

[Shri H. N. Kunzru.]

question from this point of view. They thought that for the utilisation of the nation's resources for productive and social purposes it was desirable that the funds instead of being controlled by several agencies, should be controlled only by one agency, namely the Government of India. Well, if they are concerned only with administrative ease or with action being taken only in a particular direction, then they can also say that democracy is an obstacle in their way. If they had unrestricted power, they could proceed much more quickly than they can at the present time, when they have to consult Parliament in regard to every important matter. But such an arrangement will not be tolerated by anybody here for a moment. When, however, economic matters are dealt with, unfortunately, nobody thinks of what would happen to democracy if they were dealt with in a particular way, and that is why the Government have been able to act in respect of insurance companies in the manner in which they have done. If they had given thought to this matter and then come to the conclusion that the action taken by them was the only alternative left to them, I would have bowed to their judgment. But so far they have not said a word to show that they ever took the trouble to reconcile economic progress with democratic development.

MR. DEPUTY CHAIRMAN: There is a message from the Lok Sabha.

#### MESSAGE FROM LOK SABHA

THE APPROPRIATION (RAILWAYS) No. 2  
BILL, 1956

SECRETARY: Sir, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary of the Lok Sabha:

"In accordance with the provisions of Rule 133 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith a copy of the

Appropriation (Railways) No. 2 Bill, 1956, as passed by Lok Sabha at its sitting held on the 14th March, 1956.

2. The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

I lay the Bill on the Table.

MR. DEPUTY CHAIRMAN: Since there is a large number of speakers yet to speak, I suggest, if the House agrees, we may reassemble after lunch half an hour earlier.

SHRI M. GOVINDA REDDY (Mysore): We have to go for lunch and so I suggest we may, if necessary, sit longer, beyond five in the evening.

MR. DEPUTY CHAIRMAN: Or shall we meet at 2.10 P.M.?

SHRI P. S. RAJAGOPAL NAIDU (Madras): We may sit after five, Sir.

MR. DEPUTY CHAIRMAN: But there are some engagements after five, I think. So we may meet at 2-10 and I think the House agrees. We now adjourn till 2.10 P.M.

The House then adjourned for lunch at eight minutes past one of the clock.

The House reassembled after lunch at ten minutes past two of the clock, MR. DEPUTY CHAIRMAN in the Chair.

THE LIFE INSURANCE (EMERGENCY PROVISIONS) BILL, 1956—  
*continued.*

श्री अब्दुर रज्जाक खान (पश्चिमी बंगाल) : डिप्टी चेयरमैन साहब, मैं बड़ी खुशी के साथ इस बिल की तारीफ करना चाहता हूँ। मेरे खयाल में अब तक गवर्नमेंट ने जितने मेजर्स लिये हैं उनमें अगर सब से अकलमन्दी का कोई मेजर लिया गया है तो वह यही मेजर है। मैं आनरेबिल फाइनेंस मिनिस्टर को इसके

लिए और उनकी जोशीली तकरीर के लिए भी बधाई देता हूँ ।

सबसे पहली बात यह है कि इस लाइफ इश्योरेंस बिज़नेस की नवैड्यत को हमें समझना चाहिये । मेरे खयाल में यह एक सोशल सर्विस बल्कि यों कहिये कि सोशल सीक्योरिटी का इंटरप्राइज है जिसमें सरमाया यानी कैपिटल का पार्ट बहुत कम होता है, मसलन जहां तक पता चला है ओरियंटल का कैपिटल छः लाख है लेकिन उनके इंड्योर्ड बिज़नेस की रकम तकरीबन १८० करोड़ ६० है । यह इंटरप्राइज ऐसा है जिसमें पब्लिक से जो रुपया आता है उसी से फायदा पहुंचता है । बैंक या दूसरी इंडस्ट्रीज की तरह यह बिज़नेस नहीं है । यह इसकी खास नवैड्यत है कि इसमें शुरू में कुछ पूंजी जरूर लगती है, लेकिन उस पूंजी से लोगों को फायदा नहीं पहुंचता और इसी के साथ इसकी यह भी खास नवैड्यत है कि यह सोशल सीक्योरिटी की बिज़नेस है । इसको किसी मुल्क में जितना बढ़ाया जाय उतना बेहतर है । इस बिज़नेस को हमारे मुल्क में जो बढ़ाने वाले हैं उनमें ज्यादातर हमारे सोशल और पोलिटिकल काम करने वाले हैं और उनकी वजह से लोगों को यह पता चला कि हमारे हिन्दुस्तान में सब से ज्यादा जरूरत इस बात की है कि हर शख्स की ज़िन्दगी में सीक्योरिटी आ जाय । हमारे पोलिटिकल और सोशल वर्क्स ने इस बिज़नेस में खास तौर पर हिस्सा लिया । इस मैदान में जो पब्लिक अपना रुपया लगाने के लिए आई है और हिस्सा लिया है उसने हमारे लीडरों को देख कर और उनके एतमाद और भरोसे पर हिस्सा लिया है कि हमारे कौमी काम करने वाले जिसमें हिस्सा ले रहे हैं वह हमारे फायदे में रहेगा और उसमें कोई ग़बन नहीं होगा । यह हमारे इस बिज़नेस की सूरत रही है । इसका सबसे बड़ा मकसद यह था कि सोशल सीक्योरिटी बढ़े । अब इस बात को मद्देनज़र रखते हुए हमें ग़ौर करना है कि हम आज यह जो इश्योरेंस के नैशनलाइज़ेशन का

मेज़र ला रहे हैं यह हम क्यों ला रहे हैं और वाकई इसमें कुछ फायदा है या नहीं है । बहुत से सवाल यहां पेश किये गये हैं कि करण्ट प्रैक्टिस और दूसरे वजूहात की बिना पर यह मेज़र लाया जा रहा है । मेरे खयाल में यह बात नहीं है । आज हमारे सामने जो सबसे बड़ा सवाल है वह यह है कि हमारे मुल्क की इकोनामी को प्लान के मुताबिक चलना है या नहीं । जैसा कि हम समझते हैं कि अगर इस मुल्क की इकोनामी को प्लान के मुताबिक तैयार न किया गया बल्कि हर शख्स को आज़ादाना तौर पर काम करने के लिए छोड़ दिया गया, पूंजी का कंट्रोल न किया गया और पूंजी को तक्सीम करके बराबर हिस्से में लगाया न गया, तो इस मुल्क की इकोनामी प्लान के मुताबिक बनना ग़ैर मुमकिन है । आज हमारे मुल्क के सामने सब से बड़ा सवाल प्लान का है । इसमें कोई शक नहीं है कि इस बिज़नेस में करण्ट प्रैक्टिस भी है और इस सिलसिले में मैं कुछ बातें बाद में कहूंगा । जिन लोगों ने रुपया लगाया है उनके वजूद का भी सवाल है । लेकिन सब से बड़ी वजह इस मेज़र के लाने की यह है कि हमारे प्लान के खातिर यह मेज़र लाया गया है और लाना चाहिये ।

जहां तक करण्ट प्रैक्टिसेज़ का सवाल है, मैं दो चार बातें कहना चाहता हूँ । करण्ट प्रैक्टिसेज़ के मुताल्लिक कोवासजी जहांगीर कमेटी की रिपोर्ट में बहुत सी बातें कही गई हैं जिनके दोहराने की जरूरत नहीं है । दूसरे हाउस में और बाहर के अखबारात में भी बहुत कुछ इसके मुताल्लिक तजक़िरा आया है और यह मान लिया गया है कि इस इंडस्ट्री में, इस बिज़नेस में, बहुत सी करण्ट प्रैक्टिसेज़ हैं । आप जानते हैं कि पूरी इंड्योर्ड बिज़नेस की रकम एक हज़ार करोड़ रुपया है । जो एक हज़ार करोड़ ६० की रकम कंट्रोल कर रहे हैं, उनके लिए आज यह कहा जा रहा है कि उनको छोड़ दो और वे अपने तौर पर चलते रहें । दूसरी तरफ सवाल यह है कि

[श्री अब्दुर रज्जाक खान]

इस रकम पर कब्जा करके प्लान के मुताबिक चला जाय और फायदा उठाया जाय। ये दो सवाल हैं। अब वहां होता क्या है? जो एक हजार करोड़ की रकम उनके पास है उसको व लोग अपनी अपनी इंडस्ट्री में लगाते हैं। सब में बड़ी बात यह है कि स्पैकुलेशन में यह रकम लगाई जाती है। अगर नफा होता है तो ठीक है, जो शयरहोल्डर्स या दूसरे कम्पनी से ताल्लुक रखने वाले लोग हैं उनको उसमें से कुछ मिल जाता है। लेकिन जब नुकसान होता है तो वह सब कम्पनी पर लगाया जाता है। अब सवाल यह है कि एक भारी रकम को क्या इस तरीके से छोड़ दिया जाय। जो अपनी मर्जी से सारी रकम को स्पैकुलेशन में लगा करके तमाम कारोबार को दूसरे रूप में पेश करने के लिए तैयार होते हैं, उनको क्या छोड़ दिया जाय। इस तौर पर उनको छोड़कर के जो एकानामिक हालत हम पैदा करना चाहते हैं वह क्या हम किसी तरह से बना सकते हैं। मेरे खयाल में यह बहुत गलत है।

बहुत सी और और खराबियां हैं लेकिन मैं उनको छोड़ता हूं। मेरे सामने जो अहम सवाल है वह यह है कि इस भारी पूंजी को ये लोग अपनी राय और अपनी मर्जी के मुताबिक इस्तेमाल में ला सकते हैं, चाहे उससे पब्लिक को फायदा पहुंचे या न पहुंचे, मुल्क को फायदा पहुंचे या न पहुंचे, पालिसीहोल्डरों को—जिनका कि रुपया लगने वाला है उनको—फायदा पहुंचे या न पहुंचे और उसका मुतलक खयाल न किया जाय और फिर भी उनको आजादाना तौर पर छोड़ दिया जाय? मेरे खयाल में ऐसी बात कहने को कह सकते हैं लेकिन मुल्क के लोग इसको सुनने के लिये तैयार नहीं हैं। आज प्लान को कामयाब बनाने के लिये सब लोगों को, मुल्क भर के लोगों को दावत दी जा रही है और हर शख्स को टैक्स किया जा रहा है और कुर्बानी करने के लिये कहा जा रहा है। एक तरफ तो हम

लोगों में यह कहें कि वे सब कुर्बानी करें और दूसरी तरफ पूंजी वालों को, इन मालिकों को, अपने तौर पर काम करने के लिये छोड़ दें तो यह बात चल नहीं सकती है।

सवाल यह है कि अगर उनको इस तौर पर छोड़ भी दिया जाय, जो उनकी करप्ट प्रैक्टिसेज हैं उनको रख कर के भी अगर उनको छोड़ दिया जाय, तो क्या बिजिनेस बढ़ सकता है? क्या इस तरह से यह सोशल सिक्योरिटी का बिजिनेस हर आम व खास तक पहुंच सकता है? मेरे खयाल में एक, दो साल का ही जिक्र है कि गवर्नमेंट ११ कम्पनीज को कंट्रोल नहीं कर सकी और उनको बड़ी मुश्किल से कंट्रोलर के कब्जे में लाना पड़ा। ७० कम्पनियों में से ६६ कम्पनियों ने अपना रिटर्न तक दाखिल नहीं किया। मेरे खयाल से गवर्नमेंट का जो कानून है उसके पंजे से निकलने के लिये उनके पास ऐसी कूब्वत है कि वे निकल जाते हैं और उन पर गवर्नमेंट कंट्रोल नहीं कर पाती है। हमारे जो कानून हैं, हमारे जो कोर्ट्स हैं, उनमें बहुत कुछ सगूफे हैं, उनमें इतनी कमजोरियां हैं कि हम पूंजी वालों को कंट्रोल में ला कर कंट्रोल के मुताबिक चला सकें ऐसी सूरत बिल्कुल नहीं है। इसके लिये गवर्नमेंट की तरफ से कोशिश भी नहीं की गई है। अगर यह कहा जाय कि कोशिश की गई है तो मैं कहूंगा कि यह कहना बिल्कुल गलत है। आप लोग देख चुके होंगे कि कामर्स एंड इंडस्ट्री मिनिस्टर का इसके मुताल्लिक क्या बयान है। उन्होंने यह साफ कह दिया है कि अब ऐसी सूरत नहीं रही है कि हम कंट्रोल कर सकेंगे, हमें ऐसी उम्मीद और ऐसा भरोसा नहीं है। आप देख रहे हैं कि जिनके पास जो गवर्नमेंट सीक्योरिटीज हैं वे मिल नहीं पाती हैं और वे गायब हैं। गवर्नमेंट खुद ही मान रही है कि चार कम्पनियों के पास ये नहीं मिले। बहुत सी ऐसी भी कम्पनियां होंगी जिनके पास ये मिले होंगे लेकिन उनके बारे में यह कहना भी मुश्किल है कि उनको किस तौर पर और किस सूरत में रखा गया है।

ये तमाम चीजें पब्लिक को मालूम हो रही हैं कि ऐसे लोगों के हाथ में बड़ी बड़ी कम्पनियां हैं। क्या इन बातों को देख कर के पब्लिक हिम्मत के साथ इश्योरेंस बिजनेस में आगे बढ़ सकती है और अपना रुपया डाल सकती है ?

