

inaccuracy in reply to  
a Question

ment Policy of Life  
Insurance Corporation

[Mr. Speaker]

companies nor the Federation is in his hands. Therefore, they are trying to settle the differences, and that is the function of the Government. Still, if nothing happens it has to be regretted.

**Shri Narayanankutty Menon:** Sir, that is not a dispute between you and me. The hon. Deputy Labour Minister attributed to my letter a thing which I have not stated. Now it is for him to correct it.

**Mr. Speaker:** He must have quoted this also—if nothing happens this is what the President of the Federation says.

**Shrimati Renu Chakravartty:** May I submit something?

**Mr. Speaker:** What is it that the hon. lady Member wants?

**Shrimati Renu Chakravartty:** You should direct the hon. Deputy Minister to express regret for the mistake.

**Shri Abid Ali:** What for?

**Shrimati Renu Chakravartty:** For quoting what did not appear in the letter. I may also state that the hon. Deputy Minister is given to making insinuations in reply always. So, it is better that he does it.

**Shri V. P. Nayar:** Let him say that he could not understand that letter.

**Mr. Speaker:** I am afraid, one kind of wrong information has been answered by another kind of suggestion that he is prone to make insinuations.

**Shri Narayanankutty Menon:** I submit that the only question is that he has stated that I have written a particular sentence, and that is not there in the letter. That is the only question involved.

**Mr. Speaker:** Hon. Members will understand the scope of this entry, so

far as corrections to answers are concerned. It is always open to any hon. Member who feels that the Minister has not given a correct reply, or has understood his letter differently, to bring it to the notice of the House. I give notice to the Minister to be present here and explain it. Now the hon. Member has read out several portions of the letter, and the hon. Minister also has read out some portions. There the matter stands and nothing more is to be done. The public at large are able to understand what exactly has happened in regard to this matter. Therefore, let us proceed to the next item.

12-13 hrs.

#### MOTION RE INVESTMENT POLICY OF LIFE INSURANCE CORPORATION

The Minister of Finance (Shri Morarji Desai): I beg to move:

"That the statement made by the Finance Minister in the Lok Sabha on the 25th August, 1958, regarding the Investment Policy of the Life Insurance Corporation of India, be taken into consideration."

I have not a long statement to make at this stage, because the views of Government have been made known in the statement referred to in the motion. The statement is now before the hon. Members and the public for more than three months. I find that there is no grave criticism of this policy so far. Therefore, too, it is not necessary for me to speak now about any particular points which may arise for discussion in this policy. I should, however, welcome any suggestions or criticisms that may be made by hon. Members here after the deep consideration they must have given to this policy, and I may assure hon. Members that any suggestion that may be made will be carefully considered by Government and if any changes are necessary, the changes

will be made by Government, if Government agree with those suggestions

I may, however, mention one point, about which some doubts have been raised and that is the mention in this statement of policy that the Life Insurance Corporation will invest also in order to foster the good of the community as a whole. Some people have raised doubts that this might mean some pet schemes of Government and not considered from the point of view of the good of the policy holders. All investments made by the LIC are governed by one primary consideration, and that is they must be good and sound investments. Therefore when these investments are made for the good of the community as a whole, it does not mean that they will not be sound and good investments. That condition, of course, will be there and therefore, that feeling is not justified and it should not be there.

It has also been our experience now, though the time is very short, that during the last three months the LIC has found no difficulty in implementing this policy. They have re-constituted their Investment Committee, which is now functioning properly and no difficulties have arisen so far and it is expected that no difficulties will arise in the future. As I said before, I look forward to the criticism and the suggestions that will be made by the hon. Members in this House during this debate.

**Mr Speaker:** Motion moved

"That the statement made by the Finance Minister in the Lok Sabha on the 25th August, 1958, regarding the Investment Policy of the Life Insurance Corporation of India be taken into consideration."

**Dr Krishnaswami (Chingleput):** Mr Speaker, the hon. the Finance Minister has pointed out that the statement has been before the country for the past two months and that there has been no serious criticism made

of his policy. I am grateful to him for having apprised Parliament at last of the policy to be adopted for investing life insurance funds.

