

too without prior consultation with the President or the Prime Minister of the country ?

श्री राम देव सिंह अध्यक्ष महोदय, मैंने एक प्वाइंट आफ ऑर्डर रज किया था लेकिन जब हम बोलते हैं तो आप कह देते हैं कि यह बात मामले से सम्बन्ध रखती है तो क्या किसी मन्त्री को यह अधिकार है कि जब मामला न्यायालय के सामने विचागधीन हो तो उसके ऊपर यहाँ सफाई दे ।

MR SPEAKER I have already explained it. There is no need of repeating it. He has raised very important issues and, before raising all these issues, I think, all this background was very necessary as to whether, where in the State and at the Centre different parties are ruling, any action against a Minister here should be unilateral without any proper code or procedure or without any reference to the Prime Minister or the President and whether we can do it in respect of a State Minister without any reference to the Governor or the Chief Minister. These are very important issues and he had to give the whole background

12 41 hrs

**ELECTIONS TO COMMITTEES**

**(i) CARDAMOM BOARD**

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A C GEORGE) I beg to move

"That in pursuance of sub-section (3) (c) of Section 4 of the Cardamom Act, 1965, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Cardamom Board, subject to the other provisions of the said Act "

MR. SPEAKER . The question is .

"That in pursuance of sub-section (3) (c) of Section 4 of the Cardamom Act, 1965, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from

among themselves to serve as members of the Cardamom Board, subject to the other provisions of the said Act."

*The motion was adopted*

**(ii) COFFEE BOARD**

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A C GEORGE) . I beg to move :

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Coffee Board, subject to the other provisions of the said Act "

MR SPEAKER The question is

"That in pursuance of sub-section (2) (b) of Section 4 of the Coffee Act, 1942, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Coffee Board, subject to the other provisions of the said Act "

*The motion was adopted*

12 44 hrs.

**GENERAL INSURANCE (EMERGENCY PROVISIONS) BILL**

MR SPLAKR . Item 11—Maharaja Martand Singh—absent

SHRI Y B CHAVAN

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) I beg to move

"That the Bill to provide for the taking over, in the public interest, of the management of general insurance business pending nationalisation of such business, be taken into consideration."

SHRI S. M. BANERJEE (Kanpur) : Item No. 11 and No. 12 have been taken together

MR. SPEAKER : No. In regard to item No. 11, the Mover is not here ; it is not moved.

SHRI S. M. BANERJEE : Maharaja has walked out of Delhi.

MR. SPEAKER : You have relied on them for this.

SHRI S. M. BANERJEE : There is no disapproval Motion before the House.

MR. SPEAKER : The Mover is not there.

SHRI S. M. BANERJEE : There is one difficulty. We have 4 hours. We really wanted to move certain amendments though we have discussed very exhaustively with the hon. Minister.

MR. SPEAKER : That is all right ; now we will accept them on the main motion. Shri Chavan. He has already moved the motion.

SHRI CHAVAN : This Bill really proposes to convert the Ordinance into an Act. This has to be done within a limited period and hence this Motion in the early part of the session. This question was debated for many many months, perhaps, many years. There was a growing demand for nationalisation of general insurance along with nationalisation of banks. There was certainly different thinking at different times. Some people possibly thought that this Government itself had taken a certain position in 1968 and made certain statements but now in 1971 we have come forward with proposals to take over the management and, ultimately, to take over the ownership of the entire structure of general insurance.

I am trying to anticipate the arguments that might possibly be made although the hon. Member who wanted to move that motion of disapproval is not here. It is much better that I cover his arguments.

There is one point which has been made that there is not much of funds available in

general insurance business. The other point is that there is not much of profitability in this business. The third point is that there is so much scope of discretion and so many cases calling for the use of discretion, and that there will be much more risk in this matter. Therefore, the argument is advanced that not much of public interest is likely to be served by the taking over of general insurance. This argument has been advanced by those who wanted to oppose the Government's move.

In reply I would like to say that the volume of funds depend upon the volume of activities. I quite concede the point that the volume of funds available at the present moment is comparatively small. But I find that it is small because the general insurance business had confined itself to very limited fields of activities, only to Commerce and Industries. They could go and expand their activities to other social purposes. It may certainly take more time. Therefore, the argument that there is a small volume of funds and therefore we should not go in for it does not stand the test of logic.

The second argument is that its profitability is low. If the profitability, was not high, I do not know why the companies were agitating and opposing the proposal for nationalisation. If there is no case of profitability where is the cause for opposition to its nationalisation ? Really speaking, it is not merely the question of profitability alone that matters. That certain assets are becoming available more and more for social purpose is the most important factor which we have got to take into account in this particular case.

Personally, I feel that there is more justification to take it over, because after nationalisation, under the directions of this Parliament, and under the direction of public opinion in this country possibly, the general insurance business as such will break some new grounds, see some new horizons and try to serve more social objective. The investment policies also will have to be more socially oriented, and we can achieve some new objectives by nationalisation. So, this was the main ground on which we took this decision. Certainly, it was one of our major commitments to the electorate. When

we went to the electorate, this was one of our major planks, and I am glad that I am in a position to come here and say that we have fulfilled at least one of the important promises that were given to our electorate,

I would like to give certain information which would be useful for discussing this Bill and the general scheme of the Act. As you might be able to see, at the present moment, we are not taking over the ownership, but we are merely taking over the management. But for taking over the management, we have decided to give them certain compensation per month. This formula is included in the Bill itself.

**SHRI INDRAJIT GUPTA (Alipore) :** Compensation for what ?

**SHRI YESHWANTRAO CHAVAN :** Hon. Members will see in clause 6 that we have provided that every insurer shall be given by the Central Government compensation for the vesting in it under article 3 the management of the undertaking of the insurer.

**PROF. S. L. SAKSENA (Maharajgan) :** When Government are not taking over the ownership, why should they pay compensation ?

**SHRI YESHWANTRAO CHAVAN :** This is only the first step. Ultimately, we shall have to come before the House to take over the ownership. The first step is being taken now, and we shall have to take the next step also...

**PROF. S. L. SAKSENA :** Compensation is to be paid only when the ownership is taken over. Why is he paying compensation just now ?

**SHRI YESHWANTRAO CHAVAN :** We shall come to that just now.

**SHRI INDRAJIT GUPTA :** But why compensation now ? Compensation for what ?

**SHRI YESHWANTRAO CHAVAN :** For vesting the management.

**PROF. S. L. SAKSENA :** But the ownership still remains with them.

**SHRI YESHWANTRAO CHAVAN :** We have to act according to the present legal position. It is no use merely having some political views in this matter. This is the present legal position, and we have to act according to the legal advice, and this is what we are doing.

The general gross assets are worth Rs. 240 crores. I think the compensation that we shall have to pay to these companies will be about Rs 28 or 30 lakhs per month varying according to the formula prescribed.

**SHRI JAGANNATHRAO JOSHI (Shajapur) :** Per year ?

**SHRI YESHWANTRAO CHAVAN :** Per month. The basis that we have taken for paying compensation is the average annual distributed profits of all Indian insurers during the last three years, namely 1967, 1968 and 1969. It works out to about Rs. 2.03 or Rs. 2.04 crores. The profits of the foreign insurers is not known ; it might be about a crore of rupees. I find that the total premium written by the Indian insurers in 1969 was about Rs. 108 crores, and by the foreign insurers in 1969 was worth about Rs 23 crores. This is just by way of information.

The House would be interested to know the number of insurers whose management has been taken over. There are 64 Indian, (including three subsidiaries of the LIC) and 42 foreign insurers who are covered by the Ordinance. The three subsidiaries of the LIC are the Oriental, the Jupiter and Indian Guarantee companies. The employees involved in this whole business number about 25,000.

I have given a general outline of the organisation that we are taking over, the purpose of taking it over and I have also expressed our further intention to bring forward a Bill. When we take over the ownership, naturally, that matter will have to be gone into very carefully and considered fully. I know some members want this Bill to go to a select Committee. Actually, there is a motion also tabled to that effect. That

[Shri Yeshwantrao Chavan]

will defeat the very purpose of this Bill and this Bill may not then become an Act within the stipulated period. I cannot afford to entertain that idea. Certainly when we come to the House with a Bill for full-fledged taking over of the ownership, it can be referred to a select committee.

PROF. S. L. SAKSENA : How soon is that Bill coming ?

SHRI YESHWANTRAO CHAVAN : As early as possible. I do not think I will be able to introduce it this session. This much I am clear. But certainly I would like to finish the whole process as early as possible.

SHRI R. S. PANDEY (Rajnandgaon) : Half work has been done.

SHRI YESHWANTRAO CHAVAN : I do not think I need take any more time at this stage. According to me, this proposition is non-controversial. I think it is in fulfilment of the demand of the people that we have taken this step. So I hope without much of a controversy it will be accepted.

MR. SPEAKER : Motion moved :

“That the Bill to provide for the taking over, in the public interest, of the management of general insurance business pending nationalisation of such business, be taken into consideration.”

There is a motion for reference to select committee. It is from Shri Jyotirmoy Basu. I am told he has not mentioned the names of the members who have agreed. Moreover, he is not present. So it is not moved.

We have four hours for this. I think we can have 2½ hours for general discussion and 1½ hours for clause by clause.

SHRI S. M. BANERJEE : They have made it abundantly clear that they are not going to accept any amendment.

MR. SPEAKER : Actually there is no amendment.

SHRI INDRAJIT GUPTA : You said you would accept amendments. What is the position ?

MR. SPEAKER : He said he had certain amendments concerning the disapproval of the Ordinance. On that, there cannot be any amendment.

SHRI S. M. BANERJEE : I only wanted to move an amendment that no compensation should be paid. I can move it orally.

MR. SPEAKER : No, it is very difficult for me to accept that like that.

PROF. S. L. SAKSENA : Members are entitled to move amendments.

SHRI SOMNATH CHATTERJEE (Burdwan) : Government have said that it is due to the persistent general demand of the people that they are now taking over general insurance, but at the moment it is said they are taking over only management. Although it is a stop gap measure, we, of course, support it. But our demand is that the general insurance business should be nationalised as a whole in all the its aspects. We would like to impress upon Government the necessity of fixing a timelimit within which Government should come forward with a proper Bill for outright taking over of the business as a whole. However, we do welcome the Bill as a small step in the hope that it will help check the power of individual monopolists in this country. As we are opposed to all forms of private monopoly, we welcome the measure as a step in the right direction, although at the moment a somewhat halting step.

There is a fundamental point on which we have to disagree with the proposal which has been mooted. That is what is put in clause 6 of the Bill, that is with regard to payment of compensation. The hon. Minister said that the legal opinion that has been received by the Government seems to suggest that it is necessary to pay compensation even for taking over the management. We beg to disagree with that and we would like to bring to the notice of the hon. Minister certain provisions of the Constitution the meaning of which is now well

settled. Judicial construction is now available. There is no provision under the present Constitution to make payment of compensation for taking over of management only.

Article 31A (1) reads :

"Notwithstanding anything contained in article 13, no law providing for—

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(b) the taking over of the management of any property..."

MR. SPEAKER : He may continue after lunch.

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13.01. hrs.

*The Lok Sabha adjourned for Lunch till Fourteen of the Clock.*

*The Lok Sabha re-assembled after Lunch at Three Minutes past Fourteen of the Clock.*

GENERAL INSURANCE (EMERGENCY PROVISIONS) BILL—*Contd*

[MR. DEPUTY-SPEAKER *in the chair*]

SHRI JYOTIRMOY BOSU (Diamond Harbour) : I have given notice of an amendment for referring the Bill to a select Committee.

MR. DEPUTY-SPEAKER : You were called but you were not here. We have been following a certain procedure. At a particular stage a particular thing has to be done. It was not done and therefore it cannot be done now.

SHRI JYOTIRMOY BOSU : I had to go out for a minute to attend to a phone call.

MR. DEPUTY-SPEAKER : You know the procedure. The hon. Minister has moved the motion for consideration. Now an hon. Member has started speaking on that. How can I upset all the procedure now? It is not possible. Mr. Chatterjee.

SHRI SOMNATH CHATTERJEE (Burdwan) : Before the recess, I was drawing the attention of the hon. Minister to certain relevant provisions of the Constitution, article 31A (1) (b), with regard to taking over of managements :

"Notwithstanding anything contained in article 13, no law providing for the taking over of the management of any property by the State for a limited period either in the public interest or in order to secure the proper management of the property.. shall be deemed to be void on the ground that it is inconsistent with, or takes away or abridges any of the rights conferred by article 14, article 19 or article 31 "

Therefore, when the management of the general insurance business is being taken over not for an indefinite period, inasmuch as the Government has already come to a decision ultimately to nationalise it, when therefore, the management will be taken up for some definite period, if the Government can decide as to the period during which the management will be taken over and if a law was passed without making any provision for payment of compensation, such a law could not be challenged under article 31A of the Constitution of India, even on the ground that such a law violates article 19 or 31 of the Constitution. This amendment was made in the Constitution through the Constitution (Fourth Amendment) Act 1955. This Act was challenged before the Supreme Court in the Golaknath case, and the Supreme Court has decided that although fundamental rights could not be amended, that is, the provisions relating to the fundamental rights could not be amended, so far as the Constitution (Fourth Amendment) Act, 1955 is concerned, it has been held to be a valid piece of amending legislation, as it has been established and incorporated in the Constitution for a long time. Therefore, if article 31A is referred to, then, it is clear that no payment of compensation need have been made for taking over the management of any of the properties by the State.

It has now been well-established that an industrial undertaking is a property within the meaning of clause (b) of sub-article (1) of

[Shri Somnath Chatterjee]

article 31 A of the Constitution. Therefore, as the Government has already decided and as the hon. Finance Minister was referring to the point, at the time of moving the Bill, that in public interest nationalisation will come but we cannot fix a date, we could have taken up for three years or five years the management of the general insurance business; then that would be for a definite period, and if taking over was for a definite period, no compensation would have been payable. In the meantime, the Government could have come with an appropriate Bill for the nationalisation of the entire general insurance business.

Therefore, when in our country we are told by the Government that we cannot find adequate resources to implement all our nation-building projects or public welfare schemes, and even when we are to tax the common people for their necessities of life including bread in spite of the astounding discovery by the Finance Minister that it is only the affluent who take bread, to provide for a legislation to pay Rs. 33 lakhs a month to these business-houses only for the purpose of taking over the management, I submit, is a surrender to big business, and a betrayal of the common people of the country. We are taxing the poor people of this country for the purpose of payment of compensation to these big business-houses. We all know that these insurance companies are owned by or controlled by big business-houses. For what purpose they will get this compensation? They will be out of actual management only. There is neither acquisition or requisition. In our Constitution, as it is framed uptill now, compensation is payable for acquisition or requisition of property but here we are neither acquiring nor requisitioning any property. Therefore, there is no necessity, under our Constitution, to pay any compensation. Why then is this large sum of money, Rs. 33 lakhs a month, to be given for these big business-houses for the purpose of payment of compensation only?

