

**Shri C. D. Deshmukh:** I do not share the apprehensions, fears and doubts and principles of the hon. Members. Therefore, I oppose the amendment.

**Mr. Deputy-Speaker:** The question is:

Page 1, line 13, and wherever they occur—

for "levied or collected" substitute "levied and collected".

*The motion was negatived.*

**Mr. Deputy-Speaker:** I think the other amendment has been given only just now and the Government does not accept it. According to practice and convention, I do not put it to vote.

The question is :

"That clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clauses 3 and 1, the Enacting Formula and the Title were added to the Bill.*

**Shri C. D. Deshmukh:** Sir, I beg to move :

"That the Bill be passed."

**Mr. Deputy-Speaker :** The question is:

"That the Bill be passed."

*The motion was adopted.*

## BUSINESS OF THE HOUSE

**Mr. Deputy-Speaker:** The House will now take up the next Bill.

**Shri Bansal (Jhajjar-Rewari):** Sir, before you proceed with the next Bill, I would make an humble suggestion that the House be made to adjourn now. It is already 2-5. The hon. Finance Minister has been making one long speech after another since yesterday and he is likely to make another long speech now and then he will have to present the Budget at five. From the point of view of the House also it would be better if we adjourn now and come with a fresh mind at 5 o'clock to apply our minds to the Budget speech.

**The Minister of Finance (Shri C. D. Deshmukh):** I would rather make my speech now and have my lunch afterwards.

**Shri K. K. Basu (Diamond Harbour):** Let him not impose taxes on tired minds.

**Mr. Deputy-Speaker:** We are pressed for want of time.

**Shri Feroze Gandhi (Pratapgarh Distt.-West cum Rae Bareli Distt.-East):** We have one hour extra tomorrow.

**Mr. Deputy-Speaker:** I have to make one announcement. As the House is aware, we have a heavy programme of work to be completed before the financial business is taken up. We are already short of time and there is, therefore, no option but to meet on Saturday next. The House will accordingly meet on Saturday, the 3rd March, 1956, for the transaction of Government business.

**Shri Kamath (Hoshangabad):** May I submit that in view of the fact that we adjourned on Monday on account of the death of the Speaker, it would appear indecorous for us to meet on Saturday just to make up for that loss on Monday. It would be very indecorous.

**Mr. Deputy-Speaker:** It is not on account of that; we have to get through the agenda; it is for that. We have to get through the business; therefore, we have to sit on the 3rd March.

So far as this particular work is concerned, we are pressed for time. Unless the hon. Finance Minister feels tired or it is for other reasons, I do not like to have this item adjourned.

**Shri D. B. Pande (Almora Distt.—North-East):** Saturday should not be cut. We have already agreed to sit for longer hours.

**Pandit Thakur Das Bhargava:** I understand that the House has agreed to sit longer hours—till 5-30 P.M. every day—on the basis that all Saturdays shall remain free. That was the basis.

**Mr. Deputy-Speaker:** The hon. Member is well aware that this has been the convention all through. On Saturdays we do not sit normally and therefore we have agreed to sit till 5-30 P.M. and even to start at 10-30 A.M. from the 5th March. If during the course of any day which is normally put down for business—official or non-official—the sitting of the Lok Sabha is interrupted for unavoidable reasons or unexpected reasons, we sit on the next Saturday. The two are mutually exclusive and independent of one another.

**Dr. Suresh Chandra** (Aurangabad): It has become normal.

**Shri B. D. Pande:** All work and no play makes Jack a dull boy. The Chair should not side with the Government; you are our elected 'President'.

**Shri Kamath:** You have not put the proposal to the House Sir.

**Mr. Deputy-Speaker:** I do not want to put it to the House. The hon. Finance Minister may move the next Bill standing in his name.

### LIFE INSURANCE (EMERGENCY PROVISIONS) BILL

**The Minister of Finance (Shri C. D. Deshmukh) Sir, I beg to move\* :**

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

This Bill seeks to convert into an Act the Life Insurance (Emergency Provisions) Ordinance, 1956, which was issued on the 19th January last. This was the first and preparatory step towards nationalisation of life insurance in this country. I shall now explain the reasons which prompted Government to take that major decision.

After reaching the decision to nationalise, Government considered the further action, whether any interim measures were necessary until Parliament discussed the relevant issues and passed the necessary legislation. Normally, of course, the procedure would have been to introduce a Bill incorporating a provision that transactions entered into by the management of companies after the date of introduction could be reopened by Government if it appeared that the transactions were *mala fide*. While such a provision would have been adequate for dealing with most other types of business, we felt that it would be inadequate in the case of life insurance. Our experience of the ways of the less scrupulous insurance management over the last several years had convinced us that such a provision would not prevent a serious frittering away of the assets. Insurance company managements would have had recourse to a number of ways

to enrich themselves, perhaps at the expense of the policyholders, and may be even the shareholders. Transactions could, be and almost certainly would have been, back-dated and documents manufactured to cover even misappropriations that might have occurred till then. Indeed complaints have reached my ears emanating from some managements that it was a pity they did not have another 24 hours in order to adjust the accounts. The misuse of funds is not confined to a small minority, as would be evident from an extract from a leading financial journal which I propose to read out. I may mention that the journal is one which is strongly opposed to nationalisation and had in fact criticised in no uncertain terms Government's decision in the very issue from which this extract is taken. I am quoting now.

"Thirdly, some businessmen who have been in the habit of speculation in shares with the aid of insurance companies under their control have been caught unawares. The practice of these persons has been to buy or sell shares first without telling the brokers on whose name the contracts are to be made. If the transaction resulted in a profit it was recovered in their name. If, however, it ended in a loss, it was entered in the name of the insurance company. It would appear that at the time the Government nationalised life insurance, some of these speculators had a long position in a number of well known counters or securities. As the Government gave no time for them to adjust the books of insurance companies, Mr. Deshmukh seems to have profited by his experience of the demonetization ordinance. (That was many years ago.) They had no go but to liquidate their purchases."

It is needless to comment on this very clear description of one of the well-known and well-established practices. But apart from this negative aspect, that is to say, preventing the further frittering away of the assets, we apprehended, and you will agree, not unreasonably, that even the better type of managements would lose interest in their companies. And during the period of some five to six months which might elapse between the introduction of the Bill and nationalisation, the interests of

\* Moved with the recommendation of the President.