आज सब से बड़ी जरूरत यह है कि जिनके पास छोटी छोटी पूजी है उनका रुपया बचाया जाय और उसको स्माल सेविंग्स में एक जुगह किया जाय, वह रुपया गवर्नमेंट के पास और उससे बेहतरीन फायदा उठाया जाय। मेरे खयाल में लाइफ इश्योरेंस बिजनेस की जो मौजूदा सूरत है, आज यह बिजनेस जिस सूरत में आ कर पहुंचा है, उस सूरत में बिजनेस के डेवलपमेंट के लिहाज से इसको पूंजी वालों के हाथ में छोड़ रखना नामुमकिन है। हमारे मुल्क के लिये जो प्लान बना है उसमें सब से बड़ी बात क्या है ? उसमें सब से बड़ी बात यह है कि हम हर शरूस् की जिन्दगी में सीक्योरिटी ला दें, जो कि आज बिल्कुल गायब है। तो इश्योरेंस बिजनेस के जरिये से एक बहुत बड़ा काम हो सकता है और बड़ा फायदा उठाया जा सकता है। अगर इश्योरेंस बिजनेस वाले गवर्नमेंट के नेशनल कंट्रोल में चलने के लिये राजी न हों तो फिर उसके लिये क्या सूरत है, उसके लिये दूसरी क्या सूरत है ? हम कोई ऐसा नजारा नहीं देखते हैं जिससे कि पता चले कि वह कंट्रोल में चलने के लिये राजी हैं, बल्कि हम यह देखते हैं कि वे हर उस पहलू को ढूँढते हैं जिससे कि वे कंट्रोल से बाहर जा सकें। हमें तो यही नजर आता है। चुनावों, पक्की राय यही है कि गवर्नमेंट ने जो काम किया है वह बहुत ही बेहतरीन और अक्लमंदी का काम किया है। इसके लिये और कोई दूसरी सूरत नहीं है। मेरे खयाल में जो यह कहते हैं कि पब्लिक सेक्टर पर इससे हमला हो रहा है, वह बहुत गलत बात कहते हैं। पब्लिक सेक्टर को इससे कोई नुकसान नहीं पहुंच सकता है और न पहुंचना चाहिये। पब्लिक सेक्टर के हम खिलाफ नहीं हैं, उसके अखालिफ नहीं हैं।

**श्री अकबर अली खान :** पब्लिक सेक्टर नहीं, प्राइवेट सेक्टर कहिये। आपकी मंशा शायद प्राइवेट सेक्टर कहने की है।

**श्री अब्दुर रज्जाक खान :** जी हां, प्राइवेट सेक्टर। हम प्राइवेट सेक्टर के खिलाफ नहीं हैं, उसके मुखालिफ नहीं हैं। आज कोई शरूस् अगर यह कहे कि प्राइवेट सेक्टर को उठा दिया जाय तो मैं कहूंगा कि उसको मुल्क की हालत का पता नहीं है और वह मुल्क की तरक्की को आगे बढ़ाना नहीं चाहता है। प्राइवेट सेक्टर को कोई उठा नहीं सकता है। आज प्राइवेट सेक्टर को उठा देने का कोई सवाल नहीं, प्राइवेट सेक्टर को बढ़ाने की जरूरत भी है लेकिन साथ ही उसको कंट्रोल करने की जरूरत है। लेकिन अगर वह कंट्रोल में न आया और अपनी मन मर्जी से फायदा उठाने लगे और जहां गवर्नमेंट को एक पैसा फायदा पहुंचाने की कोशिश की गई है वहां वह उसे ५ पैसा नुकसान में डालने की कोशिश करे तो फिर हमको उसके बाबत सोचना पड़ेगा, उसके लिए दूसरी सूरत करनी पड़ेगी।

तो अर्ज यह है कि मौजूदा सूरत में यहां लोग इसमें इन्वेस्टमेंट करने को तैयार नहीं होंगे। जहां तक कंट्रोल का ताल्लुक है जो कि गवर्नमेंट करने जा रही है, उसके बारे में कहा जाता है कि आप कानून को सख्त कर लीजिए, लेकिन कानून को न मानने वालों के लिए क्या सूरत हो ? जाहिर है हर रोज हर कंपनी पर केस करना पड़ेगा। आप गौर फर्माइये, अगर इस तरह से रोज किसी कंपनी पर केस चलाया जाय तो कौन उस कंपनी में इश्योर करने के लिए तैयार होगा ? बहुत मोच और समझ कर के मेरी पक्की राय यह है कि गवर्नमेंट ने जो काम किया, यह इश्योरेंस बिजनेस को बढ़ाने का रास्ता है और न सिर्फ इश्योरेंस बिजनेस बल्कि पब्लिक इश्योरेंस बिजनेस को भी, जहां तक आपकी पहुंच है, आप हर घर तक पहुंचा देंगे और उसको

[श्री अब्दुर रज्जाक खान]

और बढ़ा देंगे। अभी मौजूदा पोजीशन यह है इश्योरेंस बिजनेस की कि कोई १,००० करोड़ रु० इस वक्त इश्योरेंस बिजनेस के जरिये फैला हुआ है। लेकिन लोगों को हर कंपनी पर एतमाद कहां तक है आप जानते ही हैं, लेकिन यह बिजनेस गवर्नमेंट के हाथ में, गवर्नमेंट के कब्जे में आ जायगी तो उसकी जानिब लोगों में एतमाद बहुत ज्यादा बढ़ जायगा और जहां तक बड़े बड़े माकूल लोगों की राय है, वह मौजूदा सूरत से आठ गुना बढ़ जायगा। मैं तो कहता हूँ कि गवर्नमेंट के हाथ में रहने से इश्योरेंस बिजनेस १०, २० गुना बढ़ जाय तो अजब नहीं। तो यह सब से बड़ी बात है कि इसके गवर्नमेंट के हाथ में आ जाने से, इसके नेशनलाइजेशन हो जाने से इश्योरेंस बिजनेस बहुत ज्यादा तरक्की कर सकती है। सिर्फ अगर डर है लोगों को कि प्राइवेट सेक्टर को नुकसान नहीं पहुंचे तो यहां गवर्नमेंट को यह कह देना चाहिए कि प्राइवेट सेक्टर के लिए इतना खास हिस्सा मुकर्रर कर दिया जायगा। अगर नेशनलाइजेशन हो जाने के बाद प्राइवेट सेक्टर को फायदा नहीं पहुंचेगा तो यह खतरा भी गवर्नमेंट चाहे तो दूर कर सकती है। उसे प्राइवेट सेक्टर के लिए कोई रकम मुकर्रर कर देना चाहिए और कह देना चाहिए कि इतना हिस्सा हमारे प्लान के वास्ते खर्च होंगे जिसकी हमें जरूरत होगी। आखिर गवर्नमेंट का मकसद यह है कि प्राइवेट सेक्टर और पब्लिक सेक्टर में बैलेंस हो। जहां तक और बातें हैं, यूं तो बहुत कुछ कहा जा सकता है कि साहब क्या क्या करप्शन होगा, उसको गिनवाया जा सकता है, दिखाया जा सकता है। लेकिन मेरे खयाल में यह सब कहने की कोई जरूरत नहीं है।

दूसरी बात यह है कि आप जानते हैं कि पांच लाइफ इश्योरेंस कंपनियां इस वक्त ५५ परसेंट बिजनेस कंट्रोल करती हैं और लाइफ इश्योरेंस फंड का ५० परसेंट उनके हाथ में, उनके कब्जे में है। यह जो मोनोपोली

उनकी बन रही है उसको देखते हुए मौजूदा सूरतेहाल में अगर उनको छोड़ दिया जाय तो फिर इस मोनोपोली को कौन रोक सकता है। जो बिजनेस की रफ्तार है, जो बिजनेस का ढंग है उसको देखते हुए मोनोपोली को रोकना मुश्किल है। आप जानते हैं कि इस मोनोपोली को रोकने के लिए इस वक्त में हम कोई कानून ला नहीं सकते हैं। ज्यादा तौसीह की जरूरत नहीं लेकिन मैं साफ तौर से अपना खयाल जाहिर कर देना चाहता हूँ कि मोनोपोली को रोकने के लिए भी आज लाइफ इश्योरेंस को नेशनलाइज करने की जरूरत है क्योंकि ऐसा कर के आप इतनी भारी रकम को, ५० परसेंट लाइफ फंड को कंट्रोल करते हैं, और इस तरह एक बड़ी पूंजी के आप मालिक हो गए। आपको मालूम है कि जो लोग लाइफ फंड को इस समय कंट्रोल करते हैं वे दूसरी दूसरी इंडस्ट्रीज के भी मालिक हैं और जब कि एक तरफ गवर्नमेंट अपने प्लान के वास्ते रुपया फराहम करने की कोशिश कर रही है तो वहां से वे लोग, फाइनेंशियर लोग खड़े हो जाते हैं जो कि फाइनेंशियल कंट्रोल करना चाहते हैं। इन लोगों के हाथ में पूंजी है, इस वक्त ये बड़े ताकतवर लोग हैं और हर चीज को वजन दे सकते हैं और इसलिए सरकार के मुकाबले में खड़े हो जाते हैं। तो इस तरह से पूंजीवादी लोगों के हाथ में अस्थित्यार छोड़ कर के, जो आपका प्लान है वह कामयाब नहीं बन सकता और कानून चाहे आप कितना ही पास कीजिए वह अमल में नहीं आयेगा। इतनी बातें कह कर मैं गवर्नमेंट के इस मेजर की तारीफ करता हूँ और समझता हूँ कि यह एक बहुत बड़ा इकदाम है। इस वक्त में इसके सिवा और कोई सूरत नहीं है। लेकिन इसके साथ ही साथ मुझे जिस तरीके से काम हो रहा है या काम शुरू हुआ है, उसके फिलाफ भी कुछ कहना है।

मैं यह नहीं कहता कि आर्डिनेंस जा १ कर के गवर्नमेंट ने बड़ी हिमाकत की है। मेरे खयाल में पार्लियामेंट में अगर यह कानून

लाया जाता तो यहां इस पर तीन महीने तक गुफ्तगू और डिस्कशन रहता, उसके बाद बिल पास किया जाता और उधर बहुत सी कंपनियों के घर में लालबत्ती जलती। गवर्नमेंट को अब तक जो कुछ भी मिला है वह भी कहां तक मिलता इसमें मुझे कुछ शक है। मामला जानने वाले जानते हैं, मैं नाम नहीं कह सकता, लेकिन जिन लोगों को खबर पहले से थी, कुछ कुछ अंदाजा था उन्होंने अपना काम बना भी लिया। तो ये चीज दो चार लोगों के दिमाग में, दिल में और कान में फिर भी आ ही गई और इस तरह ये जो ३ लाख, ४ लाख, ५ लाख की छोटीछोटी कंपनियां हैं उनकी सीव्योरिटिया गायब हो गई, उनके डाइरेक्टर तक गायब हो गए, लेकिन वे कहां गए गवर्नमेंट को उसकी बिल्कुल खबर नहीं। इसलिए मैं कहता हूं कि यह जो आर्डिनंस जारी हुआ यह बड़े मौके पर हुआ, यकायक हमला करने से अच्छा ही नतीजा निकला। अगर यकायक हमला नहीं होता और यूं लोगों को जानने बूझने और समझने दिया जाता तो क्या होता। इसलिए मौजूदा सूरत में लाइफ इंड्योरेंस का बिजनेस करने वाली कंपनियों पर जो यह आर्डिनंस चलाया गया यह एक मुनासिब काम हुआ।

जहां तक कंट्रोलरों को मुकर्रर करने का ताल्लुक है, उसके बारे में मुझे यह कहना है कि जिस तरीके से वे पहले काम चलाते रहे, अब भी उसी तरह से चलाते रहे तो आप कभी भी कामयाब नहीं हो सकते हैं। मैं गवर्नमेंट को इस बात के लिए होशियार कर देना चाहता हूं कि इंड्योरेंस बिजनेस आज जिस नौबत को पहुंचा है, उसका कारण यह है कि पहले जो कंट्रोलर थे उनको इस तरह की ढील दे दी गई थी कि उन्होंने अपना काम अच्छी तरह से अन्जाम नहीं दिया और यही कारण है कि आज गवर्नमेंट को स्पेशल मेजर्स लाने की जरूरत पड़ रही है। कंट्रोलरों का काम अब तक का जो रहा है वह बिल्कुल सैटिसफैक्टरी नहीं है। उन्होंने कंपनियों का दिवाला निकाल

दिया जिसका नतीजा यह हुआ कि सरकार को उसे अपने हाथ में लेना पड़ रहा है। अगर इसी तरह उन लोगों ने आगे भी काम किया तो मुझे उम्मीद नहीं है कि आप जो मेजर्स अपने हाथ में लेने जा रहे हैं उसमें कामयाब भी होंगे या नहीं।

