

**Life Insurance Corporation
(Divisional Officers)**

Mr. Speaker : Question No. 386, Shri Gopalan.

Shri A. K. Gopalan : There is another question, No. 421, standing in my name on the same subject. I want the two questions Nos. 386 and 421 to be taken up together.

Mr. Speaker : The hon. Member desires Questions Nos. 386 and 421 to be taken up together.

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah) : I have no objection to answer both of them together.

Mr. Speaker : Let us then take them up together.

386. { **Shri A. K. Gopalan :**
Shri Bahadur Singh :

Will the Minister of Finance be pleased to lay on the Table a statement showing :

(a) the qualifications and pay scales, of persons appointed as Divisional Officers of Insurance Corporation, Zone-wise.

(b) nature of posts held by them in the Insurance Companies (to be specified) before nationalisation ; and

(c) the reasons why appointments were ordered without waiting for 'Lall Committee' Report ?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah) : (a) and (b). A statement is laid on on the Table of the House. [See Appendix II, annexure No. 61].

(c) The Lall Committee was appointed to assist the Corporation to select officers and to grade them. The work of this Committee is still going on. Obviously it would not have been possible to get the Corporation working on 1st September, 1956 if the Corporation were to await the recommendations of the Committee.

Life Insurance Corporation

*421. **Shri A. K. Gopalan :** Will the Minister of Finance be pleased to state :

(a) whether it is a fact that the Northern Zone Insurance Employees' Association have submitted a memorandum to the Chairman, Life Insurance Corporation ;

(b) if so, what are their demands ; and;

(c) the decision of Government in this respect ?

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah) : (a) Yes, Sir.

(b) The Association's main demands are :—

(i) the withdrawal of the pay scales and service conditions announced;

(ii) the convening of a bipartite conference for the determination of service conditions ; and

(iii) grant of representation to the employees in the management of the Corporation at all stages.

(c) No decision was called for in respect of these demands having in view the action taken by the Corporation in the matter of scales and the assurances given in regard to the future.

Shri A. K. Gopalan : May I know whether Government got representations alleging that there were irregularities, nepotism and favouritism practised in the matter of selection and posting of top cadres in administering the Zonal Officers of the Life Insurance Corporation ?

Shri M. C. Shah : We have not received representations ; we have received so many letters from Members of Parliament and we have replied to all those letters also. At the same time I may state that we have made these appointments provisional subject to the recommendations of the Lall Committee. As I said, the Lall Committee is going into these things. There are about 1200 officers and they have to be interviewed by the Committee. The Committee will take about three months to make its report. Thereafter, if anything is found to be irregular that will be rectified.

Shri A. K. Gopalan : When the Lall Committee has been appointed, what is the purpose of saying that there were no such irregularities. I want to know why, without waiting for the report of the Lall Committee, the appointments were made. There have been complaints about irregularities now ?

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari) : The answer has been given. The Lall Committee was appointed on a particular day and it could not complete its work before the Corporation started functioning. Naturally we cannot go on waiting for the Lall Committee to complete its report. My colleague mentioned that these appointments were of a provisional nature and it was decided to make these appointments and let them carry on. If it is shown that anybody has been adversely affected and the Lall Committee makes

a finding of that nature, then that finding will be examined, and what could be done in that case will have to be determined according to the circumstances then existing.

Shri Sadhan Gupta : May I know whether the Lall Committee is empowered to go into the alleged irregularities of nepotism or favouritism in appointments in the course of its investigations ?

Shri Krishnamachari : My hon. friend is a lawyer; apparently he is accustomed to put leading questions to witnesses that appear before him. We do not acknowledge that there has been any case of nepotism or favouritism. It may be that the rights of some people might have been affected. If the Lall Committee makes its report and we find that its recommendations are such as have to be looked into, we shall look into them, but I am not prepared to admit the charge that there has been any nepotism or favouritism.

Shri M. L. Dwivedi : May I know what have been the guiding factors in the selection and appointment of the officers from the former insurance companies and whether the hon. Minister is aware that there is general discontent among the people of the insurance companies that merit, experience and qualifications have not been the guiding principle for such appointments, and if so, what steps are taken to rectify these mistakes ?

Shri T. T. Krishnamachari : The guiding feature or rather guiding principle is the fitness of the particular person for the particular job. So far as complaints are concerned every individual thinks he has been adversely affected, rationalises that fact and he does make a representation. I am perfectly sure that when we are integrating 190 companies and odd and making them into one unit, there must be several hundred individuals who think that they are probably fit to be managing directors. Perhaps they are right too, but unfortunately we have only a few managing directors' posts to fill up, and that is why we appointed a Committee to go into these matters and advise us. If on the Committee's recommendations we find that some cases have got to be reopened, naturally they will be reopened.

Shrimati Maydeo : Is it a fact that class II officers have been absorbed on the 1st September and when they are working for the last three months, they do not know what pay scales they would get? If it is so, when will they start getting their regular scales, according to the Government scales ?

Shri T. T. Krishnamachari : I am afraid I should like to have notice.

