

the U.K. and the U.S.A., that the penicillin produced at Pimpri is of the same standard as produced in those two countries. The good quality of the penicillin produced at Pimpri is always stressed in all publicity given to the products of Hindustan Antibiotics Ltd.]

### साँभर झील के नमक के व्यापार पर लगे प्रतिबन्धों को हटाना

२२४. श्री नवाब सिंह चौहान : क्या उत्पादन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का इरादा साँभर झील के नमक के व्यापार पर लगे प्रतिबन्धों को हटाने का है ; यदि हाँ, तो इस बारे में योजना क्या है और इस दिशा में अब तक क्या प्रगति हो चुकी है ; और

(ख) किन किन राज्यों के लिये ये प्रतिबन्ध पूर्ण अथवा आंशिक रूप से हटा दिये गये हैं और भविष्य में किन किन राज्यों में यह योजना चालू करने का विचार है ?

†[REMOVAL OF RESTRICTIONS IMPOSED ON TRADE OF SALT FROM SAMBHAR LAKE

224. SHRI NAWAB SINGH CHAUHAN : Will the Minister for PRODUCTION be pleased to state :

(a) whether Government propose to remove the restrictions imposed on the trade of salt from the Sambhar Lake; if so, what is the proposal and what progress has so far been made in this direction; and

(b) what are the names of the States for which restrictions have been totally or partially removed and the names of the States where the scheme is proposed to be introduced in future?]

उत्पादन मंत्री (श्री के० सी० रेड्डी) : (क) जी हाँ । इस बात का फैसला करने से पहिले कि साँभर झील में नमक के व्यापार पर लगे प्रतिबन्धों को पूर्णतया हटाया जाये या नहीं सरकार ने, संबंधित राज्य सरकारों की सलाह से प्रयोग के रूप में यह निर्णय किया है कि हिमाचल-प्रदेश, पेंसू, अजमेर, देहली और पंजाब में भेजे जाने वाले नमक का ५० प्रतिशत भाग, साल्ट एसोसियेशन लिमिटेड साँभर झील को दिया जाए ; जिसे वह राज्य सरकारों द्वारा नामजद व्यापारियों के मुकाबिले में सस्ता बेचने का प्रयत्न करे ।

यह प्रयोग १ अगस्त, १९५६ से आरम्भ हुआ । तीन महीनों के अनुभव के बाद इस योजना को साँभर झील से नमक लेने वाले राज्यों पर तथा अन्य सरकारी कारखानों से जाने वाले नमक पर भी लगाने का विचार किया जायगा ।

(ख) पंजाब, अजमेर, देहली, हिमाचल-प्रदेश और पेंसू राज्यों ने मान लिया है कि प्रतिबन्धों को आंशिक रूप से अथवा पूर्णतया हटाया जाय । यदि यह प्रयोग सफल हुआ तो राजस्थान और उत्तर प्रदेश में भी, उन राज्य सरकारों की राय से, इस पर अमल करने का विचार है ।

†[THE MINISTER FOR PRODUCTION (SHRI K. C. REDDY) : (a) Yes, in order to enable Government to decide whether the restrictions on the salt trade at Sambar Lake may be removed entirely, it has been decided, as an experimental measure, in consultation with the State Governments concerned, that 50 per cent. of the quotas released by the States of Himachal Pradesh, PEPSU, Ajmer, Delhi and Punjab for 'free trade' should be allocated to the Salt Traders' Association Ltd., Sambar Lake, for sale in the States concerned in competition with the State Government nominees. The revised scheme mentioned above came into force on 1st August, 1956. After experience is gained of the working of the system for a period of three months, the question of extending the scheme to the other States receiving salt from the Sambar Lake and to other Government Salt Sources will be considered.

(b) Punjab, Ajmer, Delhi, Himachal Pradesh and PEPSU have agreed to a partial or total abolition of restrictions. If the scheme proves a success, it is proposed to extend it to Rajasthan and Uttar Pradesh in consultation with the State Governments.]

### STATEMENT RE SETTING UP OF THE LIFE INSURANCE CORPORATION

THE DEPUTY MINISTER FOR FINANCE (SHRI B. R. BHAGAT) : Sir, with your permission, on behalf of Shri M. C. Shah I propose to make a brief statement to indicate to the Members of the House the further progress which has been made in regard to the nationalisation of insurance. Members will recall that the Life Insurance Corpora-

tion Act provided under section 3(1) for the Central Government to stipulate an "Appointed Day" on which the Life Insurance Corporation would come into existence. Government have been anxious not to retain in their hands the management of the insurance companies a day longer than was absolutely necessary, for, until the Corporation is formed, no basic change of any kind could be effected. Our efforts have therefore, been concentrated during the last few months on completing all the necessary preliminary work to enable us to bring into existence the Corporation on the 1st of September and a notification is being issued today to that effect. By another notification issued under section 18(1), the City of Bombay is being notified as the place where the Central Office of the Corporation shall be located.

(2) The rules made under section 48 (1) have also been published and a copy is being placed on the Table of the House.

(3) Under section 4(1) of the Act, the Central Government is required to appoint persons not exceeding 15 in number as members of the Corporation. A notification specifying the members appointed to the Corporation is also being issued today. I am placing on the Table of the House a copy of the Annexure to this statement showing the membership of the Corporation and the various Zonal and Divisional Officers of the Corporation.

