

The Committee of Privileges did not think that it was any deliberate attempt on the part of the Ministry. They thought that perhaps these summonses were issued in a routine manner without taking care to see to whom these were addressed. Perhaps the forms were there and the summons server issued the notice on the same form. Perhaps there was no other form available under the Criminal Procedure Code; so he did not think anything special was required. The Committee of Privileges has decided that we may address the Home Ministry to take proper action so that such things may not occur again.

**Mr. Speaker:** I shall now put the motion to the vote of the House.

The question is

"That this House agrees with the First Report of the Committee of Privileges laid on the Table on the 12th September, 1957."

*The motion was adopted.*

#### INSURANCE (AMENDMENT) BILL

**The Deputy Minister of Finance (Shri B. R. Bhagat):** Sir, I beg to move:

"That the following amendment made by Rajya Sabha in the Insurance (Amendment) Bill, 1957, be taken into consideration.

##### 'Clause 1

That at page 1, line 5, for the words and figures "It shall come into force on the 1st day of September, 1957" the words and figures "It shall be deemed to have come into force on the 1st day of September, 1957" be substituted."

As the House is aware, the principal agency system came to an end on the 31st August 1957 and this particular Bill was intended to enable the firms and companies who were acting as principal agents in the past to continue business as ordinary insurance agents. It was therefore desirable that there should be no interval

between the date when the principal agent should cease to exist and the date they became eligible to be granted licence for acting as ordinary insurance agents.

The Bill, however, could not be passed by both Houses of Parliament and receive the assent of the President before the 1st September 1957 which was the crucial date. It became necessary, therefore, to amend clause 1(2) of the Bill to read "It shall be deemed to have come into force on the 1st day of September, 1957". This is the amendment that was adopted by the Rajya Sabha. I move that this may be agreed to.

**Shri Sadhan Gupta (Calcutta-East):** Mr. Speaker, Sir, I cannot say that we are too happy with this amendment because we have not yet understood why we should be so anxious to continue the system of principal agents and therefore bring back the date of enforcement to 1st September. We are not keeping up the system of principal agents as such, but what we are seeking to do is to continue the principal agents that have functioned so long.

The ground given is that the general insurance companies have decided that their services should continue. As far as I am aware, many of these principal agents are none but creations of the very authorities who control the insurance companies.

**Mr. Speaker:** Is that not a principal that has already been accepted. When we passed the Bill we accepted it. The only point here is whether retrospective effect ought to be given to it or not. We should not go once again into the question whether this system should be allowed to continue or not.

That has been accepted by the House already.

**Shri Sadhan Gupta:** I am contending that we should not give retrospective effect. We have a right to throw away this amendment. If we have a right to vote against this

[Shri Sadhan Gupta]

amendment, perhaps, I may say why we should vote against this amendment. Now that the time has passed when the system of principal agents could be enforced, I would argue that it should not be enforced retrospectively once it has expired. I would say that these principal agents are really controlled by the same authorities as those which control the insurance companies, in most cases. For example, in Ruby General, the principal agent is Birla Brothers. It is the same family which controls both. What happens in such cases is that there is considerable scope for rebating however much we want to avoid, because the agent enjoys a certain amount of commission out of the premium. Now, you can rebate at least to the extent of that commission and that is not a very inconsiderable sum. Therefore, to stop these evils, I think, once the right of the principal agents to function has expired, we should not continue this and we should not retrospectively enforce this law and enable this malpractice to continue when, as a principle, we have not accepted the necessity of having principal agents in future.

**Shri B. R. Bhagat:** The hon. Member is a seasoned lawyer. But, I could not understand his logic here. The principle has been agreed to. Through this amendment.....

**Mr. Speaker:** He was not successful then. He wants to succeed so far as this interim period is concerned.

**Shri B. R. Bhagat:** Even without this amendment, this would come into operation from the day it gets assent. The only thing is that we wanted that this period should not be there. That is the only point. It is not a substantive amendment. It is a grammatical error.

**Mr. Speaker:** That was passed only on the 4th of September. We could have made the amendment here. That does not matter.

I shall now put the motion to the House.

The question is:

"That the following amendment made by Rajya Sabha in the Insurance (Amendment) Bill, 1957, be taken into consideration.

'Clause 1

That at page 1, line 5, for the words and figures "It shall come into force on the 1st day of September, 1957" the words and figures "It shall be deemed to have come into force on the 1st day of September, 1957" be substituted."

*The motion was adopted.*

**Shri B. R. Bhagat:** I beg to move :

"That the amendment made by Rajya Sabha in the Bill be agreed to."

**Mr. Speaker:** I shall now put the motion to the House.

The question is:

"That the amendment made by Rajya Sabha in the Bill be agreed to."

*The motion was adopted.*

MOTION RE: SECOND FIVE YEAR PLAN IN RELATION TO CURRENT ECONOMIC SITUATION

**The Minister of Labour and Employment and Planning (Shri Nanda):** Sir, I beg to move:

"That the Second Five Year Plan in relation to the current economic situation be taken into consideration."

There is a general feeling that owing to certain unfavourable developments in the economic situation in the country, the Second Five Year Plan has come up against certain difficulties and is not running a smooth course. This feeling has been