

directed to take steps to check such type of incidents of burning people alive.

(viii) Need to provide employment to people whose land has been acquired for Indira Gandhi Centre for Atomic Research at Kalpakkam, Tramilnadu

SHRI K. PARASURAMAN (Chengalpatu): Sir, in the Indira Gandhi Centre for Atomic Research at Kalpakkam near Chennai, Tamil Nadu, the third phase expansion has taken place recently, for which necessary land was acquired from the local agricultural people. Further, staff quarters have also been constructed by acquiring land from the local people. At that time, the authorities gave assurance to provide employment to the members of the families who have provided their land to the Centre. But so far the authorities have not fulfilled their promise and the local people are now thrown out of their agricultural livelihood. They are without any job and are very much agitated.

I would, therefore, request the Central Government to look into this issue immediately and take urgent action to provide employment to those families who have provided their agricultural land to the Research Centre. Moreover, the recruiting centre should be shifted from Mumbai to Chennai for the convenience of the local people.

13.49 hrs.

[English]

**RE : INSURANCE REGULATORY AUTHORITY
BILL -- Contd.**

MR. CHAIRMAN : Now let us go to the next item- further consideration of the Insurance Regulatory Authority Bill. Shri Basudeb Acharia was on his legs and he has already consumed nineteen minutes. Achariaji, please tell how much time you will require.

SHRI BASUDEB ACHARIA (Bankura) : I shall take another ten to fifteen minutes.

MR. CHAIRMAN : That is good.

SHRI BASUDEB ACHARIA : Sir, yesterday I was mentioning about what will be our requirement, as per the Common Minimum Programme, for infrastructure development. The requirement will be to the extent of 200 million dollars, that is, Rupees seven lakh crore.

Sir, the extent of resources generated by L.I.C. and G.I.C. is such that even after assuming that there is no improvement in their performance, these two organisations can provide or will be able to provide to the extent of Rs. 1,00,000 crore during the next five years. Then why should we invite the foreign insurance companies when our L.I.C. and G.I.C. are capable of generating funds ? They have

generated funds since their nationalisation. In the Fourth Five Year Plan they generated even more than the targeted amount. The target was Rs. 8,000 crore and the amount provided by L.I.C. was Rs. 12,000 crore. In the Eighth Five Year Plan it provided Rs. 33,000 crore.

The performance of G.I.C. is also not bad. In 1994-95, its settlement of claims was more than 74 per cent whereas the international standard is only 40 per cent. The settlement of claims is one of the criteria for judging the performance of L.I.C. and G.I.C. The gross profit was Rs. 1,081 crore and the net profit was Rs. 333 crore in the case of L.I.C. The growth rate of G.I.C. is 19.5 percent, much more than that of any other company of the United States of America or the United Kingdom. But the problem will be that the premium income of G.I.C. is around 1.5 billion dollars which is much less than some of the foreign companies. You see the premium income of one American company named American International Group Incorporated which is seeking to enter into the insurance sector of our country. In 1993, when the former Prime Minister visited the United States, they sought entry into the Indian insurance sector. What is the premium of this particular company of the U.S.A. ? It is as much as 20.1 billion dollars. If these companies are allowed to enter into the Indian insurance sector, then what will happen to our L.I.C. and G.I.C. ? We have the experience or competition after nationalisation also. What was the net result of competition ? This competition was allowed among the subsidiaries of G.I.C. in 1994.

We have seen the result. We have the experience of this competition, the undercutting of the premium etc.

This will happen if the foreign companies and multinational companies are allowed to enter into the insurance sector of our country. Why should we allow foreign multinational companies ? Why should we allow even private insurance companies into the insurance sector of our country ? What is the necessity ? Is there any necessity ? Will the competition lead to efficiency ? What was our experience of the pre-nationalisation period when there were as many as 245 private insurance companies ? I can quote from the speech delivered by the former Finance Minister, Shri C.D. Deshmukh while nationalising Life Insurance Corporation of India in 1956. What Shri Deshmukh said at that time is still relevant. He said:

"The nationalisation of Life Insurance will be another milestone on the road the country has chosen in order to reach its goal of a socialistic pattern of society. In the implementation of the Second Five Year Plan, it is bound to give material assistance, into the lives of millions in the rural areas, it will introduce a new sense of awareness of building for the future in the spirit of calm confidence which insurance alone can give. It is a measure conceived in a genuine spirit of service to the people. It will be for the people to respond, confound the doubters and make it a resounding success."

It is still relevant.

If we allow the foreign companies and the competition, from competition, the undercutting of premiums and all the irregular activities will start taking place which we had in our country prior to nationalisation in 1956. What is stated in the Statement of Objects and Reasons of the Bill? It has been stated that after nationalisation, the role of Controller of Insurance diminished over a period of time. There was the Act of 1938 which was not repealed, if I am correct, and the role of Controller of Insurance became insignificant. Why? It was because when there was Controller of Insurance, all such things happened. We know about a company like Dalmia. What did that company do during pre-nationalisation period?

Since 1956, in case of Life Insurance Corporation of India and since 1973, in case of General Insurance Corporation of India, we did not feel the necessity of a Controller of Insurance or a regulatory authority. Without any regulatory authority, these two organisations functioned very efficiently and contributed much more to the nation.

14.00 hrs.

What is the need for an Insurance Regulatory Authority? It has been stated that there would be a competition. Why should there be a competition? The Minister of Finance has stated that LIC and GIC would remain in the public sector and that LIC and GIC would be strengthened. How would they be strengthened by inviting foreign companies and private companies? I do not think that they can be strengthened by this way. In my firm opinion, if we open up the insurance sector, it will only weaken both LIC and GIC. So, we should not open up our insurance sector not only to the multinational companies, but also to the private companies.

Sir, I now come to another important issue concerning the employees of both LIC and GIC. The bank employees have a right to collective bargaining, but it is surprising to know that the employees of LIC and GIC do not have that right. The wage revision is not done by having negotiations with the employees' association of LIC and GIC. So, it hurts them very much. The wages of the employees of LIC and GIC were revised as per the tripartite settlement. When the bank employees have a right to collective bargaining, why do the employees of LIC and GIC not have that right? Therefore, I demand that the right to collective bargaining which the employees of LIC and GIC used to enjoy earlier should be restored.

In my opinion, there is no necessity for such a regulatory authority in our country for the insurance sector. There is no need to open up our insurance sector for multinational and private companies. But it is being done under pressure from the industrially developed countries, particularly from the United States of America. There is great potential in our country. They want to grab our economy. They want to capture our economy.

14.04 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

Sir, our insurance coverage is much less in comparison to our G.D.P. We also accept this fact. But we cannot consider it in isolation. We will have to consider the percentage of people living below the poverty line.

That is why, our insurance coverage is much less in comparison to our GDP. But in spite of that, during these years, both these organisations have performed efficiently and will be able to perform efficiently if support is given and if these two organisations are strengthened without opening up the insurance sector.

I oppose this, what I call, obnoxious Bill because there is no necessity for such a Bill. The Minister of Finance told us in January 1996 that a Bill has to be passed in this House in order to give statutory status. In my opinion, there is no need for such a Bill. This Bill is being brought to facilitate the opening up of the insurance sector, which is not in the interest of our country. That is why, this Bill is anti-national, this Bill is not in the interest of our country and in the interest of the people of our country.

With these words, I oppose this Insurance Regulatory Authority Bill.

MR. DEPUTY-SPEAKER : Shri Suresh Prabhu to speak now.

SHRI JASWANT SINGH (Chittorgarh) : Sir, my name is also there.

SHRI SURESH PRABHU (Rajapur) : Sir, let Shri Jaswant Singh speak first.

SHRI JASWANT SINGH : Mr. Deputy-Speaker, Sir, firstly, I am grateful to my colleague, Shri Suresh Prabhu, who should have so gracefully and so willingly conceded the right to me to participate in this discussion, more particularly after his name had already been called.

I had no intention of participating in this discussion. If I am doing so nevertheless it is because there has been some clouding of issues on some aspects of the B.J.P.'s policy in this regard. Therefore, I found it necessary to very briefly make my position and my Party's position clear. Before doing that, I think, it is necessary for us to understand as to whether the discussion on the Insurance Regulatory Authority Bill is the right occasion for it or not. I do not know, but I would like to share with the House and with the hon. Minister what I think are the basics of insurance. I have always held that banking is natural to India. About banking, we have to learn nothing from anywhere in the world. But insurance has not been natural to India. How has insurance evolved? I think, principally, insurance is a consequence of industrialisation and the movement of rural societies from rural to urban centres.

[Shri Jaswant Singh]

In this regard, I have attempted to educate myself. But I do not find a cultural or even a civilisational basis for insurance. The reason was that essentially what we aim to achieve through insurance was provided by society or by family. With the assault of industrialisation and the movement of people from rural to urban societies, the need for insurance is relatively a new phenomenon to India.

Whatever we are attempting, it is a consequence and it is a well enough known fact that so far as India is concerned, we have really not had in that sense an industrial revolution therefore and we have not had the consequences of industrial revolution either. That is why, insurance is really, as a service industry an alien concept to India ever as and attempt to insure against death injury, loss to individual and damage to possessions. If a sociological study is made of the spread of insurance in India, you would find that what I am submitting today will stand full scrutiny. It is really to guard against the demands and the travails of an industrial urban society that a service industry called 'insurance' appears as part of the totality of service industry.

Therefore, a question arises : Is insurance a social service? Yes, it is a social service. It is directly related to people before it spread to various other activities and that is where it became business.

Therefore, it is axiomatic that the larger the population, the greater the business. Therefore, again the greater the business the more money in it. I think it is this, combined with the aspect that it is related to people, that it is a service that we have to examine with care.

The third aspect of the totality of insurance industry is that if you persuade an individual, an enterprise to insure either against loss or death or whatever, you do it for a payment and that payment, after a period of time, if that does not happen, is returned to the insured. In that sense it is long-term money and, if it is a long-term money, it is related to the savings of the nation.