(4) I would like to take this opportunity to give the House a brief idea of the preliminary work that was necessary to bring the Corporation into being. We had first of all to decide upon the organisation of the Corporation itself. After a careful consideration of all relevant factors, we have decided, to begin with, to establish 33 Divisional Offices and about 180 Branch Offices in the five zonal areas into which, for this purpose, Parliament had in the Life Insurance Act divided the country. A Divisional Office will, for all practical purposes, be the equivalent of the Head Office of a medium-sized insurance company. The one important difference, of course, will be that it will not be concerned with the investment of the funds. The Branch Office again will have functions substantially different from a Branch Office of most Indian insurance companies. The responsibilities of the Zonal Office have no parallel whatsoever. It was necessary for us to exercise the

greatest possible care in the selection of officers for appointment to these responsible positions. It is, of course, the responsibility of the Corporation to make the appointments finally and so, all appointments made are provisional and subject to confirmation by the Corporation. These appointments, however, had to be made to enable the Corporation to commence work. It will be realised that the task of maintaining relative seniority, efficiency, a basis for comparison in short, amongst officers drawn from a large number of different companies—some 250 in all—was not easy and all I can claim is that in making these appointments we have done our best to ensure fair consideration of the claims of everyone. The Minister for Revenue and Civil Expenditure himself has interviewed over a hundred officers. In these interviews he was assisted by the Secretary, Ministry of Finance, an Officer on Special Duty who was the former Controller of Insurance, Shri D. N. Mitra, former Solicitor to the Government of India and now a Custodian of the Hindustan Co-operative Insurance Society, Ltd., and four other senior officers. For the other posts of officers like Branch Secretaries, etc., tentative selections have been made by a Committee consisting of the Zonal Managers designate and a few others. These selections will be reviewed by the Corporation in the light of the recommendations of the Senior Services Committee of which Shri S. Lall, I.C.S. (Retired) is the Chairman, and which commenced its work over a month ago. This Committee will grade all categories of officers. Their grading will be available to the Corporation who will no doubt give full weight to their recommendations before passing final orders. Our great difficulty has been the shortness of time. Not only had these selections to be made within a matter of weeks, but officers had also to be posted to various offices all over the country so that they could join their appointments by the 1st September. Simultaneously with this difficult work of reorganisation we had also to see to it that the servicing of the present policies numbering about 50 lakhs was carried out efficiently and promptly.

(5) The Corporation starts its career under the very best auspices with the enthusiastic co-operation of all persons connected with it and the good wishes of all sections of the country. I am sure the House will join me in wishing it a brilliant career of service to the nation.

**SHRI H. C. DASAPPA (Mysore):** May I know if any hands will be thrown out and if so how many hands will be thrown out of the field workers or the other staff who were already employed?

**SHRI B. R. BHAGAT:** We have already made an announcement that no salaried officer will be thrown out. All will be absorbed. As regards field workers we have not.

**SHRI BHUPESH GUPTA (West Bengal):** There is nothing mentioned about the field workers. This is a point which has been raised time and again in the course of the past few months. About the field workers the statement does not say as to what policy the Government have adopted in regard to the numerous field workers in the insurance companies.

**SHRI B. R. BHAGAT:** We have indicated the steps that we have taken and there is still time to announce the policy about the field workers and others.

**MR. CHAIRMAN:** There is an Annexure to this which gives the names of the Chairman and the other Members of the Corporation, and there is something about Zonal and Divisional offices of the Corporation also. Those things are there. Would you like to read those things?

**SHRI B. R. BHAGAT:** I said I "am" placing it on the Table of the House.

**MR. CHAIRMAN:** It is perhaps better for you to read it.

**SHRI B. R. BHAGAT:** I am now reading the Annexure, Sir.

Shri H. M. Patel, I.C.S., will be Chairman of the Corporation in addition to his duties as Secretary to the Ministry of Finance. The other members are :

1. Shri Mohammed Hasham Premji
2. Prof. D. G. Karve
3. Shri Dhiren Mitra
4. Shri S. M. Ramkrishna Rao
5. Shri Chakreshwar Kumar Jain
6. Shri Vadilal Lallubhai Mehta
7. Lala Raghuraj Swarup; and  
Officer Members.

8. Shri L. K. Jha, I.C.S.
9. Shri B. K. Kaul, I.C.S.
10. Shri L. S. Vaidyanathan
11. Shri A. Rajagopalan
12. Shri N. R. Srinivasan
13. Shri V. H. Vora
14. Shri D. P. Guzdar

Five of these members, Sarvashri Vaidyanathan, Rajgopalan, Srinivasan, Vora and Guzdar will be full-time employees of the Corporation. Section 20 of the Act provides for the appointment of one or more persons to be Managing Director or Directors of the Corporation. It is being suggested to the Corporation who will take up this question at its first meeting that Sarvashri Vaidyanathan and Rajagopalan may be appointed as Managing Directors and that Sarvashri Srinivasan, Vora and Guzdar may be designated as Executive Directors. It is also expected that the Corporation will establish a convention in terms of which the three Executive Directors will not exercise their right to vote.

The Zonal and Divisional Offices of the Corporation will be as under:—

#### *Zonal Offices*

- Central Zone*—Kanpur  
*Eastern Zone*—Calcutta  
*Southern Zone*—Madras  
*Western Zone*—Bombay  
*Northern Zone*—Delhi

#### *Divisional Offices*

- Central Zone*—Lucknow, Agra, Banaras, Indore, Jabalpur.  
*Eastern Zone*—Calcutta, Jalpaiguri, Asansol, Patna, Muzaffarpur, Jamshedpur, Gauhati, Cuttack.  
*Southern Zone*—Bangalore, Udupi, Madras, Coimbatore, Mathurai, Trivandrum, Hyderabad, Masulipatam.  
*Western Zone*—Bombay, Poona, Nasik, Satara, Nagpur, Ahmedabad, Surat, Rajkot.  
*Northern Zone*—Delhi, Jullundur, Ambala, Ajmer.