It may be that certain aspects of this policy are not satisfactory, it may be that other aspects can be improved upon. But here is something substantial on which the House can pronounce its views. What is the policy that should be adopted in investing the funds of the life insurance corporation? When we nationalised the insurance companies—the 240 odd insurance companies—as my friend points out in his statement, we took a revolutionary step, the full implications of which were not understood or apparent, even to those who were most vocal on the subject of strategic controls. The extension of provident fund schemes to cover industrial workers, the nationalisation of the Imperial Bank, the nationalisation of the 240 life insurance companies and the creation of rupee accounts by foreign Governments all taken together, Mr Speaker, constitute a radical transformation of our monetary system and public debt policy. It is to be hoped that these extra-departmental funds that will be wisely invested so as to promote the greatest interests of our community. We have today acquired command over the annual net investible income of the LIC to the tune of Rs. 35 crores to 40 crores. The addition to the provident fund each year would be of the order of Rs. 20 crores, the Deposit reserves of the State Bank, though they fluctuate from year to year, would be on the average one-fifth of the total resources of the scheduled banks. The rupee accounts of the foreign governments which augment, at least temporarily, the reserves of the State Bank would also be substantial. These extra-departmental funds, if they are utilised with wisdom and vision, can be shaped into a potential instrument for promoting economic development. What is the policy that should be pursued in investing these life insurance funds? In my opinion, the interests of the policy-holders must have the highest

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priority. Secondly the wider social purpose of lending stability to the gilt-edged and equity markets should be borne in mind. As regards the interests of the policy-holders, it is the opinion of most of us that today, after nationalisation, the primary security for these policy holders comes from the State. It is, therefore, necessary that we should invest in those funds hereafter on a basis which ensures as high a profitable return to the policy holders as possible, rather than concentrate on investments which yield only a safe return. Therefore, one cannot appreciate the significance that is attached to section 27A by the hon. Finance Minister in his statement. We had nationalised the life insurance companies in order to prevent mis-use of funds. If this was the alleged motive of nationalisation according to Shri C. D. Deshmukh the then Finance Minister, it stands to reason that we should not necessarily subscribe fully to section 27A as the Minister apparently is doing. For, what was the purpose of having section 27A in the original insurance Act? The purpose was to prevent mis-use of funds by the various private companies and to protect the interests of the policy holders. Now that we have got over that, it is not necessary to fix such a high proportion as 50 per cent for being invested in gilt-edged securities, to impart strength and stability to gilt edge market, a very valuable objective, particularly which is a valuable objective which can be promoted by the use of extra-departmental funds. I suggest that it may not be essential year after year to insist on the investment of 50 per cent in gilt-edged securities. Sometimes, in one year, it may be necessary to invest only 25 per cent. Sometimes, in another year, it may be necessary to invest only 15 per cent in gilt-edged securities. Sometimes, in another year, it may be necessary to invest even 75 per cent. I should not like a specific rule tying down that to be placed in the statement of policy. Perhaps, the Minister

might answer pointing out that in the early years until we have acquired experience it is necessary to follow a rule of thumb, as it were, and suggest that 50 per cent should be invested in gilt-edged securities. I would like to suggest at this stage that we should have a sense of perspective in appreciating how much should be invested in gilt-edged securities.

What is the position that we are facing today? Our long term borrowing programme for the coming seven years would be to the tune of Rs. 200 crores per year. According to the present estimate, taking into account the annual accretion to the provident fund and also the amount that is going to be allotted out of the life insurance funds, we would have subscribed about one-fifth of the annual issue. It may not be necessary, as I pointed out, and it is not necessary merely to subscribe out of this fund a specified amount. What is necessary is to give support to the gilt-edged market. It has also been pointed out that 35 per cent will be invested in approved investments. Here, I should like to suggest that when we suggest that these funds should be invested in approved investments, concentration or the accent should be on those approved investments which yield as high a profitable return as possible I am suggesting this caution at this stage because, there is a certain tendency in certain circles, particularly among the hot-gospellers of the public sector to suggest that all this 35 per cent should be concentrated only in safe investments and not in those which are as profitable as possible in the approved investments. The remaining 15 per cent is to be invested in other investments.