There are then two aspects here. One, that it is a long-term money. Second, that it is related to savings. Therefore, the utilisation of this money, which is long-term is related to people's savings, individual's savings —I am not talking about corporate insurance of machinery, cars and scooters into which it has spread now. That is why, I relate insurance to infrastructure. Unless a nation has high savings rate, individual savings rate as also public savings rate which is really Government savings rate, you cannot develop either insurance infrastructure or financial infrastructure.

Let me make it clear that as BJP we are opposed to monopoly either of the State or of an individual. We do not accept that the monopoly of the State is equal to efficiency. There is a second point which I must make it clear that if the entire insurance industry relates to people and, if it is a service which is being provided to the people, then their interests are paramount. I would be pretending if I attempt to

put across to you that the scale of satisfaction about nationalised life insurance service industry, whether it be in one form or another, is a scale that is of an ascending variety.

Because there is a monopoly, a number of subscribers to this service find great difficulty in the service itself that is provided. We believe that this service will improve if you provide competition to it and if an alternative service is available to the investor. A person is investing his savings. What he seeks through insurance is security of his health or of his house or of his own person or of his life or of his family or indeed of his corporate activity. Thereafter, if corporations compete and if the money that is drawn from the people who are seeking insurance falls by way of premia payment and the efficiency of the service rises, I personally do not find any difficulty with that. That is why, I feel that I must state quite unambiguously where the BJP stands.

We believe that the Insurance sector must be opened out. Secondly, we are clear in our minds that when it is opened out, it must be opened out to the Indian entrepreneurs. Thirdly, we are equally clear in our minds that if you permit the opening out of this sector to foreign corporations, you will be doing two very great wrongs. One, you will permit the utilisation essentially of Indian money by foreigners. The gestation period is long. Therefore within eight or ten years, a new Insurance Company is not likely to make money. But they are ready to invest because the monies that they are drawing are individual's, corporations' - essentially Indian money. If you permit that Indian money to be utilised by way of insurance by foreign corporations, you are likely to do two wrongs. One, you are permitting Indian wealth, by way of savings, even if it is in terms of dividends, to be siphoned out, out of the country and second, what you will do is to prevent the growth of an indigenous, vibrant, dynamic, healthy Indian Insurance industry which can stand up on its own, not just simply in India, against the monopolies of others, monopoly not simply of the State but on a global basis, If you permit large international corporation to enter the insurance field in India now--I do believe that the BJP is explicit on this - if you permit that to happen, you will almost for ever be preventing the growth of an indigenous Indian Insurance industry. These are the three parameters within which we operate.

So far as the Bill proper, that is, the Insurance Regulatory Authority, is concerned, I do not wish to cite the Malhotra Committee Report. That is everyone's knowledge. I do not also wish to quote from the Report of the Standing Committee on Finance of this Parliament. The Standing Committee which comprises Members of all parties in Parliament has deliberated on this issue. It has sought evidence. A number of organisations had appeared before the Committee and given their views. Having examined all those views, thereafter, the Standing Committee has recommended that a body like the Insurance Regulatory Authority (IRA) ought to be established.

The hon. Finance Minister and also the previous speaker too said one thing. As is mandatory, the Bill has the Statement

of Objects and Reasons which goes briefly into the history of the evolution of the IRA. Here, I do not refer to the Irish Republican Army ! What I am referring to here is the Insurance Regulatory Authority.....(*Interruptions*). It is really a successor to an earlier body which was existing there. There are some observations as to whether that body really had a role to play after nationalisation etc.

Then there are duties, powers and functions of the IRA. Let me briefly cover these duties because this is essentially what we are seized of today and not so much with the philosophy of insurance. I did, however go into it because I found that necessary. We do not have orderly exercise of powers and functions of the previous incarnation which was the Controller of Insurance on the aspect of to 'regulate and promote'. You have to protect the interests of the policy-holders to promote efficiency, to promote and regulate professional organisations, to levy fee and other charges, call for information to control regulation and to prescribe the form etc., to regulate investment, to regulate maintenance of margin of solvency, to adjudicate disputes, to exercise such other powers as the Union Government may decide.

I do want to take a minute or two here on the aspect of autonomy. I think, in the Statement of Objects and Reasons, the hon. Minister has stated that he envisages the Insurance Regulatory Authority to be somewhat similar to the recently constituted SEBI. If I am not mistaken, that is also contained here.

I do wish to take a minute or two on this whole question of Government autonomy and institutions. Since 1991, what we have really attempted is to do only the peripherals as far as certain essential aspects of economic reform is concerned. The principal reform was in two areas which has not yet been addressed. I do believe that the Government had to have a totally transformed understanding about own role. The Government had to move from being a controlling, regulating and a capping authority to a promoting and an encouraging authority. That is not taking place.

The second thing that had to happen was for the Government, along with introducing a reform package, to introduce a reform of the bureaucracy as well. That has been not attempted. In the light of these broad observations, I would like to make my next observation relating to autonomy and to the suggestion that Insurance Regulatory Authority be somewhat like the SEBI. It will be an autonomous body. You have spelt out how it is going to be filled up etc. I do believe that if there is a strength as a nation demonstrate, we do legislate for institutions but we do not recognise that institutions are not created simply by legislating for that. Yet we will. The Bill having got passed will effectively and truly, an autonomous body called the Insurance Regulatory Authority come into existence. I have my serious doubts about that it because the interfering nature of Government has not changed. Why do I speak about it? I speak of autonomy because we have to regulate to prevent the misuse, as has been witnessed. Misuse of banking sector, misuse of securities sector etc., brings a very bad name to all of us. This House and the

previous Parliament has been seized of this. We have recently heard of yet another example of a particular businessman running away with people's money under the regulatory control of SEBI.

We know, Sir, that in the period 1992-93, fly-by-night companies appeared and took about Rs. 3,500 to Rs. 5,000 crore from the investors. The figure is yet to be established. The investors' money is not going to be recovered. We also know that roughly about Rs. 4,000 crore is the amount which falls under irrecoverable loans which have been advanced by the nationalised banks. I do not cite all these examples for any other reasons but to emphasize (a) that it is simpler, easier to legislate for organisations but it is much more difficult actually to create institutions, (b) that there ought to be an Insurance Regulatory Authority. We are clear in our mind that there ought to be IRA and that the insurance field needs for the sake of the consumer who is the citizen of India so that the citizen of India receives better services, that insurance field be opened up. But for whom? It should be opened up only for the investors from India. And (c) the insurance money is the Indian money. It is the money of Indian individuals, families, corporations, and enterprises. If you permit that money to be sequestered, if you permit that money to be cornered by the international insurance business houses, you are really going to rob Indian savings, to the detriment of India and to the benefit of foreign investors. This will have one more adverse consequence. If you permit the International insurance companies to enter India now, you will, for ever, prevent a healthy and dynamic Indian insurance industry from rising, emerging and making its contribution to the total national endeavour. Why? Because, if you do not permit the Indian insurance industry, you will really not be permitting the major contributors to social and physical infrastructure that is either the insurance companies or pension funds.

Therefore, it is necessary that if you are to move in improving the social and physical infrastructure, which is not a proposition that is questioned by anyone, it is much better to rely on our own strength rather than to rely on borrowed strength. That is why, Sir, I thought and found it necessary to intervene and to make clear our party's position. We are for the IRA Bill but we are not for, through the guise of the IRA Bill, the introduction of foreign capital or enterprise into the Indian insurance industry.

SHRI CHITTA BASU (Barasat) : Mr. Deputy-Speaker, Sir, to begin with, let me make my party's position, the basic position of ours, clear to the hon. Finance Minister, Shri Chidambaram.

We are opposed to the very basic principle or philosophy underlying the Bill. The reasons are obvious. It may cause annoyance to him but I think, in all humility, it is not annoyance which I want to invite. But what I want to invite is to have a second look into the whole gamut of it.

The underlying principle of the Bill is to privatize the insurance industry in our country. And this is the part of the total economic policy approach of the country

[Shri Chitta Basu]

I do not accuse him. The total approach of the economic policy is based on four pillars which we call the thrusts of the policy. This comprises the very popular phrases--privatisation, marketisation, globalisation and particularly dismantling of the public sector. I do not accuse him; that has been the policy which has been framed by the earlier Government. This policy has been adopted by the previous government under the diktat of the World Bank, the International Monetary Fund and the WTO. This is the hard reality.

I cannot discuss this very important Bill without having regard to this basic economic policy of the Government. This Bill is the child of that economic policy approach. That has also been made very clear. It is not very difficult for any Member of the House to discover it, to find out the hidden interest or the hidden agenda of the Government. This is the report of the proceedings of the Standing Committee on Finance on the Insurance Regularity Authority Bill, 1996. You will find in it what it states very clearly in Page 37. It has clarified the Government's agenda. They have not sought to hide it. It says: "The Committee are given to understand that the setting up of statutory Insurance Regulatory Authority is a prelude to liberalisation of the insurance sector and its opening up to the private foreign players." I thank the hon. Finance Minister to tell the truth and its reality. Therefore the objective is very clear. That is, it is not a regulatory Bill, it is a privatisation Bill and it has been admitted by this Report of the Standing Committee that it is a prelude and it is a step towards it. They have crossed this phase and entered into the second phase of privatisation.

Sir, I am opposed to that move of privatisation. The hon. Finance Minister may like it or may not like it. We have got a particular principle in so far as the economic policy aspects are concerned. We could not even support him from outside; it has not been always possible for me and my small party to extend support to the Government's economic policy pursued even today. Again, this very idea or objective of the Government has been made clear in clauses 8, 13 and 26 of the Bill wherein they have not sought to hide the ultimate objective of the Bill. It is not for a regulatory agency, it is for the privatisation of the insurance industry.

Lastly, I want to draw your attention and through you to the Minister's attention that without the Bill being passed by this House, the Government has taken concrete steps to enter into MoU with certain foreign companies: If I am not wrong, so far four MoUs have already been signed by the Government and permission has been given by the Government to certain private companies foreign and Indian.

