

MR. DEPUTY SPEAKER : There are no other amendments.

The question is :

“That clauses 5 to 17, Clause 1, the Enacting Formula and the Title stand part of the Bill.”

The motion was adopted

Clauses 5 to 17, Clause 1, the Enacting Formula and the Title were added to the Bill

SHRI YESHWANTRAO CHAVAN : I beg to move :

“That the Bill, as amended, be passed”

MR. DEPUTY SPEAKER : The question

is
“That the Bill, as amended, be passed”

The motion was adopted

13 07 hrs

MOTION UNDER RULE 388

SUSPENSION OF PROVISIO TO RULE 66 IN
RESPECT OF EMERGENCY RISKS
(UNDERTAKINGS) INSURANCE
BILL

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

“That this House do suspend the proviso to Rule 66 of the Rules of Procedure and Conduct of Business in Lok Sabha in its application to motions for taking into consideration and passing of the Emergency Risks (Undertakings) Insurance Bill, 1971.”

MR. DEPUTY SPEAKER The question is :

“That this House do suspend the proviso to Rule 66 of the Rules of Procedure

and Conduct of Business in Lok Sabha in its application to motions for taking into consideration and passing of the Emergency Risks (Undertakings) Insurance Bill, 1971.”

The motion was adopted

13 08 hrs

EMERGENCY RISKS (UNDERTAKINGS) INSURANCE BILL

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

“That the Bill to make certain provisions for the insurance of certain property in India against damage arising from emergency risks and for matters connected therewith or incidental thereto, be taken into consideration.”

Sir, I have practically the same arguments which I gave for the other Bill that was for “goods” and this is for “Undertakings” including factories. I do not think I need take the time of the House in repeating the same arguments.

SHRI JYOTIRMOY BOSU (Diamond Harbour) : I am not wanting to rub things into the skull.....

MR. DEPUTY SPEAKER : Order, order.

SHRI JYOTIRMOY BOSU : Why are you so anxious to save the Government from its failures and lapses ? You talk about relevancy even if we say one line. At least there should be an appearance of impartiality.

Mr. Chavan has not cleared one thing. Is he going to, in substance, give general insurance policy to handle this business and, if not, what is the reason ?

*Moved with the recommendation of the President.

[Shri Jyotirmoy Bosu]

Secondly, we want a clear and categorical assurance and the date-line about giving coverage to industrial and ancillary workers against loss of life, injuries and loss of earnings and also a date-line for the other Bill, that is, the Personal Injuries Emergency Provisions Bill. We want to hear from you on that.

Then, we cannot understand if they are anxious to give coverage to the undertakings which have other forms of insurance, general funds, to cover losses and damages. You are most reluctant to give coverage to the poorest man in society, the weaker section, who has only one article belonging to him and that is the standing crop. You are granting insurance to plantations against crop. What is this? You want to discriminate the stronger section against the weaker section? You have to explain that. Because you have the garb of socialism, that is why we want to ask you... (*Interruptions*) Why has it been included? They are talking in terms of undertaking. I have asked this question. I have very scant knowledge of English. Is not 'agriculture' an undertaking? Why have you gone out of your way to exclude 'standing crops' from the purview of 'undertaking'? We want to know it.

We do not want him to say anything here. But we want to ask him, 'Have you done the civil defence estimate?' It is inter-linked. Your actuary will be asking you, 'What are your casualties and estimates?' and the premium rates will depend on that. We want you to tell us here whether you have done it or not. You need not tell us the details.

Then, premium payable in instalments in advance, for your knowledge, at annual rates, not at enhanced smaller period rates.

These are the two things we want to know.

*SHRI E. R. KRISHNAN (Salem): Mr. Deputy Speaker, I am grateful to you for

giving me an opportunity to say a few words on behalf of my party, the Dravida Munnetra Kazhagam, on the Emergency Risks (Undertakings) Insurance Bill, introduced by the hon. Minister of Finance.

I extend my wholehearted support to this measure and I should unhesitatingly commend the efforts of the Government in bringing this Bill at this most appropriate time when there is an emergency in the country. I would like to raise only a few points which are relevant to the Bill.

I would like to know from the hon. Minister whether our public undertakings like Oil Refineries, the Steel Plants etc. are covered by this Scheme. As the country's economy is completely dependent on these vital installations, they should be brought under this scheme forthwith.