Shri Joachim Alva : Who is this Shri Lall of the Lall Committee? Is this Lall the same gentleman who was Assistant Secretary-General of the UNO? Does it redound to the credit of Government to bring down a retired Assistant Secretary-General of the UNO and make him the Chairman of a Committee when we have lots of officers for other Committees?

Shri T. T. Krishnamachari : The gentleman, Mr. Lall of the very big tribe of Lalls is the particular person who has been indicated. As to why the appointment is made, I am afraid that so long as the Government have to make these appointments the discretion vests in the Government.

Shri Punnoose : May I know whether there is a Kerala Division, and Malabar is excluded from it and put along with Madras, with considerable difficulty for the agent and others who are working in Kerala?

Shri T. T. Krishnamachari : It is a particular matter relating to a particular region. If he puts down a question, I should like to answer it.

Shri Bansal : During the last session of Parliament, you, Sir, were good enough to assure the House that some time would be allotted for discussing the whole question of the employment policy of the Life Insurance Corporation. May I know if Government are now ready to give us time for discussing this subject?

Shri T. T. Krishnamachari : I am afraid I do not think I can add any useful information to what the Members already have on this subject.

Shri A. K. Gopalan : The Minister has said that he will not be able to give any information. But we on this side have to make the Minister understand certain things so that he may see whether he can answer them. There are so many other things which, in a question, cannot be answered. We want to give all those facts to the Minister so that he may try if he can answer all of them. A lot of complaints have already been received by us and we want to know from the hon. Minister whether these things that are given to us in these letters, etc., are correct. There are many things, many instances, which we cannot raise or quote in a question.

Mr. Speaker : Has the Lall Committee sent its report?

Shri T. T. Krishnamachari : Not yet.

Mr. Speaker : How long will it take ?

Shri T. T. Krishnamachari : Another three months or more.

Mr. Speaker : Therefore, there is no possibility of getting it now.

Shri T. T. Krishnamachari : So far as the Lall Committee recommendations are concerned, I am not in a position to place them before the House for a discussion. So far as other matters are concerned, I would only beg to submit that although the Chair can give the time if it chooses, it should not be before the 5th December, when I am told a token strike is going to be staged. I do not want anything that is being said in this House encourage a strike of that nature.

Shri Debendra Nath Sarma : Is the Minister aware of the discontent prevailing among the insurance workers in Assam and if so what steps have been taken to remove the causes of discontentment ?

Shri M. C. Shah : So far as Assam is concerned, some hon. Members of Parliament from Assam wanted to have all the posts of the branch managers and division managers to be manned by the Assamese. I would assure them that if there are any qualified persons to man those posts or to man more posts than those in Assam, we would certainly consider that question. We had already appointed one or two.

Southern Higher Technological Institute

*387. **Shri T. B. Vittal Rao :** Will the Minister of Education be pleased to refer to the reply given to Starred Question No. 319 on the 26th July, 1956 and state :

(a) whether any site has since been acquired for the location of the Southern Higher Technological Institute;

(b) if so, when the preliminary work for the construction will start; and

(c) if not, the reasons thereof ?

The Deputy Minister of Education (Dr. M. M. Das) : (a) No, sir.

(b) Does not arise.

(c) The question of location of the institute is still under the consideration of the Central Government.

Shri T. B. Vittal Rao : We were told in the last session that the location of this Institute has been decided upon and that it would be located in Madras. Are we to understand that the Government is reconsidering the whole question ?

Dr. M. M. Das : No, Sir. It was said that the executive committee of the

All India Council for Technical Education had decided that the location of this institution should be at Madras. That decision is now under the consideration of the Central Government.

Shri T. B. Vittal Rao : In view of the fact that the establishment of this Institution has been delayed by over 2½ years, may we know when a decision will be arrived at on this question ?

Dr. M. M. Das : It is not at all delayed. It has been decided by the Central Government to establish this Institution in the latter half of the Second Five Year Plan.

Shri T. B. Vittal Rao : May I know how it could start functioning from the latter half of the Second Plan unless and until the necessary land, buildings, equipment etc. are constructed ?

Dr. M. M. Das : I have said that the setting up of the Institute will be taken up during the latter half of the Second Plan.

Dr. Rama Rao : The Government is taking months and months even to decide upon a place and a site for this Institute. What is the reason for the Government to take so much time ? At this rate how many Second Five Year Plans do we require to put it into operation ?

Dr. M. M. Das : We are not taking much time. There is yet time and there is no hurry about it.

Shri Velayudhan : He has said that there is no hurry about it now. Is it the intention not to have the Institute in the Second Plan ?

Dr. M. M. Das : I have said that it is the intention of the Government to establish this particular Institute during the latter half of the next Five Year Plan.

Shri Velayudhan : Will he give us an assurance that we will have this Institute during the Second Plan ?

Mr. Speaker : While putting any question during the question hour, no assurance can be asked for. He has already said that in the second half of the Second Plan, building and other things will be undertaken. So, a decision will be taken earlier. Is it not ?

Dr. M. M. Das : Government decided that there should be four such Institutes. One has already been established at Kharagpur in Bengal. Steps are being taken to establish the second in Bombay and we are getting some Russian help for this. One Institute in the South India and one in the North India will be taken up in the Second Five Year Plan. That is the decision of the Government and I have said so on more than one occasion.