Therefore, so far as clause 6 of this Bill is concerned, we have our fundamental objection and we request the hon. Finance Minister to consider whether any amendment could be moved by the Government for deleting clause 6 and for taking over the

management of the insurance business for a definite period of time, which will be within the constitutional provision as contained in article 31A.

In the Bill, there is no indication as to for what purpose this money will be given. Clause 7 says :

“(1) compensation referred to in section 6 shall be paid by the Central Government in cash to every insurer.

(2) The compensation received by an insurer under section 6 shall be dealt with by him in such manner as may be prescribed.”

So far as the utilisation of the money is concerned, the Bill does not make any provision. It is very much in doubt whether the Government can provide for any legislation as to the actual utilisation of the money given by way of compensation. The management is being taken over until there is nationalisation. The entire management will be in the hands of the Government, except, I think, the Board of Directors, all other in management will continue. For what purpose is the money given, until and unless there is acquisition and vesting of property in the State? So long as the Bill does not provide why compensation is to be paid and how it is to be utilised—we do not know what provision will be made about the actual utilisation of the amount—we feel it is liable to be challenged if any restriction is sought to be put later on by means of subordinate legislation or rule-making power about the actual utilisation of the money by the insurer. In view of the financial position of the country and in view of the fact that there is no vesting of property in the State, there is no justification either financial or political or any other justification to make any sum available to the insurer during the period of management by the Government.

Hon. Members are aware that the Oriental Gas Company was taken over by the West Bengal Government in 1961. That Act was challenged before the Calcutta High Court. No compensation was provided there for taking over the management. Justice Ray, who is now a Judge of the Supreme

Court, expressly held that in view of article 31A, you cannot challenge it, although no payment of compensation is made. Similarly, when the management of the Calcutta Tramways was taken over, no compensation was paid. In this case alone why is the Central Government so anxious to put Rs. 33 lakhs every month into the pockets of big business houses, unless the reasons are otherwise? There is no constitutional requirement for payment of compensation, unless it is a return for the contribution that was made during the elections by these big business houses to the election fund of the ruling party. But we cannot really achieve socialism in this country by pampering big business houses or by pleasing them by doling out public money in the fashion that is sought to be done under this Act. I would request the Finance Minister to really go into the legal aspects and decide whether law requires payment of compensation as provided in this Bill.

There are two other points I want to raise. One is the question of future management. Clause 3 of the Bill says

".....the persons in charge of the management of such undertaking immediately before the appointed day shall, on and from the appointed day, be in charge of the management of the undertaking for and on behalf of the Central Government."

No time-limit has been imposed as to how long the same set of managerial personnel will continue to manage these undertakings. We know these have been the persons who have so long served the interests of big monopolists. We will be perpetuating the same mistakes, the same outlook, the same policies, which so far have governed these undertakings, if we continue the same management. Therefore, unless there is a total, radical change in the entire management pattern, we will not achieve the purposes for which we have been asking for nationalisation of general insurance.

The other point which I wish to emphasize for the consideration of the Finance Minister and this House is that the resources may be, initially large resources may not be available—the resources that

would be available in the case of management of the insurance companies should be utilized for diversifying the types of insurance. We ought to consider and take up insurance like unemployment insurance, crop insurance and insurance for providing social security which has never been undertaken by the companies so far. These are the types of insurance which we should consider and the government should very seriously take up this proposal so that the common man can really derive some benefit.

Then I come to the question relating to employees. So far as the employees are concerned, I submit that the government should consider laying down definite terms and conditions for the employees of those insurance companies and to provide for their security of service. There is one organisation called the Calcutta Claims Bureau, which is a non-official organisation. This Bureau was set up by a large number of insurance companies with the object of acting on behalf of the insurance companies in connection with the settlement of claims arising under the Workmen's Compensation Act, 1923. So far as the management of the Bureau is concerned, it was and still is under a committee consisting of the representatives of the member insurance companies and the payment of their wages and other expenses is borne out of a levy on the premium of the member insurance companies. There are 75 members in the staff of the Calcutta Claims Bureau. Unless they are recognised as servants of some undertaking, unless the government recognise their service and absorb them, 75 persons will lose their jobs with 75 families suffering. Therefore, I would request the government to consider giving recognition to the Calcutta Claims Bureau and to absorb their employees so that they may not be thrown out of employment for no fault of theirs. Let them be not the victims of nationalisation.

**SHRI VIKRAM CHAND MAHAJAN** (Kangra): Sir, the Finance Minister and the Prime Minister deserve full credit for bringing in a measure which will put the nation on the march towards socialism and for ushering in the great socialist society. The funds of these insurance companies were previously used for the benefit of a few. Now these funds would be used for the

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development activities of the country, in removing unemployment and in putting the nation on the road to progress.

There were many malpractices indulged in by the insurance companies. To give a few examples, the business houses used to put certain defective goods in their godowns and then set fire to the godown and recover the full money from the insurance company in collusion with some of the officers. Similarly, a car would be insured. When it had some minor accident, in collusion with workshops and the inspectors, the entire amount for the repair of the car engines even would be recovered from the insurance company though that is not permissible under the rules. Let us hope that all such malpractices will be curbed in future.

One of our friends suggested that clause 6 need not find a place in the Bill and he has cited an article of the Constitution. Article 31A (1) (b) reads :

“the taking over of the management of any property by the State for a limited period either in the public interest or in order to secure the proper management of the property.”

The emphasis is on ‘a limited period.’ If any corporation or a company is taken over for a limited period then you need not pay compensation. So, this clause does not apply here.

The present Bill, if one reads it carefully, does not envisage the taking over of the management for a limited period; this is, in fact, a step towards the taking over of the complete ownership. So, if you are not taking over the insurance companies for a limited period, you have to pay compensation unless you do not want the present Bill to go through or you want to see that this Bill is struck down by a court of law.

**SHRI SOMNATH CHATTERJEE :**  
Take it over for a limited period and do not pay compensation. Afterwards come out with the nationalisation Bill.

**THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) :** When

you mention a specific period, the concept behind it is to return it. Here, we are taking over the insurance companies with the definite intention of not returning them.

**SHRI VIKRAM CHAND MAHAJAN :**  
My learned friend is making the point that you should take them over for a limited period and then take over their entire ownership. That would be colourable exercise of power which would be struck down by the Supreme Court on the ground that you are exercising your power *mala fide*. When you have the power to do a thing and you do it in such a way as to cause a loss to the party, the question of *mala fide* comes in and the Supreme Court will strike it down. You cannot circumvent the powers given in the Constitution to the detriment of the public in general. Therefore, this clause had to be introduced and a limited compensation had to be paid as you are acquiring the management permanently and subsequently you are going to take over the ownership. You cannot take it over for a limited period and then jump to taking over the ownership merely because that may help you. That will be struck down on the ground that you have exercised your power colourably or *mala fide*. Therefore, I submit that this clause had to be introduced, to save the Bill from being struck down.

The second attack was that the present management would be allowed to continue and they would go in for the same malpractices or they would not be going in for helping the weaker sections of the society in using the funds but would be helping monopolies and so forth. Obviously, you need trained hands and, therefore, you have to work with the existing management. When you get new hands, you can replace them. At present we do not have trained hands for the purpose of running the insurance companies. Therefore, we have to do with the existing staff. If and when a bad fish is found out, the person concerned would be turned out. Therefore there is no justification for attacking the Bill on that ground also.

Now I would like to submit a few points which may be considered while the final Bill is prepared. Firstly, the workers in the insurance companies should be given some

share in the management ; that is, in the board of directors they should be given some representation.

Similarly, policyholders, that is, people who go in for insurance policies, should also be given some representation on the board of directors so that their interests are protected.

Thirdly, there is a trend with the State Governments to take loans from the nationalised banks, State Banks and so forth. I hope, the Finance Minister would introduce a clause in the case of insurance companies that they would not give any loans to State Governments for overcoming their deficits in their budgets.

Again, I congratulate the Government on bringing forward this Bill and I hope that the Government would come forward with proposals for the implementation of the other ten points.

**SHRI S. M. BANERJEE (Kanpur) :** Mr. Deputy-Speaker, Sir, I, no doubt, support the Government and I must congratulate them on bringing forward the legislation for nationalising the management of general insurance. But my support, unfortunately, is limited to certain clauses of the Bill, because the word "compensation" has completely upset me. Nowhere, when the management of a particular concern was taken over, was compensation paid. I have before me a glaring instance of the Calcutta Tramways. When the management of Calcutta Tramways was taken over the United Front Government—it was not ownership but management—it was not paid any compensation. I do not know whether the Government is suffering from a fear complex from the various verdicts of the Supreme Court. I know, the Supreme Court is trying to undo whatever is done in this House.

**SHRI VIKRAM CHAND MAHAJAN :** It is a very unfair aspersion.

**SHRI S. M. BANERJEE :** If I had the power, I would have abolished the Supreme Court before long.

**MR. DEPUTY-SPEAKER :** No aspersion on the Supreme Court.

**SHRI S. M. BANERJEE :** If it is a fear of an adverse judgement or pronouncement which seems to have prompted the Government to pay compensation, let me refer to article 31 of the Constitution which requires payment of compensation only in cases where ownership rights of property holders are affected. I am not a lawyer like Mr. Mahajan. But I should say that this fear is unfounded and baseless. Let them go without compensation. If the Supreme Court comes out again and upsets the Bill, I say, this Government is committed to the people of this country to change the Constitution, to suit the convenience of the people of this country and not those 11 Judges who are sitting in the Supreme Court.

The total annual premia of this nationalised industry the management of which has been taken over amount to Rs. 125 crores ; the total assets of the industry amount to Rs. 240 crores and the total paid-up capital of the General Insurance Companies including the capital by way of issue of bonus shares are to the tune of Rs. 12-13 crores. It was also raised in a meeting yesterday that the question might be raised whether the Government is going to gain anything out of this and that whatever revenue is derived out of it is very meagre. It is true the Government is not going to get more than Rs. 4½ crores to Rs. 6 crores by nationalising the general insurance industry. The amount may be very little. But at least we must learn a lesson from what happened in the case of those private Companies, the New Asiatic and the Ruby General Insurance. We have been raising the question about that. We have been asking for the audit reports of these two Companies owned by Birlas to see as to what extent falsification of accounts, defalcation of accounts, misappropriation of funds and mismanagement and mal-practices were being indulged in. Still these reports have not seen the light of the day. Even the late lamented Prime Minister, Pandit Jawaharlal Nehru, refused to lay them on the Table of the House. Now that these Companies have been nationalised, we would like the Finance Minister to lay the Audit Reports of the New Asiatic and the Ruby

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General Insurance on the Table of the House to prove to this House and outside as to what mal-practices were being indulged in by these two private companies.

Another question has been raised about the appointment of Custodians. I fully support the views of my hon friend Shri Chatterjee who initiated the debate. Why have the same people who do not believe in nationalisation as the Custodians of the nationalised concerns? I do not impute any motive to anyone. Without imputing any motive, I say, the Custodian of the New India who is going to be made the Custodian of nationalised concern has very clearly said that he does not believe in nationalisation. Still he is one of the heads of these nationalised concerns. It surprises me and it surprises the country at large.

I remember the story when Shri Vaidyanathan was put as the Managing Director of the nationalised Life Insurance Corporation. Before nationalisation, 3 or 4 days before nationalisation, he made a scathing criticism of nationalisation and he wrote an article in the *Statesman*. He went all way to condemn nationalisation of life insurance and the day it was nationalised, he was made as the head of the nationalised industry, that is, of the Life Insurance Corporation.

Can we not possibly nationalise the personnel, those persons, before they are put in-charge of the nationalised industry. It will be better to do that. Otherwise, I do not know whether the people will have any faith in this nationalisation. So, Sir, it is my view that those custodians should not be there.

If the difficulty is that the present managers who are at the helm of affairs or who are the heads of particular Insurance Companies should *suo motu* become the Custodians, that is a different matter altogether. But, I do not think that there is any hard and fast rule like that. You can possibly change them and it is my view that the earliest opportunity should be taken to remove them.

Then, Sir, as far as Compensation is concerned, it has been argued by my hon. friend (Shri Mahajan) that this has to be done. Well, Sir, if there is difference of opinion between the Barrister and the Advocate,—Mr. Chatterjee is barrister and he is advocate,—this question should be referred to the Attorney General. This is a fit matter which deserves to be referred to the opinion of the Attorney General. The point is whether, without taking the ownership, without acquiring anything, without acquisition or requisition of any concern, whether such a compensation can be paid or should be paid—not for taking over the management. This is a very limited question. I would therefore request you, Sir, and through you, the Finance Minister to do this. None of us are repositories of legal wisdom. So, let this question be referred to the opinion of the Attorney General. The Attorney General is considered to be the greatest legal luminary in the eyes of the Government at least though it may not be so in the public eye. Therefore this question should be referred to him. Let this Bill be passed after 2 days. Let the Attorney General address this House. Let the lurking fear in the minds of many of us that this Clause has been brought about as a pressure from those magnates controlling these Insurance Companies, be removed. We want to clear ourselves of such doubts. So, I request that this question should be referred to the Attorney General.

The hon. Law Minister is here. I would like to hear his views. I want to know from him whether they have taken legal opinion and if so, from whom. Who were the Law Officers who gave opinion that this amount of compensation to the tune of Rs. 33 lakhs has to be paid to them every month?

There was a statement in the Press and we have had some discussion with the hon. Minister, in regard to the statement that Government wants to have 4 corporations. The All India Insurance Employees Association (the only recognised representative organisation of the Insurance employees) are of the view that this is not feasible and this should not be done.

When the Life Insurance Corporation was ushered in and the life insurance was nationalised, the then Finance Minister (Shri C. D. Deshmukh) said no, there should be only one Corporation to avoid extravagance and more expenses. If there are 4 corporations, what would happen? Government will have to pay more. If the Government feel that a monolithic organisation like this one Corporation will result in inefficiency, let them decentralise them. Nobody in the country can say that LIC is not efficient because it is under one Corporation. Of course there were some difficulties in the beginning, some teething troubles and certain troubles created by big and vested interests and all those who did not want Nationalisation. Fortunately for us, we have overcome this difficulty and the work of the Life Insurance Corporation is going on extremely well.

What is to be done is that there should be only one Corporation, but there should be decentralisation. There should not be any centralisation because centralisation results in delays. That is exactly what happens. When some of these companies were closed some people were declared surplus only because there was centralisation. We do not want centralisation, but we want decentralisation.

As regards the employees, there are 34,000 employees who are there. There are many disputes pending, and I would request the hon. Minister to find out a way how these disputes should be settled.

Then, there are certain temporary employees. The custodians are trying to terminate their services. I would request the hon. Minister to protect the interests of those employees, and the services of no employee should be terminated without a reference to Government. Since the management has been taken over by Government, and management means all personnel right from the custodian to the ordinary peon, the Government are solely responsible for this.

I am happy that the hon. Minister met some of the representatives this morning and he said that such instances could be brought to his notice.