Here is my very strong objection. This is my appeal to the hon. Members of this House. This Bill has not been accepted as yet. It might be accepted; it might be adopted but this Bill has not yet been converted into an Act. But this Bill has been acted upon as an Act. There is a difference between a Bill and an Act. This is in the form of a Bill. It has not yet been made into an Act and even before it has been made into an Act, it has been acted upon as an Act. MoUs have been

signed and permissions to foreign and indigenous private companies have already been agreed upon. This Bill has been taken to be an Act and it has been acted upon. This is nothing but a slur on this House. If the Government enjoys the majority of the House, be it of whatever colour or hue, it is entitled to pass a law; that would be a legal law, a lawful law, I accuse the Government of having done that. How has the Government entered into MoUs with certain companies? The present law does not empower the Government. Under the present law, the LIC and the GIC are the monopolies whether somebody likes it or not. Under the present law, they are the only monopoly organisations in the insurance industry. Why have they done this? Why has the Government been in so much of a hurry?

I think, in the month of November or December in the year 1995, the US Commerce Secretary Ronald H. Brown had visited our country and met the then Prime Minister Shri P.V. Narasimha Rao. Now I quote from a Press clipping of that period :

"The US Commerce Secretary Ronald H. Brown has assured by Prime Minister P.V. Narasimha Rao that India would 'respond positively' to the US suggestion to open up the country's insurance industry to external competition."

Therefore, it is very clear that pressure was brought to bear upon the previous Government to agree to open up the insurance industry to foreign competition.

Again, I refer to what our former Finance Minister, Dr. Manmohan Singh said in this respect. It is write here and I quote :

"Finance Minister Manmohan Singh reportedly told Mr. Brown that there would be no wavering on economic reforms."

Please note this. This move for privatisation of insurance industry is a part and parcel of the so-called economic reforms. The then Finance Minister, Dr. Manmohan Singh had reportedly told Mr. Brown that there would be no wavering on economic reforms. It is also written here and I quote :

"He added that India was ready to discuss issues relating to opening up the services sector at the World Trade Organisation."

I would appeal to my dear friends here to understand the implications of this. It is not merely an Authority that is being established; the insurance industry is being opened up for our national disaster.

I now quote again from the clipping:

"In the past, differences between India and the US had resulted in lost opportunities but a new era of economic cooperation between the two countries was now beginning."

MR. DEPUTY-SPEAKER : Shri Chitta Basu, your group was allotted only three minutes. But you have spoken for more than ten minutes.

SHRI CHITTA BASU : I know my limitations. I speak only under your patronage. Had the subject not been serious, I would not have taken this much time.

Sir, I oppose the very basic philosophy and the very basic approach of the Government of India towards economic reforms even though we support the Government from outside.

I have only one question to ask: What will happen to the LIC and GIC, the only two organisations in the insurance industry ? In one word I say that this Government has decided to throw LIC and GIC to the corporate wolves. Now, I am reminded of Badshah Khan who, according to history, was thrown to wolves. I have deliberately used that phrase(Interruptions) Therefore, it is something like that. You are killing a hen which lays golden eggs.

I have got a small booklet which explains the success story of LIC and GIC. According to the booklet:

"LIC with its Rs. 5 crore equity investment in 1956, has been accumulating savings of the people and increasing the surplus and resources generated for investment year after year for developmental purposes and for budgetary support. It has been maintaining over 20 per cent growth rate for the past several years. The premium income mopped up during the year 1995-96 alone amounts to Rs. 14,182 crore. The total income including investment income is Rs. 22,047 crore. A dividend of Rs. 161.28 crore has been given for 1994-95 to the Government as against Rs. 140.15 crore the previous year. The corporate tax paid by LIC is Rs. 583 crore for 1995-96 and is the highest in the country in a scenario where hundreds of top bracket companies making huge profits have managed to evade tax utilising the loopholes in the law, thereby coming to be known as zero-tax companies."

The booklet also says that the GIC has also perfectly and satisfactorily contributed to the wealth of this nation. My acquisition is that these two major sinews of our economy are going to be destroyed on the ground of competitiveness.

My hon. friend, Shri Basu Deb Acharia, has referred to certain figures about the international corporate wolves. These two organisations would not be able to complete with them. With the result, the doors of the entire insurance industry will have to be opened and they will be taken over by the multinational foreign companies and big industrial houses of our country. This is not in the interest of the country. This is not in the interest of the nation and this is not in the interest of the people.

Therefore, I oppose the very basic principle and I shall continue to do so not only here but also outside. The bank

employees have given notice to go on strike on 27th or 28th of this month.

I think the workers of the insurance industry would also join them and there would be a countrywide agitation, protesting against the anti-people economic policy of the Government whose child is this so-called obnoxious Bill.

Therefore, I for one request the hon. Minister to have a rethink on this matter. If the hon. Minister pleases, he may withdraw the Bill and if he withdraws the Bill, he would do a good service to the country. Thank you.

MR. DEPUTY-SPEAKER : Shri Suresh Prabhu.

SHRI A.C. JOS (Idukki) : Sir, I think, it is my turn now.

MR. DEPUTY-SPEAKER : Shri Jos, you can speak after he finishes his speech.

SHRI MADHUKAR SARPOTDAR (Mumbai North-West): Sir, if he wants, let him speak now.

SHRI SURESH PRABHU (Rajapur) : Sir, let him speak now.

MR. DEPUTY-SPEAKER : All right. Shri Jos, you may speak now.

SHRI A.C. JOS : Sir, I am thankful to you for having called me to speak, even out-of-turn. I do not know whether it is out-of-turn or not. But I think, it is my turn only. Anyway, I am thankful to Shri Sarpotdar for supporting me.

Generally speaking, we are in agreement with this Bill.

[Translation]

MR. DEPUTY-SPEAKER : All thanks the almighty.

[English]

SHRI A.C. JOS : Yes, I have to pay my thanks to him also.

We are entirely in agreement with this Bill. I do not know why my friends from the Left parties are opposing this Bill, I also do not understand what is the other alternative.

We have a mechanism which started functioning from 1938. Those were the days when we were under the British rulers. That mechanism is being continued even now. Much water has flown down the bridge after that. A period of 60 years is going to be completed. The parties or the sections which oppose this Bill still hold that they do not need any renovation of the old edifice. But, on the other hand, everyone even LIC and GIC - lauds this measure. I also agree with them.

The LIC started functioning from 1956 and the GIC from 1972. The institution of the Controller of Insurance has

[Shri A.C. Jos]

been in existence from 1932. Does it not need any reform? Does it not need any renovation? Does it not need any modification? This Bill is intended only to cater to that. This Bill, in its Statement of Objects and Reasons, says that it is to replace the institution of Controller of Insurance. It is not as if all of a sudden some action has been taken by the present Finance Minister. I even remember that the employees of the LIC and the GIC have been clamouring for restructuring these two Corporations. Their track records, according to me, is not bad. But at the same time, I am not prepared to glorify it.

If you compare Indian conditions or Indian standards, among the public sector companies, the LIC and the GIC have performed well. But that does not mean that that is the only thing that can be done. But even during those days the employees had been clamouring for restructuring saying that some more strength should be given to them.

They is why, in 1993, a Committee was appointed very consciously by the Government to go into the insurance field. I may state that the insurance sector is a gold-mine. When you look around the world - the Western world, the developed world or the developing world or 'the tigers and cats' - everywhere, the insurance sector is a gold-mine. That is an area where you can make a lot of money ; that is an area where you can also play havoc to the economy. So, it needs some controls and it needs some more modification.

That is why, in 1993, a Committee was appointed under no less a person than Shri Malhotra who was the Governor of Reserve Bank of India. It submitted a report and that report was also examined on the basis of which in 1995, the then Finance Minister declared on the floor of this august House that as a first step, we need to have a better, more wider and powerful supervisory organisation or mechanism, that is, the Insurance Regulatory Authority. This Bill is meant only for that. It is only for regulating it. Why do you object it ? I do not understand as to why there is an objection. That is why, our party has taken a conscious position to support it.

There should be a competition. The Report of the Standing Committee, the apprehensions or suspicions or expectations expressed in this House are right that this can be a prelude to privatisation. What is wrong in it? Privatisation and foreign companies coming into our country can be separated into two parts. As I mentioned, LIC started with Rs. 47 crore as capital but now it has got Rs. 41,700 crore as its capital or accumulated amount. You know that we are a nation of 9600 lakh or 96 crore people. And how much have been covered by the LIC? It is only 566 lakhs. Even one per cent of our population has not been covered by the LIC.....(Interruptions). It may be three per cent. I am prepared to concede it. My friends from the opposite side are opposing it. When they are opposing this Bill, they are also the signatories of the Common Minimum Programme under which the whole Government edifice has been constructed.

The Common Minimum Programme says like this :

"The economy cannot grow and the needs of the people cannot be met without more capacity in power, oil, telecom, railway, roads and ports. The cumulative requirements of these sectors over the next five years is estimated to be 200 million dollars, that is Rs. 7,00,000 crore at the very minimum."

Where do we get the money from ? I am thankful to Shri Jaswant Singh when he said that one of the main factors to determine the health of the nation is the savings that it has. It is not the question of a nation alone. It is also for the individuals. We have been extremely lucky, whatever be the faults of the previous Governments which one can point out, to have consistent savings. We had a healthy saving of about 20 per cent. At times it reached 24 per cent which showed the health of the economy. If LIC is opened up or insurance sector is opened up, with LIC alone we can graner or gather five per cent or three per cent or our entire population, that is Rs. 41,700 lakh crores. How much money can we get from our rural areas, if we allow it to open up? We do not have to beg the World Bank or go with a begging bowl to the IMF. Even our own resources can be channelised. Why are we afraid ? Whether it is private sector or public sector, why LIC alone can do it ? I do not think that a country like India which has got such a massive land mass as well as human resource, with one LIC, with so much of top-heavy officials, can go to the rural areas and collect it.

SHRI AJOY MUKHOPADHYAY (Krishnagar) : They will not go there(Interruptions)

SHRI A.C. JOS : I am not talking about foreigners. When you are talking about privatisation, it can be done alone by the foreigners. No, it is not so. Our economy, our society and our country are strong enough to have our own companies(Interruptions)

In Malayalam, there is a saying. A hare was brought up in a workshop. The hare would always jump when it heard the sound of the hammer because he felt that something was coming. The Left Front here are yet to come out of the masks. They are the most confused lot in this country. I am sorry to say that. They do not know where they are standing(Interruptions)

SHRI P.C. CHACKO (Mukundapuram): Shri Jos feels that it is no use to advise them.

