

17.06 hrs.

**BUSINESS OF THE HOUSE**

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): Mr. Deputy-Speaker, Sir, after I made an announcement about the business of the next week I was approached by some Members of the Opposition to postpone consideration of the Motion regarding constitution of a Committee on Public Undertakings to some time after the 24th of August and to include in its place a discussion on Railway Accidents. This proposal has been accepted by me and therefore I want to inform the House that the House will discuss Railway Accidents on a Motion to be moved by the Minister of Railways on August 16, 1962. The Motion about constitution of the Committee on Public Undertakings will come up on Monday, August 27, 1962. The rest of the programme announced by me for the week remains the same except for certain adjustments about the order announced. The new order will be—

1. Discussion on the situation along the India-China border, particularly in the Ladakh region, on a motion to be moved by the Prime Minister.
2. Discussion on the Eleventh Report of the Union Public Service Commission for the period 1st April, 1960 to 31st March, 1961, together with the Government's Memorandum thereon, on a motion to be moved by the Minister of State in the Ministry of Home Affairs.
3. Discussion on Railway Accidents on a motion to be moved by the Railway Minister.
4. Discussion and voting on  
Supplementary Demands for Grants (Railways) for 1962-63.  
Supplementary Demands for Grants (General) for 1962-63.

5. Consideration and passing of the Land Acquisition (Amendment) Bill, 1962.

6. Discussion on the Report of the Commissioner for Linguistic Minorities for the period 1st August, 1958 to 31st July, 1959, on a motion to be moved by Shri Diwan Chand Sharma and others, at 3:00 P.M. on Thursday, the 10th August.

7. Discussion on the Report of the National Industrial Development Corporation Private Limited for the period ended 31st December, 1958, on a motion to be moved by Shri Shree Narayan Das and others, at 3.00 P.M. on Saturday, the 18th August.

17.08 hrs.

**RESOLUTION RE: COMPULSORY LIFE INSURANCE—contd.**

Shri S. M. Banerjee (Kanpur): I fully appreciate the sentiments expressed by the Mover of the Resolution, Shri D. C. Sharma. He probably thought that he would be able to mobilise public opinion or focus public attention on the growing poverty of this country and lack of capacity of the people to save anything. While I support the spirit of the Resolution, any compulsion on behalf of Government in this regard may not be liked by the people. It will not only be not liked, but it may not be practicable.

I would invite attention to the fact that previously we have had the postal insurance which was very popular. People could contribute their premium from the provident fund. We demanded that wherever the workers were in more numbers, in the industrial cities, at least, they should be permitted to pay their premium from the provident fund. This has not yet been allowed. I would request the hon. Minister

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to kindly consider whether this compulsory saving in the form of insurance could be made properly if the workers are permitted to pay their premium from the provident fund, which is an asset deposited with Government. This scheme, if accepted, will help many persons to insure themselves. So, I would further request the hon. Minister to kindly consider whether a scheme can be introduced in this country as a measure of social reform or social uplift.

**The Deputy Minister in the Ministry of Finance (Shri B. R. Bhagat):** Does he want the introduction of the postal life insurance scheme?

**Shri S. M. Banerjee:** I said if it was there, people could pay from their provident fund.

**Shri Nambiar (Tiruchirapalli):** This was allowed in the railways also, but was subsequently withdrawn. Such permission can be given so that the workers can contribute to the provident fund, and the money from the provident fund can be used for this.

**Shri S. M. Banerjee:** I plead for this, because, otherwise what happens? Supposing I am an ordinary worker, I have every intention of saving money for my family members, and I insure myself for Rs. 2,000 or Rs. 5,000, whatever the sum. But what happens? I am unable to save anything and pay the premium, with the result that after one or two years it lapses.

**Shri B. R. Bhagat:** What has it to do with compulsory insurance? This is a new subject.

**Shri S. M. Banerjee:** There is no relation. I am actually speaking on the spirit of the resolution. I can correctly read the mind of Shri D. C. Sharma. There cannot be any compulsory insurance unless the State decides that there should be free insurance, that they pay the premium, but that is not practicable, because in

the First Plan we faced food shortage, in the Second Plan water shortage, in the Third Plan power shortage, and in the Fourth Plan there may be even a shortage of air. So, I would only say that the spirit of the resolution is very much appreciated, and unless the Government is prepared to have free insurance without any premium, the resolution I am afraid in spite of all the good intentions of Shri Sharma and all the blessings from us may not be accepted by the House, because it is not practicable.