Another question which has been raised by my hon. friend is about the claim assessors. The Calcutta Claims Bureau is one such organisation, and there are about 75 employees there, some of whom met the respected Shrimati Sushila Rohatgi and gave a memorandum to her and explained their difficulties. She was quite sympathetic, as she is sympathetic to everyone of us, and she gave them a patient hearing. I would request that those employees also should be regarded as employees in one of the concerns, so that their services also could be saved. The fire brigade and claim assessors are actually running the risk of losing their jobs. Their services also should be protected.

While supporting the Bill, I would request the hon. Minister that if he can possibly get the legal opinion of the Attorney-General, this question may be delayed. Let us also have an assurance that when the comprehensive Bill is brought forward, the All India Insurance Employees Association and the general insurance employees and also the council which has been formed, comprising of both, will be consulted.

I hope also that when the corporation is formed, the employees' representative will be taken on the management, not as in the case of banks where the employees' representative has still not been taken on the board. When we are talking of socialism, and of participation of labour in management, and we are talking so loud about it, and we want to get the co-operation of the employees, this is very necessary. Just as the bank employees have co-operated with Government after nationalisation, and the insurance employees have co-operated with Government after nationalisation of life insurance, likewise, the general insurance employees also will co-operate with Government. So, it is very necessary that they should have a share in the policy-making body, and I hope the hon. Minister will give favourable consideration to these suggestions.

SHRI S. R. DAMANI (Sholapur) : I rise to support this Bill. As everybody knows, the nationalisation of general insurance was among the items in the ten-point programme of our party, which has received the massive support of the people. It is that massive

[Shri S. R. Damani]

support to this programme which has resulted in this measure.

My hon. friends from the Opposition who had spoken had opposed the reappointment of the managers as custodians. I think that Government have taken a very wise decision, and I do not agree with what my hon. friends from the Opposition have stated, purely on practical considerations. Firstly, the general managers or the managing directors are experts...

SHRI S. M. BANERJEE : Exper in what ?

SHRI S. R. DAMANI : Experts in general insurance business. Insurance business is not a simple business. It is a very complicated business to decide what the premium should be, what the risk involved is and so on...

SHRI S. M. BANERJEE : It is complicated. That is why I have not insured for myself.

SHRI S. R. DAMANI : It is not like working out the cost price and the selling price of a commodity. But the insurance business is very complicated. Therefore, it is necessary that we should retain the services of those experts who have been in the field for five to ten years. Therefore, I congratulate the hon. Minister on his having retained, with some modifications, the existing experts ; he may have changed one general manager here or there but he has kept the experts in the industry so that the business will not be disturbed. I believe that the hon. Minister has done a very wise thing by retaining them because the working of the general insurance business will not be affected very much thereby, and they would be able to serve better. Therefore, I support this action of the Government, and I do not think that what my hon. friends from the Opposition. I have stated is correct ?

General insurance is like a state servicing industry. It covers risks of many kinds, fire, marine, motor and so on. It is a business the management of which requires expertise of a high order. It has also

contributed to developing industries. Ours is a developing country ; so many new industries have to come up. We have to have more production, more employment and surplus. In this matter, general insurance will be of great help. I think the measure taken by Government will help further the development of industry in the country. In one way, general insurance is already helping industry by underwriting capital. Thereby, the general insurance business has also benefited. If we see the investment portfolio of general insurance, you will find that it has been done very wisely. I would request the hon. Minister to see that this aspect of their business is continued and expanded so that they can be more useful and their capital can be more useful in the further industrialisation of the country. We have to go ahead and in this matter, the under-writing of equities or debentures of good companies coming in the market will help considerably.

These insurance companies are doing one more service. They issue guarantee policies. This is issued to small industries, and big industries and so on that their money is not locked up in this way. They are secured and they can proceed ahead with their business. This aspect of business should be expanded so that small businessmen can secure loans from financial institutions on the strength of the guarantee policy issued by the general insurance companies. It is a continuous process and can be expended. General insurance companies will also be benefited because they charge a commission on the policy. The public will also be benefited, and industrial development is also given a boost. So I hope Government will give guidance to the general insurance companies to take to such business more and more and issue guarantee policies in greater number. Already the L.I.C. is doing it. So it is not a new thing. But I think Government should see to it that this aspect of the business is explained in a big way.

My hon friends have spoken about compensation. In a democratic set-up we have to go by the law of the land and we have to pay compensation. As the hon. Minister said in his opening speech, we are now only taking over the management ; when the comprehensive Bill fo

nationalisation comes, this aspect can be fully discussed. Now the decision of Government to give compensation for taking over management is a welcome feature and when the comprehensive Bill is brought, I hope it will cover all these aspects I support the motion.

**SHRI H. M. PATEL (Dhandhuka) :** I rise to oppose the Bill. I do so because I think it is unnecessary and is also undesirable. I say it is necessary because I cannot see what purpose it is going to serve except to serve the purpose of having fulfilled one of the election pledges, or if you like, of achieving nationalisation in yet another sphere. If that is so, I think they are going against what the Prime Minister said in her reply to the debate on the Motion of Thanks to the President's Address. She said that they were not going to nationalise for the sake of nationalisation, that there would be a purpose behind it, and that purpose, as she mentioned it, was that the public sector may dominate the economy. The public sector in this case was already dominating the economy.

It is not worth arguing this matter. It is a decision. A pledge has been taken and so they nationalise. But it seems to be unnecessary because from Government's point of view it does not necessarily add greatly to their sources for development purposes.

The Finance Minister said that they could always enhance their resources by extending their activities. What are the directions in which he would extend the Government's activities? As he rightly said, new directions. But those are precisely the directions in which it would be for the Government to undertake the insurance business, and it should not be entrusted to general insurance, in which the kind of duties to be performed would be very different. For instance, war risk, unemployment insurance etc., are things which only the Government can undertake. Social security is another item, for which the Government should set up a separate organisation.

General insurance is concerned with insuring risks of a certain nature necessary

for business and industry and ordinary individuals also for accidents and so on, and these are all contracts from year to year. It is a business in which servicing is of the greatest importance, and in performing that service efficiently, a considerable amount of discretion has to be exercised. If that discretion is to be exercised wisely and well, so that the business may run at a profit and to the advantage of the insured as well as the insurer, it has to be absolutely wide, and yet such discretion is impossible in the public sector by its very nature because of public accountability. There are necessary unavoidable limitations and restrictions to which all enterprises publicly accountable are subject. I hope that this is an aspect to which the Finance Minister is devoting some thought, to set up some kind of body, may be a body consisting of Members of Parliament, who may be entrusted with the general over-all review of the working of general insurance when it is taken over, and whom the House can trust. But some such thing is necessary, so that it may not be open to question as it would be under the present arrangement. Then perhaps a general insurance can continue to give even the limited profit which it is bringing in today.

The Finance Minister made light of the point that it brings in a small profit, and asked if that was so, why was there opposition. I am not talking about it now. The profit is small, and the reference to the smallness of the profit is not from any other point of view except to ask this question. Is it worthwhile for the Government to make it liable for so much unnecessary and avoidable criticism, something for which they may not themselves be responsible but for something for which they will have to be responsible merely because the employees have had to exercise their discretion and use their initiative in order to make the business prosper. In doing so they may have to give discounts and rebates and so on which are absolutely unavoidable in the running of this business. They have to take risks; it is their business. I can only warn that this is unnecessary and undesirable.

We heard just now one of the hon. Members say: let a clause be inserted so that the State Governments will not get

[Shri H. M. Patel]

any advances or credits. In his Budget speech the hon. Finance Minister said that with the nationalisation of general insurance we shall be controlling all the financial institutions in the country. Undoubtedly the moment you do that, the State Governments are going to be very vitally affected. It will be the Central Government which will dictate national priorities and the State Governments will accept them provided they have been determined in consultation with them.

SHRI YASHWANTRAO CHAVAN :  
It is normally done.

SHRI H. M. PATEL : Nevertheless we know there is a great deal of dissatisfaction with the way in which credit facilities are available at present. You are aggrieved with them and they are aggrieved with you ; this feeling will increase. I have no doubt that the Finance Minister is devoting some thought to the establishment of some type of council wherein the representatives of the States will always be there and would be consulted before the national priorities are determined.

I do not wish to take any more time. To my mind the nationalisation of general insurance was unnecessary and undesirable. Since it has been done, I hope that the Finance Minister and the Government will take care, when the Bill is brought forward finally taking over all the companies, to guard against some of the risks. Believe me when I say that what I said about discretion, etc. was not said in any other spirit except to see that the Government guards itself against being unnecessarily criticised. To get over that some very special machinery will have to be devised. This is a suggestion which should not be considered lightly.

श्री राम सहाय पांडे (राजनंदगांव) :  
उपाध्यक्ष महोदय, मैं वित्त मंत्री का सदन की ओर से आभार प्रकट करता हूँ, इसलिए कि सदन में इस मत के लोगों का बहुमत है। इस मत में राष्ट्रीयकरण की परिभाषा और उम की परिकल्पना है। एक समाजवाद की ओर हमें

बढ़ना है। अब अगर इस में श्री एच० एम० पटेल हम से सहमत नहीं हैं और इस बिल को अन्नेसेमरी कहते हैं तो हम क्या करें ? उन्होंने अपने भाषण में कई बार कहा कि इस विधेयक में राष्ट्रीयकरण की जो परिकल्पना है वह अनावश्यक है, इस लिए कि इस में सरकार के ऊपर एक बहुत बड़ा दायित्व आ जाता है, जिस का कोई लाभ नहीं है। उन्होंने कई बार अन्नेसेमरी, अन्नेसेमरी कहा। हमारा काम अन्नेसेमरी को नेसेमरी बनाना है और उनका काम नेसेमरी को अन्नेसेमरी बनाना है। यह हमारी और उनकी परिकल्पना और विचार में अन्तर है।

आखिर कैपिटलिस्ट मोमायटी हे क्या ? परम्परागत कैपिटलिस्ट मोमायटी का व्यवहार देखिये। उन को कैपिटलिस्ट मोमायटी में कैपिटल चाहिए, उम के बाद बैंक चाहिए, उमके बाद उद्योग चाहिए, पब्लिक चाहिए, इक्विटी और प्रिफरेंस शेअर्स में पैसा इकट्ठा करने के लिए। उमके बाद हर धीज को मारनेज करने के लिए जनरल इंश्योरेंस चाहिए। माघारण बीमा उनके पाम है, जीवन बीमा उन के पाम है। इस सब का प्रचार करने के लिए उनको समाचार-पत्र चाहिए। समाचार-पत्र किम के हैं ? विचारों की अभिव्यक्ति के लिए समाचार-पत्र चाहिए, पूजीपति को पैसा इकट्ठा करने के लिए बैंक चाहिए, बीमा कम्पनी चाहिए। यह सब कुछ चाहने के बाद अगर हम ने जरा भी हाथ डाला सर्व-सुखाय और सर्व-हिताय, तो वह अनावश्यक हो जाता है।

श्री पटेल कहते हैं कि सामाजिक सुरक्षा सरकार का काम है, नौकरी देना सरकार का काम है, वेलफेअर सरकार का काम है। मुनाफा खाना उन का काम है बाकी सरकार का काम है। यह तो उसी तरह से है कि दो भाइयों में झगड़ा हुआ। जैसे आप उपाध्यक्ष हैं। आप के पास दोनों भाई अपना केस ले कर आये। जब छोटे भाई का केस आया तब आप ने कहा कि

दोनों भाइयों का आपस में झगड़ा है, तुम लोग आपस में बटवारा कर लो। आप ने उस छोटे भाई से कहा कि तुम छोटे भाई हो बतलाओ कि मोटर कौन लेगा, उस ने कहा कि मैं ले लूंगा, मकान कौन लेगा, उस ने कहा मैं ले लूंगा, खेत कौन लेगा, मैं ले लूंगा। उस के बाद आप ने पूछा कि दो करोड़ रु० की लायविलिटीज हैं, इन को कौन लेगा ? तब छोटे भाई ने कहा कि आखिर सब कुछ क्या हम को ही दे दीजियेगा, अरे कुछ भैया को भी तो दीजिए। तो सामाजिक सुरक्षा देना हमारा काम, नौकरी देना हमारा काम, वेल्फेअर हमारा काम, लेकिन ढाई तीन करोड़ रु० के प्राफिट के नाम पर कहा जाता है कि यह बीमे का राष्ट्रीयकरण अनावश्यक है। यह अनावश्यक नहीं है। 120 करोड़ रु० का प्रीमियम आता है। यदि 64 कम्पनियां भारत की हैं तो इस में 42 कम्पनियां बाहर की है। बाहर क्या कैपिटल फारमेशन है इस का पता नहीं, मगर हमारे कैपिटल फारमेशन पर 120 करोड़ का प्रीमियम आता है। क्लेम सेटल करते करते कभी गोडाउन में आग लगा दी, कहीं दंगा फंगा हो गया तो खाली कनस्टर रख लिया प्रीमियम देकर और लगे क्लेम करने, बोले आग लग गई, मैं तो लुट गया। सब कुछ हो गया। कंकाक्टेड फर्म कितना एक्स्प्लायटेशन करती हैं पब्लिक मनी का, इस का कोई ठिकाना नहीं है। 120 करोड़ के प्रीमियम में ढाई करोड़ का प्राफिट। इस बीच में ऐडमिनिस्ट्रेशन, बड़ी बड़ी तन्स्वाहें दी जा रही हैं और क्लेम सेटल हो रहे हैं, गोडाउन्स में आग लगाई जा रही है और उसका फायदा उठाया जा रहा है।

मैं समझता हूँ कि राष्ट्रीयकरण की दिशा में आप का कमिटमेंट है जनता के साथ। उस के कुछ प्रैक्टिकल सोल्यूशन के सन्दर्भ में मैं कहना चाहता हूँ कि इस के विस्तार को आप को बढ़ाना है। इश्योरेंस कम्पनियों का फंक्शन बहुत सिकुड़ कर रह गया था, अरबन एरिया से इंडस्ट्री में बंध गया, ट्रेड में बंध गया, कामर्स में बंध गया। उस का विस्तार होना चाहिए

और वह सर्विस ओरिएण्टेड होना चाहिए। आप प्राफिट ओरिएण्टेड की बात करते हैं और इस लिए आप कहते हैं कि इस की आवश्यकता नहीं है। मैं कहता हूँ कि जब यह प्राइवेट हाथों में था तब प्राफिट की बात होती थी। हमारे सामने प्राफिट कमाने का कोई कंसेप्ट नहीं है, हमारे सामने समाजवादी समाज की परिकल्पना रही है। समाज के अंतिम व्यक्ति तक पहुंचने की हमारी परिकल्पना है। जितना हमारा अपरेटस है, जितना व्यवहार हमारे पास है, जितनी पैसे की एजेंसियां हमारे पास हैं, सेवा के जितने माध्यम हैं, वह अन्तिम जनता के पास पहुंचना चाहते हैं। एक इंटेंग्रेटेड मिल है, हर चीज उस में मारगेन्ड है, इंश्योर्ड है। आज एक किसान है जिस के पास बीस पच्चीस बीघे जमीन है जिस पर वह खेती करता है। मैं पूछना चाहता हूँ कि क्या उस के पास आज तक साधन हैं ? उस के पास बचाव के साधन नहीं हैं। कभी फलड में उसकी फसल चली गई, कभी ड्राउट में उस की फसल चली गई। मैं कहना चाहता हूँ कि इस राष्ट्रीयकरण के माध्यम से हम देहात की तरफ बढ़ रहे हैं। हम क्राप इंश्योरेंस करेंगे, तब हम को इस बात का खयाल होगा कि कौन सी एरिया ड्राउट की है, कौन सी एरिया फलड की है, सीजन कौन सा खराब है, कौन सा अच्छा है।

15.00 hrs.