इसके साथ ही साथ मुझे यह भी कहना है कि इंड्योरेंस एक्ट का जो कानून है वह आज तक बदला नहीं गया है, इसकी वजह मेरी समझ में अभी तक नहीं आई। इस बिजनेस में जो खराबी है वह आपके इंड्योरेंस एक्ट की वजह से हो रही है जिसको आपने अभी तक बदला नहीं है। खैर, अब बात यह है कि कंट्रोलरों के मातहत अभी तक जो काम हुआ है वह तसल्लीबख्श नहीं हुआ है। जब आप दूसरी तरफ पोस्टल इंड्योरेंस की ओर देखेंगे और उसका मुकाबिला प्राइवेट लाइफ इंड्योरेंस बिजनेस से करेंगे तो आपको यह मालूम होगा कि पोस्टल इंड्योरेंस के मुकाबले, प्राइवेट इंड्योरेंस कंपनियों ने बहुत अच्छा काम किया है। इसकी वजह हम को मालूम करनी चाहिये कि गवर्नमेंट के मातहत होते हुए पोस्टल इंड्योरेंस ने क्यों तरक्की नहीं की। लाइफ इंड्योरेंस का काम इस तरीके का है कि लोगों के घरों में जाकर इसका बिजनेस करना पड़ता है। यह एक तरह से हौकरी का बिजनेस है और जब तक आप इस तरह की हौकरी नहीं करेंगे आप कामयाब नहीं हो सकते हैं। यह बिजनेस इस तरह का नहीं, कि आप दुकान खोलकर आराम कुर्सी में पैर फैला कर बैठ जाइये और जब कोई सामान खरीदने आये तो बेच दीजिये। यह तो घर-घर में जाकर लोगों को बताने और उनसे पालिसी लेने का काम है। अगर जहां तक पोस्टल इंड्योरेंस का ताल्लुक है वहां तो आम तौर पर यह देखने में आता है कि कंट्रोलर कुर्सी में बैठकर हुबह दे देता है और लोगों के पास हौकरी करने का तो वहां पर मवाल ही पैदा नहीं होता। जिस तरीके से गवर्नमेंट ने पोस्टल इंड्योरेंस का काम किया है, अगर उसी तरह

[श्री अब्दुर रज्जाक खान]

से लाइफ इश्योरेंस का भी काम करेगी तो वह एक खतरनाक चीज होगी। सरकार को अपना रवैया बदलना होगा अपनी नादिरशाही हुकूमत बदलनी होगी। जब तक वह अपने तौर और तरीकों को नहीं बदलेगी तब तक वह इस मेजर में कतई कामयाब नहीं हो सकती है। अगर उसने अपना पुराना ही रवैया अख्तियार किया जैसा कि पोस्टल इश्योरेंस के लिए किया है तो यह एक खतरनाक चीज होगी, इससे अवाम को किसी तरह का फायदा नहीं पहुंच सकता है। हमें यह बहुत खुशी है कि सरकार ने इस चीज को अपने कब्जे में लेकर बड़ी दिलेरी का काम किया है। लेकिन हमें मिनिस्टर साहब की स्पीच में कहीं पर भी यह बात नहीं मिलती जिससे हमको यह उम्मीद हो कि वे इस काम को बेहतर तरीके से चलायेंगे और पोस्टल इश्योरेंस के तरीके से नहीं चलायेंगे। इस चीज को उन्होंने हमें समझा देना चाहिये था।

जहां तक एपाइंटमेंट का ताल्लुक है, सरकार की ओर से जो लोग एपाइंट किये गये हैं, वह जिस तरीके पर किये गये हैं, हमें तो इस तरह की खबर मिली है कि फाइनेंस डिपार्टमेंट के सेक्रेटरी की तरफ से एक फार्म पर दस्तखत कर के भेज दिया गया और कलकत्ते और दूसरे शहरों में जो लोग सामने आये, जिन लोगों ने पहले से पार्टी दी हो या और किसी किस्म की चीज की हो, उन लोगों को नामजद कर दिया गया। इस तरह की बातें हमारे कानों में आई हैं, मैं इस बात को पक्की तौर पर नहीं कह रहा हूं, मगर जैसा हमने सुना है वह आपके सामने बयान कर रहा हूं। अगर इस तरह की चीजें सरकार की ओर से की गई हैं तो वह बहुत ही खतरनाक बात है। कुछ नाम तो हमने ऐसे लोगों के सुने, जो सरकार की लाइफ इश्योरेंस बिजनेस को नेशनलाइज करने के खिलाफ थे और उनके मजमून उस अखबार में शायद हुए जिसमें मिनिस्टर साहब की नेशनलाइजेशन के

मुताल्लिक स्पीच छपी हुई थी, फिर भी उन लोगों को इस काम में नामजद कर दिया गया। आप क्या यह सही समझते हैं कि जिस अखबार के एक सफे में तो इस काम के हक में मिनिस्टर साहब की स्पीच छपी हो, उसी अखबार के दूसरे सफे में उन लोगों का मजमून छपा हो जो इसके खिलाफ अपनी राय रखते हैं, फिर भी उनको सरकार की ओर से नामजद कर दिया जाता है, क्या वे अपना काम अच्छी तरह से अन्जाम दे सकते हैं। यह एक बिल्कुल गलत तरीका है जिस से खराब नतीजे निकल सकते हैं। इस तरह के लोगों को कंट्रोलर बनाकर आप इस बिजनेस में कभी भी तरक्की हासिल नहीं कर सकते हैं, इस बारे में मुझे शक नहीं। इस बारे में हमारे फाइनेंस मिनिस्टर साहब को होशियारी से काम लेना चाहिये। मेरा अपना ख्याल तोयह है कि इस काम में इस तरह के लोगों को लेना चाहिये जो कि इस काम के बारे में जानकारी रखते हों और जो आपके नेशनलाइजेशन की स्कीम को कामयाब बना सकते हों। यह नहीं होना चाहिये कि एक ही थैली के चट्टे वट्टों को आप मुकर्रर कर दें जो कि पहले से ही उन कामों पर बैठे हुए हों। जिन लोगों पर आपको भरोसा नहीं है, जिन लोगों ने अवाम को कई तरह का धोखा दिया है, फिर उन्हीं को आप इस काम में रखेंगे तो आप किस तरह से इस काम में कामयाब हो सकते हैं। इसलिए मेरी तजवीज यह है कि आप इस काम के लिए बेहतर आदमियों को रखें जो कि आपके मकसद को पूरा कर सकें। इस काम के लिए आप उन्हें पूरा अधिकार दें ताकि वे आपके मकसद को नेशनलाइजेशन के मकसद को पूरा कर सकें। आप को ऐसे आदमियों को इस काम में लगाना चाहिये जो रियली मैदान में जाकर काम हूँद कर लायें। आप को इस काम में उन लोगों का मशविरा लेना चाहिये जो रात दिन इस काम को करते हैं। आपको पोस्टल इश्योरेंस के तरीके पर इस काम को हरगिज नहीं चलाना चाहिये। हमें मालूम नहीं कि सरकार कौन सा रास्ता अख्तियार करेगा। अगर उसने पोस्टल

इंश्योरेंस का रास्ता अस्तिथार किया तो वह एक खतरनाक रास्ता होगा और उस पर चलने से आप कभी भी कामयाब नहीं हो सकते हैं।

सब से बड़ी बात यह है कि इसमें एजेंट लोग जिस तरह का बिजनेस कंपटीशन के जरिये किया करते थे, उससे अच्छा काम होता रहा। एजेंट लोग अपना बिजनेस बढ़ाने के लिए लोगों के घर घर जाकर पालिसी करवाते थे। अगर यह चीज खत्म हो गई तो आपका बिजनेस नहीं के बराबर हो जायेगा। अगर आप के मुकदर किये हुए लोगों ने कुर्सियों में बैठकर काम करना शुरू किया और बड़ी बड़ी तनख्वाहें लेकर अपने काम को अंजाम नहीं दिया तो आप यह समझ लीजिये कि आप कभी भी इस काम में कामयाब नहीं हो सकते हैं। आज सब से बड़ी बात यह है कि इस काम में हमें कंपटीशन पैदा करना होगा। हमें तीन तीन हजार और पांच पांच हजार पाने वाले आदमियों की जरूरत नहीं है। आज जरूरत उन लोगों की है जो घर घर जाकर इस बिजनेस को फैलावें। अगर हम इस जरूरी चीज को समझ जायेंगे तो हम अपने मकसद में कामयाब हो सकते हैं। इसलिए मेरा कहना यह है कि आपने जो बड़ी बड़ी सैलरीज रखी है उन्हें कम कर दीजिये।

आखिर में मैं यह कहना चाहता हूं कि बहुत सी शिकायतें आ रही हैं। अभी तक बहुत सी कम्पनियों के मेरे पास खत आये हुये हैं, जिनको मैं आपको दिखा सकता हूं। बहुत से एजेंट ऐसे हैं जिनका दिसम्बर का कमीशन अभी तक नहीं मिला है। जहां तक बड़ी कम्पनियों का ताल्लुक है, उनके एजेंट या एम्प्लाइज के बारे में गवर्नमेंट कुछ करने की हिम्मत नहीं कर रही है। लेकिन जहां तक छोटी कम्पनियों का ताल्लुक है उनके एम्प्लाइज और एजेंट रोजाना खत लिख रहे हैं कि साहब, हमें पैसे नहीं मिल रहे हैं, बिजनेस बन्द है। जो हुकम यहां फाइनेंस मिनिस्ट्री से सादर

हुआ है उसके मुताबिक जो कस्टोडियन बने हैं उन्होंने उन लोगों से, जिनकी मेहनत से कम्पनी बनी है और जो ज्यादातर रुपया लाया करते थे, यह कह दिया है कि नये तरीके से कांट्रैक्ट करो, यह हुकम है फाइनेंस मिनिस्ट्री का।

SHRI M. C. SHAH: Will the hon. Member send all these complaints to me if he has got authentic reports. I will be prepared to look into these cases.

श्री अब्दुर रज्जाक खान : आपने यह काम किया है, यह मैं नहीं कहता। इस किस्म की शिकायत आ रही है, इस लिए मैं ने कहा कि ऐसा काम नहीं होना चाहिये।

SHRI M. C. SHAH: If the hon. Member has such specific complaints, I will be grateful to him if he supplies me with information so that I can take action immediately, and I will also inform the hon. Member whether the information that he has is correct or not.

श्री अब्दुर रज्जाक खान : Thank you very much. मैं यह कह कर खत्म करना चाहता हूं कि इसमें कोई शक नहीं है कि बहुत सी शिकायतें आ रही हैं। हम यहां पड़े हैं, हमको हर जगह की खबर नहीं है। मैं इसकी तरफ फाइनेंस मिनिस्ट्री की तबज्जुह दिलाता हूं।

आखिर में मेरा कहना यह है कि जिस नाजुक वक्त में और एक अहम वक्त में आपने यह मेजर लिया, उसके माने लोग यही समझ रहे हैं कि पूरी कामयाबी की तरफ ले जाने का आपका मकसद है। लेकिन इस मकसद में अगर आप ठीक हैं तो आपको ऐसा मेजर लेना पड़ेगा, लोगों का ऐसा मशबिरा लेना पड़ेगा जो कामयाबी की तरफ आगे बढ़ाये वरना जो तमाम किया धरा है उसका बग़बाद होने का खतरा है। लोग इसके खिलाफ हैं,



[श्री अब्दुर रज्जाक खान]

सैंडोटेज हो सकता है। गवर्नमेंट की मशीनरी ब्यूरोक्रेटिक होती है। उसका रूजहान ब्यूरोक्रेटिक है। तो इस ब्यूरोक्रेटिक मशीनरी में नेशनेलाइजेशन नहीं चल सकता। नेशनेलाइजेशन की कामयाबी अगर आप चाहते हैं तो इसको डीमोक्रैटाइज करना पड़ेगा। इस तरफ मैं आपकी तबज्जुह दिला करके बैठ जाता हूँ।

SHRI C. P. PARIKH: Mr. Deputy Speaker, I have listened with great attention to the observations which the Minister for Revenue and Civil Expenditure made in his speech in introducing this Bill. First of all, I would like to say that in some matters he over-emphasised certain facts and in certain others he under-emphasised certain facts. I think that in his enthusiasm for carrying the House with him and also establishing that he has carried out the programme which was before the country, he has not been just and fair as he usually is.

As regards the decision that had been taken and the top secret way in which it was done and the overnight method by which this Ordinance was promulgated, I think that his Department deserves credit. I have been in life insurance for the past twelve years and have some knowledge and experience of it with the limitations which I have. I will say with regard to the arguments which Pandit Kunzru advanced that it should not have been done by an Ordinance, I think that whatever may be the reasoning behind that, especially in this matter it could not have been done except by an Ordinance. We cannot discuss this measure in the House for one or two months and allow the industry to be carried on in a manner which will be prejudicial to the interests of the policy-holders and also the country at large, and even to the detriment of the industry itself. So, therefore, in this special case overnight action was necessary and it was taken.

Now, why this measure has been necessary we have got to understand.

We had by a resolution passed in the Lok Sabha as well as by the Congress Avadi Resolution, decided on a socialistic pattern of society. It means that we have to improve and adjust our economic structure. The first measure of nationalisation to be adopted before this Resolution was the nationalisation of the airline companies. That was in my opinion a wise decision, because it was of strategic importance, and also the air companies could not have been able to develop the airways of the country in the way that we require it for Defence purposes. With regard to the nationalisation of the Imperial Bank which occurred only last May, the credit does not go to the Government but to the Report of the Rural Credit Survey Committee which had made this recommendation long before the Avadi Resolution was passed and long before the Lok Sabha Resolution was passed. Therefore, all political parties and leaders in the country have been insisting that banking and insurance should be nationalised. With that idea, this measure has been brought forward.