SHRI A.C. JOS : That is also secret. It is no use of advising them. After a particular age, nobody will accept accent the advice also. Let me tell my very senior colleague, Shri Nirmal Kanti Chatterjee, that Shri Jyoti Basu had gone to London recently to invite NRIs. Every other Chief Minister is on foreign tour including my Chief Minister, Shri Nayanar. He also belongs to their clan. He has also gone not only once but twice. We are cracking all sorts of jokes. He went abroad(Interruptions) For what? To invite NRIs. Let us say that

the NRIs invest here. Then, where are the profits going? The NRIs are taking the money out. Mr Finance Minister, am I right? The NRIs are permitted to take the profit.

SHRI P. CHIDAMBARAM : Yes.

SHRI A.C. JOS : The NRIs are permitted to invest here - not only permitted, they are there. They are shown a platter. They are invited with garlands. They are invited with all sorts of facilities. They are allowed to start all sorts of industries. Even our own industrialists are asking for level-playing ground. And for that, the Chief Minister of West Bengal has been the most successful among the Chief Ministers to bring in the NRIs from different parts of the world.....(Interruptions) Where does the profit go? The profit goes abroad.

14.59 hrs.

[SHRI P.M. SAYEED in the Chair]

I am not canvassing. I do not hold a brief in this case for foreign investment. You have also to remember the basic things. What I am saying is that the insurance sector is a sector where you have to have a wider net. Some mechanism has to be found out. If that cannot be done, I do not think, that can be completely satisfied by the L.I.C. The LIC has done a commendable job, There is no doubt about it. It is still doing a commendable job, but it has kept only five per cent. with it. At least 25-30 per cent is to be kept into the insurance field. As mentioned here, insurance is an aftermath. It is a child of industrialisation. Life insurance alone is nothing. The insurance field is widening every day. Modern Insurance was sometimes like a child. Those days are also going. Now, everything has come under insurance. The insurance means savings. That much of money you get. The Government gets it for utilising for social purposes. So, my submission is that this Bill, as such, has nothing to do with privatisation or globalisation. This is only to create a Regulatory Authority. Even if your fear is that this may be a prelude and this may be opening up to the private sector, I am not against it.

15.00 hrs.

At the same time I would like to request the hon. Finance Minister that the LIC and the GIC in their present form needs to be strengthened. I am not blaming the Finance Minister. He knows its position. There are four General Insurance companies in this country. The United Insurance Company is headless for the past two years.

SHRI RAMESH CHENNITHALA (Kottayam) : There is no Chairman for this Company.

SHRI A.C. JOS : There is no Chairman for this Company!

MR. CHAIRMAN : The Finance Minister says that the Chairman for this Company has since been appointed.

SHRI A.C. JOS : What about the LIC ? I do not blame a particular Finance Minister for that. That is the bane of the public sector.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) :The Chairman has already been appointed.

SHRI A.C. JOS : That is a very good news. After Shri Chidambaram in the 17 months that he has been the Finance Minister has appointed somebody now.

SHRI P. CHIDAMBARAM : The hon. Member should know that if I could appoint somebody, I would appoint him the day before the vacancy arises. But I cannot appoint somebody. There is a system. There are rules. You have to have consultations with the CVC ; you will have to have consultations with the other agencies. There is an Appointment's Committee of the Cabinet. Give me the power to make all appointments of all the Corporations under the Ministry of Finance, I will see that every appointment is made before the vacancy arises(Interruptions)

SHRI P.C. CHACKO (Mukundapuram) : You should change the system.

SHRI P. CHIDAMBARAM : That is absolutely correct.

SHRI P.C. CHACKO : You were a Minister for Personnel in the last Government. You should say that such an important post was lying vacant for 16 months because of the present system.

SHRI P. CHIDAMBARAM : Yes, I am answering you.

SHRI P.C. CHACKO : Please show your boldness(Interruptions) to say that this system should go(Interruptions)

SHRI P. CHIDAMBARAM : I propose now that we need not consult the CVC on every single appointment. How many of you would accept it? I propose it now - do you accept it? You would not accept it(Interruptions) If we change a single procedure, you would not accept that.....(Interruptions) I propose here and now that we need not consult the CVC. It takes seven months to get a date from the UPSC. I propose that we need not go to the UPSC. How many of you would accept that?.....(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : But you have not answered the other point.....(Interruptions) If the Government is aware that it takes seven months, what preventive action have the Government taken seven months ago?(Interruptions)

SHRI P.C. CHACKO: The date of retirement of every officer is known to the Government in advance(Interruptions). If the Government takes adequate steps sufficiently in advance then no post would lie vacant for 17 months(Interruptions) and the hon. Finance Minister cannot blame the system.....(Interruptions)

SHRI P. CHIDAMABRAM : That is simply not correct. Shir Chacko belongs to a Party which has been in power for 40 years including the last five years.(Interruptions)

SHRI MULLAPPALLY RAMACHANDRAN (Cannanor): You too were in that Government.(Interruptions)

SHRI P. CHIDAMBARAM : Yes, I am saying, so was I.

Now, every time the Government proposes a change of this nature, there is a serious opposition to it. I am proposing two changes right here and now and I am willing to convince my Cabinet also(Interruptions)

MR. CHIRAMAN : Mr. Minister, I think, we are going far beyond the discussion.

.....(Interruptions)

SHRI A.C. JOS : Sir, it is a very important issue and let him say.(Interruptions)

SHRI P. CHIDAMBARAM : If I propose that we need not go to the CVC for every appoint, nobody will accept it. If I propose that we need not go to the UPSC for every appointment, nobody will accept the change. I am proposing a change, where is the willingness to accept the change ?(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : The point is not that at all. If you know that the entire procedure takes four months or six months why do you not take steps in advance(Interruptions)

MR. CHAIRMAN : Shri Chatterjee, you could give your suggestions when you speak.

.....(Interruptions)

MR. CHAIRMAN : Now, Shri Jos, you please continue and as far as possible, do not create any controversy

.....(Interruptions)

SHRI P.C. CHACKO : Sir, this is going on record(Interruptions)

SHRI SRIBALLAV PANIGRAHI (Deogarh) : There should not be people from outside to man the PSUs and financial institutions(Interruptions) There are many PSUs without any Chairman(Interruptions) Therefore, the sickness of PSUs is also attributed to that factor(Interruptions)

MR. CHAIRMAN : Shri Panigrahi, what the hon. Minister said was that we are working in an intricate system. It has to pass through all the required agencies ; there has to be screening and then only a person could be appointed and thus it takes a lot of time. He is now proposing two changes.

.....(Interruptions)

SHRI SRIBALLAV PANIGRAHI : The hon. Finance Minister should review this and find out a procedure

.....(Interruptions) so that they are appointed well in time
.....(Interruptions)

MR. CHAIRMAN : Shri Panigrahi, he has already given two proposals

.....(Interruptions)

SHRI P.C. CHACKO : If the Minister is making a suggestion for bypassing the CVC, bypassing the UPSC, then I am sure, the whole House is going to oppose the proposal of the Minister.

As Shri Chidambaram has said, for about fifty years the Congress ruled this country. On how many occasions during this time the top posts in public sector companies were left unfilled? If the Ministers are vigilant and if the top bureaucrats are vigilant, steps can be taken sufficiently in advance. If they are not, they should not blame the system. This is not correct. A wrong thing should not go on record.

SHRI P. CHIDAMBARAM : I do not know why Shri Chacko should think that we are proposing something outrageous, or something which goes against the grain. He can ask anyone from his party, which was once my party, who has been a Minister. I am not blaming anyone. The fact remains that I cannot get a date from the UPSC for six months for interview. I cannot get a date! I can show him the files. Let him come and see the files. I send proposals well in advance and the UPSC does not even give me a date for six months for interview.

SHRI P.C. CHACKO : Then it is a reflection on the functioning of the Government.

SHRI P. CHIDAMBARAM : It is all very nice to say that. I cannot get a reply from CVC for four months. I am not blaming him for it. Every single reference is made to him. He has to conduct a complete investigation. This very UIC case is a case where there was a serious disagreement between the Government's position and the CVC's position and the matter was held up. Eventually we resolved it. But it takes a lot of time to resolve. The only way you can do that is to cut the Gordian knot. There is no way you can untie the Gordian knot. If you find that somebody is guilty of something, punish him later. But if at every stage you must have consultations with any number of agencies before you made an appointment, look at what is happening to the PESB. We appointed Shri Vithal, a man known for his drive. he is simply throwing up his hands! There is no way you can fill these public sector vacancies with the enormous consultations that have to take place. I am trying to suggest this to you not because this matter has arisen. Let us discuss it separately. Let us find a way to cut through this procedure. All over the world people make appointments. If you find that somebody is guilty or something, punish him. You cut through the procedure. How can we have this procedure and then continue to.....(Interruptions)

MR. CHAIRMAN : We have a number of speakers on this. We have to take up the Matter under Rule 193 at four o'clock.

SHRI A. C. JOS : Sir, I lost ten minutes of my time. I want ten minutes more.

As the Finance Minister has said, the fact remains that one of the banes of the public sector is this imbroglio in which they find themselves. Instead of giving more and more control to the public sector companies, why can we not open up the market ? I am rather flabbergasted to read that in the tiny country of the United Kingdom there are 101 insurance companies, Malaysia has 34 insurance companies and the tiny Singapore has 46 companies. If these are the statistics in other countries, why should India confine to GIC alone?

SHRI P. C. CHACKO : There is 90 per cent life coverage there.

MR. CHAIRMAN: Shri Jos, you have already taken 24 minutes.

SHRI A. C. JOS (Idukki) : It is not I who has taken all that time, Sir. The Chair, the hon. Minister and my colleagues have taken ten minutes out of that time.

MR. CHAIRMAN : I want you to address the Chair instead of reacting to the Members. Many Members are there to speak. We have to take up the Matter under Rule 193 at four o'clock. I do not know how we are going to take it up!