One would like to ask certain questions. Year after year, the life insurance funds will be increased. There is a snow-fall effect, as it were in the case of most of our life insurance companies. But, let us realise

that the increase in the life insurance funds will come from the pockets of those who, in nine out of ten cases, would have invested in equities. It is proper that we should invest in equities and the investments should be distributed as widely as possible, and there should be concentration on potential value. For instance, the annual demand of the public sector is of the order of about Rs. 200 crores for lending and other needs. There is no reason to expect that the private sector demand would be any less. It would also be about Rs. 250 crores. What is sucked out of private individuals should also be allowed to flow in some measure into those industries which would be vital for promoting our development. The L.I.C., in my opinion, should certainly play a very vital part in the absence of an organised capital market. There is no reason why the Life Insurance Corporation should not play a positive role not only in buying debentures and shares but also in sponsoring and starting new ventures, and maintaining the strength and stability of the stock markets.

From this it follows that certain codes of conduct will have to be observed by the Life Insurance Corporation. The Life Insurance Corporation must pass a self-denying ordinance not to use its holdings of shares in companies in order to acquire control over them. After all, the logic of the existence of the Life Insurance Corporation is one of imparting strength and stability to the equity market. It cannot be an agency for acquiring control and if it attempts to acquire control over, for example, the A.C.C. it would have its hands full with management and even cease to maintain strategic control over the economic sector. In short, the Life Insurance Corporation cannot be used for acquiring control by backdoor nationalisation. In fact, it is a salutary rule to propound at this stage that a financial institution should not be used for acquiring control over other companies for the purpose of

managing them. Indeed, it ought to be clear that at times, there would be a sharp conflict between managing a company and promoting the basic interests of the economy. At this stage, the Life Insurance Corporation should not be placed in the unenviable position of having to reconcile what may be the two irreconcilables.

I should like to take up another point which is of very great importance. That point has been referred to by the hon. Finance Minister in a rather cursory manner. For the purpose of giving strength to this argument, may I have your leave to quote from the statement which has been presented by the Finance Minister? The statement remarks:

"It will, therefore, invest in ventures which further the social advancement of the country. It will take no parochial view. Its funds are drawn from all over India and they will—as far as practicable considerations allow—be invested for the good of the entire country. Thus, there shall be a studied diversification of its investible funds which is an essential requirement of any insurer, particularly the sole insurer of a country."

These are excellent sentiments. But the question arises, is the Life Insurance Corporation going to be in a position to promote these ideals. I want to ask the Finance Minister this straight question. What has been done during the past two years? During the past two years, the Life Insurance Corporation has been in existence. How far has it promoted diversification of investments? There is a feeling in many circles in this country that this large monolithic Corporation, by the very fact of its largeness, by the fact of its operating from centres like Bombay and Calcutta, will not be interested in other centres or other areas of this country. It is a point of view which has to be taken into account by those who are responsible for the financial management

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of our country. A large corporation, by the very fact of its largeness, necessarily has a bias for concentrating on large investments in certain areas, and we who are aware of how economic development takes place, realise that large funds will flow only into those areas which are very largely developed.

Besides, when we talk of parochialism, let us bear in mind that before nationalisation we had 240 odd insurance companies which were investing in some small measure in different parts of India. Having nationalised these companies overnight, it may be that those centres which had these funds might be starved for want of funds. So, parochialism is not an unambiguous concept and it has to be investigated more closely. I would ask the Finance Minister in particular to lay on the Table of the House on another occasion, or towards the end of this debate, a statement showing how the Corporation, during the past two years, has distributed its funds and in what proportion it is done. It is an important issue on which we should like to make up our minds, and I am only placing this as a positive suggestion for him to consider.