SHRI P. S. RAJAGOPAL NAIDU (Madras): The Rural Credit Survey Committee never said that the Imperial Bank should be nationalised. They only said that a State Bank should be established.

SHRI C. P. PARIKH: I have read that Report three times. I know something about it. The recommendation was there, not complete nationalisation, but that the control of the Imperial Bank should be in the hands of the Government. That is a definite recommendation which is there.

SHRI P. S. RAJAGOPAL NAIDU: There is no mention of the Imperial Bank being nationalised at all.

SHRI C. P. PARIKH: I will correct myself if I am wrong on reading it again.

SHRI M. C. SHAH: Anyway, that is not a matter for a fight.

SHRI C. P. PARIKH: I never go in for any fighting. I know my responsibilities, and whenever I make a statement, I always make it with some knowledge of the facts about it.

Now, this measure has been taken in my opinion to satisfy the political opinion of the country, the opinion of all the parties, who advocate nationalisation not only of one industry but of many industries. And so, when Government comes forward to nationalise this industry, we cannot blame the Government for it. I think that the Government has achieved by this measure a great object in clearing the political atmosphere in the country and stealing the credit from the political parties which are opposed to the Congress till now, especially the P.S.P. and the Communist Party. I think that Mr. Bhupesh Gupta should understand what this Government is out to do. I think they have no more programmes left with them and they are quite disappointed at the action which the Government has taken. I think they are now suffering under some frustration. I think that some of their leaders have also expressed this indirectly.

Now, I will say that this action of the Government is not justified on the ground that they could not control and regulate this industry and so it has been nationalised. I think that, if that statement is made by Government that they cannot control and regulate it, I think that statement is not correct and is not stating facts. I think that Government has enough powers to control and regulate whatever they desire in the manner they desire. I want to point out that if we do not know how to control and regulate, we shall not be able to run the concerns which we desire to own as efficiently as we like. The precedent is there in the air-lines case and I know something of it because I am on the Transport Advisory Committee. So many facts are before us. The wage Bill has gone up by 40 per cent. and it will take some time before we will be able to

adjust it in a way in which we desire but it does not mean that the public sector should not be expanded but we must know our limitations. As Mr. Kunzru was mentioning, what is the amount of corruption in the Railways? There are so many Committees appointed. What have we learnt? So, don't expand our activities in such a way that we may not be able to discharge the duties to the country and our Administration which is not adequately trained to these problems, maybe under a strain which it may not be able to bear in the interests of the country. We should not undertake such activities as we cannot control. It is however very wise that this industry is first taken up because in this industry Government will not have much difficulty in managing because it is not of a diversified character. It is a life-insurance policy of 10, 20 or 30 years. It is easy to manage and the management would not be as difficult as will be for other industries. Therefore Government has done well as regards taking the insurance industry first. Another object which they have achieved in this is that it is a warning to all other people that if they don't put their house in order, then gradually, their fate also will be in suspense and all those factors should be taken into account. But I say Government is still not prepared. I say that unless industrial management is there, all our desires and hopes of expanding our public sector will have to be restricted, if we want to have real development in the country.

Now, I come to another point as regards control and regulations. The P.S.P. and the other Parties have said that banks and insurance companies should be nationalised. It is a slogan, in a way. They don't understand whether the banks are nationalised or not. Anybody who has knowledge of banking knows what are the controls of Reserve Bank at present on all the scheduled banks in the country. I think they are more or less nationalised and the regulations and controls are such that the banking now is

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standing on a much higher level than it used to stand as Mr. Kunzru has pointed out. It is now efficient for which we shall have to be proud in a short time. Therefore it is no use taking over banks but if you know how to control banks, then your object is achieved. The object of nationalisation is that nobody exploits the interests of the country and the common-man's interests are not jeopardised. These are the two-objectives. As regards the profits, fiscal measures are there. Only the Finance Minister must know how to employ them and he has started employing them in his own effective manner.

Now I will come to the other points as regards regulation and control which could have achieved this object and that regulation and control I am just advocating on this ground that the whole speech of the Revenue and Civil Expenditure Minister was based—more or less 70 per cent. of it—on abuse of investment of controlled funds which the insurance companies had made. I entirely agree with him that the investments and the life funds and the control of funds which existed with the insurance companies should not be allowed in their hands and should not have been allowed in their hands till now. We have made a mistake for five years. In 1950 we proceeded in a slow and tardy manner and therefore this is the result. How can you leave investments of such great magnitude in the hands of people or shareholders who have no corresponding stake in those investments? I would like hon. Members to understand what I mean. What is the capital of insurance companies? I will take 8 big insurance companies and explain that their total capital is not more than Rs. 25 lakhs. I only say about life companies, not of composite companies. What are the reserves with them? The reserves with them are Rs. 141 crores. So with a capital of Rs. 25 lakhs, eight companies are enjoying control of Rs. 141 crores. It is not

a small amount. We cannot leave these in the hands of the Directors. Therefore what should be done?

Now with regard to it, the Cowasjee Jehangir Committee Report has said that persons used to get control of these companies by buying up these shares and when they got the control, they got control of the funds. Whatever they paid in shares, I think they got control of the amount, hundred times more than that. Therefore these very funds can be invested in their other concerns and this abuse was there which was noticed and brought to the notice of Government but I say that the Government acted in a slow and tardy manner in 1950 when they amended the Act. They should have immediately put a stop to these and seen that the investments of the companies should have been cent. per cent. not 99 per cent. even, in Government securities. I have been advocating all along that the control of investment in a planned economy could not be left to any individual or any director of any company. I still further suggest to the Finance Minister that many companies have excess funds over and above their fixed capital and working capital. I am still offering a suggestion and I have always offered in the past that all these funds should be first employed in the Government securities. As regards public limited companies, nobody has a right, no director or board of directors should have a right to utilise them because we are living in a planned economy and we must know where to utilize it to the best interests of the people. We have priority programmes in the country and as I told yesterday that the shipping companies are begging for money and because shipping is the least remunerative there is no investment there. Therefore it is only in a planned economy that we can divert investment in the way in which we desire. Therefore not only this insurance business but also all other public limited companies in which

funds are existing for investment, the funds should be deposited with the banks and they can draw them whenever they like. At least so far as their investment as regards public limited funds are concerned, it should not be in individual hands. If this is not done now it is likely to come in one or two years, I think.....

**SHRI JASPAT ROY KAPOOR** (Uttar Pradesh): Is not private sector a part of the planned economy?

**SHRI C. P. PARIKH:** Mr. Kapoor, you will have to enter into business and try to understand it. I say that when I am making this remark, I further say that the private sector should be adequately supplied with banking and credit facilities in the country. It is the responsibility of the State Bank, it is the responsibility of the Industrial Finance Corporation, of the State Finance Corporations and so many Finance Corporations which we have established in order that private sector is not starved and the moment this private sector is starved for credit or for finance so long as it is solvent, we shall not be able to make any industrial advancement. Mr. Kapoor, I can tell you that the Government is fully aware and they have adopted all measures in that respect to supply finance to the industries. I know that the finances that have been supplied at present to the industries are beyond our expectations also. Some persons.....

**SHRI JASPAT ROY KAPOOR:** I congratulate Mr. Parikh for having a very close inside knowledge of the Government's mind.

**SHRI C. P. PARIKH:** I am stating facts.

**SHRI M. C. SHAH:** All these institutions are well known. About these institutions Mr. Kapoor ought to be aware, having been a Member of the Provisional Parliament and being a Member of the Rajya Sabha that these are all there.

**SHRI JASPAT ROY KAPOOR:** I know every little thing but I interpret it in a different way.

**SHRI C. P. PARIKH:** I can explain this argument that if the private sector invests Rs. 50 lakhs in an industry which Government wants to develop, then Government is prepared to advance Rs. 2 crores on that investment of Rs. 50 lakhs. That must be realised but only in a planned manner and where priority is existing—not in an industry which Government does not want to expand. With regard to these companies, it is found that by investing Rs. 10 lakhs they can control a sum of Rs. 6 crores. Here it will be interesting to note certain figures. In the case of the Oriental Company, if you invest a sum of Rs. 50 lakhs, you get the control of Rs. 72 crores of funds.

**PROF. G. RANGA:** Seventy-two crores?

**SHRI C. P. PARIKH:** Yes. And in the case of the National Insurance Company, if you invest Rs. 20 lakhs, you get control over Rs. 15 crores; and in the case of a third company, with an investment of Rs. 14 lakhs in ordinary shares you get a control of Rs. 22 crores. These figures are quite revealing. Let us understand why these people invest money in these shares. They get the same return of 6 per cent. in them just as they get in other shares. In other concerns, they may get even 8 per cent., but still these people prefer to invest in these insurance shares, in order to get this control over these funds. So it is well that the Government have come forward and taken control of this business.

Taking over control is all right, but I say regulation and control are more important than the taking over of the industry. That point I must emphasise. I submit that there must have been a provision to say that all the investments of these insurance companies should, cent. per cent., be in

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Government securities, in Central, State and Municipal debentures. They are all guaranteed by the State. Such a change ought to have been quite sufficient and we need not have had all these provisions. But what has happened has happened for other reasons and it is no use going over all that now.

Next I come to other points raised by the hon. Finance Minister, that advances were made on mortgages, that there were speculations on securities, that there was interlocking of finance and so on. But I would like to ask him, whether he was not aware of these facts for the last five years? Anyway that does not matter now. Now that this action has been taken by the Government, what is to be done next? I may point out that the insurance industry is also less intelligent, and they should have been more intelligent. First of all, it was well-known to all the insurance magnates that for the last five years, this insurance industry was under severe criticism by the public. This nationalisation of this business would not have occurred if these insurance magnates or the insurance associations who represent them, had represented to the Government that they wanted to put their house in order. When these investments were being abused, they should have come forward with a proposal to invest them cent. per cent. in Government securities. They should have come forward with such a request and had they only done it voluntarily this nationalisation would not have come about. They did not do that and therefore, the Government should not be blamed for taking the action that they did. The private industry should have voluntarily acted in anticipation and met the criticisms that were there in existence. Then there would not have been any need for this nationalisation.

I find that the hon. Finance Minister has over-emphasised certain things and also under-emphasised certain other things.

SHRI M. C. SHAH: So it is well-balanced.

SHRI C. P. PARIKH: What I say is, the way in which the insurance industry has expanded in our land is something of which we can be proud. Pandit Kunzru gave us figures for the last ten years or so to show that the volume of insurance in force had doubled. I may add that during the last fifteen years the business has multiplied four times and the premium amounts also have gone up by four times. But the profits have not gone up to the same extent. The meaning is that the business has considerably expanded. Even if we consider only the expansion during the last one year, one should be very proud. But there is not one word of recognition of this good work, not one word of appreciation from the hon. Finance Minister. This is what I mean when I say that he has under-emphasised certain things. When there is bad work we should criticise it, but when good work is done, it should be appreciated. Of course, everything cannot be well everywhere, because when the profit motive is there, naturally such things are bound to exist. Among so many insurance companies, only 20 of them do almost 80 per cent. of the whole business. What does it indicate? It indicates that about a hundred companies are not functioning in the way in which they should. It also means that these 20 companies have rendered great service to the country.

That service is that although before 1935 or so a large business was in the hands of foreign concerns, these Indian companies have wrested all this business from their hands. These private companies, these twenty concerns in the private sector have wrested a large part of the business from the foreigners. And at the same time, I may say that the foreigners still operating in this country, have very large resources, much beyond what we imagine them to have. Even then we have about 90 per cent. of the business in our hands. This fact merits recognition from the Government.

SHRI M. C. SHAH: But the hon. Member himself has said that there was this profit motive for all this.

SHRI C. P. PARIKH: But they have got all this business.

With regard to the money that we require for our planned economy, the statement has been made that there is only an annual increase of Rs. 22 crores in life business. Out of this sum of Rs. 22 crores only Rs. 5 crores are usually invested in the private sector. As was pointed out by Pandit Kunzru—and I may also point it out—it is all in the Indian Insurance Year Book, page 47, that only a sum of Rs. 5.50 crores has been employed by Indian Insurance companies in non-approved securities which Pandit Kunzru pointed out and to which the hon. Finance Minister did not give a proper reply.

SHRI M. C. SHAH: Does the hon. Member want the proper reply from me?

SHRI C. P. PARIKH: I would request the hon. Minister first to listen to me before giving me a reply. What is the maximum amount that may be held in non-approved investments? Rs. 34 crores could be held, but only Rs. 5 crores and odd was so held. Instead of Rs. 34 crores which the industry could have employed and held in non-approved investments, only Rs. 5 crores were so employed. That is on pages 47 and 48 of the Year Book which the hon. Finance Minister may note well for him to reply.

SHRI JASPAT ROY KAPOOR: Perhaps the hon. Member does not like even that amount to be held in non-approved investments.

SHRI C. P. PARIKH: I am against leaving in hands of private sector any investment, whether approved or non-approved. I want cent. per cent. investment in Government securities. The Government allow 16 per cent. to be invested in ordinary shares, preference shares, etc. They say they have made the necessary provision.