SHRI A. C. JOS : I will not go into finer details, Sir. What I was saying is that, if these countries, developed as well as developing countries, can have these many insurance companies and wider nets, why cannot we have them in our country? We have already lost a lot of time. We have to run now. We have to go faster and mop up the entire rural areas so that our infrastructure projects can come up while we strengthen our GIC and LIC. I do not for a moment say that they should be deprived, or they should be in any way weakened. They are very good companies. Their employees are doing very well. But at the same time, compared to the vastness of our country we need more and more insurance companies which can stretch their hands to the remotest place. While we are talking about foreign companies, I want to bring to the notice of the House that our Oriental Insurance Company gets 15 per cent of its income from foreign countries. Our Indian insurance company gets 15 per cent of its income from foreign countries!

It that is possible, why do we not have the self-confidence to face the foreign economy? What I am saying is that the Regulatory Authority should have very rigorous regulations. You are talking about a stage when we were slaves. Those people came here, exploited us, took our money out and became big colonies. They did a lot of things. But we are an independent sovereign republic today. This august House is ruling this country. If proper regulations are there, nobody will take the money from here. Nobody can overrule us.

MR. CHAIRMAN : Now, you have to conclude.

SHRI A. C. JOS : Yes, Sir.

Recently Holland has opened its insurance area and they are controlling it. They have got enough controls to see that this much of money alone can be brought in. I am not talking about foreign companies coming into the insurance sector. This is not the time to talk about it. But what I am saying is that instead of confining ourselves to GIC and LIC, we have to talk about other companies, with collaboration or without collaboration. Even LIC has to be split because it has got five lakh agents and 185 lakh employees. Why should we have such a heavy organisation except that it has got the captive workers doing something? This Bill has to be passed. The Insurance Regulatory Authority is to be formed. With all the teeth, with all the strength and with all the self-confidence, this Authority should formulate regulatory rules and regulations by which insurance field can be properly regularised and the money which is sleeping and dormant in our country, in the rural areas can also be brought into for the social and economic benefit.

With these words, I wholeheartedly support this Resolution but with a will, with a rider that we have to be very very careful on our Resolution.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : Before he stands up, with your permission, may I make a submission? Since, at 4 p.m. discussion under Rule 193 would be taken up, I propose that let us not curtail the time of the speakers. Let them continue up to 4 p.m. Let discussion under rule 193 be taken up at 4 p.m. and residual part of the discussion on this Bill may be taken up tomorrow(Interruptions)

JUSTICE GUMAN MAL LODHA (Pali) : It should be taken up tomorrow. It is a serious matter.....(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : At 4 p.m., we would take up discussion under Rule 193.....(Interruptions)

MR. CHAIRMAN : Instead of 4 p.m., we can start the next item even at five p.m.

.....(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : I want the Minister to continue in the Government for another day at least.....(Interruptions)

MR. CHAIRMAN : Shri Suresh Prabhu.

I would request all of you to shorten your speeches.

DR. MURLI MANOHAR JOSHI (Allahabad) : It is an important Bill. Let the hon. Members speak.

MR. CHAIRMAN : We will have to get this Bill passed today.

DR. MURLI MANOHAR JOSHI : Tomorrow?

MR. CHAIRMAN : No, today.

SHRI NIRMAL KANTI CHATTERJEE : We can have the Minister tomorrow also in the Government! We have no difficulty in doing that. If he is there till tomorrow, Heavens will not fall. But I propose that instead of curtailing let us contain. So many things have to be checked. I feel like speaking for a good deal of time. Despite all that has been said, without repeating, I would like to speak.

MR. CHAIRMAN : Your name is there, I will call you.

JUSTICE GUMAN MAL LODHA : It must be taken up tomorrow.

MR. CHAIRMAN : Let us see whether we can finish.

SHRI SURESH PRABHU (Rajapur) : Mr. Chairman, Sir, I thank you for allowing me to speak.

About any economic legislation or for that matter, any legislation and particularly quasi-economic legislation like this, the merits of it should be considered in the proper perspective of the country's economy and social structure. This Bill seeks to introduce certain changes in the insurance sector. Today we have been witnessing a prime need for drinking water, roads, for power etc. There is a general need to invest in infrastructure in the country. So, the Common Minimum Programme of the Government talks about 200 billion dollars needed for investment. The Krishna Mohan Committee report also talks of something like 165 billion dollars. So, the investment that is needed to go into the infrastructure, has necessarily to be a long-term investment. The investment which will have a long gestation period, will have to go into the infrastructure. Today our country is really facing the problem of how to find funds to meet the infrastructure needs of the country. There the insurance sector can play a very important role in finding these savings.

A country of the size of India as has been mentioned by my illustrious colleague, we have a large population but not so many insured in the country. He had already given the number of insurance companies in some countries. I will give some information on that. India spends 0.56 per cent of its GDP on insurance, the total amount of premia put together. Whereas a country like Germany spends 4.07 per cent of its GDP; USA spends 5.8 per cent of its GDP; a small Island country like Barbados spends 6.29 per cent. A country like Mexico is spending 4.85 per cent. India has very less saving coming into the stream from the insurance sector. At the same time, India needs large investments to go into the infrastructure which can be provided by insurance.

In this light, I think, this piece of legislation which is going to introduce some changes in the sector is welcome. As a Member of the Standing Committee on Finance, we had considered this Bill and recommended its consideration by Parliament favourably. Though I would like to generally

welcome the Bill, I would like to mention some of the things which are very important which I feel should have been considered as a part of the legislation.

Number one, this Bill is brought about as a recommendation of the R.N. Malhotra Committee report. It is really time now that we should know what is the fate of the R.N. Malhotra Committee report; whether the report has been accepted by the Government or rejected by the Government. What is the status of the report? It is something which we should really know because this is the offshoot of the report. One of the ideas or the recommendations coming from the report was that the IRA should be established. There is already a non-statutory regulatory body which is functioning in the country. This is not something of a new development that a new body is going to be created. It is actually replacing the non-statutory body with a statutory body. Probably it would protect the interests of the insured in a better manner than the present one.

One of the ideas was that this body will be autonomous and it should be free of Government control. But the provisions contained in the Bill make it like part of the Government Department and really does not want to give the status of the type of SEBI, that is really contemplated in the object of the Bill. I think, probably a fresh look is required and some changes are needed so that when this Bill becomes an Act of Parliament, it would really take shape and would be given the type of powers that are really contemplated by the objects of the Bill.

There are three laws in the Insurance sector - Insurance Act of 1938 ; LIC Nationalisation Act, 1956 and the General Insurance Business Act, 1972. All these piecemeal legislations are not really serving the purpose for which these had been introduced. Probably, a comprehensive Bill would have served the purpose in a better manner.

The composition of IRA says that it will have four or five members but it really means that its members would be really subservient to the Government in the Ministry of Finance. Probably the Insurance Wing of the Ministry of Finance would really be looking after it.

There should be a provision which gives the Insurance Regulatory Authority Chairman the powers that are really befitting the status that he should enjoy. I think, he should clearly have the rank of Secretary plus which should be assigned to that, who is really not a pensioner.

The present Chairman of IRA, Shri Rangachari was a former Chairman of CBDT. In that capacity, he was really enjoying the type of status that should be really reflected in its origin and I think, this should be really introduced.

The money that is needed, as I was mentioning, the pension fund and the life insurance money which should be really mobilised in the country would probably be possible — it is not necessary that we set up an IRA that it is going to happen — unless we take steps so that the money or such

savings could be coming into the system whereby it could be used for infrastructure.

There are certain fears and apprehensions which I expressed, but the provisions in the present Bill do not warrant that such apprehensions could find place into certain provisions of the Bill anywhere.

I was listening very carefully to my friend, Shri Jos when he was giving the rationale behind why such a Bill should be introduced. The GIC, the LIC have really done a job that they were expected to perform. But the Bill nowhere mentions — I was going through it very carefully to find out— whether it denationalise those companies and I have not really found that it is really going to do that.

SHRI NIRMAL KANTI CHATTERJEE : Not denationalise!

SHRI SURESH PRABHU : Yes I know.

Or is the Bill trying to say something which will bring in some new players so that they will be destabilised? I do not think that there is any provision in this Bill which should really try to say that. I think, on such apprehensions which we have expressed, I was wondering whether there is also some legislation which will be introduced simultaneously along with this to which this reference has been made. I think, we are all talking about the Insurance Regulatory Authority Bill in which, fortunately, such apprehensions do not find any place. So, I think, this Bill needs a support.

However, I would like to know about the per employee business that the present employees who are employed in this sector are doing. I will be happy if we get the figures from the hon. Finance Minister as to what is the per employee business that is transacted by these employees today in these insurance companies.

One thing I am aware of is that there is a provision into this General Insurance Act that only 18 per cent of the gross premium earned by the corporation would be spent on establishment, though last year we spent something like 27 per cent by 31.3.1997. The accounts are yet to be presented to the Parliament. I think, the Finance Minister is privy to this information and he can probably pass it on whether it is true that almost 50 per cent more than what should be spent has been spent on the establishment of the two corporations. If it is so then we are actually running into the results which have been created to meet the obligation of the policyholders and this could be something which could not be in the interests of the policy holders.

Sir, I would like to know one or two things which are very important from the perspective of protecting the interest of the country. Apprehensions have been raised particularly about the entry of foreign companies into the insurance sector. I am aware of the fact that the Indian companies are quite competent enough to meet the challenge, though it is presupposing that the Indian companies would not be competent enough to carry out the business that the insurance

is going to be probably along with them to participate. Of course, there is no specific provision on that account and I feel, we must make sure that foreign companies would not enter this sector to the detriment or the interest of the Indian economy and I do not think there is any need at this state particularly now to really find out how this interest is going to be protected and that is something which I would like the Government to answer.

One of the important points is that in the social insurance, the rural insurances there have not been any attempts made so far to reach out to that sector with which the rural population needs the power because they are the most vulnerable people. The insurance tries to provide a cover against the rich to the most vulnerable section of society. But that section of the society has really not been covered by the insurance industry in a big way. I would like to know, after the establishment of this IRA, how this segment of population is going to be covered against the risk that they suffer the most.