The Bill provides for a maximum rate of premium of three per cent of the insurable value per annum. I would like to say here that the undertakings worth hundreds of crores are owned by big capitalists and monopolists who are capable enough to pay a higher rate of premium to protect their assets. Therefore, I am strongly of the view that the rate of premium in the maximum should at least be 5% and I wish that the Government give consideration to my suggestion.

Clause 6 of the Bill prohibits insurers carrying on general insurance business from competing with the Government under this scheme. I would like to say that both the life insurance and the general insurance have been nationalised by the Government and as such there is no private insurer at all in country. I don't think that there is any necessity for having this clause in this Bill. This clause could be deleted safely.

Under clause 10, if a particular property is to be removed to any other locality, the cost of such removal will be paid by the

*The original speech was delivered in Tamil.

Government out of the Emergency Risks (Undertakings) Insurance Fund. At a time when the nation is threatened with external aggression and all the resources of the country are to be mobilised to protect the security of the country, I do not think that this kind of generosity on the part of the Government is warranted. I would like the hon. Minister to clarify the position in this regard.

I am sure that the hon. Minister of Finance in his reply will deal with these specific points raised by me. I wholeheartedly support the Bill, which has been introduced at the most appropriate time for the good of the country.

With these words, I conclude.

SHRI H. M. PATEL (Dhandhaka) : I would like again to emphasize the same point here. In effect, in so far as undertakings are concerned, it should be easy for the Government to provide for the gap that exists, by regarding the ordinary insurance, to cover war risks; that is all that it means. That is a simple provision which can and should be made.

I would also like to ask one question of the hon. Finance Minister. Why was this particular Bill was not brought in much earlier. They must have known that war, a state of hostilities, a state of belligerency — that is the term used—exists and damage was taking place on our side of the border well before the date of the declaration of emergency. Undertakings were known to exist in the danger zone, and could have been provided for even during the no-emergency period. I believe, for instance, in the shipping industry; shipping continued to be under war risk which was provided for by payment of special premium even during the non-emergency period. The same kind of arrangement could have been made knowing that we were passing through a period of belligerency. In the case of undertakings, there would have been no hardship caused to anybody. In fact, one could have had it even on a voluntary basis. Whether on a voluntary basis or otherwise, all these undertakings which are contemplated under this

Bill would all have very readily agreed to pay the additional premium for insuring themselves against war risks. These are merely questions which I ask. Of course, I welcome the fact that this Bill is before us now.

SHRI YESHWANTRAO CHAVAN : I think most of the points have been repeated. New points were made only by the hon. Member from the DMK. He had raised two or three important points. One point requires to be answered. He has asked whether when a certain machinery or industry is shifted from one place to other, Government would take the responsibility of bearing the cost of that shifting. I would submit that the most important thing during an emergency is to see that the economy runs normally. Industrial production is the most important factor in the days of the emergency. It is really the economic capacity of the country which is the most important weapon in the hands of the country.

SHRI JYOTIRMOY BOSU : Industry without the workers ?

SHRI YESHWANTRAO CHAVAN : The workers are with us. Let not the hon. Member bother about it. They are not with him, but they are completely with us. He is angry with them because they are not with him now.

SHRI JYOTIRMOY BOSU : I think he knows it better than I do.

SHRI YESHWANTRAO CHAVAN : Therefore, it is necessary that Government should undertake to cover this risk, because as part of the general responsibility one has to do that.

Shri Jyotirmoy Bosu had asked who was going to run it. Naturally, it is the Government department which will run it.

SHRI JYOTIRMOY BOSU : Not the general insurance department.

SHRI YESHWANTRAO CHAVAN : If it is part of routine work, then we shall

[Shri Yeshwantrao Chavan]

appoint a person as an agent as is provided in the Bill, but the scheme will be run by the Government Department.

SHRI JYOTIRMOY BOSU : After having nationalised general insurance, he is again making a duplication of it.

SHRI YESHWANTRAO CHAVAN : In the case of general insurance we have just taken one step. At present, we are running their managements. We have yet to convert them into corporations and take over the entire ownership. That next step is yet to be taken. I think the hon. Member is still unaware of it.