But I again say this is a wrong thing. We should not allow so many corporations in the country all to finance the private sector. There is the Industrial Finance Corporation, there are the State Finance Corporations, there is the Industrial Development Corporation and so on. Then why have this another Corporation with a board of directors to advance moneys and all that? They can simply give this amount to the Industrial Finance Corporation or to the other Corporations that I just now mentioned. We must have co-ordinated activity and this we cannot have when so many institutions are functioning for the purpose of distributing credit. Therefore, I submit when the other Bill comes up, it should be seen that this new corporation need not have investment powers. They may give all these funds to the Industrial Finance Corporation or to the Industrial Development Corporation for the industrial development of our country whether it be in the private sector or in the public sector.

PROF. G. RANGA: Would not the Corporation be able to consult the Government before it makes any allowance to anybody?

SHRI C. P. PARIKH: All these Corporations are controlled by the Government which is ultimately responsible to Parliament.

PROF. G. RANGA: So there would be that co-ordination there.

SHRI C. P. PARIKH: At present the State Finance Corporation is there, the Industrial Finance Corporation is there. Now these are sufficient. It is no use having too many corporations with investment powers.

SHRI R. C. GUPTA: Are they not financing only a very few concerns?

SHRI C. P. PARIKH: I may tell you that they are financing all solvent concerns, and not a very few concerns. Over and above there is the State Bank and whenever those solvent concerns require finance, it is coming

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forward to the full degree. For instance, for the renovation of jute and textile industries large amounts of money have been sanctioned, which even the industries themselves did not expect.

Now, Sir, I will come to the question of penetration into the rural areas. That is a good point which has been made. If this industry is nationalised, the rural sector can function much more efficiently. The reason is that at present the companies having life insurance business are not going into this insurance, because they think that the amount of insurance will be small and the expenses correspondingly greater. That is because the companies are working with a profit motive. But now we shall be able to tap all the resources available in the country. In fact, the finance that will be coming in this country will not now be coming in from the richer classes, but it is coming in from the middle and lower classes. The middle class people will be saving more and more and the high income groups have already reached the saturation point. Now we can expect the finance only from the rural sector, in my opinion, and that fact can be borne out by the Reserve Bank's statistics also.

Then, Sir, the hon. Minister has complained that the lapse ratio of these companies has been great. Why is that so? That is because in the first year we have allowed 90 per cent. as the expenses and the commission. I think we have allowed a very high rate of commission and a high rate of expenses by the authority of Government. We should not allow such high rates. If things can be managed by giving 65 per cent., there will be the question of the balance of 25 per cent., because at present that 25 per cent. is going away. The Government should not have allowed this 90 per cent. but should have allowed only 65 per cent. I have got some experience of this industry. The agents pass on some commission to those who insure their

lives. That fact must be recognised. It is no use saying that their expense ratio is more. The premium is reduced by about 20 per cent. or so because the insured receives the commission indirectly, on an average, to the extent of 20 per cent. Some are receiving even to the extent of 50 per cent. but on an average it is 20 per cent. This fact is well-known and I need not expand it. Therefore this high lapse ratio is there on account of the system that we have adopted. This system is wrong, and I request the hon. Minister to plug the loopholes wherever they exist in order that maladministration or mismanagement which is taking place may not be repeated in other fields also.

Now, Sir, something about the competitive aspect of the matter. It would have been much better if the Government had kept only twenty companies in the field, just as they did in the case of banking by having the State Bank and its branches and the other banks also functioning on the basis of co-existence. By that way the Government could have been able to control and develop the industry to the extent they desired. Sir, Government have quoted some instances of foreign countries. I also would like to quote certain instances of foreign countries. In France, the State-owned life insurance is to the extent of 60 per cent. and there is 40 per cent. in the hands of the private sector. So, both the sectors are co-existing and competing. In Italy, it is 63 per cent. State-owned and 37 per cent. private-owned. In New Zealand, it is 70 per cent. in the public sector and 30 per cent. in the private sector. All of them are working together and competing. When this business is monopolised by the State, I know, Sir, what will happen. Nobody can pass any judgment and say whether it is done properly or not, because there will be no comparison at all, and the Finance Minister will come forward with explanations which we will not be able to understand. Then, Sir, Sweden and Norway are socialised

countries and are more advanced countries, but they have not nationalised this insurance business, because they know how to regulate and control this business, which we unfortunately lack very much.

Now, Sir, with regard to the loss of foreign business in life insurance, I might point out that at present we are having a fair business from the Indians who are settled outside India, say in Africa, Singapore and other places, some life insurance business. That business we shall be missing with the nationalisation of insurance business. When we oust foreigners from this country, do you think that any country will allow any insurance to be done by the Indians settled in that country? It is all a question of reciprocity. And we shall be losing that much of insurance business.

PROF. G. RANGA: But are we not allowing the foreigners to do insurance business here?

SHRI C. P. PARIKH: But we are not allowing them now in life business. (Interruption). I am simply pointing out what we are gaining and what we are losing.

Then, Sir, Mr. Gupte referred to the fifteen companies all functioning in Poona. I think, Sir, the activities of all those fifteen companies excepting perhaps two will have to be wound up. After all, you cannot allow fifteen companies to do the same business in one town, and that also in a town like Poona with a population of five lakhs. And the question of retrenchment which is anticipated has appeared in the *Times of India* today. The custodians held a conference and they brought forward certain retrenchment proposals before the Finance Minister. All that has appeared in the *Times of India* today. At present, Sir, 2,90,000 people are working as agents and deriving their livelihood from the insurance business. That fact cannot be denied. Now that number will have to be

considerably reduced. After all you cannot keep certain people with no work.

Now, with regard to the corporation that is to be established, the question is how it should be run. That it should be run on a competitive basis is the demand of all Members both of this House and the other and if you do not do it I think the hon. the Finance Minister will not be translating into action the views of the Members. There must be competition between the zones and the balance sheet of each zone should be separate so that we can know how it is functioning. All that happens is till now there were managing directors or managers in charge of the companies. Now, the officers will be there; it is only substitution of one for the other and it is very necessary that we must have comparative statistics. That is the main thing.

Then there are some small points about which I would like to say a few words. It was said that in this industry people are appointed on high salaries. But I ask in other industries are not people appointed on high salaries? That system is there in all the industries and we have not done anything about them. If we have found a way to tackle this problem in those cases, then we can apply the same thing to the insurance industry also. Otherwise, there is no use saying that when we know in so many industries people are paid much higher salaries than are warranted and the Government is not doing anything about it. Therefore that is no argument at all.

With regard to dummy agents and women agents, what is the cause of this? Any man can be an agent of an insurance company by paying Rs. 5 as licensing fee. If a person who is liable to pay high income-tax and super-tax is able to receive something, then he will try to get it in the name of some member of his family. Therefore it is for the Finance Minister to



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note that these women agents—they are nearly 35 per cent.—are there in such large numbers because of the income-tax and super-tax which one has to pay. That is why this phenomenon is there. There is no use blaming the insurance companies. You have left so many loopholes in your Income Tax Act that all these things become possible.

The hon. Minister has said that 25 companies have gone into liquidation and 25 companies have been transferred to other people. If you examine the position in other countries, I say that you will find that the position is much worse in other countries. There is liquidation to the same extent, if not more, in other countries; transfers have also taken place to that extent or even to a greater extent in other countries. I need not go into all the details and take up the time of the House.

With regard to general insurance a certain case has been made out as to why it has not been nationalised. Sir, we have nationalised wisely and judiciously what we can and what we are capable of administering. Life insurance is not a diversified activity but general insurance is a very diversified activity, very complicated activity. If we had nationalised both, then we would have failed in both, not in one. The general insurance is in the field of trade and commerce, the policy expires within a period of 12 months and a marine policy expires within a period of three months. Sir, we must take on our hands only what is possible for us to do and we must not lay our hands on anything and everything. These are some of the points which I hope the Finance Minister will take into account.

PROF. G. RANGA: Mr. Deputy Chairman, I am at a loss now as to where to begin and where I should end, after the speech of my hon. friend, Mr. Parikh. I do not know

whether he is in favour of this Bill or not. I am not quite sure whether he is unhappy because this life insurance business is being nationalised or whether he is happy that the life insurance business is at last being nationalised. He has given arguments both for and against it and I thought he was contradicting himself several times. But really I do not think he was contradicting himself because he seems to think that since anyhow the Government has decided upon it, why not make a virtue of it and accept it, but at the same time ward off this evil so far as general insurance is concerned so that that at least can be saved for private enterprise. I sympathise with him but at the same time I am not prepared to take up those arguments that he has adduced today against nationalisation of this section of the industry and examine each one of them. Because I would like the House to look at the question from the other end, the end chosen by the hon. the Finance Minister, the author of this Bill.

Do we or do we not want to take all those steps that are practicable and possible in order to mobilise the savings of the vast number of our people in the country? My answer is in the affirmative. We want to reach all the people. The next question is—are we in such a great urgency to reach these people? There also there cannot be any doubt. We are in very great urgency. Now what is that particular urgency? Can we not go on depending upon the Nasik Press, deficit financing and all the rest of it? Why should we reach these people and tap their savings? It is to ward off the danger of inflation; to see first of all that the savings of our people are mobilised to the maximum possible extent and then only depend—again only to the inevitable extent—upon deficit financing and the Nasik Press. It is for this reason that we want to mobilise the savings of the people. But are we in a position today to

assure ourselves that through the existing life insurance business that we have in the country we would be able, with any reasonable degree of expectation of success, to reach these people and mobilise their savings? The very progress or failure to progress of our life insurance in that direction to that extent warrants us against having great expectations from the life insurance business as it is today of achieving within the time that we have placed before ourselves economic progress or of laying and broadening the economic foundations of our society in our country during the next five, ten or even fifteen years. It is for this reason that we have got to take expeditious steps, emergent steps, to go beyond the confines or the horizon of the present life insurance business and try and reach the maximum number of our people in our country who could be expected to save something and lay by something for a rainy day and who could be persuaded to place their savings at the disposal of our society through life insurance. It is for that reason, I think, that this step has been decided upon. Anyhow it is for that reason that I am specially glad that the Government has taken this particular step and I stand here today to lend my support to this Bill.

It was argued that the Government did not give any notice to anybody. Sir, I am glad that the Government did not give any notice just when they took action. If they had given so much of a notice then we know what would have happened. Instead of there being one Man Singh Road there would have been quite a number of Man Singh Roads, all laid out and nicely paved. Sir, I would like to congratulate the Government upon the degree of success they have achieved in implementing this nationalisation in the effective manner in which they did, I think, on the 19th January. I was told that so far as Madras was concerned, nobody knew anything. Not

a breath of it was whispered to anyone. All of them, the Managing Directors, General Managers and various other people with their keys and other things went to their offices. When they went there they found themselves confronted with some gentleman with an authorisation paper which was shown to them. They were told by him, "Open the locks and doors and hand over the records to us; this is the order of the Government". Sir, a large number of these people were flown from Delhi to other places, not in the usual service planes but in special planes commandeered by the Government. They all went there. They themselves did not know to which companies they were being deputed or what destinations or anything like that. One of them got down at Hyderabad, from Hyderabad to Bezvada, Gannavaram. At Gannavaram he was given a paper that he was to go to Masulipatam and from there he proceeded to Masulipatam. When he went to Masulipatam the envelope was broken open and the authority was displayed before the officer concerned of that insurance company. In that expeditious, careful and judicious manner this Ordinance was implemented and I think the Government of India deserves all congratulations.

SHRI M. GOVINDA REDDY (Mysore): The Controllers also.

PROF. G. RANGA: And fourthly, in regard to this particular business, would it be possible for the nationalised industry, as it has come to be today, to reach the people that we want to be reached? Now, would those people be enthused to place their savings in these life insurance companies? These are the two questions which demand answer from us. We can only answer from our expectations and from our hopes. I am inclined to look at it this way. Hitherto six or seven insurance agents of competing companies might have been trying to reach the same prospective policyholder and then

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canvassing him. It is possible that tomorrow only one man would be going to him. But nevertheless in the past he did not have the assurance that his money would be safe and from today onwards, every policyholder knows, the prospective policyholder knows that his money is absolutely safe and there can be no loss at all. Supposing there is any loss on account of management of this particular business, that would be borne by the general taxpayer—first by the Corporation, then later on by the general taxpayer. And the policyholder anyhow will not be expected to lose that money. That would be the assurance, I say, he would be getting. And for that reason I am hoping that there would be more and more people willing to come forward and take these policies, place their money at the disposal of the Government. Secondly, I am hoping the working expenses, or the working expense ratio as they call it, can be brought down and will be brought down. Of course, Mr. Ghose, leader of the Socialist Party, was afraid yesterday that it is quite possible that the working expense ratio might not be brought down, because smaller and smaller policies will have to be undertaken by the Government and, therefore, expenses might have to go up. It may be so in the beginning, but as he has himself admitted yesterday and as has happened in the experience of the other countries when you reach more and more people and insure ever increasing sums of money and more policies, it might be possible for the Corporation to bring down the working expense ratio in course of time—possibly within the next five years. Certainly I do not think there is any real reason for Mr. Parikh to deplore the fact that there may be some retrenchment. Well, there is bound to be some retrenchment. But these people are not going to be wholetimers. They are not wholetimers now, not every insurance agent is a wholetimer. To

him it is only a part time employment and to the extent that they come to be thrown out of employment, certainly to that extent working expenses will have to come down and will come down and, therefore, I do not regret it.