I have always held the view that a monolithic corporation will not operate very efficiently. The only two controls that we have over the Corporation are the Minister's supervision and Parliament's exercise of the power of questioning and having debates on the Corporation. I do not refer to what happened in the past, but I do realise that a Corporation which is very large and which has no competitor at all might really suffer from the very fact of not having competition. Even when we have nationalised life insurance business there is scope for permitting competition provided we split the Corporation into five corporations and allow them, nationalised though they are, to compete with each other. It is not

a prospect from which we need quail, and it is a point which we ought to consider definitely, because I feel that unless there is competition, it may not be possible for us to realise whether the business is run very efficiently. It is only when something goes very wrong, or something goes away with the Corporation, that Parliament will be seized of the matter. After all, we realise that Parliament cannot interfere in the day-to-day administration of the Corporation. That would be disastrous. Therefore, from the point of view of our knowing what is happening, it would be better to consider seriously the advisability of splitting the Corporation into five corporations competing with each other, thus being able to bring about a greater amount of efficiency among the different corporations. It is only a suggestion that I am throwing forward. I believe in that case some of the objectives and sentiments that the Minister has given expression to in this statement of policy would be translated into practice more easily than would happen otherwise.

There is one particular paragraph which heartened me in the statement. The Minister points out that the Controller of Insurance would have details regarding the Corporation's investments, but what would be the purpose of the Controller of Insurance having this information? That information should be readily available to Parliament, and it would be an advantage for us to have such information because we would be in a position to throw light on the Corporation and its activities. I do want to point out that after all that has occurred, this Parliament cannot afford to dissociate itself from displaying an active interest in the affairs of the Corporation.

As I pointed out, we have taken a very big step in nationalising life insurance business; but Parliament would continue to take a very energetic interest in how the Corporation

distributes its investments, how far it really supports the equity markets, and how far it is able to promote not only the interests of the policyholder but also the interests of the community as a whole

I am very thankful to the hon. Minister for having placed before us a substantial document, and some of the criticisms that I have made will, I hope, receive his earnest consideration, and there might be some modifications made. I do realise that in the case of this Corporation which is a financial institution, we would have to take a great deal of care when we attempt to criticise its activities. It does not mean that on that account we should not have an opportunity of reviewing its policies continuously. Indeed, I should like to make the suggestion to the Minister that once in six months a statement on the Corporation's activities should be placed on the Table of the House so that we might have an opportunity to suggest amendments of policies to promote greater diversifications of investments which he suggests, should be one of the key features of the policy of investment of the Corporation.

**Shri Bimal Ghose (Barrackpore)**  
It appears to me that two considerations are involved in an examination of the problem before us. One is the question of the investment policy, the other is that of the machinery for making investments in pursuance of such a policy.

With regard to the investment policy, I might cursorily refer to the point of view expressed in certain circles as to whether there was any necessity for enunciating an investment policy. Their point of view is that since the life insurance business was nationalised for making resources available for the Plan, the best course would have been to leave all the funds in the custody of the Government at a guaranteed rate of interest, allowing the Government to invest the funds in such ways as they felt necessary in pursuance of the Plan. I do

not think that is a view that should be acceptable. It is necessary that the Corporation should have an independent policy of its own.

**Mr Speaker:** Why were these companies nationalised? What was the primary object of nationalising the life insurance companies?

**Shri Bimal Ghose:** The primary object was that their funds should not be misused, and since the Government has control over the whole economy, wherever the Corporation may invest its funds, it must be in pursuance of that policy that is embodied in the Plan, whether the funds are given to the Government or even left with the Corporation, because if you invest in the private sector, that also will be in pursuance of the Plan.

This policy which has been enunciated and laid before us more or less follows section 27A of the Insurance Act, and it has come, I believe, after the report of the Chagla Commission because of the recommendations made in that Commission's report. There have been some modifications and I first want to examine the modifications made in the old section 27A.

One is in regard to section 27A(4), viz. that now the Corporation is permitted to invest up to 30 per cent of the equity share capital whereas under the old Act the percentage was 10 not in the equity share capital only but of the subscribed share capital and debentures of any one company. The reason given now is this that so many insurance companies have been nationalised that the figure of 10 per cent is not relevant now. It is a fair consideration, because I believe the principle behind the original section 27A was that no insurance company should be in a position to have too much influence in regard to any one particular company in the private sector and control too much of its shares. It is not that so many insurance companies have been

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nationalised and therefore the figure should be increased from 10 to 30 per cent. If we accept the principle that no private company should be controlled too much by any insurance concern, whether it is of the Government or under private auspices, then the figure of 30 per cent is high. I should suggest that the figure may be lower at 15 per cent with the proviso that if Government so decide, they may invest as much as they want in any company, because I am not against the Corporation securing even a major share in any one company provided the Government think it necessary and decide that it is in the national interest, but otherwise I should think that the percentage of 30 should be brought down.

