

- (ii) Appointment or removal of principal officers of insurers would need the prior approval of the Controller.
- (iii) The Controller will be empowered to appoint, as a routine measure, directors on the Board of insurers or to appoint observers.
- (iv) With a view to conserving foreign exchange, the Controller will be given the power to scrutinise the terms of reinsurance contracts and ask for the termination of such contracts at the earliest legal opportunity if he considers it necessary in the public interest.

15. Notwithstanding all these provisions, there may be insurers who may continue to be weak or whose working is unsatisfactory. It is therefore proposed to empower the Controller to bring about the amalgamation of insurers where he feels that such a step is in the public interest or in the interest of policyholders or shareholders or in the interest of the insurance business of the country as a whole. The scheme proposed will be placed before Government who will be empowered to approve it finally. Similarly, where the insurer has been persistently failing to comply with the directions given to him by the Controller or is being managed in a manner detrimental to the interests of the policyholders or shareholders or in the public interest, the Government may by notification acquire the insurer and pay compensation. Provision for an appeal to a Tribunal will be provided where an insurer feels that the compensation is inadequate.

16. I propose to introduce a Bill in the next session of Parliament to give effect to these measures.

17. With these measures, we can, I hope, look forward to the development of general insurance in India on sound and healthy lines.

12.34½ hrs.

STATEMENT RE. ACTION TAKEN ON POINTS MADE BY M.Ps DURING LAST RAILWAY BUDGET

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI PARIMAL GHOSH) : Sir, while replying to the Railway Budget for 1967-68,

MR. SPEAKER : He may lay it on the Table.

SHRI PARIMAL GHOSH : Yes, Sir. I beg to lay a statement on the Table of the House on the action taken on the points made by the Members of Parliament during the last Railway Budget discussions.

STATEMENT

While replying to the Railway Budget (1967-68) discussions held in May-June this year, I had said that all the various suggestions made by Members of Parliament during these discussions in this House would be carefully examined and Members would be informed about the action taken on some of the more important suggestions made by them.

A careful scrutiny of such points was accordingly undertaken by the Railway Board in consultation, where necessary, with the various Railway Administrations and in accordance with the practice followed in the past, I have arranged for three copies of a consolidated set of statements of action taken in respect of these points to be placed in the Library of Parliament for perusal of the hon'ble Members interested. These statements are in respect of points which were not covered by me or my colleagues while replying to these discussions and cover not only the important points as promised by me, but other lesser important ones as well. Only such of the points as were by way of a general observation have been left out.

I may add that all the suggestions made by hon'ble Members have been of great use to the Railway Administrations and even points of general observation as did not call for a specific reply have also been taken note of and are being kept in view by the authorities concerned while framing various policies.

STATEMENT RE. MANGALORE HARBOUR PROJECT

THE MINISTER OF TRANSPORT AND SHIPPING (DR. V. K. R. V. RAO) : Sir, I beg to lay on the Table a statement on the Mangalore Harbour Project. [Placed in Library. See No. LT-2160/67].