industries like the textile or sugar industry. The problem of transport, communication and so many other facilities which are associated with industries like cement, textiles and sugar, are not generally associated with industries like coal, which is found sometimes in isolated places where there are no transport facilities, no communication facilities, and it takes years for those facilities to develop. Till then the progress is inherently slow. A time comes when all these facilities are available, and then the momentum of the progress of development goes high. Therefore, to say that the cement, textile and

sugar industries have prospered because they are under the private sector is not to assess all factors that go to step efficiency.

Of course, the profit motive is there in the Private Sector and the less I say about the profit motive the better it will be for me, because I do not want to raise controversial issues, especially when the Government have adopted a mixed pattern of economy. Personally I feel somewhat differently about it. I think that the factor of the profit motive is one of the main causes which have created imbalance in our economy, and this clash between the private sector and the public sector could be reduced to a very reasonable dimension if the private sector could concretely draw a picture of the profit motive as is now being envisaged by a socialistic pattern of administration, but I would not like to say more about it.

SHRI BHUPESH GUPTA: The Finance Minister does not share his sentiments.

SHRI K. D. MALAVIYA: It is being made out by the advocates of the private sector that socialism which stands for social justice, equality of opportunities and all that, cannot be ushered in by mere institutional changes, and that the problem is more fundamental. Yes, the problem is surely more fundamental, but my submission is that these fundamental problems include the necessity of institutional changes. Unless the entire concept of diversified understanding of the profit motive is radically changed in favour of the common producer, it is no use insinuating that socialism cannot be achieved by mere institutional changes. The institution of the private sector in a welfare State like ours based on the philosophy of democratic planning

SHRI BHUPESH GUPTA: I think that the philosophy portion may be cut short. The time is short.

MR. CHAIRMAN: He has support from you and opposition from the back benches.

SHRI K. D. MALAVIYA: He stands for complete nationalisation. He advocates the philosophy of complete nationalisation.

MR. CHAIRMAN: Hurry.

SHRI K. D. MALAVIYA: I will not take more than a couple of minutes. Since Government have decided in favour of a mixed pattern of industrialisation, we want to live and let live, and we want to work our coalmines efficiently. I have nothing more to say except that the role of profits can be recognised only within limits, only so long as that does not encroach upon the interests of the large mass of the people. This Bill therefore seeks to accommodate the viewpoints of all sections of the House, the ruling party and the opposition. We hope that, once we forge ahead with all the programmes that are before us, we shall improve the efficiency of the working of the coal-bearing areas that will come under us, and by our example we will also see to it that the private sector improves its efficiency and prospers in the manner that they ought to. I have nothing more to say.

MR. CHAIRMAN: The question is:

"That the Bill to establish in the economic interest of India greater public control over the coal mining industry and its development by providing for the acquisition by the State of unworked land containing or likely to contain coal deposits or of rights in or over such land, for the extinguishment or modification of such rights accruing by virtue of any agreement, lease, licence or otherwise, and for matters connected therewith, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: We shall now take up clause by clause consideration! of the Bill.

Clauses 2 to 28 were added to the iBill.

iClause 1, the Title and the Enacting Formula were added to the Bill.

THE MINISTER FOR STEEL, MINES AND FUEL (SARDAR SWARAN SINGH) : Sir, I move:

"That the Bill be passed."

MR. CHAIRMAN: Motion moved:

"That the Bill be passed."

SHRI BHUPESH GUPTA: Sir, I -reserved my sugge^eions with regard to the compensation clause, clause 13. It is an unlucky number but unlucky for the people and very lucky for the capitalist class. The order has been reversed.

Now it is an elaborate clause printed in boM letters as I was pointing out yesterday. My whole complaint with regard to this clause is that this is a erne of things which disregards national interests and goes out of its way to offer generous compensation not at all justified by the facts of our economy to the people from whom the coal-bearing areas are to be taken over. Reference was made to the 5 per cent, interest. The hon. Minister thinks that this is very fair compen sation. I oppose the 5 per cent, that is to be given when we know the bank rates are much lower. The hon. Minister just now gave us an idea as to the monopolistic grip of certain individual firms or individual houses—and he has chosen not to name them, I don't know for what reason—and if i take into account the rich people, the millionaires and others, I don't see why such heavy compensation should be provided. We have seen that when for national reconstruction, land is acquired from the tenants or peasants, ther it is Bhakra-Nangal area or D.V.C. area, very inadequate compen sation is given and even that is not ly paid to the great hardship of the l

When it comes to the of the coal-bearing areas, the Government gives with both hands.