In this connection I may ask the Government: when they have modified section 27A(4) why is it that section 27A(3) has not been modified since that is also based on the same policy, namely, that no insurance company should invest more than 2 per cent in any banking company or investment company? That has not been modified now to say that the Corporation may invest up to, say, 10 or 15 per cent of the shares of a banking or investment company. Section 27A(3) has not been modified, and, therefore, I think that it is not right to have modified section 27A(4)

The second modification is in regard to investments in private companies I should like to know whether it is Government's intention that private companies in the private sector would also be considered good enough for investment by the Life Insurance Corporation or whether this amendment has been made merely to enable the Life Insurance Corporation to invest in the private companies in the public sector only.

There are two other aspects of investment policy which deserve notice. One is what the Finance Minister has referred to here, namely, that whereas

it was made clear that the Life Insurance Corporation will always keep in mind its primary obligation to its policyholders and work as far as possible on business principles, it has to keep before itself the interests of the community as a whole. I concede that so long as the two do not conflict there is no trouble. But if the two should ever conflict, I want a clear statement from the Finance Minister as to whether the interests of the community or the interests of the policyholders will be held supreme; if the two should conflict, as they may conflict in certain cases, there should be a clear statement as to which should be considered supreme, the interests of the community or the interests of the policyholders.

The second is in regard to investment operation *vis-a-vis* the stock exchanges. It has been said that the Life Insurance Corporation should not indulge in speculation, but at the same time, it has been said that there is no harm in buying in periods of depression and selling in periods of boom. But that brings in a speculative element in the transaction. If the House will remember, the former Finance Minister stated here that it was not the purpose of the Life Insurance Corporation, once it has bought any shares, to sell the shares or to sell the debentures; once the corporation has bought, then it tries to maintain those shares in its vaults and not to sell them. If we accept the principle that there is no harm in buying during periods of depression and selling during periods of boom, we really are trying to stabilise the stock exchanges. I have no objection to what the Finance Minister has stated, although I would not like to do that, and we should decide whether it is the policy of the Life Insurance Corporation to function, as the Reserve Bank does in gilt-edged securities, and carry on open market operations in equities with a view to stabilise the stock exchanges. If we do not intend to do that, as I think we should not do if we have the policyholders' inte-

rests supreme, then this kind of policy should not be favoured, and v should not try to buy and sell securities

If we look at the investments of the Corporation, we find that actually, since the business was nationalised, compared to the time before nationalisation, investment in the private sector has increased, while investments in gilt-edged and other securities and other investments have decreased. If we take the appointed day in 1956, we find that the investment in debentures, preference and ordinary shares was 16.8 per cent on that day while at the end of July, 1958, it was 19 per cent, in gilt edged and approved securities it was 73.1 per cent on the appointed day, and at the end of July, 1958, it was 71.9 per cent while in the case of other investments the figure has declined from 10.1 to 9.1 per cent.

In this connection, I should like to draw the Finance Minister's attention particularly to mortgages. Why is it that mortgage loans are not allowed now? Under section 27A mortgages are not debarred from consideration for investment. It is in this context very surprising that the corporation wrote to a certain party who had applied for a mortgage loan on the 3rd of September, that is after 23rd August, 1958 when this policy statement was made—I have got a true copy here—to the effect that

‘The Corporation has decided as a matter of policy not to grant new loans on mortgaged property.’

I can understand not granting new loans at a particular moment of time but how can the Corporation say that it will not grant new loans as a matter of policy in view of the policy statement laid on the Table of the House by the Finance Minister. I should like to have a clarification of that point as to whether it is the policy of the corporation not to grant mortgage loans.