In that, at if all there is any possibility of some more players coming into the picture, is the Government thinking of allowing the cooperatives to come into that so that they can also reach out to this section, to which they are already serving?

The present employees of the General Insurance Corporation as well as the Life Insurance Corporation have been agitating against this move probably apprehensive of the introduction of a foreign element or private participation into the insurance sector. Their views and apprehensions need to be addressed so that there is no room for them to feel that the opening of the sector is going to be detrimental to their interests as well.

In fact, the only interest that we really try to serve is the interest of the policyholders as well as our society, which needs infrastructure very badly. If it is served by this Bill, I support it.

SHRI PRAMOTHES MUKHERJEE (Berhampore) (WB) : Mr. Chairman, Sir, on behalf of my party, RSP, I rise to oppose this Bill.

I am in complete disagreement with the Principles, objectives, aims and contents of this Insurance Regulatory Authority Bill.

So far as my observation into the details of this Bill is concerned, the purpose of this Bill is to provide just a high degree of regulation over the affairs of the Indian insurance sector. This is only because of the fact that the Controller of the Insurance Sector has been minimised or diminished magnificently. In addition to this, as per the recommendations made by the hon. Members of the Malhotra Committee, the changes, as proposed in this Bill, are required to make it more efficient, to make it more competitive in conformity with the other structural changes in the financial system of the Indian economy, that is, the changes are requested in the name of efficiency and competitiveness only in conformity with the requirements of the market economy.

[Shri Pramothas Mukherjee]

Sir, the arguments and the objectives, as mentioned in this Bill, are nothing but a jugglery of logic and languages, just to cover up the direct sanction to be given to the multinational corporations for entering into the Indian insurance sector. This is the point. This is my compulsion, for which I rise to oppose this Bill.

Sir, in my opinion, the purpose of the Bill is to unlock the gate before the Indian as well as the foreign private sector in the name of efficiency and competitiveness. The efficiency or the quality of service or the quality of the management can be improved within the existing system of the Indian insurance sector. How can we believe that the efficiency in the private sector is better than the efficiency in the public sector? What is our experience? The insurance sector was a private sector. Can we deny that the British India Insurance Company Ltd. was a private sector? What was the necessity for its nationalisation, for taking over the management of this private sector? In the year 1956, there were some reasons. The private management was also charged of malpractices, of corruption and of unsatisfactory service to the customers.

I beg to remind the role played by the public sector in the development of the developing countries in East Asia in the '70s and the '80s. They played a very significant role. What is the role of the South Korean Steel Plant, which is the highest efficient public sector steel plant in the world? Should we forget that in Singapore, more than 60 per cent of the public sector, that is, the domestic savings is covered by the public sector? I do not want to go into the debate between the public sector and the private sector. This is not the question but this is a question whether we will choose the Indian public sector or foreign private sector in respect of insurance. This is the competition between the Indian public sector and the foreign private sector. This uneven competition can never be recommended. The players can play only on a level playing ground. The level playing ground should be given to the Indian private sector or to the foreign private sector and then the competition can be allowed.

It is a fact that in the name of competition, we see many things. The Indian private sector or Indian public sector does not have the sophisticated infrastructure but the multinational corporations are having the most sophisticated infrastructure for any kind of business in the market economic system. So much so an uneven competition cannot be allowed and should not be allowed.

MR. CHAIRMAN : Please conclude.

SHRI PRAMOTHES MUKHERJEE : Sir, I will take one minute to finish my speech. Today, the multinational corporations may enter into this sector. What will be their job? Only the car insurance will be there. Only the fire, theft and property insurance will be their assignments and that is the business of the upper class, of the have-got classes of Indian society. But today, we need the Crop Insurance Scheme. In India, today, this Crop Insurance Scheme is

suffering. But those multinational corporations or any Indian Private sector will not come forward to take up the responsibility of the Crop Insurance Sector. That is why, I oppose the entry of any private or foreign private companies or sectors in this respect.

Lastly, I will appeal to you to take note of the fact of the Super 301 clause which has been admitted. I want to refer it to you. In the United States' legislation, this Super 301 clause has been used repeatedly to put India on the hit list for punitive action.

MR. CHAIRMAN : Please conclude.

SHRI PRAMOTHES MUKHERJEE : I will just now conclude.

Some pressure is building up in the name of Super 301 clause for not providing insurance sector access to the United States' companies. The pressure is building up and a part of our Indian Government is succumbing to that pressure. This Insurance Regulatory Authority Bill is nothing but a symptom to surrender to the dictates of this U.S. legislation. So, Sir, I oppose this Insurance Regulatory Authority Bill.

SHRI E. AHAMED (Manjeri) : Mr. Chairman, Sir, I stand to support the Bill and at the very same time, I would like to remind the hon. Minister that the Bill does not reflect the assurances that the Minister has given in his Budget speech. In the Budget speech, he has assured the House that the insurance sector would be liberalised and steps would be taken. But this Bill does not reflect what he has given by way of assurances. However, I support the Bill because something is better than nothing. This is in the right direction.

Sir, it is high time we thought about liberalising the insurance sector in this country. Insurance is of strategic importance in our economy. It has been nationalised with a view to achieve the social and economic objectives but unfortunately, in the present state of our economy and the country, this is to be reviewed to see whether we could achieve the social and economic objectives as aimed at the time of nationalisation of insurance.

Sir, but now with the interaction of India into the global economy, we are to liberalise our insurance sector. What is the present position? Some of my friends have already mentioned about the insurance companies in other countries with a small population. But in our country, only one Life Insurance Corporation and four General Insurance Corporations are there and they cannot cope up with the needs of the people of this country.

I would like to mention that a small country like the U.A.E. with a two million population has 54 Insurance Companies, whereas here, we have to satisfy with one Life Insurance Corporation and four GICs.

I would also like to mention one thing. What is our Gross Premium Return, that is the total premium? A country like Malaysia, having a population of 19.5 million, has a Gross Premium Return of 1.8 billion U.S. dollar whereas, India, a country with a population of 960 million people, has 1.1 billion which will come only to 1.3 dollars per capita.

A Malaysian citizen will have a per capita Insurance premium of 92 dollars whereas we have a per capita of 1.3 dollars. This is the position in this country. Take for example, the Life Insurance Corporation of India. What is the Life Insurance Corporation of India doing? Every two years they have to take the mortality table rate as the latest one. But quite unfortunately they are using the old mortality table of 1977. The Life Insurance Corporation of India is giving to the consumers the benefit on the basis of the mortality table of 1977 whereas in all the countries, the mortality table has been taken as 1995. How much are we losing? We have no option: we have no alternative. We have to take the life insurance and we cannot have benefits. How long will the people of this country be put to this difficulty and this much of hardship? This is a matter to be looked into. In every country, every two years they are taking the latest mortality table whereas in India, it is not there. Did anybody look into it? My friends who are just making a sermon about the greatness of the Life Insurance Corporation, why do they not also ask them?

I would like to submit another thing before this House that it is a sellers' market and not a buyers' market. The buyers have no option but to buy inferior products at inflated prices. Even after the death of a person his relatives are to run from pillar to post to get their insurance benefits. This is the situation in the country. Since there is no competition, the prices are also inflated and not in reality.

Many people are weighing about the flow of our capital from this country to other countries. I would like to ask the hon. Minister about the position of the reinsurance here in this country. The Indian Airlines have been reinsured. How much money are we giving? We are giving about 60 per cent of the money to the foreign countries. All the properties which are having the worth of 160 million and above will have to be reinsured under the law. There is no facility in this country to have the reinsurance. Our people have to go to foreign countries for reinsurance. I would say that only in the case of Indian Airlines, the information I have received from this sector is that billions of dollars worth of Indian rupees are flowing from India to outside the country. Why do we not have the reinsurance here itself? Everybody says that our money cannot flow. Is it not a fact that billions of dollars of Indian rupees are flowing outside the country? *(Interruptions)*

MR. CHAIRMAN : Please conclude.

SHRI E. AHAMED : Sir, I want to raise some very important points.

MR. CHAIRMAN : You cannot.

.....*(Interruptions)*

SHRI E. AHAMED : As far as General Insurance is concerned, we have only four companies which will not be able to cope up with the requirements of this country. The consortium of G.I.C. has taken the reinsurance of Indian Airlines aircraft. There is no protection.

I would like to submit before this House that under the law any property worth Rs. 160 million or above must be reinsured in another country. In the case of Indian Airlines, millions of dollars are flowing from India to other countries. We do not have any facility in this country for reinsurance and there is no competitive authority or company to reinsure. Now, we do not have any modern practice in the market and we are following the old practice.

MR. CHAIRMAN : Please conclude.

.....*(Interruptions)*

JUSTICE GUMAN MAL LODHA : Please extend the time of this Bill. It is a very important Bill*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE : At four o' clock, there will be a discussion on the heavy loss of lives and property due to natural calamities.*(Interruptions)*

SHRI E. AHAMED : Mr. Chairman, Sir, if you are not able to give me more time, then I will have to conclude myself.

MR. CHAIRMAN : Is it over?

SHRI E. AHAMED : If there is no time, then I have to respect your views, Sir. I always give respect to the Chair.

MR. CHAIRMAN : The other speaker who has just now spoken before you, took six minutes whereas you have already taken eight minutes. I was just telling you to conclude. This is not how you have to immediately react.

SHRI E. AHAMED : Therefore, Sir, I urge the Government to bring a legislation to liberalise the insurance sector in this country.

MR. CHAIRMAN : Was that your last sentence ?

SHRI E. AHAMED : Sir, I will have to cooperate with the Chair.

MR. CHAIRMAN : Shri Nirmal Kanti Chatterjee.

.....*(Interruptions)*

MR. CHAIRMAN : I am not going to lose anything by allowing you more time. The Business Advisory Committee fixed three hours for this Bill and that time is already over. Please cooperate with the Chair. We have already taken fifty minutes more than the allotted time.