Then, there is also the other consideration. Would the agents who would be appointed or who would be recognized by the Government as their agents be so enterprising as to come and reach these prospective policyholders and win their confidence and gain more and more policies from them? I am inclined to think that it should be possible for them to do so with a greater sense of assurance, that if they were to go and reach these people and explain their case it would be easier for them to persuade them and gain their confidence and get their policies. Whereas in the past and till the other day a prospective policyholder was likely to be confused because of the conflicting reports that were being placed before him by these competing agents saying that such and such a company is about to be liquidated, such and such a company is being specially watched by the superintendent. Another company was being given notice of and warnings and so on like that. Naturally a prospective policyholder would begin to wonder whether even the company for which he is inclined to favour is not likely to go into liquidation in a couple of years or in a few years. Therefore, his mind would be upset and for that reason he would not be so very ready to go in for an insurance policy. But at present, with the present system, I do not think it would be unreasonable on my part to expect more and more people to develop that much of confidence and then take these policies. And, therefore, I do not think I am expecting too much when I say that the agents also would be able to achieve greater success both for themselves and also for our own insurance corporation by going to

more and more people and gaining their confidence and getting their policies and in that way gaining their own commission.

Then, Sir, lastly, I do not wish to go into the various other points that were raised by Dr. Kunzru. He also made a very strong argument for argument or what you call point against another point raised by my hon. friend, the Finance Minister. But one point anyhow he made and that appeared to be rather a very strong point for me and that was, are we to favour democracy or are we to favour autocracy? Is it because that you have got a majority behind you that you have chosen to nationalise this thing, or is it because that you are dissatisfied with the way in which democracy is working in our country? That is an argument which needs a reply. Is there democracy today? Was there democracy in our country in the insurance business? Mr. Ghose admitted yesterday if there was no democracy in insurance business, if there was corruption, if there was inefficiency, and if it was a bad business, then surely banking also was a bad business. So many other businesses are also bad. Then, why did you not think of nationalising them, he said. For one thing, it is admitted that there is no democracy in this, no democracy of the policyholders. This is a democracy of the profit-making people, the shareholders, not the policyholders at all. It was not a co-operative concern. It was entirely the industry of the profit-making people. Therefore, where is any democracy? Quite right there was democracy as against all these people who wanted to make profit. Now, are we in favour of profit-making business especially in this direction or are we not? That is the only question. That question was not answered. Dr. Kunzru did not address himself to that question at all. It is not a question of democracy *versus* dictatorship. On the other hand, in this.....

MR. DEPUTY CHAIRMAN: I think he referred to the issue of the Ordinance.

PROF. G. RANGA: I am coming to that. In this private business there is dictatorship, dictatorship of capital as against policyholders—dictatorship of capital as against producers on the one side or consumers on the other side. These are a few people, as was admitted by Mr. Parikh himself, people who contributed only Rs. 50 lakhs were able to gain control over Rs. 87 crores. It is just that kind of control, the throttling control that they have developed, that they have gained upon our social economy, that they have been hoping to gain more and more as our economy would be growing. That we are anxious to guard ourselves against. We are anxious that our State should take the necessary steps to the extent that it is possible and then gain control for the society as a whole. And that is my answer.

Coming to the other question of the Ordinance, it is only a small point from my point of view, because even according to him during the last four or five years there were only ten or fifteen Ordinances per annum—even less than that, five or six—and therefore, it does not seem to be such a frightening prospect. But, nevertheless, even supposing that it is a bad thing to do, in this case, anyhow, it is not a bad thing. But then why wonder why they could not have waited? For how many days? Twenty-six days. They could have waited. Quite true. But what has happened? The Chief Ministers of all the States met here and the Planning Commission also was in session with them. They discussed this matter along with other matters. They more or less came to the conclusion then and there that this should be nationalised. And for what reason? Not because of any cursedness against capital; primarily because they were hard put to it to find funds in order to finance our own national programmes and they did not know in which other way they could get at the largest number of people in our country who can be expected to save something from out of their day

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to day incomes and expenses. Therefore, they came to this conclusion soon after. Only a few days after that, a number of our own Members of Parliament—both Houses—were also invited by the Planning Commission into a conference with them. We also discussed the matter and we expressed certain opinions. It was a sensible thing on the part of the Government that, having known the views of the Chief Ministers and also the Members of Parliament and having given an inkling of their mind almost by an implication to those people—the State Ministers as well as M.Ps.—they did not take too long a time thereafter to come to a decision first of all. And secondly, having come to a decision, they did not wait, as was being suggested by Dr. Kunzru and other friends, for another 20 days, so that there might be any amount of leakage. Therefore, they took their decision expeditiously and implemented it and it is all to the credit of the Government, according to me.

In conclusion, I would like to put forward two suggestions. One is whether it would not be in the interest of democracy as well as State management of this great industry to allow State Governments to carry on life insurance business, so that there might be some scope for some amount of competition—as was put yesterday by Shri Ghose “socialist competition”—**between the State Government insurance business and the Corporation's insurance business.** I would like that suggestion to be carefully examined.

Secondly, there are the co-operative societies. There are co-operative societies for life insurance business also. Some of us who have been connected with the All India Co-operative Union have been trying to bring about an amalgamation of all these co-operative societies into one society, so that they may be able to maximise their business. But in the meanwhile, this

nationalisation has come. I would like the Government to examine the possibility also of utilising that institution, if not entirely, to reach rural people at least to supplement the funds that the Government of India would be making through this Corporation.

On this question of co-operative insurance, there is already an amendment in the name of my hon. friend, Shri Rajagopal Naidu and he would be explaining to the House at length the advantages of giving an opportunity to co-operative insurance also to ply this business in competition with our own Corporation's work, so that to that extent this kind of socialist competition might possibly be given some opportunity to test the mettle, as it were, of our State insurance. I am not putting forward these suggestions as if by adopting these alone the State insurance would be encouraged. No. But I am hoping that it will be possible that by adopting these two suggestions to the extent that the Government of India might find it possible and practicable, they might ensure greater efficiency on the part of the Corporation and the State insurance business that we have decided upon.

PROF. A. R. WADIA (Nominated): Sir, I admire and envy the ease with which some of my friends, especially Mr. Ghose and Mr. Kapoor, have wholeheartedly supported this Bill and yet advanced arguments which knock the bottom out of the Bill. It has, to a very great extent, simplified my task and I am thankful to them for the arguments that they have advanced.

Sir, the main reason for this Bill that has been advanced by the hon. Minister is that a number of companies were guilty of fraudulent practice. Sir, we, as Indians, have to bow down our heads in shame that such a contingency should have arisen. At the same time, we should not forget that there

have been very many good Indian companies which have built up insurance business and carried it on with very great satisfaction. Now, in their zeal to put down bad companies, I am afraid the Government have also done a great injustice to good companies. They have not cared to distinguish between the goats and the sheep. The good companies now find that the only reward for all the pioneering work that they did, for all the honest work that they did is that overnight they should be deprived of their own business. Sir, that is rather unfortunate.

Now, so far as the method of doing this is concerned, it is still more reprehensible. I am entirely at one with Dr. Kunzru in the very spirited attack which he made on this undemocratic move for legislation by Ordinance. And I am really surprised that so confirmed a democrat as my friend, Prof. Ranga should not see the undemocratic procedure of legislation by Ordinance. Even assuming that the object was good, were the means adopted right? What was the reason for it? The Finance Minister interjected while Dr. Kunzru was speaking that it was done in public interest. Well, Sir, is anything being done in this House which is not in public interest? Every big Bill and every small Bill is in public interest. Every question that is put is in public interest. Every answer as given by the Government is in public interest. If that were the only reason for resorting to issue of Ordinance, I am afraid that there is no need for a Parliament at all. Government can carry on anything in public interest by means of Ordinances.

The real justification for legislation by Ordinance is the existence of an emergency. Now, can it really and seriously be suggested that in the insurance business a terrible emergency arose on this great date—19th January 1956? On the admission of the Finance Minister himself, Government have been well aware of those companies which have not been

honest or which were even fraudulent in their business. They slept over it. They did not take any definite action about it except in one instance and yet, all of a sudden, they woke up one morning and passed this Ordinance.

Now, it seems to me that nothing could be more undemocratic than this. There was no emergency to justify this. They could have easily done it by means of ordinary legislation.

SHRI M. C. SHAH: To allow the irresponsible section to do away with everything that they may have.

SHRI H. C. MATHUR (Rajasthan): Even in spite of the Ordinance, all this bunkum has happened.

PROF. A. R. WADIA: Well, Sir. I am just coming to that point. If the Government had made up their mind, they could have done it by way of legislation. I understand that they took six months to carry on in secret the training of their officers in this business. They could have very well framed a legislation with as much secrecy and could have hurried it through Parliament. They could have got this passed in one week.

PROF. G. RANGA: It is only a formality.

PROF. A. R. WADIA: According to Prof. Ranga, simply because there is a steam roller majority, every legislation becomes a formality. But that is not a correct attitude to adopt. This is not doing justice to the Parliament, and I am perfectly certain that but for the fact that a very heavy majority is on one side and the Opposition is comparatively weak, no Government would have dared to do this sort of thing by Ordinance, because there was really no justification whatever for doing this.

SHRI H. C. MATHUR: Is it not a fact that the Opposition is one with the

[Shri H. C. Mathur.]

Government in this matter? That is misrepresenting the attitude of the Opposition.

SHRI BHUPESH GUPTA (West Bengal): It all depends on who sits in the Opposition.

PROF. A. R. WADIA: I understand that. But even many Members of the Opposition were arguing on behalf of the private sector to a considerable extent. I am just coming to it. The main background of this legislation is the conflict between the private sector and the public sector. I can understand the Opposition being wholeheartedly for the nationalisation of every industry. I can understand that. I can understand even the Congress Members arguing for the public sector. I am afraid they have not been able to make up their minds. They only pay lip homage to the private sector while speaking of the importance of the private sector in the economy of the country. Well, I know there is a general feeling that every industry and every institution that is managed by the Government will be absolutely all right. I do not share that very naive assumption. I do not know that Government—not merely with the capital G but with every letter in the word in capitals—is entirely free from the ordinary human weaknesses. We know how many defects Government enterprises have, thanks to the Public Accounts Committee and the Auditor General. They have exposed so many defects, defects which of course exist in the private sector also, but there is one advantage that the private sector can be mended more easily. If the private sector goes wrong, it is always up to the Government to take action against it.

PROF. G. RANGA: It is not so easy.

PROF. A. R. WADIA: I am assured by a person who is very well-versed in the insurance business that no in-

surance Act in the world is so very stringent as our Indian Insurance Act.

SHRI BHUPESH GUPTA: You can imagine what the condition of the private sector will be like there.

PROF. A. R. WADIA: If, in spite of that, Government is not able to control, then it means that the Government brains are not as good as the brains in the insurance business. To say that is to condemn the Government for its inefficiency.

SHRI BHUPESH GUPTA: We condemn both the private sector and the Government.

PROF. A. R. WADIA: What will you have then?

SHRI BHUPESH GUPTA: The public sector under popular control.

PROF. A. R. WADIA: Now, it has been very naively argued that as soon as this business is taken over by Government, the cost will be less. I have my honest doubts about it. Government offices are always more costly than in the private sector. I am perfectly certain that Government officers on an average show much more indifference than any private office. I am perfectly certain and I know it from my own experience that clerks in Government offices spend much more time in drinking tea or eating pan than they would dare to do ~~into~~ in any private office, because in a private office they would be shown the door if they were to indulge in these uneconomic activities.

Then, there is always the danger of tremendous delay under Government management. Whatever may be the sins of insurance companies—I am not defending these sins—the policyholders do get their claims settled very quickly. It is extremely difficult to get any money out of Government Departments, I must say that Rajya Sabha

Secretariat is an exception, and I must pay my compliment to them. In other Government Departments, I find that it is extremely difficult to get any money out of them, and I am afraid that will be the fate with this insurance business also. There is going to be a lot of delay. I am mentioning this so that the Finance Minister may see that these delays are lessened as much as possible.

**SHRI M. C. SHAH:** May I draw the hon. Member's attention to the Bill where we have specifically said "on commercial lines"?

**PROF. A. R. WADIA:** That is rather vague, and Government might put their own interpretation on the words "on commercial lines".