**Shri B. R. Bhagat:** At the very outset I must clarify the point raised by the hon. Member who spoke last about the fact of premium being paid out of the provident fund of the employees. I am quite in sympathy with the hon. Member, but as the hon. Member would appreciate, the Employees Insurance Scheme or the Employees Provident Fund is the concern of the Labour Ministry. I think he should raise this question on another occasion with the Labour Minister when it can be fully considered. Certainly the same principles are there and arrangements should be made, that is my personal view, so that employees may have the benefit of paying premium out of their provident fund, but I will not commit the Labour Minister on that, and therefore I would request the hon. Member to raise it with him.

**Shri S. M. Banerjee:** But we have our sympathy.

**Shri B. R. Bhagat:** Sympathy, yes. Personal sympathy is there.

So far as the subject matter and the spirit of the resolution is concerned, as some of the hon. Members including the hon. Member who spoke last said, the resolution would not be acceptable to the House in the present form. I would say that the hon. Mover of the Resolution has very good intentions, and the House is in sympathy with his aspirations, but the economic

situation and other factors obtaining in the country today are such that we cannot resort to a scheme like this.

I will go into the practical difficulties of it later on, but I will first deal with the desirability, and the question of priority involved in having such a compulsory insurance in this country in any form. Some of the amendments deal with the question whether it should be for the entire earning population or a section of the citizens, whether it should be applicable only to persons with an income below Rs. 500 etc. But it comes to the same thing that we have to introduce compulsory insurance for a very large number of citizens. The incomes of these persons have been described by some of the speakers as very low; they are on a subsistence level.

I think, if I put it very bluntly, it is more in the nature of a social security scheme. In a country which has modern aspirations—leave aside all the ideological jargon and other things—in a country which has modern aspirations, which has to provide for its citizens the basic security of life, the security against unemployment, the security against sickness, the security against old age, the security against accidents, why think of security against death alone? Accidents are far more common. Old age is compulsory, even to Shri Sharma. Sickness is very common. In a country like ours, where unemployment is large, where sickness is rampant and where everybody becomes old—and may be unprovided for, particularly in a society where the joint family is breaking and all the benefits of the joint family in which the old are cared for and attended to—we have to see that these things should be provided for first and not compulsory insurance. If you view it in this context, I think public opinion is that these basic things, these basic needs of the people should be provided for. Whatever may be economic system, it would be the trend of public opinion, if you see even some of the socialistic countries of Europe. If a man learns that he has been insured

against death or if he has been insured against old age, by taking an endowment policy, if he learns that out of Rs. 50 which he earns Rs. 5 is taken towards that, he would not have that satisfaction which he would have if he knows that he is insured against unemployment or that he is insured against sickness.

The hon. Member Shri Chakraverti referred to the psychological and cultural needs of the people. I agree with him that we should try to build up a larger horizon for the people in terms of psychological, cultural, social and economic needs of the people.

The only point is that this is not the way of providing compulsory social insurance for everybody. Apart from other difficulties, it will not be the way towards the satisfaction of the basic needs of the people. Therefore, as a social security scheme, I would put it bluntly, this should come last. Other needs like unemployment insurance, insurance against sickness should come first.

I would go a step further and say that if the risk of unemployment, sickness and old age is provided for, people would not need any compulsory life insurance. I personally feel that it would not be necessary. That is why in countries like Sweden or other Scandinavian countries or in the more advanced countries where every need is provided for, there is no need felt for such compulsory insurance, for, the State takes care from the cradle to the grave. Nobody bothers about what happens after death. In the order of priority, there is not that urgent need for compulsory insurance.

If we analyse the scheme as such, in a country like ours, the scheme presupposes that each citizen must be an earning citizen. I do not know what he means by 'earning citizen'. A large mass of people in our country live in the villages; they are under employed. We cannot distinguish in a family who is earning and who is not. Again, they must have a regular fixed income before this can be done. Many of

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them do not have. How are they going to pay the premium? We may have necessarily to subsidise them if we have compulsory insurance. Even if the House accepts it the costs would be prohibitive. It is for the House to determine whether we are going to build up positively the economic structure in the country progressively or spend our money and resources or a part of them towards schemes such as the compulsory insurance. It is again a question of priority: whether we should subsidise.