कमर्शियल प्वाइंट आफ व्यू को हम इंट्रोड्यूस करके देखेंगे कि जिस का हमने प्रीमियम लिया है, उसको कैसे हम प्रोटेक्ट करें। इस सर्विस का हम विकेन्द्रीयकरण भी करना चाहते हैं और इसको देहात की तरफ भी ले जाना चाहते हैं। जो लक्ष्य हमने निर्धारित किया है, समाजवादी समाज की रचना की जो हमने परिकल्पना की है उसको प्राप्त करने के लिए यह आवश्यक है कि यह जो सिकुड़ा हुआ व्यवहार है, इसको हम आगे बढ़ायें, इसका हम विस्तार करें और यह हमें करना पड़ेगा। ऐसा करते समय हमारा ध्यान केवल प्राफिट की

[श्री राम महाय पाडे]

तरफ नहीं जाना चाहिए। इस तरफ नहीं जाना चाहिए कि वह कम होना है या ज्यादा होता है। मैं कहूंगा चव्हाण साहब से कि अगर उन को दम करोड़ रुपया अपने खजाने में भी देना पड़े तो वह भी वह दे ताकि इस देश के नागरिक यह समझे कि इश्योरेंस क्या चीज होती है।

पुरानी दलीले जो बैंको के राष्ट्रीयकरण के मिलमिले में दी गई थी या लाइफ इश्योरेंस का जब राष्ट्रीयकरण किया गया था, तब दी गई थी, अब भी दी गई है। आप देखें कि लाइफ इश्योरेंस का क्या इतिहास था? आदमी मर जाता था लेकिन उसका क्लेम सैटल नहीं होता था। क्या कारण था इसका? कारण यही था कि वह धधा प्राइवेट हाथों में था। लाइफ इश्योरेंस का हमने राष्ट्रीयकरण किया और नतीजा यह हुआ कि नौ सौ करोड़ या एक हजार करोड़ रुपये का उसका विजिनैम हो गया है, उसके विजिनैम का बहुत ज्यादा विस्तार हो गया है। हर व्यक्ति को विश्राम हो गया है कि यह हमारी सस्था है। हमारी सस्था की जो कल्पना है, इस परिकल्पना में हमने सारी जनता को जोड़ दिया है। सुदृढ परम्परा के माध्यम से, सरकार के माध्यम से अब उसको चलाया जा रहा है। किसी व्यक्ति विशेष का उस पर अब स्वामित्व नहीं रहा। हम सब का परिणाम यह हुआ है कि गांधी का आदमी भी आज लाइफ इश्योरेंस के महत्त्व को समझने लग गया है और उसमें भी बीमा करवाना प्रारम्भ कर दिया है। इसी तरह से वह जनरल इश्योरेंस का भी स्वागत करता है। इसका आपने नेशनलाइजेशन किया, इसका स्वागत होना चाहिए और आपको बेहातो की तरफ बढना चाहिए।

एक माननीय सदस्य ने यह कहा कि कस्टोडियन वही लोग हैं और इन कम्पनियों का प्रबन्ध उन्हीं लोगों ने अब भी सम्भाल रखा

है जिन्होंने पहले सम्भाला हुआ था। उनको बदल देना चाहिए। हमारे दामानी साहब ने कहा कि वे ठीक हैं। यह अनुभव की बात है। मैं समझता हूँ कि सर्विम में जिन को रखा जाता है उनका एक सैटल एटीट्यूड होता है, उनमें कुछ खासियत होती है, जिन की वजह से उनको नियुक्त किया जाता है। राष्ट्रीयकरण हो जाने के बाद इन्हीं लोगों को आप रखें और छ महीने के बाद पूछिये कि राष्ट्र के हाथ में आप इसको रखना चाहते हैं या फिर उन्हीं रास्ते पर चले जाना चाहते हैं जिन पर पटले चल रहे थे, तो वे कहेंगे, लोग कहेंगे कि राष्ट्रीयकरण बहुत अच्छा है। हम वास्ते जिन को रखा गया है, उनका स्टेक इस में अधिक है। कस्टोडियन एक्वाइट करने का मतलब यह नहीं है कि उन की सर्विम को हम बहाल रखना चाहते हैं या उनकी रोजी रोटी, ब्रैड एण्ड बटर का हम दत्तजाम करना चाहते हैं। अब उन के ऊपर एक सामाजिक दायित्व आ गया है। अब सामाजिक दायित्व की तुला पर उनको तोला जाएगा पब्लिक सर्विम का जो एटीट्यूड है वह उन में किस हद तक है और कैसे क्लेम सैटल हो रहे हैं, इसको देखा जाएगा। जैसे पहले हुआ करता था कि राकैच लग गये या गाड़ी को रग किया जा रहा है और पाच मी की जगह तीन हजार का क्लेम पास हो रहा है, क्या अब भी वैसा ही हो रहा है, इसको देखा जाएगा। आग लगने पर जिन तरह के जाली क्लेम पहले सैटल हो जाया करते थे, वैसे अब नहीं होंगे। वे लोग अपनी एक्टिविटीज के लिए, कार-गुजारियों के लिए जबाबदेह होंगे। अब उनका सम्बन्ध जनता के पैसे के साथ जुड़ गया है और इस कारण से उन पर एक बड़ा दायित्व आ गया है। उनको अपना एटीट्यूड बदलना होगा। जो टाप पर बैठे हुए हैं उनके इशारों पर अगर कोई कहे कि वह नाचता रह सकता है, तो वह नहीं होगा। अब टाप पर सरकार बैठी है, जनता बैठी है। जनता और सरकार पर इसका अब उल्लेख दायित्व आ जाएगा। हमारी पी०ए०सी० है तथा दूसरी कमेटीज है। किसी

बीज का आप नेशनलाइजेशन कर लेते हैं तो उसके लिए पब्लिक अडरटेकिंग कमेटी बैठी है। क्या घाटा होता है, क्या एफिशेंसी कम है, इस सब में वह जाती है और उन से पूछती है। इसको सब जानते हैं। एक दिन आया जब हमारी सरकार अच्छी तरह से काम करेगी और जो घाटा हो रहा है, उसको नफे में बदल देगी। वह प्रॉफिट जनता के काम आया। सरकार जनता की विश्वासपात्र बन जागी।

जहां तक कम्पेंसेशन का सम्बन्ध है, कभी तो सुप्रीम कोर्ट हमारे रास्ते में आ जाता है और कभी काम्पटीयूशन आ जाता है उसका 31वीं धारा आ जाती है। अभी बताया गया है कि टैम्पोरेरीली अगर इसको किया जाता है तो मुआवजे का कोई प्रश्न नहीं उठता है और अगर परमानेंटली किया जाता है जैसा चर्चाण साहब ने बताया है हम ने इसको वापिस करने के लिए नहीं किया है तो इस में कम्पेंसेशन का सवाल आ जाता है जो बड़ा पेचीदा सवाल है। अगर तेरह चौदह करोड़ रुपये की लागत की कम्पनियों को हमें 70-80 करोड़ रुपया मुआवजे के तौर पर देना पड़े तो यह मरी हुई बछिया ब्राह्मण के हाथ देने की बान हो जाएगी। इसका कोई न कोई रास्ता निकाला जाना चाहिए। हमने बैंको के एसेट लिए और 27 करोड़ देने का निर्णय किया लेकिन सुप्रीम कोर्ट ने फैसला दे दिया कि नब्बे करोड़ रुपया देना पड़ेगा। यहाँ आपको कोई न कोई रास्ता निकालना पड़ेगा और ऐसा न हो कि एक अच्छे काम के लिए आपको अधिक कीमत देनी पड़े। कीमत अगर देनी पड़ेगी तो वह जनता की तरफ से दी जाएगी। हम समाजवादी समाज की स्थापना की ओर बढ़न चाहते हैं लेकिन उस में जो मुआवजा दिया जाता है उसका मतलब यह नहीं होना चाहिए कि सरकार की थैली खोल दी जाए और अधिक से अधिक पैसा मुआवजे के तौर पर दिया जाए। कोई न कोई हल आपको इसका निकालना पड़ेगा। उनका जो इन्वैस्टमेंट है उस पर जो उनको रिटर्न मिल चुकी है, उस

को भुलाया नहीं जा सकता है। पचास या सौ बरस तक वे लोग रूढ़िवादी आर्थिक परम्पराओं से लाभान्वित होते रहे हैं, करोड़ों रुपया उन्होंने कमाया है लेकिन दिखाया नहीं है। दिखाया यही है कि घाटा है। ढाई करोड़ भों होता है तो भी कहते हैं कि अननिसेमेरी है। जितना भी प्रॉफिट होता था मारा उनकी जेबों में जाता था। कम्पेंसेशन वे काफी खा चुके हैं, काफी लूट कर चुके हैं। अब तो उनसे निजात दिलाइये। तेरह चौदह करोड़ कम्पेंसेशन दे दीजिए...

**एक माननीय सदस्य** बिना कम्पेंसेशन खर्च कराइये।

**श्री राम सहाय पांडे** कम्पेंसेशन की बात फंडेमेंटल राइट में आती है। लेकिन आप इसको शेयरहोल्डिंग के आधार पर कर सकते हैं। मान लो एक जनरल इश्योरेंस कम्पनी है। उसकी शेयरहोल्डिंग पचास या पच्चीस लाख है। जब आप सीलिंग फिक्स कर देंगे और फंडेमेंटल राइट और प्रायर्टी राइट को आप चेज कर देंगे तो अपने आप वह नीच आ जाएगा। ऐसा करना आपके लिए आवश्यक है। कहीं तक आप कम्पेंसेशन देत रह सकते हैं? किस बीज के लिए कम्पेंसेशन? कौन दे रहा है इसको? यह जनता का पैसा है और जनता के हित के लिए खर्च होना चाहिए। जनता के लाभ के लिए आप उस बीज को लेते हैं तो कम्पेंसेशन क्यों? लेकिन चूंकि सविधान में इसका प्रावधान है उस वास्ते यह अदा तो करना ही पड़ेगा लेकिन आप को देखना चाहिए कि वह कम से कम हो, मिनिमम हो। सविधान का भी हमें कुछ इतजाम करना पड़ेगा। जनता का पैसा अच्छे काम के लिए खर्च होना चाहिए। अधिक से अधिक मुआवजे की बात हास्यास्पद है।

इन शब्दों के साथ मैं आपको इस कदम को उठाने के लिए माधुवाद देता हूँ। जिस दिशा में आप आगे बढ़ रहे हैं इसमें हम समझते हैं कि प्राइवेट लोगों का नहीं बल्कि जनता का

[श्री राम सहाय पाडे]

भला होगा। प्राइवेट लोग नहीं बल्कि जनता, व्यक्ति नहीं बल्कि समाज इसका मालिक होगा और समाज के हित और उनके सुख और उस की समृद्धि के लिए जो आपने कदम उठाया है, वह स्वागत योग्य है। जो खर्गबिया है, उनको हमें दूर करना है। राष्ट्रीयकरण के माध्यम से ही यह सम्भव हो सकता है और वह आप ने किया है। उसके लिए आप धन्यवाद के पात्र हैं।

श्री नवल किशोर शर्मा (दौसा) इस विधेयक का मैं समर्थन करने के लिए खड़ा हुआ हूँ। यह विधेयक हमारी नीतियों के अनुरूप है, उनके अनुरूप है, जिन को हमने घोषित किया है। यह पहला कदम है, जो हमने अपनी घोषित नीति के बाद उठाया है, चुनाव के बाद उठाया है। मारा देश इसका स्थापन करता है। इसके लिए मैं वित्त मंत्री जी को देश की जनता की ओर से और अपनी ओर से भी बधाई देना चाहता हूँ।

यह विधेयक अपने आप में इसलिए महत्वपूर्ण है कि जिस समाजवादी समाज की रचना का हमने इरादा किया है, उस में पूँजीवादी मनोवृत्ति पर एक नियंत्रण लगाता है पूँजीवादी समाज के जो माधन है, उनको नियंत्रित करना चाहता है। पूँजीवादी मनोवृत्ति के लोग समाज में आर्थिक माधनो का केन्द्रीयकरण करके उन पर जो कब्जा करना चाहते हैं, उस पर यह अकुश लगाता है। यह सही है कि जनरल इनशोरेंस का काम बहुत छोटा काम है और उसकी प्रीमियम की आय भी बहुत अधिक नहीं है और जैसा कि पटेल साहब ने कहा कि उससे जो मुनाफा होता है वह बहुत इनसिगनिफिकेंट है। लेकिन इसको हम इस वास्ते नेशनलाइज करने जा रहे हैं कि जनरल इनशोरेंस का दापरा बहुत सकुचित रहा है और चन्द लोगों के लाभ के लिए ही इसको इन्वेन्माल में लाया गया है। जिन लोगों के हाथ में जनरल इनशोरेंस का धधा रहा है उन्होंने

ही इसका मुनाफा उठाने की कोशिश की है, उन्होंने उसका इनवैस्टमेंट उन्ही सैक्टर में किया जिन में उनका अपना व्यापार चलता था, इंडस्ट्री थी। हम चाहते हैं कि जनरल इनशोरेंस देश के सभी वर्गों को, देश के सभी क्षेत्रों को कवर करे। किसान और गांवों में रहने वाला पशुपालक इससे लाभान्वित हो। हमारे देश में सब से ज्यादा तादाद में लोग गावों में रहते हैं। गावों में फलझूज आने है, सूखा पड़ता है, अकाल पड़ते हैं और वहाँ लोगों की फमले इन तथा हमारे कारणों से खराब हो जाती है। कभी कभी ओलावृष्टि से भी खराब हो जाती है। नतीजा यह होता है कि उसकी वर्ष भर की कमाई नष्ट हो जाती है और उसकी सुरक्षा का कोई प्रबन्ध नहीं है। इस लिए यह जरूरी है कि जेनेरल इनशोरेंस के जरिये उग की सुरक्षा की व्यवस्था की जाये। मैं उम्मीद करता हूँ कि वित्त मंत्री जैसा आदमी जेनेरल इनशोरेंस को जरूर उस दिशा में ले जायेगा। अगर जेनेरल इनशोरेंस का मौजूदा स्वरूप कायम रहा और उस का कार्य-क्षेत्र केवल व्यापार और इंडस्ट्री तक ही सीमित रहा, तो मझे बहुत निराशा होगी। मैं नहीं समझता कि उस स्थिति में जेनेरल इनशोरेंस से देश का कोई फायदा होने वाला है। लेकिन अगर जेनेरल इनशोरेंस देश के सभी क्षेत्रों तक पहुँच सके और अपनी एक्टिविटीज को डाइवर्सिफाई कर सके, तो निश्चित रूप से देश का बड़ा लाभ होगा।