This point was raised by us during the discussion on the interim report of the Life Insurance Corporation, and the then Finance Minister had assured us that mortgage loans would be allowed and that they would be revived. It is very necessary that they should be revived, because this kind of loan is required particularly by a number of middle class people to build houses, so there is no reason why mortgage loans should not be allowed, because they are quite safe. In all countries, they are allowed. In America, for instance

Mr Speaker Does this ban apply to policyholders also, that is, this prohibition on borrowing?

Shri Bimal Ghose Yes all mortgage loans are banned.

Mr Speaker Whether by policy holders or by others?

Shri Bimal Ghose Whether by policyholders or by others -

Mr Speaker Are not policy holders allowed to borrow on the security of their insurance policy?

Shri Bimal Ghose Yes that is there. But I am talking independently of that.

This form of investment has always been favoured. I was saying that even in America about 20 to 25 per cent of the funds are invested in mortgage loans. So it is not that it is an unsafe investment and it is an investment which is necessary in our country. Therefore I do not understand why mortgage loans have been stopped at the moment and particularly how the Corporation can write that they have been stopped as a matter of policy because the policy does not debar mortgage loans.

Before I go on to the question of the machinery, there is one question that I should like to ask of the Finance Minister, and that is whether under section 8(2)(b) of the Act, Government want to frame rules for



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guiding investments to be made by the Life Insurance Corporation. There are certain provisions in the Life Insurance Corporation Act, such as section 6 (2) (b), section 19 for the setting up of an investment committee, and section 43 (2) under which this policy statement has been made and section 27A of the Insurance Act made effective. There is also, in relation to section 6 (2) (b), the relevant provision in section 43 (2) (g) for making rules for guiding the Corporation in regard to investments. I should like to know whether Government want to take advantage of this provision and make any further rules for the guidance of the Corporation in the matter of investments.

Coming to the machinery, I want to say two things. The first is that although we may enunciate principles, they are not enough. We have found that even before section 27A was made effective, during the few months during which the Corporation was functioning, the old investment committee had adopted a policy of investment more or less on the basis of section 27A of the old Insurance Act. But, nevertheless, the Mundhra deal was possible. It was not that they had not adopted a formula, but they did not observe the formula. So, we have to be very careful here that the machinery that we set up is such that this formula that we have now evolved will be complied with.

The second point is with regard to the tendency to which my hon. friend Dr. Krishnaswami had referred, namely, of concentration of activities in particular localities; it appears that all financial activities are going to be concentrated in Bombay. I have often spoken about that; and that is not a very healthy phenomenon.

I find that the reconstituted investment committee that has been set up this time does not contain anybody who has intimate knowledge of the

capital markets in Calcutta. The former investment committee had one such person. I do not know if there is anybody who has information about the Madras market, but the reconstituted investment committee does not contain anybody who has any intimate knowledge of the capital market in Calcutta.

You may remember that the former Finance Minister had introduced a Bill which he had to withdraw, namely, the Life Insurance Corporation (Second Amendment) Bill of 1957.

That Bill envisaged a provision for setting up advisory committees in Bombay, Calcutta and Madras. I believe that is a salutary provision, that there should be advisory committees in Bombay, Calcutta and Madras, that a proportion of funds should be allocated for investment in such markets. Otherwise there is tendency for all the investments to be done in Bombay or through the Bombay market. If the hon. Minister likes, he may also include Delhi and Kanpur in this list, but there should be dispersal of funds for investment in different regions and localities. For that purpose, it is desirable that there should be advisory committees or even the present advisory committee, which should, however, consist of people who have knowledge of local conditions and local markets, should at least meet in these different regions so that there may be dispersal of investments so that each region may get a fair proportion of the investments made by the L.I.C.

I hope the Finance Minister will take note of the suggestions I have made and give satisfactory answers.