I was arguing that I am not one of those persons who would have blind faith in the efficacy of the Government. A good deal is talked these days about the socialistic pattern of society. We read a lot about it every day. Some people seem to imagine that the objects of the socialistic pattern will be realised as soon as we nationalise everything. I am not sure about that. It seems to me that the real objective of a socialistic pattern of society is to see that there is a rise in the standard of living of the average citizen. Judged by that standard, I am not sure that countries like the U.K. or the U.S.A. which are dubbed as capitalistic, are not more socialistic than several socialist countries. Frankly, there the Government spends much more on raising the standard of living of the average man, and yet these are the countries which appreciate private initiative and give a certain amount of freedom for the development of the intellect of the human beings there. Sir, I do not believe in any "ism". I am not one of those who believe that Government should never do this or that, nor do I believe that everything should be done only under private initiative, but especially in the insurance

business, there is ample room for both the public sector and the private sector. My friend, Mr. Parikh, as well as Mr. Ghose, referred to the example of so distant a place as France. Why go to France? We have an example of that nearer home in our own country, and that is the State of Mysore. I myself have benefited by it. The Mysore State long ago started this insurance business and made it compulsory for every Government servant to be insured with the Government Insurance Department, and they extended the benefit to the public also. Only two days ago the Chief Minister of Mysore in his statement before the State Legislature was wondering what the fate would be of the Mysore Insurance Scheme. But I presume that it will be looked upon as Government sector or public sector and it will be allowed to continue to function.

Now, I should like to encourage also the private sector in the insurance business and I would heartily endorse the suggestion made by Prof. Ranga. I would allow them to continue to exist and to work for the benefit of the country as they have done in the past. There is one danger in a monopoly, even if it be a Government monopoly. If in any one year they find a heavy deficit, there will be a temptation on the part of the Government suddenly to increase the policy rates and to make up that deficit at least partially. It is not impossible, and yet that would not be possible if there are competing companies. If there are competing companies, that will keep the Government in check, and I think it will be a good thing to put Government on its mettle and they should not feel that, since they are a monopoly, whatever they do, there is no one to challenge them. There should be competition and that competition will be good for the insurance industry in India generally.

Finally, when there is going to be future legislation, I do appeal to the



[Prof. A. R. Wadia.]

Government in the best interests of the country, in the public interest, to encourage good insurance companies. Now, they have had a complete look into all the records of all the companies, and they can easily distinguish between good companies and bad companies, and I think it is up to them to encourage the good companies to continue to do their work.

Another suggestion that I would like to make is that insurance should be made compulsory for all Government servants. It will be of great advantage to them, and I am sure every Government servant will appreciate that advantage especially at the age of 55.

I know that the insurance companies existing at the present time have not been able to do any effective work in the rural areas, and if insurance is good for the urban population, it is equally good, perhaps even better, for the rural population.

[THE VICE-CHAIRMAN (SHRI H. C. MATHUR) in the Chair.]

If the private companies are not in a position to extend their business into the rural areas, it will be the responsibility of the Government all the more to take an interest in our rural population and advance the benefits of insurance even to the most backward rural areas.

SHRI H. P. SAKSENA: Sir, I hold no brief for any insurance company or any insurer—neither have I ever been an insured person and at this age even if I think of getting myself insured in the Government insurance, I find, to my regret, that I have passed that age and even the Government will not insure my life now.

DR. R. P. DUBE (Madhya Pradesh): You are insured by the Government.....

SHRI H. P. SAKSENA: You will give me a false certificate about age.

THE VICE-CHAIRMAN (SHRI H. C. MATHUR): Let him go on.

SHRI H. P. SAKSENA: Just as the 26th January has been a red letter day and a historic day for us for the last 25 years, and over, this 19th January 1956 will be a historic and red letter day for the life policy holders and those who will get their lives insured in the future and for the coming generations. I find from the statement of your goodself that both the Government and the Opposition are in agreement so far as this Bill is concerned and therefore it is a red letter day for this House, to use that expression, and therefore I feel inclined to congratulate my friend Mr. Abdur Rezzak Khan from West Bengal for his very able, forthright and outspoken speech which to my enjoyment, I relished and enjoyed in full and which delight could not be made use of by others who, unfortunately for them, do not understand Hindi or Hindustani. Sir, nationalisation is a term of which I am fond—to be more accurate, I am in love with nationalisation and therefore I think no person howsoever miserly and stingy he may be, would hold back a meed of praise for the Government for having nationalised during the last less than 12 months two big industries known as the Imperial Bank of India—the Banking Industry—and the life insurance business in the last but one month i.e., in the month of January. So this is a thing for which all of us should be thankful to the Government for having taken the courage in both hands and this is again, I point out, a step towards our objective and goal, viz., the establishment of a socialist pattern of society. What is it, if it is not, a step towards that direction? What is that much dreaded Communism which is the plague of the U.S.A. and of the U.K.? Is it the same as that displayed by the speech of my friend Mr. Abdur Rezzak Khan? I don't think there was anything of which anybody should be afraid. To me he appeared to be absolutely, purely and completely nationalistic

and nationalism is a thing of which I am fond and with which I am in love.

Sir, we listened to a long story of evils and malpractices practised by the insurers and we also listened to the woes and sorrows of life policy holders yesterday by the hon. Finance Minister who is sponsoring this Bill which I whole-heartedly support. Now the Government is being blamed for promulgating the Ordinance. How else could this evil have been checked and checked suddenly, expeditiously and without any information about it leaking out? It was the only way.

To my great regret, I find that some of us are still so much sorry for the loss of the British Government which has happened here in India, that they cannot reconcile themselves to the changed way of life. They are still thinking that things would have been better if the Britishers had been here. This is most regrettable but unfortunately it is there.

So far as this Bill is concerned, which I hail from every point of view, I am anxious about two things only: that no employees are to lose their jobs. When I use the word 'employees' I don't mean those middle-men who have been very happily eliminated and who were rolling in wealth, earning Rs. 6,000, Rs. 8,000 and Rs. 10,000 a month because of being the managing director or by carrying on the business under some other dignified name and in this respect, I extend my sympathies to my hon. friend Mr. Rajah who is not here but who is sure to lose his very lucrative job. So the elimination of the middlemen is one of the best aspects of this nationalisation of insurance business.

Now my other anxiety is that even the insurers who were carrying on this business have got to be rehabilitated and a job fitting to their qualifications has got to be found for them. I know that all of them will not be employed in the arrangement that is going to emerge in the future but then they should also be because while it is true that this nationalisation has

come as a result of the misdeeds of some, it is also equally true that even the innocent are going to be punished along with the guilty and the Government should have every regard for innocent people who have upto now been conducting their affairs quite honestly, properly and efficiently. Now the Government deserve all praise for the very expeditious and swift way in which they took this step. Ordinarily the Government clock moves very slowly, very very slowly, proverbially slowly but in this case, they acted with expedition and they deserve all praise and I am in perfect disagreement with those friends who have suggested that the matter should have been done in the usual ordinary course by bringing a Bill before the Parliament and getting it passed. Nothing could have been done by that—even one-fourth of the success as we are going to achieve by this step would not have been achieved. As you yourself suggested, Sir, a moment back, some of the funds have already disappeared and if we had adopted the other method, all the funds might have disappeared. So it appears the Government have at least for once, done the right thing and at the right moment. And this step has been so wise and so proper that even the Opposition is praising it and supporting this measure wholeheartedly.

I find that the Government has succeeded in laying its hands only on one aspect of the insurance business, that is to say, on life insurance. But there are so many insurance lines, fire insurance, car insurance, house insurance and so many types of insurance which still remain with people, most of whom are not very honest, scrupulous and straightforward. So something has got to be done with regard to that also. I would suggest most humbly, but at the same time, most strongly that the entire field of insurance should be nationalised and taken possession of by the Government in due course.

The Finance Minister in his speech informed us that 120 Custodians were

[Shri H. P. Saksena.]

appointed on the very first day that the Ordinance was promulgated, of course, may be not on the first day, but within a few hours which could even be named, some 48 hours or so. And our friend Prof. Ranga added to our information by saying that some people who did not even know where they were to go and take charge of, were flown and huddled together and sent in aeroplanes by the Government in order to do this business. This is the way in which the Government acts on occasions of emergency and this Bill has rightly been called "The Life Insurance (Emergency Provisions) Bill." And the regular normal Bill will be coming before us in due course.

So let us not talk now of democracy and totalitarianism. These are empty and meaningless terms when they proceed from persons, from the mouths of persons who have to do neither with the one nor with the other, because they are nowhere. You see, they take the attitude which is known as independent attitude. But to be independent is absolutely meaningless in this world, because the world stands on inter-dependence and if one acts like an unbridled horse, he is nobody and neither are his views worthy of any consideration. So I am not going into this academic discussion of democracy *versus* totalitarianism, whether this action of the Government is a democratic action or it is a totalitarian action. I know it was the just and proper action and it was taken and taken at the right moment. This is the sum and substance of the whole matter. Similarly, I very much disliked the word bureaucratization used by Shri B. C. Ghose for whom I have great love and whose hard work and ingenuity I greatly admire. But why talk of bureaucratization? If something has gone wrong, you should correct it. You should have the courage to say that something is wrong and you should correct it. After all, the country is ours. The Secretariat is ours and we should set

things right. You should have the necessary courage and.....

SHRI B. K. MUKERJEE (Uttar Pradesh): That is all only on paper.

SHRI H. P. SAKSENA: No, nothing is on paper. What proceeds from me is translated into action. I am in favour of removing untouchability e.g. and I was the first man to dine with the so-called untouchables. I do not work on paper. I work with my brain, and by my action. Anyway, I am not going to waste my time over these interruptions.

So the theories of democracy and totalitarianism are exploded and they do not stand in our way.

Similarly somebody referred to this so-called "evil" practice of promulgating Ordinances, as if a very severe blow was struck at democracy by the promulgation of a few Ordinances. And an arithmetical account is being made of the number of years that had elapsed since 26th January 1950 and this day the 14th March, 1956 and they say during these six years and few months, some 74 Ordinances have been promulgated and....

AN HON. MEMBER: Seventy seven Ordinances.

SHRI H. P. SAKSENA: May be 77 Ordinances and they say it comes to about one Ordinance every month. What is all this? Ordinances, we know, are promulgated only when the Parliament is not in session. It is not for the sake of joy that an Ordinance is promulgated. An Ordinance is an uncommon thing, an unusual thing and it is promulgated only when an unusual thing, an uncommon thing, when an abnormal thing arises on the surface and then the President is requested to promulgate an Ordinance. It is not a joy for our President to be named "Lord Ordinance" at the expiry of his term of Presidentship. It is only in the interests of the people that it is done. It is in the interest of the land we live in, in the interest of its

prosperity and growth that an Ordinance is issued. And the very first opportunity, the earliest opportunity is taken to convert that Ordinance into an Act. The necessary Bill is brought forward and the Ordinance is removed. So for me it is not a terrifying thing when an Ordinance is issued, even if it be at the rate of one per month during the last six years. As I said, when Dr. Kunzru was speaking, if the necessity arises, we may have to issue three or four Ordinances—but God forbid there should be any such necessity. But what I say is, the power is in our hands and it will be used as and when necessity arises.

Sir, almost each and every hon. Member who spoke before me has advocated and emphasised the necessity of introducing this insurance habit, this insurance business into the rural areas. As we all know, that vast and extensive field remains almost untapped. People there even do not know what is the purpose of insurance. So this has got to be taken to the doors and hamlets of the people in the villages so that they may also be trained in the art of saving some money and investing it for the rainy day. When this work has to be done by the Government, I hope they will devise such a mechanism by which it will be not very costly, but at the same time it will be easy to reach the masses and introduce this system of life insurance business there.

While on this topic of life insurance, I may point out one factor. Formerly it was the practice that the life insurance companies took as few policies of females as possible. Somehow or the other.....it had entered their minds that it was not safe to insure females and so if you compare the figures in any insurance company you will find that the ratio of female policy holders is much less than that of males. And therefore, this untapped field, which is again very vast and extensive, should be vigorously pur-

sued, and I hope it will yield fruitful premia and fruitful results. The Bill is a small one, but its significance and its import is a very serious one, and the Government, I hope, will pay to it the same serious attention which it so richly deserves.

Let me give the Government, Sir, one piece of advice. If we look back to the volume of work that the private insurance companies used to do during the days when they pioneered this business in our country, we will find that an army of field workers was needed to take this message of life insurance from door to door. There were competitions, there were competitors, there were offers and so many things. So, this field work of insurance is a very tiring work and Government will have to employ people who have some taste for doing social service. This work should be entrusted to their care, and then alone it can bear fruit. I recall a certain textile firm which the Government took over, and it could not manage it properly, and it had to be returned to the previous owners. I am sure, and I hope, nothing like that will happen so far as this nationalisation of life insurance is concerned, and its field of activity will be expanded and all other types of insurance work in our country which is worth crores upon crores of rupees will be taken over by the Government in future, and my friend, Mr. Parikh, can take a warning that if we find in the coming years that the textile industry stands in need of being nationalised, the Government will not be slow in taking it over.

SHRI P. S. RAJAGOPAL NAIDU: Mr. Vice-Chairman, I am for life insurance nationalisation, not only the life insurance business, but also the general insurance business. But I am not in favour of the insurance business that is done by the State Governments and also the insurance business that is done by the co-operatives also being nationalised. And I shall adduce my reasons towards the end of my speech with regard to that.

[Shri P. S. Rajagopal Naidu.]

Sir, Members on both sides of this House have supported the nationalisation of insurance. There is not even one dissenting voice about the nationalisation of insurance, though only two eminent Members of our House who had spoken this morning who were only against the way in which it has been nationalised, against the *modus operandi* that has been adopted by the Central Government for nationalising insurance.