.....*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE : Sir, you are absolutely right in drawing our attention to whatever the Business Advisory Committee has decided. But may I draw your attention to some simple figures? The Business Advisory Committee decided that not more than two-and-a-half hours would be spent on the Adjournment Motion or discussion under rule 184 on Bihar and we spent ten hours. Similarly, for Maharashtra(Interruptions)

MR. CHAIRMAN : Shri Chatterjee, I am telling you that other important matters are also figuring here. Why do you not at least once stick to the time?

SHRI NIRMAL KANTI CHATTERJEE : Sir, I agree with your concern for the more important business and that is why instead of rushing through a very important Bill like the insurance sector on which depends our security in terms of insurance of Indian people as well as the sovereignty of the Indian economy, I wanted more time. It is precisely because this is an important Bill.

MR. CHAIRMAN : You start your speech.

SHRI NIRMAL KANTI CHATTERJEE : I was, therefore, requesting you, because the House was concerned about it, that we should not have cut him out.

MR. CHAIRMAN : I did not do that. He has finished his speech himself. It is not my mistake. I had only requested that at four o' clock, let us begin the discussion under rule 193 on natural calamities and floods. Shri Ahmed should not have reacted so sharply.

SHRI NIRMAL KANTI CHATTERJEE : He is really hurt, Sir.

SHRI P.C. CHACKO (Mukundapuram) : Sir, there are other important subjects also to be taken up.

MR. CHAIRMAN : See the reaction of other Members! A subject like natural calamities and floods in this country has to be taken up. Everybody is demanding that.

JUSTICE GUMAN MAL LODHA : Sir, there are other subjects also which will have to be taken up, but this Regulatory Authority Bill is also very important.

SHRI NIRMAL KANTI CHATTERJEE : This is a very important Bill, Sir, particularly because there are amendments from our side(Interruptions)

SHRI RAMESH CHENNITHALA (Kottayam) : All the issues before the Parliament are important, Sir.

MR. CHAIRMAN: We have already taken one hour more for this subject. Only three hours were allotted and we have already taken four hours.

SHRI NIRMAL KANTI CHATTERJEE : Because it is such an important Bill.

JUSTICE GUMAN MAL LODHA : It must be continued tomorrow, Sir.

SHRI P.C. CHACKO : We respect the Chair, Sir. There cannot be an extension of time to any one person. Shri Ahmed was given five minutes. We request the Chair to please limit the time and allow others also to speak.

SHRI NIRMAL KANTI CHATTERJEE : I will not be limited by five minutes.

MR. CHAIRMAN : I will not be allowing you more time. I cannot discriminate between one Member and another. I will not be in a position to do that. Your party Member has already spoken.

SHRI NIRMAL KANTI CHATTERJEE : In that case I do not speak, Sir.

JUSTICE GUMAN MAL LODHA : If you do not allow us time, we will not participate in the debate at all.

MR. CHAIRMAN : What do you say, Mr. Minister? Do you want this Bill to be carried tomorrow?

.....(Interruptions)

PROF. RASA SINGH RAWAT (Ajmer) : Sir, please give us time. This is very important.....(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : I have got amendments on this. There are three amendments(Interruptions)

JUSTICE GUMAN MAL LODHA : Sir, if you do not give us time to put up our views, there is no point in participating in the debate or sitting in the House.....(Interruptions)

MR. CHAIRMAN : Mr. Minister, what do you say? Do you want this to be carried for tomorrow?

.....(Interruptions)

JUSTICE GUMAN MAL LODHA : Sir, you must have the sense of the House.

SHRI NIRMAL KANTI CHATTERJEE : Sir, there are three amendments before the House. One is from our side, How can it be rushed through? I will not repeat the points.....(Interruptions)

SHRI BASUDEB ACHARIA : Sir, there is not harm in carrying it for tomorrow. You can continue it tomorrow.

MR. CHAIRMAN: Where is the Minister of Parliamentary Affairs who can react to it?

.....(Interruptions)

MR. CHAIRMAN: Let us hear the hon. Minister Shri Chidambaram.

PROF. RASA SINGH RAWAT: Sir, kindly extend the time.

SHRI NIRMAL KANTI CHATTERJEE : Sir, the hon. Minister has got high ability and capability to argue his case. Why should you force it to be rushed through?(*Interruptions*)

PROF. RASA SINGH RAWAT : Sir, we are again requesting you to kindly consider our request.

MR. CHAIRMAN : I have given the floor to the hon. Minister.

SHRI P. CHIDAMBARAM : Sir, I am not anxious to do anything which will leave any Member with a sense of deprivation. The point to be remembered is that this bill is to be voted upon. It is clear that there is a sharp Division from one section. But then, the answer is not to prolong it. We must know exactly when this will be voted upon so that everyone can be present and vote.....(*Interruptions*) The principal spokesman of the B.J.P., Shri Jaswant Singh has explained his party's views. If some other members wish to speak, they can speak. Equally, from the C.P.I. (M) Shri Basu Deb Acharia has explained his party's views at great length. If someone wishes to speak to supplement it, he can speak. But I must know exactly when this Bill will be voted upon(*Interruptions*) We cannot be taken by surprise on a vote because I know for a fact that many Congress members would have to leave for Calcutta tomorrow. We must know it(*Interruptions*) Sir, if you are saying that, 'all right we will debate it upto 4 o' clock and then we will resume it at 6 o' clock'. We will resume it at 6 p.m. or 6.30 p.m.(*Interruptions*) Shri Nirmal Chatterjee, I am not interrupting you.

If you can resume it at 6.30 p.m. or 7 p.m. today and continue the debate and have the voting tomorrow at 12 noon or 12.30 p.m., I have no objection. But the point is that we cannot take the vote by surprise. After all it is an important Bill. Government should not be taken by surprise on a vote. Obviously, it is clear that there is going to be a vote. I am quite prepared to take a vote. We must ensure that everybody participates in the vote. That is all that I am trying to say.....(*Interruptions*) clearly know when the vote will take place.

SEVERAL HON. MEMBERS: It can be tomorrow.

SHRI P. CHIDAMBARAM : Please remember that this has to go to the Rajya Sabha also. If you take it at 6.30 p.m. today, I am willing to sit here. Let those who wish to speak, speak today. I am willing to come back to the House. Let everybody speak. But we must know when the voting will be taken. We must give fair right to every party to vote on the Bill.

MR. CHAIRMAN : There are two more speakers in addition to Shri Nirmal Kanti Chatterjee and then the Minister has to reply.

SHRI P. CHIDAMBARAM : It can be taken up from 6.30 p.m. upto 7.30 p.m.

MR. CHAIRMAN : Those three names are before me.

SHRI P. CHIDAMBARAM : Sir, you please continue from 6.30 p.m. to 7.30 p.m. and conclude the debate. You can take it up at 6.30 p.m.

SHRI BASU DEB ACHARIA : There are two Members from my party to speak.

PROF. RASA SINGH RAWAT : Sir, there are names in the list.

MR. CHAIRMAN : I may mention that all the parties have exhausted their time.

PROF. RASA SINGH RAWAT : Kindly extend the time. That is why we are requesting you for it.

SHRI P. CHIDAMBARAM : Please take it up from 6.30 p.m. to 7.30 p.m. My suggestion is that the debate be continued and the voting may be done tomorrow immediately after 12 noon.

MR. CHAIRMAN : For the discussion under Rule 193, the B.A.C. has allowed two hours. It will be taken from 4 p.m. to 6 p.m.

SHRI BASU DEB ACHARIA : That time is not enough. It may not be concluded.

SHRI P. CHIDAMBARAM : Shri Acharia, somewhere you have to agree.

MR. CHAIRMAN : What will happen if that is not concluded?

.....(*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE : Sir, you are not a newcomer in the House. You know that this discussion on calamities will not end. Does it ever complete in two-and-a-half hours? It cannot be.

MR. CHAIRMAN : It can be taken up later.

SHRI NIRMAL KANTI CHATTERJEE : Therefore, what I am requesting is that you take it up at 4 p.m. and let this debate continue tomorrow. We will debate it tomorrow. The request of the hon. Minister is very valid. His request is that you fix up a time for voting.....(*Interruptions*) They have to leave for Calcutta. Let us fix it that at 3 p.m. tomorrow we shall have the voting. After that they can go to Calcutta(*Interruptions*)

SHRI A.C. JOS : Sir, many Members are leaving by the morning flight and also by the evening flight. We cannot take a risk. It should be done either today or else it should be taken to 13th(*Interruptions*)

SHRI P. CHIDAMBARAM : Voting can be held at 12 noon tomorrow.

SHRI A.C. JOS (Idukki) : It can be held either today itself or only on 13th.(Interruptions)

MR. CHAIRMAN : In any case, it cannot be held before 1.00 p.m. tomorrow. Now-a-days, Zero Hour continues for more than one-and-a-half hours.

SHRI NIRMAL KANTI CHATTERJEE : If we can have voting at 1.00 p.m., I think, they will not object.

SHRI P. CHIDAMBARAM : Please conclude the discussion today. We will sit late. Voting can be held tomorrow.

SHRI A.C. JOS : Sir, that is right.

SHRI NIRMAL KANTI CHATTERJEE : Sir, you give some more time to me. I will not repeat.

MR. CHAIRMAN : I cannot discriminate among Members.

SHRI NIRMAL KANTI CHATTERJEE : This is not discrimination. What has happened is an accidental thing. Had the Chair known that the time would be extended, he would have been permitted more time.

MR. CHAIRMAN : I would have requested him if he had been here.

SHRI NIRMAL KANTI CHATTERJEE : May I begin now?

MR. CHAIRMAN : Yes.

SHRI NIRMAL KANTI CHATTERJEE : Thank you very much.

Although I have said that this is a very important Bill, I have a doubt whether or not this discussion is already a little dated. This morning's newspaper almost indicate that we need not have any regulatory authority in our country. It says that the International Monetary Fund has now decided that they will link aid to good governance. They say that new guidelines empower International Monetary Fund to independently monitor corruption allegations. It is almost said that all regulatory arrangements and regulatory authority may be safely placed in the hands of the International Monetary Fund. That is how it strikes me whether we are having a discussion on something which has been rendered entirely unnecessary because of our subservience to the International Monetary Fund. Now, they will not agree. Therefore, this seems to me this discussion is a little dated.