Then again there are other difficulties about definitions. How can we define an 'earning person'? Even if incomes below Rs. 5,000 are to be taken, there will be practical difficulties. Then, what sort of policy would it be? Would it be the same type of policy given to the other categories of people? Then there are a large number of unemployed or under-employed people.

If they are to be taken as 'earning', because part of the time they may be earning, they may not have the capacity to pay.

If everybody is to be insured, then sub-standard lives have to be insured and it is our experience that it puts a very heavy strain on the funds of the life insurance. I do not want to go into actuarial matters to show how much it would be a strain.

**Shri B. K. Das:** But there is already a scheme without medical examination; people are insured up to Rs. 2,000.

**Shri B. R. Bhagat:** That is janta scheme or some other scheme. The point was made about the janta scheme; it is there. We are encountering difficulties and that is why it has not made much headway. We are trying to popularise it but I will come to that later on.

Suppose a man does not pay the premium. The law would have to provide some legal action; we will have to take some action and force him to pay. If it is not realised we have to

deduct it forcibly. It would all amount to a lot of friction and practical difficulties. From all these practical points of view, from the desirability point of view and also from the point of view of priority, I think the Resolution cannot be accepted by the House. We should put it in the proper perspective.

When the Third Plan was launched this matter of savings, insurance and other things came up before the National Development Council. Whatever avenue of savings was there, such as insurance, etc. was gone into. A Committee was appointed and it said that we must enlarge the area of insurance and that is what the Life Insurance Corporation is doing.

The House would be interested to know some figures. I want to give some illuminating figures. For example, since life insurance was nationalised, the total coverage of life insurance was Rs. 283 crores in 1957. The corresponding figures for 1961 are of the order of Rs. 608 crores. By the end of the third Plan we are going to take this figure to a thousand crores of rupees. In terms of policy, a crore of policies are there. One crore of life insurance policies are there in the country. Well over 50 lakhs of people are covered by life insurance. I do not want to make comparisons, but if you take the neighbouring country, Pakistan, there the number of life insurance policies is only 1,55,000, as against a crore here. So, instead of going into the negative and desultory things which will lead us nowhere, we must go on expanding and give more and more insurance coverage and reach every person. That is why, when the incomes are rising, and particularly in areas where the insurance habits are not there, the Life Insurance Corporation is going into them. We are going into more and more new towns and tehsils and the well-to-do villages. We are trying to extend the area of activity and we are taking the cooperation of the village panchayats, the co-operatives and others so that the insurance coverage is enlarged.

I want to remind the House of our experience. In the matter of small savings we are expanding our activities. But, if we try to introduce some sort of compulsion in regard to this, the results will not be good as was the case in Assam. In Madras we tried at one time to mobilise all the Government agencies and in one year we received a very big amount and it was considered to be a sort of success. But the result was, the next year, it boomeranged on us, and there was a good deal of disincentive. So, if you introduce compulsion in these matters, the result would be the opposite. Therefore, from all these points of view, whether psychological or other, from practical considerations such as high priority and other things, I think such a Resolution cannot be and should not be accepted by the House.

**Shri D. C. Sharma:** Mr. Deputy-Speaker, Sir, my hon. friend the hon. Deputy Minister has argued the case very ably. But he has been arguing from the wrong brief. The fact of the matter is that all the objections that he has put forward do not have any substance in them. There is a medical examination. How can he forgo the medical examination? On the one hand, he has been arguing in favour of the Resolution and on the other hand he has been trying to go against it. He has been blowing hot and cold in the same breath. All the hurdles which he has pointed out are no hurdles. It is only a case of will and determination. It is only a case of making up one's mind. If the Government does not make up its mind, I cannot force him.

He asked what would happen if the man does not pay the premium. What happens when a man does not pay income-tax? What happens when a man does not pay his revenue dues? What happens when a man does not pay his instalment of debt?