Sir, all of us know that nationalisation of insurance was in the air for some time. Several Members not only of this House but also of the other House, on several occasions, were speaking about nationalisation of insurance. It is not that the business people—the insurance business people—were not aware of this particular business being nationalised at some date or other. I know, Sir, that some insurance people with whom I came in contact were asking me a number of times whether there was any move on the part of the Government for nationalising this business. So, it is not that these particular business people were not prepared for insurance being nationalised. I am glad, Sir, that not much time was given to these people for preparing themselves to enter into certain bogus transactions in the matter of securities. Sir, even when not much time was given, we had come across several instances as to how some of the securities had been alienated, and how even a responsible member is now absconding not having accounted for a certain amount of money for which he was responsible.

Now, Sir, coming to nationalisation of co-operatives, I would like to lay my emphatic protest against the Government treating co-operatives on a par with capitalistic institutions, on a par with the companies managed and based on capitalistic lines. Sir, in a Welfare State socio-economic activities are carried on with an ideal consistent with the target set forth by the Union Government namely, of co-operative commonwealth. The co-

operatives can justly feel, Sir, that their interests would be safeguarded and zealously protected. Sir, to the great shock of co-operators, they have not only been ignored in this Bill, but they have been included in the category of capitalistic insurance companies overlooking the distinguished features of their working and management. Sir, co-operation is no doubt a good business, and co-operative concerns have handled very well small-scale industries and also heavy industries. They have done well in those fields. They have never aspired to the profiteering tendencies of the capitalists. Sir, on the other hand, such intentions or inclinations are vigorously controlled and curbed by several officers of the Co-operative Department. Sir, service to the people is the motto of the co-operative movement. It is not the concern of the co-operative movement to have any profit. Sir, it is only service to the people and also to the humanity which is the motto of the co-operators. Sir, the main objects of a co-operative society is to encourage thrift, self-help and mutual aid, and it is to inculcate that principle of thrift that the co-operative movement exists. Sir, everybody knows how co-operative insurance had helped the rural masses. All of us know that there is a provision in the Insurance Act, namely, section 4, under which it is only the co-operatives that are allowed to insure people for amounts less than Rs. 1,000. No other insurance company can insure anybody for less than Rs. 1,000. That privilege is given only to the co-operatives because they have their organisations in the rural areas. That concession is given to the co-operatives because they are mostly rural organisations, and it is only with this sort of concession to the co-operatives that they had spread their movement with regard to insurance in the rural areas also.

I would like to give a number of reasons as to why this cooperative insurance should not be bracketed or equated with capitalistic insurance. My first point in this connection is that there is no question of any share

capital at all involved in co-operative insurance companies. A few policy-holders join together and start a co-operative insurance society. Secondly, there is no question of any managing director. In the cooperative concerns there is no question of payment of thousands of rupees by way of remuneration to the managing director or manager as is in vogue in the case of private insurance companies or insurance companies that are registered under the Insurance Act or under the Companies Act. We all know what the structure of a cooperative institution is. There is only a board of directors elected annually or in some cases once in three years and there is only a paid secretary or a paid manager appointed by the board of management. There is no question of one single individual sitting in an air-conditioned room in multi-storeyed buildings as we find in most of the insurance companies today.

PROF. G. RANGA: But who is listening to him? The Treasury Bench is in discussion within itself.

THE MINISTER FOR REHABILITATION (SHRI MEHR CHAND KHANNA): We are discussing that very point.

SHRI P. S. RAJAGOPAL NAIDU: I was saying that we do not find in co-operative concerns managing directors sitting in air-conditioned glass rooms in multi-storeyed buildings. There is just a secretary who is paid a few hundreds of rupees by way of remuneration. And there is no question of profit motive in a cooperative concern. There is no question of anything more than 6½ per cent. being declared as dividend in any cooperative concern. If there is anything over and above that derived by way of profit, it goes in the accumulation of the reserves of the cooperative society or it goes in the accumulation of some other common good fund for the benefit of all the members of the society who are the policy-holders.

My next point is that unlike in the case of joint stock companies, whatever may be the number of shares held

by a person, he gets only one vote. He may have a policy for Rs. 100 or a policy for a lakh of rupees, yet he will have only one vote. That is everybody will have an equal share in the management of affairs of the cooperative institution.

Sir, the most important difference between a cooperative insurance concern and a private insurance company is this. All the surplus funds, other than those that have to be invested statutorily in approved securities, will have to be utilised only in the cooperative movement. That is the most important difference between an ordinary insurance company and a cooperative insurance society.

SHRI JASPAT ROY KAPOOR: Is it according to the Articles of Association or is there a statutory provision like that?

SHRI P. S. RAJAGOPAL NAIDU: There is statutory provision. No amount other than what is to be invested in the Government securities can be invested in any other way than in the co-operative movement. Sir, I shall just give a break-up of how a leading cooperative insurance company in Madras has invested its surplus funds which will show that not a pie has gone out of the cooperative movement. The South India Co-operative Insurance Company has invested Rs. 20,75,000 and odd in cooperative house mortgage banks, Rs. 27,49,000 and odd in debentures of co-operative land mortgage banks, Rs. 50,000 fixed deposit with the Bihar State Co-operative Bank, Rs. 42,700 in some District Land Mortgage Bank and another Rs. 1,44,000 and odd in some other land mortgage bank. In addition, they have advanced Rs. 16,76,959 as loans to policy-holders on the first mortgage of their house properties. Even that amount of Rs. 16 lakhs and odd has been given by way of loans only to policy-holders on the mortgage of their house properties. That is how the distribution of the surplus funds has been made by this cooperative institution—I have a particular know-

[Shri P. S. Rajagopal Naidu.]

ledge of this particular cooperative insurance society in the South—and I am sure the same principle is being applied in all the other cooperative insurance companies also in India.

Then, with regard to control, the cooperative insurance societies have a dual control. They are subject to two laws—the ordinary laws under the Insurance Act and also the laws under the Cooperative Societies Act. On the one side there is the Controller of Insurance and on the other side there is the Registrar of Cooperative Societies. Their accounts are audited periodically by the auditors of the Cooperative Department who are appointed by the Government.

Coming to the issue of policies, I have already briefly stated that it is only the cooperative concerns that issue policies for amounts less than Rs. 1,000. I have known instances where policies have been issued for even Rs. 100. And who are the persons who will be benefited? It is the villagers. I am sure that none of these companies situated in the urban areas has ever taken any pains to send their agents to the villages for booking people for policies for Rs. 100, Rs. 200 or Rs. 500. The cooperative movement has spread to every nook and corner. There are rural cooperative societies, so far as Madras is concerned at least, in every alternate village. The village societies are made use of to canvass the villagers for taking life policies in the cooperative life insurance societies. There is a sort of integration or a sort of understanding between the rural credit society on the one hand and the cooperative insurance society on the other. And I have not come across any malpractices being indulged in in any of the cooperative insurance societies; that has not been stated also here on the floor of the House.

It may be said that the cooperatives enjoy a special privilege, namely, that they are exempt from payment of income tax. Even that is now removed

because from last year even the cooperative insurance societies are being taxed. They are treated just like other joint stock companies, and whatever profit is there it goes only to the policy-holders. Sir, I would like to read just two lines from a report of the Cooperative Planning Committee. This is what they say about cooperative insurance:

“What is required for serving the insurance needs of our people is a cooperative society having contact with the masses of people in rural as well as urban areas through various types of cooperative organisations and issuing policies for small sums even below the present limit of Rs. 500. Even the schemes we have for policies of small amounts must be financially sound as particularly the mortality rate among those classes of persons is probably greater and the cost of issuing small policies is comparatively higher. In spite of this sacrifice the cooperative insurance societies have existed and they have done well.”

Sir, I shall only deal briefly with the average value of policy of a cooperative insurance company. I shall give instances of four leading cooperative insurance companies in India and compare them with other insurers in India and also abroad. Take for instance, the South India Co-operative Insurance Company, the number of policies is 34,052, the average value per policy is Rs. 1349; Bombay Co-operative, average value of policy Rs. 1262; Hyderabad Co-operative, average value of policy Rs. 1167; Police Co-operative, average value of policy Rs. 1173. Take the average of the insurance policies of the other companies registered under the Joint Stock Companies Act or under the various other Acts. So far as the Indian companies are concerned, it is something between Rs. 2000 and Rs. 2500. And in the case of non-Indian insurers it is between Rs. 5,000 and Rs. 7000. This clearly indicates that the average value of the policy

of any co-operative concern is something between Rs. 1000 and Rs. 1500. That only shows how the co-operatives are beneficial, how they are helpful to the lower strata of the people, that is, for the lower middle classes and for the poorer classes. I need not dilate or enlarge my arguments more than what I have already stated. I would once again like to lodge my emphatic protest on the way in which the co-operatives have been bracketed or treated in the same way as the other capitalistic insurance companies.

Lastly, I would like to mention that other types of insurance companies also should be nationalised as early as possible. Unlike the other advanced countries or developed countries in the world, we lack in what is called cattle insurance and crop insurance. That is a general business. Unless it is a paying concern, I do not think any private company will be interested in doing cattle insurance or crop insurance. The insurance that is being done now is useful only for the urban people in our country. There is absolutely no attempt made in our country with regard to cattle insurance and crop insurance. And that can be done only by way of general insurance. Unless general insurance is also nationalised this sort of business cannot be undertaken. Why I say that cattle insurance and crop insurance are very important is this. Everybody knows that in our country we have vagaries of monsoon and one cannot depend upon the monsoon and raise any cultivation. And even if there is good monsoon, it would be washed out by floods or some sort of disease will attack the crop. The agriculturist will have to be absolutely at the mercy of nature. Unless this sort of confidence is given to the agriculturist, we cannot improve our agriculture and we cannot call ourselves a Welfare State. So, I would urge upon the Government to take over general insurance also and at the same time introduce this crop insurance and cattle insurance which will be of great use to the agriculturists.

SHRI BHUPESH GUPTA: Mr. Vice-Chairman, much has been said about the secret manner in which the Ordinance was promulgated by the Government. In this connection, I would only like to read an information which our office has received from a gentleman in Calcutta, who claims to be a member of the Calcutta stock exchange, also a member of the Bombay stock exchange. The letter reads as follows:—

“On February 19th, the Life Insurance Ordinance was signed by the President at 12.17 P.M. and was given to press towards evening but in Calcutta stock exchange where I am a member and in Bombay stock exchange also, Birlas started selling heavily prominent scrips at about 12.30 P.M. on that day and continued till next day even in unofficial market after closing. This fact can be well proved by the books of their various brokers if they are examined thoroughly. It created a big panic in the stock market and that shock was so great that still it could not be recovered. It will be enough to prove that due to this Calcutta stock exchange remained almost closed like for a month and even now the business is not more than 10% of the normal. The full moneymaking advantage was taken by Birlas on one side and the general public of Country suffered losses on other side.”

Then this letter goes on to say:

“It is estimated that in this game Birlas earned above one crore rupees.”

The letter is dated 6th March 1956. Obviously the gentleman has been emboldened to write this letter after we had taken up the issue of budget leakage on the floor of the House. Now, I do not vouch for what it has said. It is a letter which we have received from a gentleman who claims to be connected with the stock exchange and who is also a journalist....



SHRI JASPAT ROY KAPOOR: What is the name?

SHRI BHUPESH GUPTA: I won't give the name at this moment, because I am prepared to pass on the letter. For obvious reasons I will not give the name, because the matter calls for some kind of investigation. Now, the matter is important and I am very willing to pass it on to the Government with a view to find out whether there is any truth in it. But the point that I wish to make in this connection is that it is not proper to create a situation whereby it becomes possible for any interested parties like the insurance companies or the other people dealing with shares and all that to come to know of such an Ordinance before it is known to the public, before it is notified to the public. This is the point I am making. Obviously according to this letter, it seems between the signing by the President and publication they had come to know of it and took necessary steps in order to safeguard their interests and make money. It appears from the letter that within thirteen minutes of the promulgation or rather the signing of the Ordinance here, certain people in the Calcutta stock exchange began to operate in a particular way. If that is so, it is very, very objectionable and the matter calls for another serious investigation.

SHRI K. SURYANARAYANA (Andhra): Have they mentioned any time?

SHRI BHUPESH GUPTA: He says that according to him the Ordinance was signed at 17 minutes past 12 and then the firm there in Calcutta market was operating at half past twelve on the basis of this thing and through such operations he has made money. I think here is another job for the Central Intelligence Bureau and the Home Ministry to take up.

SHRI K. SURYANARAYANA: If it is true, it is a strong case.

SHRI BHUPESH GUPTA: Now, Sir, Mr. Shah, you fly with something in your pocket by plane, forgetting to inform by telephone and I do not know what he will do now. I think there will be no necessity to fly from one place to another. They are very near at hand, the Home Ministry and the Central Intelligence Bureau. After the House adjourns you can take this letter and think out as to what proper steps should be taken.

Sir, this measure has been welcomed from both sides of the House. There is no doubt about it that this measure deserves to be generally supported in so far as it goes.

THE VICE-CHAIRMAN (SHRI H. C. MATHUR): You will continue tomorrow. The House stands adjourned till 11 A.M. tomorrow. We will have to sit through the lunch hour tomorrow.

The House then adjourned at five of the clock till eleven of the clock on Thursday, the 15th March 1956.

Editor of Debates,  
Rajya Sabha Secretariat