विदेशों में जेनेरल इनशोरेंस का बहुत ज्यादा प्रचार है। यहाँ तक कि मिनेमा एक्ट्रेसिज अपने बालों का दस दम हजार डालर का इनशोरेंस कराती है। (व्यवधान) मेरे मित्र टाँगो की बात कर रहे हैं। शायद उन को इस का ज्यादा अनुभव होगा। हमारे देश में जेनेरल इनशोरेंस बहुत सीमित क्षेत्र में काम करता है, लेकिन विदेशों में बिल्ली और कुत्ते का भी एक एक लाख डालर का इनशोरेंस होता है। मैं चाहता हूँ कि हमारे यहाँ भी इनशोरेंस डाइवर्सिफाई हो।

जेनेरल इनशोरेंस को लेते वक्त कम्पैन्सेशन देने की बात नहीं होनी चाहिए। दुर्भाग्य से सुप्रीम कोर्ट के बैंक नेशनलाइजेशन सम्बन्धी फैसले में प्रापर्टी की डेफिनीशन को इतना विस्तृत कर दिया गया है कि उस में होने वाली आमदनी को भी शरीक कर लिया गया है। उस का परिणाम यह है कि जो एमेन्स मीजूर है, केवल उन्ही का कम्पैन्सेशन नही देगा पड़ता है, बल्कि होने वाली आमदनी का भी ध्यान रखा जाना है। मैं चाहता हूँ कि विरा मंत्री इस बारे में जल्दी कोर्ट उचित कदम उठाये। अमल में राइट आफ प्रापर्टी का अन्त किये बिना इस समस्या का समाधान नही होगा। अगर सरकार इस तरह से नैशनलाइजेशन करने हुए कम्पैन्सेशन देती रहेगी, तो देश को एक नई समस्या पैदा हो जाएगी। इन लिए सुप्रीम कोर्ट के उस जजमेंट को बदलवाना निहायत जरूरी है। उस के बिना हमारे देश की समस्याओं का समाधान नही होगा। मेरे ख्याल में शायद इसी लिए मंत्री सहोदय ने सारा बिल एक साथ नही किया है। शायद नैशनलाइजेशन करने से पहले उनका ऐसा करने का इरादा है और यदि वह ऐसा करेंगे, तो यह देश निश्चित रूप से उनका आभारी रहेगा।

सरकार के इस कदम से एक बड़ा फायदा यह हुआ है कि हमारे देश में फारेन एक्मचेंज की बहुत बड़ी बचत हुई है। विदेशी कम्पनियों की मार्फत हमारा जो करोड़ों रुपया बाहर चला जाया करता था उस को रोक दिया गया है।

माननीय सदस्य, श्री बनर्जी, की इस बात से मेरा मनभेद है कि जेनेरल इनशोरेंस के लिए एक सिंगल कार्पोरेशन हो। हम चाहते हैं कि नैशनलाइज्ड इन्स्टीट्यूशनज एफिशेंटली काम करें। लेकिन दुर्भाग्य से हमारे देश में कमिटीज सब्सिज नहीं हैं, ऐसे लोग नहीं हैं, जिन की आस्था नैशनलाइजेशन में हो। हम जिन लोगों को काम का जिम्मेदार बनाते हैं, वे घिसे-पिटे दकियानूसी ख्यालाल के लोग होते हैं। उनकी वजह से हमारे काम में असफलता होनी है।

इस लिए जिन तरह का यह काम है, उस को देखते हुए वित्त मंत्री ने चार कार्पोरेशन रखने और उनमें कामपीटीशन की स्पिरिट पैदा करने का जो प्रावधान किया है, मैं उस का स्वागत करता हूँ। यह काम विभिन्न तरीके का है, डाइवर्सिफाइड नेचर का है। इस लिए उस में कामपीटीशन हो, एफिशेसी हो और लोगों को अलग अलग जगह पर अलग अलग तरीके से उस में लाभ उठाने और एफिशेसी को तोलने का मौका मिलना चाहिए। इस लिए मैं गुआव का स्वागत करता हूँ और मिलेक्ट कमेटी के गुआव का विरोध करना हूँ।

SHRI VIRENDRA AGARWAL  
 (Moradabad): Mr. Deputy-Speaker, Sir, the Finance Minister deserves to be complimented for using a sledge-hammer to kill a fly. He claims that it is a part of the measures to fulfil the pledges made in the election manifesto to the people by the Congress Party. It is known that the nationalisation was one of the main points of the 10-point programme of the Congress Party. This particularly indicates that the nationalisation of general insurance is essentially a political decision and has got nothing to do with the economic considerations.

We have to see as to how the common man in the country will be benefited by the nationalisation of general insurance. There is a wrong impression that we as the party are opposed either to nationalisation or expansion of the public sector. But it is equally true that nationalisation is not the panacea of all economic ailments. At this moment, we have to go into the question and analyse the arguments that the Government is advancing for nationalisation of general insurance.

The first argument is that the Government will get more funds for investment purpose. One of my friends just argued that they will help in eradicating poverty and unemployment in the country. Recently, we had nationalised the commercial banks, but we have seen that during this period of one year to what extent poverty in the country has been eliminated. We also know to what extent the employment

[Shri Virendra Agarwal]

opportunities have been created through this nationalisation process.

The Government can expect only about Rs. 109 crores as total annual premium in this nationalisation sector. The annual profit in the industry as a whole would be about Rs. 2.5 crores. These are the basic factors which give a clear idea as to what benefit the common man would have by the nationalisation of general insurance. What is the guarantee that this profit of Rs. 2.5 crores would continue to come out of the nationalised industry during the next year or this profit of Rs. 2.5 crores would not be reduced to a huge loss because of mismanagement and inefficiency as we have seen in other public sector undertakings.

The second argument is that private insurers, as a general rule, have indulged in all sorts of mal-practices. In a way, I agree that it may be true. But I would like to know from the Government whether it can guarantee that the nationalised general insurance would not indulge in similar mal-practices. We can say and we believe that even these mal-practices may go on to the extent of finding the election expenses from the premium of insurance companies for ruling Congress workers.

Thirdly, the Government expects that the nationalised sector would be run efficiently. If you see the past experience of the nationalised sector and the way in which the industry or banks have been nationalised, I would just ask three things, namely, as to whether these institutions have accumulated heavy bad debts or not, secondly what services they have rendered to the common man and whether living conditions of the employees have improved in any way. Let us also analyse whether the nationalised sector, in any way is helping the consumers and the employees of these institutions.

Sir, general insurance is essentially a service organisation. Insurance is a type of institution and nature of business of extraordinary complexity, requiring great promptness, and considerable exercise of

discretion on the part of the insurer is absolutely essential.

Whenever an institution is taken over by the Government we have to see whether the Government can really run these institutions effectively and efficiently.

General Insurance is a complex type of business. I will give one illustration. If a car is damaged of course the inspector has to settle the claims. But here he has to employ a great deal of discretion and if his discretion is subjected to scrutiny by Parliament he would shirk his responsibility, and the functioning of the entire General Insurance would suffer greatly. General Insurance is a peculiar and a different type of business in which really effective service has to be rendered and if the Government officers are incapable of rendering the proper service, naturally, the whole organisation will run into losses.

I would like the hon. House to appreciate and understand the record of life Insurance Corporation. We should know the way in which the various claims in the LIC are being settled and how much time is taken, and to what extent the policyholders are satisfied with the claims made. These are the different aspects which should be looked into before we go into the different aspects of general insurance. The philosophy which we have heard in this House is the philosophy of loot and grabbing. What we want is an efficient economy and the entire structure must be based on decentralisation, competitiveness and a little profitability. This is the essential virtue of any economic organisation. If General Insurance is to be run on proper lines, we have to take care of these points.

At present these organisations suffer a great deal from bureaucratic delays, excessive concern for rules and a pathological fear of Parliament which would ultimately jeopardise the growth of General Insurance as well.

With these words, I propose that if General Insurance is nationalised, its Board of Directors should be so constituted as to include not only representatives of the

employees and insurers, but also economists. Only then the functioning of the General Insurance would be carried on satisfactorily to bring inspiration to the common man.

**SHRI K SURYANARAYANA (Eluru) :** Whenever the Government comes forward with any progressive measure, it is being opposed by some persons. This happened at the time of the nationalisation of Life Insurance also. If we take the experience of the service of the Life Insurance Corporation after nationalisation, we see that the business has increased now several times.

The LIC has also taken the life insurance business to the rural areas. Further, the LIC is also financing the development of industries in the villages and in the rural sector. In general insurance also, we can go in for a similar increase.

It has been said that the gain to the exchequer will be very small in general insurance, because the amount involved is only very small. To start with, it would be small, but later on, we can increase it by taking up other types of insurance which we do not have at present, such as cattle insurance, crop insurance etc. Government may explore the possibility of introducing these types of insurance business as well.

So far, the main objective in general insurance has only been to earn some profits or to gain some personal benefits. But hereafter, Government should come forward to emulate what other countries are doing in general insurance. For each and every thing, we want to compete with other countries and we want to compare our conditions with those elsewhere. In the field of general insurance also, why should we not adopt their policies and their methods?

My hon. friend Shri Mukerjee had criticised about the appointment of custodians. General insurance business is not an easy business in which anyone and everyone can be appointed. But it is a technical job, and only technical men should be appointed.

**SHRI S. M. BANERJEE :** There is no Mukerjee, but only Ghatterjee or Banerjee has spoken in this debate.

**SHRI K. SURYANARAYANA :** I do not mind what interruption the hon. Member is making. I am only presenting my views by way of reply to the points that he had made.

I think I may safely say that all the Members who had spoken before me had no personal experience of general insurance business. But I can claim to have some personal experience, because I have been a principal agent. I was with late Dr. Pattabhi Sitaramayya who had started two insurance companies in Andhra Pradesh, and we were maintaining the political workers' strength, and I had been trained to work in the field by him, so that we could maintain the workers' strength and also our political status among the public and not merely strive for some personal pecuniary benefits. By working in the field of insurance, we were maintaining our status among the people; besides, I was also earning some little income out of it, in order to maintain myself. That was how I was having my political life there. I do not think that other MPs could claim to have had that type of living or experience.

It was last year that I had to give up my business, because after having heard about nationalisation and other things, I thought that I had to settle the accounts etc. because then only I could invest my savings or my earnings in my field or something like that. Having worked in the field of general insurance, therefore, I can claim to have some technical experience in this field.

The business of general insurance is more complicated than life insurance. In life insurance, one may get the policy after thorough scrutiny of the proposal, but in the case of general insurance, the policy must be obtained immediately after the proposal is presented and the loans etc. from the banks as such must be settled in the quickest possible period.

At present, general insurance is confined mainly to industrial areas and urban centres where there is big business, and it has

[Shri K. Suryanarayana]

not yet extended its activities to the rural areas. They are not insuring thatched sheds or tiled sheds, and if they do, they are charging greater premia amounts. So far as towns are concerned, there is some element of safety there because there is the fire brigade to quench fires etc, but these are not available in the villages, and, therefore, if the housing properties etc. are insured in the villages, they have to charge 25 per cent premium in some cases. After all, villages are also the responsibility of the Government, and it is their duty to save the village people also from the risk. In my village, for instance, there is no fire brigade, and if we have to get a fire engine, we have to run 10 miles away. I would submit that Government should extend the activities of general insurance to the rural sector also without any extra premium.

Recently, I came across a statement made by Shri Ranga, the leader of the Swatantra Party at Vijayawada, in connection with the nationalisation of general insurance. You know, Sir, that when he was a Member here, he always used to oppose all proposals for nationalisation. I was very heartened and glad to read his statement which appeared in *The Times of India* dated 15 May, 1971, which read as follows :

"The Swatantra Party leader Mr. N. G. Ranga said at Vijayawada that the take-over of general insurance was another step towards social insurance, strengthening the business demand for crop, cattle, famine and flood insurance. Such social insurance to be constructive and progressive should result in lowering premia, more benefits and higher efficiency."

This is the change that has come about in the thinking of people. So what is the use of opposing measures like this at this time ?

When nationalisation of life insurance was undertaken, some experts expressed doubt about the desirability or the usefulness of such a step. They have had many years experience in such matters. But once

the policy was decided upon and the decision taken, those experts who were in service sincerely accepted it and implemented it. There is the case of Shri N. V. Naidu who was in one of the private insurance companies before nationalisation; he has become now the Managing Director of LIC. Initially, he was opposed to nationalisation. But now he himself has become one of the top executives of the state insurance corporation. This is the way in which people can render service to the country. Technical people have no doubt their value and it is in this direction that they should serve the country. We know these ICS officers. During the British days, they were faithfully serving them. They have even seen to it that we were beaten up when we were engaged in our freedom struggle. But now times have changed. Why should there be any doubt or hesitation expressed now ? The Custodians are there. Why should there be any doubt cast about their bona fides ? If there is any malpractice or any grievances, Government is there to check it up. But now there is no reason to doubt their integrity. For technical posts, technical people only should be appointed.

Lastly, Sir, when the comprehensive Bill comes, I hope it will contain provisions covering all sorts of insurance like crop insurance, cattle insurance and so on. People will be quite willing to pay one per cent or two per cent. We insure the manufacturers' properties so that if they lose, they are compensated. But the poor farmer or agriculturist has no such cover or protection. People come to my doors and ask for relief on this score. I am not able to do anything for them. We have to look to the common man's interest in these things. There are grievances of the workers also in these companies. They have also to be attended to. The old days when things used to move on slowly or not at all in these matters are gone. All that suspense is a thing of the past. The experience of the technical people should be utilised ; at the same time the grievances of the common people and workers in the institutions should be attended to.

I welcome this Bill as the first progressive measure brought forward after the election and also welcome it as a progressive measure of insurance.

**SHRI KADAR (Bombay-Central South) :** The long-awaited step has at last been taken and general insurance has been nationalised. The speech of the Finance Minister shows that this is the first measure which we have been asked to pass so that the continuity of the step taken by the Ordinance may be maintained. But the comprehensive Bill which is to be formulated later will come and then all these suggestions that are being made today may be taken into consideration.

So much has been said about compensation. But Government cannot ignore certain rulings of the court. As long as we work under the present Constitution, we have to take note of this fact. Hence the clause for compensation introduced in the Bill. But let us hope that before the Bill comes the Constitution will be so modified that the compensation clause, though not entirely done away with, will be in tune with the actual investment of the industry, and not based on the market value, the present income value etc., which are under consideration.