**Shri B. R. Bhagat:** Here, he does not have the capacity to do it.

**Shri D. C. Sharma:** The Government gets all these things. When the people pay their premium, it goes into the pocket of the people later. But the income-tax and other things go back in a different way! The obstacles which he has pointed out are not obstacles in the real sense of the term. The difficulty with my hon. friend is that he is a person who cannot launch upon a bold, social measure of this kind. He is afraid. Though he is afraid of going into the deep waters, he must know that it is going to help him and given him refreshment, to his spirit, to his body and his soul. But he is afraid of doing it. I have no medicine with me to enable a man to overcome the sense of fear. If there was a deficiency of logic, I can provide it. If there was deficiency of anything else, I can make good that deficiency. But I cannot administer any psychological medicine to a gentleman who is afraid. I have proposed something bold, a social measure of the boldest kind. In other countries, they have got compulsory insurance, insurance for unemployed people, for sickness, for maternity benefits and all that kind of insurance.

**Shri B. R. Bhagat:** But not compulsory insurance.

**Shri D. C. Sharma:** We say that ours is a welfare State. I want it to be a welfare State and so I have proposed this. But the Deputy Minister says he cannot do it. He says, the LIC cannot do it. I do not know what it means. There are 43 crores of people in my country. Taking that on an average a family consists of five persons, there are about 8½ crores of families in this country. My friend says that there are only 50 lakhs of people who are registered and there are 1 crore of policies. So, not even one man out of 10 households is registered. But still the Deputy Minister is singing a song about the glorious work that the LIC has done. He is writing a poem about it.

I think that LIC is doing good work. I am also responsible to a little

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extent for getting the nationalisation done and it is doing good work. But it is going at a snail's pace. It is a pace which is not fit for a country that is trying to proceed dynamically. What are 50 lakhs of people? If he had said that out of 43 crores, 10 crores are registered, I would have been happy. But he says 50 lakhs of people are registered during the 150 years of British rule and in the postindependence period. He holds up before me this record to make me withdraw my resolution. But I know I will have to withdraw it.....

**Shri Nambiar:** Why?

**Shri D. C. Sharma:** Because your party has let me down and everybody else has let me down. Therefore, while I stick to the spirit of my resolution and to what I have said, in the interests of this Government and of the Deputy Finance Minister who is so timid of heart and so cautious in his approach to the social problem and who thinks only in terms of hurdles, in the interests of all that, I think this resolution may be withdrawn. I may withdraw the resolution, but surely there will come a time after 5, 10 or 15 years when this thing will be done and somebody will look up the proceedings of this Parliament and say that there was somebody who thought of it at a time when nobody thought of it. I think they will also say that here was a Deputy Finance Minister who made a speech against it and here was a Member who was in favour of it. History will justify me, but history will not justify the Deputy Finance Minister of this country.

**Mr. Deputy-Speaker:** I will put Shri P. R. Chakraverti's amendment to the vote of the House. He is not here. The question is:

That in the resolution, after "India" insert—

"whose annual income does not exceed Rs. 5,000 (rupees five thousand only)" (1).

*The motion was negatived.*

**Shri B. K. Das:** I would like to withdraw my amendment.

**Mr. Deputy-Speaker:** Does not hon. Member have the leave of the House to withdraw his amendment?

**Some Hon. Members:** Yes.

*The amendment was, by leave, withdrawn.*

**Mr. Deputy-Speaker:** Does Shri D. C. Sharma have the leave of the House to withdraw his resolution?

**Some Hon. Members:** Yes.

*The resolution was, by leave, withdrawn*

17.34 hrs.

RESOLUTION RE: URBAN AND RURAL HOUSING AND SLUM CLEARANCE SCHEMES

**Shri Nambiar** (Tiruchirapalli): I beg to move:

"This House calls upon the Government to set up a Commission to enquire into the progress made in regard to the urban and rural housing and slum clearance schemes and to suggest measures for their speedy completion."

**Mr. Deputy-Speaker:** He may continue his speech on the next day.

17.35 hrs.

ARREST OF A MEMBER

**Mr. Deputy-Speaker:** I have to inform the House that I have received the following telegram, dated the 9th August, 1962, from the Superintendent of Police, Bhopal:—

"Shri Hari Vishnu Kamath, Member, Lok Sabha, was found defying ban inside regulated area in front of Madhya Pradesh Vidhan Sabha at Bhopal on 9th