Then, a reference has been made by, I think, the honourable and capable Finance Minister that there is only one Note of Dissent in the Standing Committee Report. I think, I should make a clarification on that point because I am a Member of that Committee. The clarification is very simple. They have accepted so many amendments proposed by

me. When I was leaving, they said that rest of the amendments would also be accepted. I discovered when the Report was being presented that one of the amendments, which they said had been accepted by them was not accepted by them. This thing led to the fact that some of us did not add to the Notes of Dissent. What was stated by me in the Committee was that I was not convinced that the insurance sector needed to be opened up to private and foreign firms. However, this amendment was supposed to have been accepted, but was not accepted. When I left, I left with the impression that alongwith rest of the amendments I had submitted, this would also be accepted. Therefore, at a later stage, only one of our comrades from Rajya Sabha, who discovered this fact, submitted in haste a Note of Dissent. This is by way of clarification.

I do not know whether a reference has already been made to a very interesting report. I have got the entire report. This report is "Failed Promises, Insurance Company Insolvencies" - A Report by the Sub-Committee on Oversize and Investigations of the Committee on Energy and Commerce, US House of Representatives.

This is a very interesting report. I want to draw your attention to that. It says :

"Insurance is an easy business to enter."

This is one of the comments. It says further:

"Making promises does not require expensive plans and equipment or time consuming constructions. All that is really necessary is to meet certain things."

It does not end there. It also says :

"Insurance can also be a very easy business to leave."

This is their comment. You can very easily enter in and as easily leave it. This is the nature of the insurance sector. We have to understand this before discussing the regulatory authority itself. What happens in the meantime? Sometimes, we say that America is the most powerful democracy in the world. Their language is very interesting. I am quoting from their report. It says :

"They encompass scandalous mismanagement and rascality and the ill-effects of fraud and gross incompetence may be hidden for 10 years or more before the regulatory authority can act."

For 10 years or more, this Insurance Regulatory Authority will be completely oblivious of what is happening and because it is easy to enter and as easy to leave, you can imagine what was happening in the course of these 10 years by some rascality. This is their view. So, I am drawing the attention of all those who are supporting the entry of the private and foreign sector in the insurance business.

Sir, this report refers to some fraud of the value of \$5

billion. How much is that? It is almost as much as the value of our bank scam.

SHRI A.C. JOS : It is much more than that.

SHRI NIRMAL KANTI CHATTERJEE : All right. It is much more than that. America, as the world's biggest economy, is capable of absorbing this loss of \$5 billion. But those who perpetrated this loss on those people would be welcome, through this bill, to have operations in India and imposing, if possible, that kind of a Bill on the Indian people. That is what we have to remember while extending our support to this Bill.

Sir, in the insurance sector particularly in Life Insurance -- not so much in General Insurance - the funds are long term funds and there are certain long term operations in the physical sense which have to be backed by the availability of these long term funds. Other funds are not this much long term.

16.00 hrs

[COL. RAO RAM SINGH *in the Chair*]

Now, in the banking sector we have one month deposit, one year deposit, mutual fund, seven years deposit etc.

MR. CHAIRMAN : Shri Chatterjee, you can continue later.

SHRI A.C. JOS : Sir, I am on a point of order what is your decision now?

SHRI P. CHIDAMBARAM : This debate may continue after 6.30 p.m.

SHRI NIRMAL KANTI CHATTERJEE : The decision can be communicated by the Chair and not by the Minister.

SHRI A.C. JOS : That is why, I am asking the hon. Chairman and not you.

SHRI NIRMAL KANTI CHATTERJEE : But the hon. Minister is so ebullient that he gets up and says something.

SHRI A.C. JOS : I am asking the hon. Chairman as to what is his decision.

MR. CHAIRMAN : With the permission of the hon. Members, the House will now take up the discussion under Rule 193 from 4 o' clock to 6 o' clock. After 6 o' clock we will resume the discussion on the Bill.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum) : In that case, is it not better to have an adjustment, that is, to continue with this discussion till 5 o' clock and take up the discussion under Rule 193 after that? (*Interruptions*)

MR. CHAIRMAN : Let Shri Nirmal Kanti Chatterjee make his submission.

SHRI NIRMAL KANTI CHATTERJEE : My point is that after concluding this, we can take up the discussion under Rule 193.

MR. CHAIRMAN : No, the discussion under Rule 193 has to be taken up immediately because that is mandatory.

SHRI NIRMAL KANTI CHATTERJEE : In that case, let us continue this discussion tomorrow and not drag it today.

[*Translation*]

SHRI KASHIRAM RANA (Surat) : Two hours are not sufficient.

PROF. RASA SINGH RAWAT : Mr. Chairman Sir, Insurance Regulatory Authority Bill is very important and it will affect the people of entire country.

MR. CHAIRMAN : The members present have already said this. But the problems before us has to be considered as the Congress members have to go tomorrow.

[*English*]

The hon. Minister of Finance and the hon. Chairman who presided before me, Shri P.M. Sayeed, have already brought to the notice of the House that the Congress Party Members have to leave tomorrow and, therefore, the voting on this Bill has to take place before they leave, there is a flight at 5 o' clock or something like that. So, tentatively, the voting should take place between 12.30 p.m. and 1.00 p.m. Therefore, the discussion on this Insurance Regulatory Authority Bill would have to be concluded today so that the voting could take place tomorrow.

SHRI A.C. JOS : My submission is that a specific time should be fixed that the voting would take place say at 12.30 p.m.

MR. CHAIRMAN : I said that tentatively the voting will take place between 12.30 p.m. and 1.00 p.m., and it is up to the hon. Speaker if he wants to make any changes.

SHRI NIRMAL KANTI CHATTERJEE : We shall take the voting when their session concludes.

SHRI SONTOSH MOHAN DEV : It is our Bill, and by default it went to him. So, we want to participate in the voting.

MR. CHAIRMAN : Shri Nirmal Kanti Chatterjee, are you suggesting that the Congress Members vote by proxy ?

SHRI NIRMAL KANTI CHATTERJEE : What I am suggesting is that we can take up the voting next week also after their function is over and if that Party still exists.

MR. CHAIRMAN : No, it has to go to the Rajya Sabha also.

SHRI RAJIV PRATAP RUDY (Chhapra) : With regard to item No. 17 which is being taken up now, I am on a point of order. I wish to make a statement.

MR. CHAIRMAN: Under what rule you want to raise this point of order?

SHRI RAJIV PRATAP RUDY : My point of order relates to this particular item which is being discussed under Rule 193.

MR. CHAIRMAN : Do you not think that a point of order is raised under some particular rule?

SHRI RAJIV PRATAP RUDY : I will tell you the Rule. It is under Rule 194 (2). I will link it up with it. Please let me say what I have to say.

MR. CHAIRMAN : What is your point of order?

SHRI RAJIV PRATAP RUDY : I will link it up with the Rules of Procedure and Conduct of Business. On 20.12.1996, the discussion on a Motion under Rule 193 was initiated by me and it related to the deterioration of sports standards in our country.

I had initiated the debate. It is stated in Rule 194 Clause (2) as follows :

"The Speaker may allot two sittings in a week on which such matters may be taken up for discussion and allow such time for discussion not exceeding one hour at or before the end of the sitting, as he may consider appropriate in the circumstance. There shall be no formal motion before the House nor voting.

MR. CHAIRMAN : Please come to your point of order.

SHRI RAJIV PRATAP RUDY : It is stated therein as follows:

"The Member who has given notice may make a short statement and the Minister shall reply shortly."

I had initiated a motion under Rule 193. It was listed on 20th June, 1996 and after that it was again listed in the last Session on 16th May, 1997 and after that, it has just vanished and the second motion has been taken up without completing the first motion. I think it is an omission on the part of the House.

MR. CHAIRMAN : I will bring it to the notice of the Hon. Speaker.

SHRI RAJIV PRATAP RUDY : It has not lapsed. It was listed.

MR. CHAIRMAN : The matter has not come up before me. so, I do not know what the fate of your motion is.

SHRI RAJIV PRATAP RUDY : What has happened to the motion? I had initiated it.

MR. CHAIRMAN : I am not aware of its fate. I will bring it to the notice of the Hon. Speaker and whatever be the decision, the Hon. Speaker will convey it to you. What do you expect me to say?

SHRI RAJIV PRATAP RUDY : The rules are very specific.

MR. CHAIRMAN : I think the Lok Sabha rules are very satisfactory.

SHRI RAJIV PRATAP RUDY : I think it is an omission on the part of the House. I made the motion. I made efforts for it. When it was listed, I spoke on it and there was no reply. Two Sessions have passed and the Motion has not yet been completed. The Next Motion is taken up before its completion. I want a reply.

MR. CHAIRMAN : What ruling do you expect from me when I had not studied the case ? I do not know what the fate of your motion is. I do not know whether it is being rejected or accepted. I will bring it to the notice of the Hon. Speaker and he will convey his ruling to you tomorrow.

16.08 hrs.

DISCUSSION UNDER RULE 193

Re : Heavy Loss of Lives and Property Due to Natural Calamities

MR. CHAIRMAN : Hon. Members, the time allotted for this discussion is two hours and this is as important as an issue. like the Insurance Regulatory Bill. Both are important. So, if the House is prepared to sit and burn the midnight oil, then well and good. But otherwise, we should aim to conclude this Discussion under Rule 193 by 18.15 hours at the latest. Thank you.

SHRIMATI GEETA MUKHERJEE (Panskura) : It is possible if the time is properly maintained. Otherwise, some will be given lot of time and others will not be given time.

MR. CHAIRMAN : You are also on the panel of Chairmen. You know the exact problems.

SHRIMATI GEETA MUKHERJEE : I am telling you because I practise it as I am also on the panel of Chairmen.

[Translation]

SHRI PRAHLAD SINGH (Seoni) : Mr. Chairman Sir, this discussion has been initiated to consider seriously the loss of lives and property caused by natural calamities in different parts of the country during past as well as during this year.

I am starting my speech with heavy heart and grief because after so many days of struggle for the first time we have been allowed to put forward our views before this House. I am very grateful to you for that.