Perhaps they are also election fund bearing areas of the Congress Party. Thai is why they are so generous in regard to this m^eter. We are opposed to it because it will be frittering away the resources of the country and every time you contemplate taking over some coal-bearing areas, you would be confronted with the question of what you provide for here as compensation. It will be pointed out to you by other agencies which are interested in the private sector like Mr. Parikh that the Government money should not be spent when the private sector can develop these things. Thi3 argument will be advanced. I can tell you that this is always made and they will shed crocodile tears about the loss to the exchequer. This thing we are faced with all the time. Therefore when the Government agree with the ideology, they should make it clear to them that the Government is interested in taking over these areas for the development of the industry and for really establishing some sort of a grip over the areas that are contiguous to the coal industry which is so vital to our economic life today. Again we are interested in expediting this programme. What is the use of having a Bill of this kind if it is not implemented. Here is my hon. friend who like the mixed economy, makes mixed speeches. He was telling on the one hand that the private sector is good, on the other hand he was very much concerned about the contiguous areas of the private sector which should not be taken over for the development of the country and he is a very genuine friend of ours and he was saying—I can make a very dry speech if you like—that we want the delivery of coal and all that. This is another type of argument. If you drop the contiguous areas of the coal-bearing areas on the ground that they are contiguous to the working coal-mines, you will have very little because the capitalist class, especially this class, will know how to frustrate the purposes of this measure by pointing out that the particular area is quite contiguous and all that. All these tricks will be there. I have understood the spirit of your

Bill. I would only ask the hon. Minister not to be satisfied with the spirit of the Bill but to translate the spirit into tangible, concrete action that will be in a position to deliver the goods to the nation. This is what I ask from the hon. Minister.

Therefore, it will be necessary for the Government to take over the contiguous areas of the present coalmines. It will be essential. You cannot shirk that responsibility. Therefore I say the big compensation should not be provided here, for many of these properties are inherited properties. It is not earned, it is unearned patrimony, descending from one generation to another, from one landed class to another who are speculating on the land, who are making all kinds of unsocial uses of this land. I don't see as to why any consideration should be shown to them.

Then clause 16 says:

, "If the sum which in the opinion of the Tribunal ought to have been awarded as compensation is in excess of the sum which the Central Government has stated to be a fair amount of compensation, the award of the Tribunal may direct that the Central Government shall pay interest on such excess at the rate of five per centum per annum from the date on which it became payable to the date of payment of such excess."

Now it seems that the Tribunal would be given power to look into these cases and increase the rate. The tribunal is not being given power expressly to decrease. Here it is being given powers to increase the rate that the capitalist class or the coal-miners, might seek to get from the Government. I don't like this provision to be here at all. I would ask the hon. Minister to reconsider this matter and see that whatever little authority they have got does not become a propaganda platform of the Congress party but becomes a practice in our economy.

MR. CHAIRMAN; Every speech is like that.

SHRI RAJENDRA PRATAP SINHA: Six, the fears that I expressed yesterday were based on the fact that the performance of the public sector in the First Plan was not good. The statistics show that during the first four years of the Plan, the raisings in the public sector went down. They could not utilize all the money allotted to them. On that ground I had my fears.

[MR. DEPUTY-SPEAKER *in the Chair.*]

I wish the Minister in charge had dispelled any fears by giving concrete figures of raisings during the last 2 or 3 years and had shown that the raisings in the public sector had gone up. Then I talked about diversification of production in the various parts of the country. The hon. Minister did not say anything about it. I would like here to say a few words regarding the Korba coalfields.

Sir, at the outset I would like to record my great appreciation of the energetic work done by the Bureau of Mines there in drilling and I wish that the National Coal Corporation would take advantage of the work that has been done there already. There are conflicting reports of the progress there and I would like to know what the raisings now are and what are the prospects of raising more coal by 1960. I am told that the quality of coal from the Korba thick seam is very very poor. It is a very low grade coal and its ash content is between 30 and 45 per cent. I am also told that this coal is not markettable. Is it not desirable that experiments should be conducted to find out whether the ash content of this coal could or could not be reduced by establishing a washery there? We must find some use for all this coal that we are producing, the low grade coal, and I think that if we can have a low grade coal burning furnace for producing electricity for the Bhilai Steel Plant as we are having at Bokaro, it would be very interesting and good. The other suggestion that I would like to make in this regard is that all the boilers that are to be established in the

[Shri Rajendra Pratap Sinha.] West and the South-West—markets which could be served from this coalfield—should be licensed only to use coal containing a high percentage of ash. It can be made a rule, that no boiler could be installed in those areas which cannot consume coal with an ash content of 35 per cent, and more. This is my submission with regard to the utilisation of the coal that is being raised there.

Coal produced in the other area, namely, Ghordewa is I am told of very good variety. The Bureau of Mines, as I said earlier, have done a very good work by locating good coal in this area. I am told that the coalfields of this area are at a little distance away from the railhead and I think the Government should take an immediate decision to extend the railway line so that we can utilise the coal that is likely to come up. It has now been proved that there is good quality coal available there and it should be used. We are told that a bridge will have to be constructed on the Hasdeo River and the railhead extended. What is the decision of Government in this respect? I think, Sir, we should take quick decisions in this matter.