This general insurance after nationalisation has to go a long way to re-organise itself and pull itself out of the morass of the private sector. In the private sector today the real insurance work is done by the field officers and the agents, but even there many agents and the field officers are merely in name. There are vested interests which put in fictitious names as field officers and draw salaries and allowances. Also, anybody can be enrolled as an agent provided he or she pays the fees. There should be some qualification laid down as to who should be the insurance agent and who should be the field officer. If this is done, it will help promotion of general insurance business in our country. Today I am told that some of the field officers on the list are the wives of well placed persons in different industries who are thus getting insurance commission indirectly which otherwise they would not get. People taking indirect advantage of general insurance by using fictitious names should not be allowed and only those who are genuinely interested in general insurance should be allowed to work in the field. This aspect also should be taken into consideration while framing the Bill.

There is a difference between life insurance and general insurance. In life insurance you just receive the money for giving a policy, though the risk is there. In general insurance you insure for one year and take a risk which may happen at any time and you have to fork out a handsome amount if the tragedy is great.

**SHRI SEZHIYAN (Kumbakonam) :** Life insurance is also like that.

**SHRI KADAR :** Not to the same extent, let us be very clear about it. I hope my hon. friend understands that they have two different duties to perform. Here when a person comes for insuring his good or his property or his merchandise, the insurer must see that the risk has some safety margin. Otherwise it will result in a total collapse of the whole insurance system. Therefore, specialised personnel is necessary and in nationalising this business, we should try and take the cream of the insurance experts and press them into service. This is the crux of the whole thing.

This is not nationalisation merely for the sake of nationalisation. My hon. friend Shri H. M. Patel who has been in the civil service and who has held high positions in government departments has a certain outlook which is called a bureaucratic or narrow outlook. It is not mere nationalisation, we have to see how much it is utilised for the benefit of the society as a whole. Nationalisation of the Life Insurance Corporation has proved beyond doubt that it has been truly beneficial to the society as a whole; not only has the LIC increased its income but it has also reduced its premium thus enabling people to get themselves insured. If the general insurance business is to be sound and socially oriented in the long run it will be an asset to the common man. We have to work for it and we are trying to do our utmost.

With these words I welcome this Bill and congratulate the Government and the powers that be and our Finance Minister especially who has taken this important first step after the last general elections.

**SHRI SEZHIYAN :** I welcome this Bill as the fulfilment of a generally accepted

[Shri Sezhiyan]

principle of nationalisation of general insurance. Those who spoke welcomed the Bill in general terms. The Swatantra and Jana Sangh Members offered some criticism but they did not oppose the Bill ; I take it that they do not oppose the principle. The main criticism of the Swatantra Party spokesman was that this measure was unnecessary and undesirable. Referring to him, the previous speaker said that he belonged to the bureaucracy and he was narrow-minded. I do not think so. He is a broadminded person ; he had been associated with the Government in 1956 when life insurance was nationalised ; he was in fact instrumental in putting it in good shape and giving it a good start. Afterwards it might have gone astray.

Now his whole concern is that the Government should not be open to any criticism. He has still the paternal or maternal care for Government machinery which he nourished and therefore he does not want it to come for unnecessary criticism. Perhaps in principle he accepts this Bill.

Our Andhra friend Mr. Suryanarayana quoted Prof. Ranga himself welcoming the nationalisation of general insurance ; Vasishtha himself has given the blessing to Viswamithra. Therefore it augurs well.

Criticism from the Jana Sangh side was that one should not use a sledge hammer to kill a fly. That he wants to kill the fly is clear ; it is the method which he objects.

Private enterprise in insurance is playing havoc. It is not the amount of funds that are involved. The principle is involved. We implemented the principle by nationalising banking. In Banking or insurance it is not the private entrepreneurs' money that goes into the entire working but it is the small man's money, small amounts collected by way of premium and deposits which are involved. Mr. Banerjee pointed out that the total paid up capital in the general insurance field in the entire country was only Rs. 11 or Rs. 13 crores while their total assets were worth Rs. 240 crores. That does not mean that those who started

those companies contributed Rs. 240 crores ; this amount has been collected from the public and therefore the Government is responsible in seeing that Rs. 240 crores or whatever the amount that has been collected is used for the good of the general public. A gentlemen in Madras once said : "If you want to do temporary fraud, start a bank ; if you want to do permanent fraud, start an insurance company". He was himself banker as well as the managing director of an insurance company. When the public funds come to the care of the individuals, if the individual takes it honestly and runs the business well, it is all right ; in the hands of unscrupulous and fraudulent people there will be misappropriation. Whether the amount involved is Rs. 3 crores or Rs. 10 crores it is immaterial. The principle is that it should be nationalised because the entire assets have been built not by individuals who own the company but by contributions from the policy holders and the general public ; so the Government is very much responsible to bring this under its care. By nationalising and welding together all these 106 companies, we are going to make a great saving also in the reinsurance transactions. If we take the total gross profits for the year, say 1968, for the entire general insurance in the country, both Indian and non-Indian, the figure works out to about Rs. 17,43,00,000 ; out of this as much as Rs. 8,11,00,000 have been drained out of the country towards reinsurance transactions abroad in respect of Indian business of non-Indian insurers. Therefore, to a certain extent, when a bigger company is formed and is competent to take bigger risks, then to that extent, the reinsurance quantum will be reduced and the drain of Indian money going abroad will be stopped. That is one of the incidental advantages in having a bigger Indian corporation.

I would like to sound a note of caution, because some of the Members were saying that when you appoint the custodians, only those persons who are in the know of things should be appointed ; only technical persons should be appointed. I agree there. But that alone should not be the consideration. Why the Life Insurance Corporation went astray was because for a long time we began to depend on those persons who did

not have any faith in nationalisation or in the nationalised industries. I can understand this as a stop gap, arrangement, but this should not be perpetual. Unless you train a cadre of people who believe in the nationalised sector, who believe in the nationalised insurance, they will not be able to deliver the goods for which task they have been entrusted with this work.

There is a scare in the minds of the employees that the surplus employees will be retrenched. I do not want the public sector undertaking to be burdened with all the surplus employees, but they should make an assessment and give a guarantee for those employees. Now, you can make an assessment and find out the surplus. In the course of a few years, the surplus can be absorbed. I do not want to extend the guarantee to all. You can have a margin up to Rs. 1,000. Beyond that we cannot give a guarantee. If you screen all the employees on the higher brackets, say, on Rs. 1,000 and above, you will find that there are many benami appointments or bogus appointments. All these things should be scrupulously screened and we cannot give a guarantee. You can put a screening committee. If they are satisfied with the qualifications and the emoluments paid to them, well and good, you can keep them, otherwise, you cannot have a guarantee, but up to Rs. 1,000, that would be the margin. Those who are below that could be protected, because we are not going to throw them out of employment.

Regarding the assessment of Rs. 33 lakhs, I feel that it could have been avoided. I do not know what the Minister is going to say in reply. If it is possible to reduce it, please do that at the earliest time possible. Here, some time has been required, because even in the Statement of Objects and Reasons, it has been said that since the preparation and introduction of such a Bill would take some time, it is necessary to ensure that this Bill should be passed. I do not believe this, because for the past two decades, the Government and the Law Ministry have all been at this work. If you ask them probably they will give you not one version but a dozen versions of how to nationalise general insurance. Therefore, at the earliest opportunity, the Bill should also be introduced, so that not much time is allowed to pass by. This compen-

sation of Rs. 33 lakhs could have been avoided, if you had introduced a Bill on nationalisation of general insurance taking into account all these aspects.

Unless we take the nationalised sector and the general insurance in all seriousness, the benefit that could be derived for the farm products by way of crop insurance, cattle insurance and the agricultural sector in general will be delayed. All these things can be brought only if the nationalised sector comes into full operation.

With these words, I welcome this measure as a step in the right direction towards nationalisation of general insurance.

**श्री यमुना प्रसाद मङ्गल (ममग्नीपुर)**

उपाध्यक्ष महोदय, जब दो माल पहले देश में बैंको का राष्ट्रीयकरण हुआ और उसके बाद गावों में एक नई लहर आई गावों के कुछ छोटे किसानों का भी ऋण दिये जान लग तब लोगों में राष्ट्रीयकरण और सोशल क्रेडिट की बात हर जगह फैली। उस समय भी जनरल इन्श्योरेंस के राष्ट्रीयकरण की बात बराबर कही जाती थी। जीवन बीमा का राष्ट्रीयकरण पन्द्रह साल पहले हुआ था और उससे जो करोड़ों रुपये प्राप्त हुए उससे देश का बड़ा फायदा हुआ। ठीक उसी लाइन पर, पन्द्रह साल के बाद जनरल इन्श्योरेंस की बात को लेकर हम लाग आग बढ़ रहे हैं। देश में आज काफी जागृति है और उससे काफी फायदा होने वाला है। यहाँ पर पहले भी साधारण इन्श्योरेंस फायर इन्श्योरेंस आदि का काम चल रहा था लेकिन क्राप इन्श्योरेंस नहीं होता था। गाव की ओर लोग जाते नहीं थे, और यही कारण था कि जो बड़ी बड़ी फर्म्स होती थी, और अभी भी है, वही इस काम को ज्यादा आगे बढ़ाती थी और उनमें पैसा प्राप्त होता था उसको अपने काम में लगाती थी।

15.52 hrs

[SHRI SEZHIYAN in the Chair]

गन चुनाव में हम लोगों ने कहा कि जनता के धन को जनता के काम में आना चाहिए। अब

[श्री यमुना प्रसाद मटल]

तक जो 240 करोड़ रु० जनता का लिया जाना था वह जनता के काम में सचमुच नहीं लगता था। वह केवल मुट्ठी भर लोगों के काम में लगता था। इसलिए जनरल इन्श्योरेंस के राष्ट्रीयकरण की बात कुछ साल पहले से चल रही थी। वह कार्यक्रम के 10 प्वाइन्ट प्रोग्राम में भी है। यही वजह हुई कि एक साल की देरी की वजह से से बहुत सी मालप्रेक्टिसेज उमसे आई।

मैं बतलाना चाहता हूँ कि उसके खर्च को माध्याग्न बीमा प्रबन्धक ने किस तरह बढ़ाया। उसका एक्स्पेंडिचर 1971 में 318 करोड़ था। उसको बचाकर 353 करोड़ बना दिया गया। अभी जन सच के श्री अग्रवाल वह रहे थे कि वट मानते हैं कि हममें मालप्रेक्टिसेज है। जब मैं माध्याग्न बीमा के राष्ट्रीयकरण की बात चली तभी से लोगों ने "रचना" रचनी शरू की, और अपनी अकाउन्ट बुक्स को गलत तरीके बनाता शुरू किया। इसको श्री अग्रवाल स्वयम् मान रहे थे और कह रहे थे कि जन माध्याग्न के लाभ (कामन मैन) के लायक नहीं है। उन्होंने इसके लिए बहुत से तथ्य प्रकट किये और बतलाया कि कामन मैन के लिये यह बहुत जरूरी है। जब कामन मैन के लिये इसको लेकर आगे चलना है तब माध्याग्न बीमा को सरकार के लिये अपने हाथ में लेना जरूरी था। उन्होंने एक बात यह भी कही कि यह बड़ा काम्लेक्स बिजनेस है। काम्लेक्सिटीज तां हर बिजनेस में होती है और जब कैपिटलिस्ट लाइन्स पर बिजनेस किये जाते हैं तब इन्फ्लेटेड अकाउन्ट्स दिये जाते हैं तथा और तरह से धन लेने की बात होती है, यह भी शायद उन के दिल दिमाग में रहा हो। इसलिए और भी जरूरी था कि जिस जनरल इन्श्योरेंस के बिजनेस में 240 करोड़ रु० लगा हुआ है उसको सरकार अपने हाथ में ले। यह बात बहुत दिनों से चल रही थी कि इसको सरकार अपने हाथ में ले ले।

माध्याग्न बीमा के अन्दर 108 करोड़ का काम जो हमारे देश की कम्पनी है वे करती है,

उत्तके अलावा 2½ करोड़ का काम जो बिदेशी कम्पनियाँ है वे करती है। इन सब बातों को देखते हुये यह मोचा गया कि इस काम को कामन मैन तक जाना चाहिये। यह बड़ी प्रसन्नता की बात है कि सेन्शन 15 में इस तरह की आशा दिलाई गई कि कुछ दिनों में यह लागू नहीं होगा। जहाँ पर एग्जेम्पशन दिये गये हैं वहाँ लिखा गया है कि

Act where not to apply

उसमें कहा गया है कि

any scheme of insurance which might be exempted by the Central Government relating to—crop and cattle, etc

यहाँ पर करीब करीब सगरी वक्ताओं ने माना है कि क्राप इन्श्योरेंस बहुत जरूरी है। मैं सदन को बतलाऊँ कि उसी साल गत अप्रैल मई के महीने में जो अमामाघिज वारिश हुई है वह नहीं होनी चाहिये थी। उस वर्ष में बिहार में गेहूँ की फसल को 125 करोड़ रु० का नुकसान हुआ। उसी तरह देश के और स्थानों में भी हुआ। इस प्राकृतिक प्रकोप और वर्षा में। लेकिन जिस तरह इस जनरल इन्श्योरेंस को जाना चाहिये था, उधर वह गई ही नहीं, अर्थात् माध्याग्न व्यक्ति की ओर, माध्याग्न किसान की ओर। मैं आप से बतलाना चाहता हूँ कि बिहार में और दूसरी जगहों में गर्मी के महीने में सैकड़ों गाव आग लगने से ध्वस्त हो जाते हैं,

Hundreds of villages are reduced to a heap and these general insurance people do not want to go there, God knows why

जब यह सब बातें हमने सामने रखकर देखा तो लगा कि यह काफी जरूरी है कि जनरल इन्श्योरेंस देहात की तरफ जाये। जैसा मैंने बतलाया, सारे देश के लोग जानते हैं कि बच्चों में राष्ट्रीयकरण के बाद किस तरह छोटा विमान भी दो, चार या पांच एकड़ वाला किसान, उससे फायदा उठाकर अपनी खेती को आगे बढ़ाता है। उसी तरह मैं जनरल इन्श्योरेंस का जो काम

है वह अब सरकार के हाथ में आया है। अभी तो मैनेजमेंट को लेने की बात हो रही है, मैनेजमेंट को लेने के साथ साथ हम उनको प्रति माह करीब 28 लाख रुपये देना चाहते हैं। चूंकि उनका रुपया मैनेजमेंट को देना पड़ेगा उस लिए बार बार मदन के हर माननीय सदस्य ने टंगरा विरोध किया है। आप देखिए कि उन लोगों ने जिस तरह से तीन माल तक अर्थात् 1967-1968 और 1969 तक पौने तीन करोड़ २० का प्रायिक्त बनलाया है। मैं गमनाता हूँ कि जब से इसकी जान देण में चली है तभी से वह अपने हिमाब गिनाब को बदल रहे हैं। मैं नहीं कहता, उधर में आवाज आई है जो लोग जनरल इन्श्योरम का चलाते हैं वही कहते हैं और उन्हां माना है कि यह मालप्रैक्टिसेज होती रहती है। एसी पाउंट में इस बिल का आना बहुत जरूरी था खामकर आप इन्श्योरम जो कि फामस के लिए है। फायर इन्श्योरम आदि के काम तो चरत ही है। शहरो में लोग अपने बच्चा के इन्डयोरम बरवाते हैं ताकि अगर अभी खेलत बूदत बोर्ड दुर्घटना हो जाय तो वह पैसे पा जायें।

अगर इस तरह में देखा जाये तो यह बिल बरत महत्वपूर्ण है और हर तरफ के लोग इसका स्वागत करने हैं। समापति महोदय, आप स्वयम अभी बोल रहे थे और आप जानते हैं कि देश के हर हिस्से के लोग इसका स्वागत करने ह ताकि इससे देश का भला हो। इस बिल के पास होने से जन-माधारण का भला होगा, उनका काम आये बड़ेगा। इसलिए मैं इस बिल का महर्ष स्वागत करता हूँ।

**PROF S L SAKSENA (Maharajganj)**

Mr Chairman, Sir, I welcome this Bill in the hope that our government will see to it that we make it a success. Unfortunately, most of our nationalised concerns are losing concerns and we have to hang our head in shame when we see their performance. Only yesterday the Railway Minister told us during his reply to the budget debate how much loss the railways are incurring in their working. I hope general insurance will not meet with the same fate. General Insurance is a

very intricate subject and a very delicate one to handle. Therefore I want the hon. Minister to see that it is very carefully nursed.