SHRI JYOTIRMOY BOSU : I am aware of the fact that Government are paying Rs. 28 lakhs to them per mensem because they had helped their party substantially during the last elections. I am well aware of this.

SHRI YESHWANTRAO CHAVAN : I am glad that he is aware of it.

Now, we shall have to take the next step. When we take the next step, possibly some of the suggestions that the hon. Member has made can be taken into account.

The hon. Member repeatedly asked whether we had made any estimate of civil defence costs involved in this I would submit that it is rather difficult to anticipate what exactly the cost would be. I have explained in the financial memorandum attached to the Bill the difficulty which is there, because these are not matters which can be worked out in such detail, saying how much would be the loss to the undertaking, how much would be the loss of human lives and so on.

SHRI JYOTIRMOY BOSU : Still, for his information I would say that it is done. He may ask his actuaries and they will tell him that they do require some basic data to work out the premium rates. To calculate the premium rates, they will tell him that

they must have some basic data in regard to the estimate of civil defence costs.

SHRI YESHWANTRAO CHAVAN : Naturally, when we fix the premium at a certain rate, we certainly have some data with us in regard to what happened before in 1962 and 1965. We have worked out the scheme on that basis, and we have gone into it on a reasonable and rational basis. I have explained this point because Shri Jyotirmoy Bosu had raised it.

I do not think that there are any other points which need further clarifications.

MR. DEPUTY-SPEAKER : The question is :

“That the Bill to make certain provisions for the insurance of certain property in India against damage arising from emergency risks and for matters connected therewith or incidental thereto, be taken into consideration”.

The motion was adopted.

Clause 2—(Definitions)

MR. DEPUTY-SPEAKER : We shall now take up clause 2. There is an amendment by Shri N. Sreekantan Nair. I am accepting the notice of this amendment on an emergency basis.

SHRI N. SREEKANTAN NAIR (Quilon) : I beg to move :

Page 4, line 8—

after “tea estates,” *insert*—

“rubber estates, coffee estates and cardamom estates,” (1)

Page 4, line 27—

add at the end—

“rubber estates, coffee estates and cardamom estates,” (2)

MR. DEPUTY-SPEAKER : The amendments are before the House.

SHRI N. SREEKANTAN NAIR : I understand and appreciate the explanation given by the hon. Minister in regard to agricultural property. I agree that it should be compensated adequately. I am also prepared to welcome the promise of the Finance Minister that some procedure to insure workers who are made to suffer by this loss of property will also be considered. But when he brings in a provision to cover tea estates, I fail to understand why rubber estates, coffee estates and cardamom estates are omitted. Perhaps it is because they are situated down south in the country. But I want to make it clear that the moment there is an attack on the southern section, all this becomes necessary. We should not leave this gap in the Bill to be attended to if and when the need arises during the inter-session period in any way Government may think fit. These estates should not go unprotected in this emergency. This brings me again to the position of the workers. I want to ensure that if something untoward happens, there should be compensation given and immediately after that the workers should be employed back at their jobs. So the question of including rubber estates, coffee estates and cardamom estates should also be considered.

The second part of my amendment under item (o) is consequential.

SHRI YESHWANTRAO CHAVAN : Really speaking, I have not seen the amendment. In view of that, it is very difficult for me to see the implications. But I know his intention. Possibly I would discuss with him as to how it actually works out. But it is very difficult for me to accept the amendment at his stage. He can understand my difficulty.

MR. DEPUTY-SPEAKER : I shall now put these amendments to vote.

Amendments Nos. 1 and 2 were put and negatived

MR. DEPUTY-SPEAKER : The question is :

“That clause 2 stand part of the Bill.”

The motion was adopted

Clause 2 was added to the Bill

MR. DEPUTY-SPEAKER : The question is :

“That clauses 3 to 18, clause 1, the Enacting Formula and the Title stand part of the Bill.”

The motion was adopted

Clauses 3 to 18, clause 1, the Enacting Formula and the Title were added to the Bill

SHRI YESHWANTRAO CHAVAN : I move :

“That the Bill be passed.”

MR. DEPUTY SPEAKER : The question is :

“That the Bill be passed.”

The motion was adopted

13'25 hrs.

The Lok Sabha then adjourned till ten of the Clock on Thursday, December 9, 1971, Agrahayana 18, 1893 (Saka)