SARDAR SWARAN SINGH: The point that has been raised about the quantum of compensation is not a new point. The only objection which has been raised by my friend, Mr. Bhupesh Gupta, is about the 5 per cent, rate of interest that is provided for in addition to the actual out of pocket expenses. I do not think, Sir, that a rate of 5 per cent, for the first five years and 4 per cent, for the subsequent years with a ceiling of 50 per cent, is in any manner an excessive rate to be paid by way of compensation.

He has shown some anxiety about the implementation of the Bill. I had occasion to say something with regard to this that Government attach very great importance to the expeditious passage of this Bill. The other thing

as to which area should be selected what should be the best method of raising coal and all that, they are all dependent on our having the authority to get hold of these areas, and the other steps that Government propose to take will necessarily follow first our acquiring that area and it is for that purpose that this Bill is necessary.

SHRI BHUPESH GUPTA: You should acquire some best areas.

SARDAR SWARAN SINGH: We will try to acquire areas which we think are necessary in the overall national interests of the country. We do not want to act in such a manner that there may be justifiable cause for complaint that we are necessarily picking areas to trouble people and to annoy people. That is not our approach as unfortunately the feeling is in that quarter.

SHRI BHUPESH GUPTA: That is the trouble.

SARDAR SWARAN SINGH: I quite appreciate the difficulty of my hon. friend, Mr. Bhupesh Gupta. He is not opposed to the principle of the Bill; he likes the Bill but even with regard to those things which he likes, if they happen to be put forward by Government he must have something to say about them. Therefore, he is placed in that uncomfortable position. I have every sympathy with him on that score but I would like to assure the hon. House that our endeavour while implementing this Bill would be to select areas wherefrom actual coal raisings could be effectively undertaken and also could be well-utilised. For instance, the transport pattern should fit in with the place which we select with the requirements of that area or the requirements of other industries. That is the main reason for undertaking coal production in the public sector. Apart from this, the other reasons are the payment of proper wages to the coal mine workers and the exploitation of this important mineral resource in the best interests of the country. I was not here yesterday when Mr.

Parikh had his tirade against the public sector and used all types of adjectives. One fundamental thing has to be remembered in the exploitation of the mineral wealth of the country. There can be exploitation of the mineral wealth in a manner that the receipts may be quick and considerable but ultimately the country will lose because it is not economic exploitation of the mineral resources. Therefore, Government's method of tackling this important matter will be in such a manner that the overall development of the mineral resources of the country is such that it is used to the maximum extent and in the most economical manner and so that the economy of the country as a whole receives strength from that exploitation and it does not get weakened. In that connection, suggestions which have been made by my friend, Mr. Sinha, about the use of the coal that might be exploited are worth examining. I cannot detail, in the course of this debate, as to what is going to be the attitude with regard to each particular suggestion that has been made but obviously these are the types of considerations that will have to be kept in view while utilising the coal that is produced as a result of the activities of the Corporation. Therefore, Sir, the Bill will be implemented in such a manner as to produce coal—and produce it in an effective manner—and to utilise it in the overall interests of the industrial development of the country.

MR. DEPUTY CHAIRMAN: The question is;

"That the Bill be passed." The motion was adopted.

THE LIFE INSURANCE CORPORATION (AMENDMENT) BILL, 1957

THE DEPUTY MINISTER FOR FINANCE
(SHRI B. R. BHAGAT) : Sir, I beg to move:

That the bill further to amend the Life Insurance Corporation Act, 1956, as passed by the Lok Sabha, be taken into consideration."

Sir, an Ordinance was promulgated by the Central Government on the 20th April 1957 amending section 11(2) of the Life Insurance Corporation Act, 1956. It is primarily to replace that Ordinance that this Bill is being brought before the House. Advantage has, of course, been taken of this opportunity to amend a few other sections of the Act also in the light of the experience gained in the working of the provisions of this Act. The House would, no doubt, Sir, expect me to indicate on this occasion, though briefly, the reasons underlying the promulgation of the Ordinance by the Central Government. As the Members are aware, consequent on the nationalisation of the life insurance business, all the two hundred and odd former insurance companies went out of existence and their business was taken over by the Life Insurance Corporation. Along with the business it took over, the Corporation also succeeded to the services of the employees of the former insurers, and all of them became from the 1st September 1956, employees of the Life Insurance Corporation. As employees of different insurance companies with different resources and standing, the various groups of employees, who came into the establishment of the Corporation enjoyed varying conditions of service. It was realised that it would be necessary to bring all these groups on to a common set of conditions of service. It was in view of this need that section 11 of the Life Insurance Corporation Act was inserted in a fairly elaborate form. Under the first of the subsections of this section, that is, section U, the Life Insurance Corporation was granted powers to revise the terms and conditions of service of its employees in accordance with normal statutory enactments. This alone would not have been enough to meet the needs of the case, and therefore section 11(2) was inserted enabling the Central Govern-