16 00 hrs

Once, when I was in the Soviet Union, I asked the Chairman of the Planning Commission there, "How is it that in our country our nationalised concerns are generally losing?" He said, "Perhaps, it is because you do not have a specialised economic service to run them, you entrust everything to IAS and ICS people who do not know anything of the job." I hope, in running this intricate business, we will see that there is a specialised service which can manage it properly and well.

I do not agree with the amount of compensation that has been provided in the Bill. About Rs. 33 lakhs a month comes to about Rs. 4 crores in the year. I do not think it is proper when they are not taking over the ownership of the companies. Compensation should have been given only when the companies were taken over. Then we could have given suitable compensation. But it is too heavy a compensation that we are giving. I think, the hon. Minister will see to it that the amount of compensation that is given is reduced. I think, one fourth of it would have been sufficient.

Crop and cattle insurance are a very big necessity for our country. I hope that this Government will evolve a scheme by which crop and cattle insurance are made possible and our farmers, who gamble with the rains, are also provided with some security if the crops fail. I hope a scheme for crop insurance will be worked out so that the farmer could be made to feel that he also got some benefit from the nationalisation of general insurance. We have nationalised the banking industry but the farmer still does not feel that he gets any benefit from it. We still hope that he will be benefited by it. But general insurance can benefit the farmer very easily if we can provide him with crop and cattle insurance. I hope, the hon. Minister will try to see, when it is nationalised, that crop and cattle insurance are made a very important part of this business.

[Prof. S. L. Saksena]

With these words I support the Bill in the hope that it will be made a profitable concern, compensation will not be given to the extent it is provided and crop and cattle insurance will certainly be introduced.

श्री काले (जालना) : सभापति महोदय, यह जो बिल आया है इसका समर्थन करने के लिए मैं खड़ा हुआ हूँ। इस पर माननीय सदस्यों ने अपनी अपनी राय जाहिर की है। लेकिन मैं इसके संकशन 15 के बारे में बोलना चाहता हूँ और अपने विचार आपके सामने रखना चाहता हूँ। इस संकशन में काश्तकार की फसल को छूट देने की चर्चा की गई है। अगर इसको इसी तरह से रहने दिया गया तो अगला जो बिल आयेगा, तब बड़ी मुश्किल हो जायेगी।

श्री फून्चन्ध बर्मा (उज्जैन) : सभापति महोदय, कोरम नहीं है।

MR. CHAIRMAN : Now there is quorum—The Hon'ble Member may continue his Speech.

श्री काले : किसानों ने जनरल इन्श्योरेंस का बहुत अच्छे तरीके से स्वागत किया है। लेकिन स्वागत करते समय उनको ऐसा लगा कि क्राप का भी इन्श्योरेंस इसमें हो जायेगा। लेकिन इसमें बहुत ज्यादा रिस्क है, ऐसा कुछ मेम्बरों का ख्याल है या आपका भी ख्याल हो सकता है। लेकिन मैं समझता हूँ कि यह रिस्क लेना आपके लिए बहुत जरूरी है। अस्ती प्रतिशत जनता गांवों में रहती है और उममें से पचास प्रति किमान हैं। अब अगर उनकी क्राप के बारे में यह कदम नहीं उठाया गया और उसकी इन्श्योरेंस की व्यवस्था नहीं की गई तो बड़ी मुश्किल की बात होगी। उन पर इसको लागू करना बहुत जरूरी है और मैं आशा करता हूँ कि इस पर आप अवश्य विचार करेंगे।

इसमें कुछ और भी छूटें दी गई हैं। आपने कहा है कि चार कारपोरेशन बनाई जाएंगी। मैं इसका स्वागत करता हूँ। लेकिन मैं कोमो-

प्रेटिव इन्श्योरेंस सोसायटी के बारे में कहना चाहता हूँ। महाराष्ट्र में एक कोओप्रेटिव इन्श्योरेंस सोसायटी की स्थापना हुई थी। उसको अगर उससे छूट दे दी जाती तो बहुत अच्छा होता। मैं चाहता हूँ कि आप इस ओर ध्यान दें। काम अच्छा हो, इसके लिए भी यह जरूरी था। कोओप्रेटिव आधार पर जो कम्पनियां चलती हैं वे भी करीब करीब सरकारी ढंग पर चलने वाली कम्पनी के समान होती है। श्री धनन्जय राव गाडगील ने बड़े उत्साह के साथ उसकी स्थापना की और उसको चलाया था। इसको न लिया जाता तो अच्छा होता। इससे कम्प्यूटीशन की भावना रहती और पता लगता कि कौन अच्छा काम करता है। मैं चाहता हूँ कि ज्यादा से ज्यादा फायदा उठाने के लिए आगे जो बिल आप लायें, उसमें इसको रखें या अभी छूट दें। इन शब्दों के माध्यम में इस विधेयक का स्वागत करता हूँ।

SHRI B. R. SHUKLA (Bhraich) : Mr. Chairman, Sir, I welcome this General Insurance Bill. This is the first step towards the promises which the Congress Party under the present leadership gave to the people at the time of elections.

The Bill has been criticised by the Swatantra Party as well as by the Jana Sangh Party. It has been criticised on the ground that it is unnecessary. My submission is that from their point of view, only the continuation of the capitalist structure of society is essential and necessary. It has also been criticised by Member belonging to the Communist Party (Marxist) on the ground that it provides for payment of compensation. Left to myself, I would have agreed with the legal aspect of the matter as contended by my hon. friend because a certain provision in the Constitution has been made that it is not necessary to make payment of compensation in order to acquire certain property as belonging to a certain sector of the economy. But it has been said that the Supreme Court has been striking down these socialistic measures on the ground that the payment of compensation is necessary, and, therefore, it has been provided in this Bill that certain com-

pensation to the extent of Rs. 33 lakhs per month should be given to these companies which are being taken over.

Sir, the basic idea of compensation is this that whenever property belonging to a certain individual is taken away by the Government, then that person should be compensated, that is, some value in the shape of money should be given to that person so that he will not be deprived of his right to property. But when a certain individual or a group of individuals, whether they may be in the shape of limited companies or they may be individual holders of property, when they are unjustly enjoying and exploiting the fruits of others, then they should not be compensated.

Now, these persons who are the custodian of the finances of the public in general insurance are not the real owners of property. They are exploiting the accumulated earnings and savings of the people. Therefore, if they are being deprived of their opportunity of exploiting the public, they should not have been given any compensation. But however up till now we have not been able to bring in the necessary Bill for the amendment of the Constitution which is a great hurdle in the path of bringing social legislation in this country.

Therefore, for the time being, we have, in order to avoid these legal complications and difficulties, rightly provided that some type of compensation should be given. Otherwise, just as we have the experience with respect to the Bank Nationalisation Bill which was struck down by the Supreme Court on the ground that the principle of payment of compensation was not laid down, this also will be struck down in a similar manner. Therefore, in order to avoid all these difficulties and complications it has been found necessary that this provision about compensation should be made.

There are criticisms made that this Bill is not going to solve any economic problems of the country. Well, this is a criticism which is coming from those who are wedded to a certain way of thinking and that is thinking on capitalist lines.

On the other hand we, who are wedded to socialism, and for which got the mandate

of the people in the recent election, have got to take all progressive measures for the benefit of the people.

Even at the time of Bank Nationalisation, all those types of criticisms, stock criticisms, were offered. There is nothing new in these types of criticisms, which are now being advanced in respect of this Bill relating to General Insurance.

Since there is not much time either at the disposal of the House or at my disposal, I would conclude by saying that I fully welcome the features of the General Insurance Bill and that I would extend my fullest support for its passage in due time. I hope that this would be only a milestone in the long march on the path of progress towards socialism and that the Bill would be replaced by more comprehensive enactment in due course of time.

**श्री दशि भूषण (दक्षिण दिल्ली) :** सभापति महोदय, मैं इस बिल को लाने के लिए श्री चव्हाण और श्री गणेश को मुबारकवाद देना चाहता हूँ। इस बिल को पहले आना चाहिए था, लेकिन यह अब आ गया, यह खुशी की बात है। जिस दिशा में हम अपने देश को ले जाना चाहते हैं, यह उस ओर एक कदम है। लेकिन जिस शकल में इस बिल को आना चाहिए, वह बिलकुल उस शकल में नहीं आया है। सरकार के सामने कुछ संविधानिक और दूसरी मजबूरियाँ हो सकती हैं। उनको पूरे तौर पर दूर करना चाहिए। जब तक संविधान में सम्पत्ति का मौलिक अधिकार मौजूद है, तब तक हम तेजी से जो कदम बढ़ाना चाहते हैं, वे नहीं बढ़ा पाते हैं।

जो कम्पेंसेशन दिया जा रहा है, वह मेरी समझ में तो नहीं देना चाहिए। ये कम्पनियाँ बहुत अधिक मुनाफा कमा चुकी हैं। उन्होंने जो शेयर लिए हैं, उनके मुनाफे से उन्होंने इतना फायदा उठाया है कि अब उनको कम्पेंसेशन देने की जरूरत नहीं है। जो विदेशी कम्पनियों को गिरफ्त में लिया गया है, वह एक बहुत बड़ा और जरूरी कदम है। इससे हम सरकार की और भी नई दिशाओं देख सकते हैं। ये विदेशी जेनेरल

[श्री शशि भूपण]

इन्श्योरेंस कम्पनियों देश में कुछ हद तक करप्लान फलाने में कामयाब रही है। हमारे देश में दुबई वगैरह से तीन गी करोड़ रुपये का जो मोना चोरी से आता है, ब्रिटिश इन्श्योरेंस कम्पनी उसको इनशोर करके भेजती है। इसलिए, सरकार ने इन विदेशी कम्पनियों पर हाथ डालकर बहुत अच्छा किया है। इसी तरह उमे विदेशी बैंकों पर भी हाथ डालना चाहिए। उनका राष्ट्रीयकरण भी बहुत जरूरी है। ये विदेशी कम्पनियां हमारे देश का एन्सप्लायमेंट ही करती रही है। सरकार ने उनके प्रति जो रुख अपनाया है, हम चाहेंगे कि विदेशी बैंकों के प्रति भी धीरे-धीरे उसका यही रुख हो, क्योंकि उन्होंने भी हमारा स्कालायटेशन किया है। जब भी हमारे देश पर मुम्बिन का वक्त आता है, तो जिन बड़े बड़े राष्ट्रों की ये कम्पनियां है, वे हमारे विरोध में खड़े हो जाते हैं। आज भी हम देखते हैं कि ब्रिटेन हमारे खिलाफ क्या कुछ नहीं कर रहा है। उमे जब भी मौका मिला है, उमने हमारे हितों के खिलाफ काम किया है।

इन कम्पनियों में जो कर्मचारी काम करते हैं, ख्राम तौर से बैंकों के राष्ट्रीयकरण के बाद से वे लगानार यह प्रयत्न करते रहे हैं कि इन कम्पनियों का राष्ट्रीयकरण कर लिया जाये। आज उनको अपने मकमद में कामयाबी मिली है। अच्छा हो, यदि इन कम्पनियों के मैनेजमेंट में कर्मचारियों की यूनियन्ज को रिप्रेजेंटेशन मिले, जैसा कि एल० आई० सी० में किया गया है। उम वक्त ये कस्टोडियन अपनी आदतें बदलेंगे और कर्मचारियों के साथ मिलकर काम करना सीखेंगे। इस वक्त तो उनकी यह आदत नहीं है। ब्यूरोक्रेसी बहुत से रास्ते रोकती है। इन कम्पनियों में जो कस्टोडियन आये हैं और हमारे आसपास जो ब्यूरोक्रेट्स हैं, उन दोनों की शक्त में ज्यादाा फर्क नहीं है। इसलिए यह जरूरी है कि ट्रेड यूनियन्ज को मैनेजमेंट में रिप्रेजेंटेशन दिया जाये।

जिस तरह रूबी इन्श्योरेंस कम्पनी की जांच हुई थी, उसी तरह सरकार दूसरी कम्पनियों के बारे में एन्क्वायरी करने के लिए एक कमीशन बनाये। और भी ऐसी कम्पनियां है, जिन्होंने बहुत ज्यादा बंगलिंग किया गया है। एक कमीशन बनाकर उसको जनता के नोटिस में लाना चाहिए। जब तक ऐसी कम्पनियों की एन्क्वायरी न कर ली जाये, तब तक उनको कोई कम्पेन्सेशन न दिया जाये।

इन कम्पनियों के कर्मचारी बहुत आशाये लगाये हुए हैं। वे सरकार की हर तरह से मदद करेंगे, जैसे कि बैंकों के कर्मचारियों ने की है। उनकी आशाओं को मद्देनजर रखते हुए, सरकार छोटी और बड़ी कम्पनियों के कर्मचारियों की तन्स्वाहो के भेद को कम करे। बड़ी कम्पनियों को नो कम्पेन्सेशन देना ही नहीं चाहिए। अगर छोटी-छोटी कम्पनियों को थोडा बहुत दे भी दे, तो कोई बात नहीं है।

मैं फिर सरकार और श्री चव्हाण को मुबारकबाद देता हूँ।

SHRI C. M. STEPHEN (Muvattupuzha): I rise to support this Bill. I congratulate the hon. Finance Minister on his having brought forward this long-awaited measure. This Bill and the spirit underlying it have received general acceptance and approval from this House.....

SHRI ISHAQ SAMBHALI (Amroha) : I take it that the hon. Member is definitely against compensation.

SHRI C. M. STEPHEN : The demand voiced not only in this House but throughout the country has been for this measure so that, if I merely say that I support this Bill and that I congratulate the hon. Finance Minister on his having taken this step, I would not be making any fresh contribution to the debate which has been going on. Understandably, certain reservations have been expressed by certain friends in this House, because they have been taking a line which is in tune with their general line of

thinking, namely that nationalisation is bad, if things are to go on well the private industries alone can do it, Government or the public sector cannot do it, things cannot function in that way and so on. That sort of pessimistic approach has become ingrained in the minds and in the thinking of a certain section in our country. It is time they fell in line with the general trend of thinking in the country.

The question that has been in the minds of the common men is this. All round nationalisation has been taking place. Life insurance was nationalised 15 years ago. Banks have been nationalised. Sectors of industry are being nationalised. The present total investment in the public sector is about Rs. 3,500 crores. We are aiming to expand it to Rs. 6,400 crores by the close of this five year period. So nationalisation is accepted. If all round nationalisation is accepted and the entire credit system has been brought under the control of the nation, the question in the mind of everybody is why general insurance should remain apart. The question is not why we must proceed to nationalise it but it is why we should not have done it earlier, because in the whole canvas of all round nationalisation, if a small patch of general insurance remains isolated and in the hands of a few, it presents an anachronistic picture which is difficult to understand or appreciate.

In all these measures, as you pointed out when you spoke, the question is not how much money we are getting, how much advantage we are getting, but one of principle, whether any citizen in this country have the right to handle another man's money with a view to make a profit out of it for himself.

Banks were nationalised. That step has a basic validity in the context of the development of our economic structure. But apart from that, the fundamental principle which appeals to the imagination of the common man in this country is this : my small deposit is being handled by a few people ; they have no business to do so ; therefore nationalise it. In regard to life insurance, I pay my premium month to month but it is handled by a few who have no business to do so. Therefore nationalise

it. If this principle is accepted, nationalisation of general insurance fits into the pattern of our structure and there is no escape from nationalisation.

Even as the private sector has managed it, the record, so far as general insurance is concerned, is not very creditable. Take the figures for 1950 and 1970. Have they expanded to the extent they should have ? Industrial expansion has taken place ; there has almost been an explosion in certain sectors. Our national income has gone up ; economic activity has increased. But has general insurance kept pace with this ? In 1950, the gross premium income was Rs. 20 crores and in 1968, it was Rs. 112 crores. It should have been much more.

Also the conventional and conservative method of general insurance as handled by the private sector will not meet the needs of the nation today. As has been pointed out from different quarters in the House, the question of profit or loss is not so material. What we have to consider is how many varieties and types of cushion can be provided, how many different areas have to be covered and how cover can be provided to the people who have to face new hazards in their day to day life as a result of the developments and innovation that are taking place. All of them must get the advantage of insurance protection. The private management will certainly not be equal to these challenging tasks. So this measure was long overdue. The Finance Ministry and the Finance Minister have only responded to the demand of the country. He has only demonstrated by bringing this measure and the others proposed by him in his Budget, which are coming up for discussion tomorrow, that the party to which he and I belong, and which he leads means what it says and in terms of the mandate we have received at the elections, we are seeking to implement our election promises. One by one they are being implemented.

As far as compensation is concerned, I do agree with Shri Shashi Bhushan and others, but it is no use ignoring certain hard facts. Enough has been said and enough number of times has it been said by the Supreme Court that the constitution being what it is, compensation has got to be paid

[Shri C M Stephen]

in certain cases. We on this side do not believe in bringing forward a measure for the purpose of demonstration and for playing to the gallery, irresponsibly unconcerned as to what the measure will come to ultimately. We do not want to foster a child to be cut down by somebody else. Therefore, as the father of the child we believe in taking enough precautions so that the child may survive the birth and carry on. So, it is necessary that compensation should be provided.

I do not think anybody is happy to have to pay compensation and the voice is certainly loud on this side of the House that steps should be taken early enough to the extent possible to amend the particular provisions of the Constitution which will enable us to nationalise without compensation wherever compensation is not legitimately or righteously payable. This is an instance where it may not be righteously payable but the question is whether we should wait until the proposed amendment to the Constitution takes place or bring forward a measure paying compensation and proceed to the other measure ultimately. The national urge is there for nationalisation and therefore, the first step is being taken and the management has been taken over. Nationalisation will come later on as the Finance Minister has assured us.

I was certainly pained when I heard certain observations from a very valued friend on the other side. He was saying that this has been done because we were subjected to a certain pressure from some quarter that because somebody had paid election money or something like that we bowed our heads to them. Is it not too late to say this? Has not sufficient happened in this country which will prove to anybody that this party which is sponsoring this Bill has mustered enough strength, enough moral courage, enough strength of backbone to stand up to any pressure that may come up? Do you think that this party which could nationalise the banks, this party which could stand up to the Princes, this party which could nationalise life insurance, this party which is going ahead with the nationalisation of industries, this party which has defied the tallest of men and the tallest of forces in

this country, is bowing to what you call the pressure of the small fry which is represented by general insurance? It would have been better if my friend had argued without that insinuation (*Interruptions*)

I am very much amused at the interruption by Mr Joytirmoy Bosu. I have seen enough of the performance of his party in my State. I have seen his party fostering Bills deliberately to get them butchered at the hands of the judiciary. I have seen his party fostering a Bill playing to the gallery, taking it to the court and getting it butchered and then saying that it is the Constitution that has done it, that they are all right.

SHRI JOYTIRMOY BOSU You paid an excess compensation of Rs 40 crores to the bankers by injecting two contradictory clauses.

SHRI C M STEPHEN Mr Bosu must have been in Parliament for quite a long time but may I teach him the elementary lesson of not interrupting a speaker unless he yields. He has mustered a great lot of undigested data which he is giving out from time to time, data absolutely uncoordinated, and like a school boy he is saying these things now and then (*Interruption*)

I am not yielding. I am addressing the Chairman.

MR CHAIRMAN I request you to come to the subject.

SHRI C M STEPHEN What I said was that his criticism should have been more charitable. Not that it is going to affect us, not that it is going to wound us at all, but the hon. Member who made that criticism should not have allowed himself to be exposed to such cheapness. That is all that I say.

As for the four corporations that are contemplated, I say that it is the best sort of set up that could be thought of. Let there be some competition between the different corporations which will certainly be better than one monolithic corporation. On that also I compliment the Finance Minister for this particular provision which has been

brought in. I am happy that the long awaited Bill has been brought in and I support the Bill.

**SHRI YESHWANTRAO CHAVAN :** Mr. Chairman, the Bill has had perhaps with the only exception of the hon. Member H. M. Patel, the fullest possible support that it deserves. Even Mr. Patel did not controvert the issue, he merely expressed his ideological attitude towards the question, though he accepted it as a reality and tried to make some constructive suggestions which I consider more important. Two points were debated here. One has legal implications and the other has political implications. I am sorry that Mr. Chatterjee of the CPM who made a very good contribution to the debate is not present here now. I should like to take his point first. He referred to article 31A(1)(b) : taking over of the management of any property by the State for a limited period either for public interest or in order to secure proper management. The basic point is that the management is to be taken for a limited period. It is to be taken for a limited period either in public interest or for proper management, but ultimately the intention is to return the management. We have got some history behind this law. I find that there was some Supreme Court judgement in 1964 in the Dwaraka Das Srinivas versus Sholapur Spinning and Weaving Mills Ltd. After this judgement article 31A was substituted. It is after that that the Life Insurance Corporation Bill was introduced. The present Bill is modelled on that Bill. There management was taken over and arrangement for compensation was made.

16.32 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The reason was that when the management was taken over it was not taken for a temporary period or for any definite period. The intention is to take over the management and ultimately to take over ownership also. We are not making any secret of it. That is our commitment and it is the direction in which we want to go. Hon. Member Mr. Mahajan very competently pointed out the circumstances when it can be considered as a sort of a malafide action. We have to take the fact as it is. The Hon. Member Mr. Stephen pointed out that we have to function at the present moment

within the Constitution as it is, and the interpretation given to it. When we pass a legislation today we have to take these facts into account. Whether one agrees with it or not, it is a different matter. I am not going into the question of compensation for acquisition. That is a matter which is completely different and which will be debated and considered on merits when it comes up for discussion. I have no doubt that politically speaking it is quite essential that we go into the question of amendment of the Constitution. As for the right of property we want to regulate it so that there would not be any disparity or concentration of wealth. These are two basic commitments which we have made in our manifesto.

In the light of all that, certainly certain amendments to the Constitution are called for. But that is a different matter. At the present moment, when we frame a law and when I commend any legislation here, we must take into consideration the present legal position as expounded in the judgments of the Supreme Court. Therefore, it is very difficult to accept the interpretation given by Mr. Chatterjee. It will be making fun of ourselves if we have to take some chance interpretation and bring in a legislation on that basis and get it reversed. It brings unnecessary conflict between the judiciary and the legislature and it creates unnecessary tension in the country. We do not propose to do that sort of thing.

The hon. Member, Shri Banerjee, made a reference to a certain law that they had passed in West Bengal when the State Government took over their tram service. I would like to read the section under which they had taken it over. They had taken it only for a definite period ; not only for a definite period but this is what they have said. It is very interesting. In section 3 of the West Bengal (Calcutta Tramways Company) Act, they have said :

“Provided that the State Government may with the approval of the State Legislature cancel such an order at any time before the expiry of the said period.”

So, in the legislation that they had passed, they indicated their intention, not only of returning the management at the

[Mr. Deputy Speaker]

end of the period but also with the approval of the Legislature, to cancel the take-over even earlier than the due date. This is not our intention when we are taking over the general insurance business here. We do not propose to do so. (*Interruptions*)

SHRI JYOTIRMOY BOSU : No compensation was paid. (*Interruption*)

SHRI YESHWANTRAO CHAVAN : We helped you to take over. You do not know. We had helped you to take it over. I know. At that time, previous sanction of the President was necessary for that Bill and I was in the concerned Ministry to facilitate that. I know Mr. Jyotirmoy Bosu. (*Interruption*) You can certainly have your own differences. But do not suppose that you have got the monopoly of progressive economic philosophy as far as this country is concerned. We certainly believe in that philosophy.

SHRI JYOTIRMOY BOSU : Are you not talking to a Marxist ?

SHRI YESHWANTRAO CHAVAN : I am talking to a fellow Member of Parliament.

SHRI JYOTIRMOY BOSU : We do not pretend ; no display. (*Interruption*)

SHRI YESHWANTRAO CHAVAN : What I am telling you is, do not try to think that you have the monopoly of progressive ideology. We have got our own ideology. It may be different from yours ; it is different from yours. I do not want to hide that also. We have got our approach to our economic problems and we claim that this is the right approach, a progressive approach, which alone will solve the real problems of this country. I have no doubt about it in my mind.

SHRI JYOTIRMOY BOSU : Go to the people.

SHRI YESHWANTRAO CHAVAN : The people have already judged it very well. Where is the question of again going to the people to judge it now ? The people have already judged it. That is why we are here, and you are there. (*Interruption*)

SHRI JYOTIRMOY BOSU : You will see what happens.

SHRI YESHWANTRAO CHAVAN : Well, you are trying to prophesy. Do not try to become a jyotishi. I can understand your being an ideologist, but do not try to become a jyotishi.

The main point is this. Politically, as I have said, our approach to this matter is what it is. Coming back to the question of management, etc., some Members raised the question of certain employees connected with the Claims Bureau, etc. This is a point which we will go into sympathetically. I do not want to make any final commitment. That is an aspect which deserves to be gone into, and we will certainly discuss this matter amongst ourselves and, if necessary, with the leaders of some of the Opposition parties also, those who are interested in the problem. Mr. Banerjee came and discussed it with me this morning. We ourselves have already started thinking about it, but I cannot make any final commitment on this issue, because this is a matter which needs to be gone into very carefully.

Some hon. Member raised the question whether it is right to put the same people in charge of this, the people who never had any faith in nationalisation. Well, yes and no ; the answer is both ways. Certainly we should not have such people as are so prejudiced against nationalisation that they are likely to subvert the whole thing. But there are some people who have got experience and who are committed to insurance, whether nationalised or not. If we can make use of such experts, there is nothing wrong. When Mr. H. M. Patel was a leading officer—Secretary in the Finance Ministry—as Government servant, I think he did excellent service in constructing the nationalisation law. When his capacities were nationalised, he did good work. Now when he is a Swatantra, he is quite different. If we can make use of honest, capable, experts for constructive activities in the nationalised sector, we should do so.

SHRI S. M. BANERJEE : Their antecedents should be verified before putting them on the job.

**SHRI YESHWANTRAO CHAVAN :** If there are certain people whose antecedents are such that they are likely to prove harmful to the working of nationalised general insurance, certainly we will have to take action. The appointments we have made are provisional. There were some people who had opposed nationalisation. I must say some of them are very honourable persons. When we offered them this new responsibility, they said, "Let us think about it. We do not want to say 'yes' immediately." They thought about it and said, 'We have been committed life-long to this insurance, and we are prepared to give out best to nationalised insurance also.' When such people offer themselves, we should not refuse them. Ultimately, they are also Indians. If we can make use of the expertise and dedication of Indians for nationalised insurance, we should certainly do so. But if later experience proves otherwise, we will not hesitate to get rid of them. When we nationalise something, it becomes a pragmatic, practical proposition to implement it properly. In the transitional period, we will have to be very careful. In the atmosphere of criticism and doubt that is being created by very powerful forces in the country, when we are undertaking the responsibility of nationalisation, it is our duty to see that it succeeds. We have to see that we make a grand success of it. Therefore, we want the co-operation of all, of the employees and even of those who have opposed it. We find people are flexible. Prof. Ranga opposed any move for nationalisation when he was here. When he is outside the House, he is supporting nationalisation. People are liable to change their views. Certainly we want cooperation from every sector to see that general insurance becomes a success.

I do not want to reply to Mr. H. M. Patel's argument. He has merely put on record his general ideological attitude towards nationalisation. He quoted our Prime Minister saying, "We do not believe in nationalisation for nationalisation's sake". Certainly it is so. We are not making a dogma of nationalisation. But when nationalisation is a powerful instrument to strengthen the social forces in the country, certainly we do believe in it. I do not want to go into ideological questions. In his entire speech, his attitude was one of constructive co-operation and I welcome it. When we

construct the new Bill, if he can give suggestions, they would be welcome. In the meanwhile if he has other suggestions about running the management in a more efficient manner, certainly we will welcome those useful suggestions from him.

Sir, I do not want to say anything more. I thank the House for the very splendid support it has given to the Bill.

**MR. DEPUTY-SPEAKER :** The question is :

"That the Bill to provide for the taking over, in the public interest, of the management of general insurance business pending nationalisation of such business, be taken into consideration."

*The motion was adopted.*

**MR. DEPUTY-SPEAKER :** We will now take up clause by clause consideration. The question is :

"That clauses 2 to 17 stand part of the Bill"

*The motion was adopted.*

*Clauses 2 to 17 were added to the Bill.*

*Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill*

**SHRI YESHWANTRAO CHAVAN :** I beg to move :

"That the Bill be passed"

**MR. DEPUTY-SPEAKER :** The question is :

"That the Bill be passed"

*The motion was adopted.*

16.47 hrs.

**GENERAL BUDGET, 1971-72—GENERAL DISCUSSION**

**MY DEPUTY-SPEAKER :** The House will now take up general discussion of the General Budget.