श्री रामेश्वर दत्तिया (सीकर) : अध्यक्ष महोदय, वह लाइफ इन्सुरेंस कॉर्पोरेशन हिन्दुस्तान की सब से बड़ी पूंजीवादी संस्था है और बकाबान से बकाबान और नदीब से नदीब का खना इसमें लगा हुआ है। इसलिए हमारा वह

कर्तव्य ही जाता है कि जो रुपया हम लगाने के लिये समझ कर समझें और देखें कि किस तरह से वह रुपया सुरक्षित रह सकता है, किस तरह से ज्यादा से ज्यादा कामदानी इस रुपये पर हो सकती है। कुछ भर्सा हुआ पूरा कम्पनियों में बीमा कम्पनी का रुपया तथा और उसके द्वारा कुछ कम्पनियों के शेयर खरीदे गये और इसमें करोड़ों रुपये का नुकसान हुआ। इस नुकसान को देखते हुए हमारा यह फर्ज हो जाता है कि हम इस मामले में और भी सतर्क रहे, और भी सचेत रहें।

जब सरकार ने जीवन बीमा निगम की स्थापना की तो उस समय २५० के करीब कम्पनियां अलग अलग जगहों पर, अलग अलग रूप में हिन्दुस्तान के हर हिस्से में काम कर रही थी। उनके अलग अलग बोर्ड थे, वे बोर्ड अलग अलग से अपनी पालिसियां तय करते थे, अलग अलग से अपना रुपया लगाते थे। इनके द्वारा जो रुपया लगाया जाता था वह मकानों के मार्टेज में, शेयरों में, गवर्नमेंट पेपर्स और डिबेंचर्स में तथा इसी तरह से दूसरे कामों में लगाया जाता था। तो इन २५० के करीब कम्पनियों का एक ही बड़ा निगम होना और उसका काम एक ही केन्द्र द्वारा संचालित होना, एक ही जगह से चलाया जाना, मेरी राय में, उतना इफैक्टिव नहीं हो सकता जिसना इफैक्टिव उसे होना चाहिये।

जहां तक कि इस निगम द्वारा रुपये लगाये जाने का ताल्लुक है मैं समझता हूँ कि केवल गवर्नमेंट सिक्योरिटी में ही नहीं बल्कि हिन्दुस्तान में स्थापित हजारों कम्पनियों के आडिनरी शेयरों में और डिबेंचर्स में उसका रुपया लगना चाहिये। मैं समझता हूँ कि यह लगाया भी जा रहा है। जब ऐसी बात है तो मेरा मन्त्र निवेदन है कि जैसा डा० कृष्णास्वामी ने कहा हमें अलग अलग पांच या छः जोन बनाने चाहिये या पांच या छः बांजिज बनाने चाहियें, पांच या छः फीनल कार रेजिंस बनाने चाहियें जिनके कि अलग अलग से

एडवाइसरी बोर्ड हों और अलग अलग से वे अपना रुपया लगायें तथा उसकी हिस्सा रखें और अलग अलग से जीवन बीमा का काम भी करें। इसका एक लाभ यह होता कि उनमें आपस में होड़ लगी रहेगी और हम यह भी पता लगा लगता रहेगा कि किस जोन ने कम काम किया है, किस ने कहां कहां अच्छी तरह से इन्वेस्टमेंट किया है और कितना फायदा करवाया है और किस जोन ने कम से कम रुपया जुबाया है। मैं समझता हूँ कि यह चीज बहुत जरूरी है और मैं चाहता हूँ कि जीवन बीमा निगम को अलग अलग पांच या छः जोंस में बांट दिया जायें।

अब जो इन्वेस्टमेंट पालिसी है, उसके बारे में मैं कुछ कहना चाहता हूँ। आपने सैकशन २७ को तबदील किया है और कहा है कि पहले जहां दस परसेंट किसी प्राइवेट कम्पनी के आडिनरी और डिबेंचर्स के शेयरों में अधिक से अधिक लगाये जा सकते थे उसको अब ३० परसेंट खाली आडिनरी शेयरों के लिये कर दिया गया है। मैं मानता हूँ कि ब्याज कुछ शेयरों में कुछ असे के लिये ज्यादा हो सकता है परन्तु कमी कमी यह भी हो जाया करता है कि सारी की सारी रकम ही कुछ शेयरों में डूब जाया करती है। इस वास्ते मैं चाहता हूँ कि इस पर भी विचार कर लिया जाये। मैं चाहता हूँ कि १० या १५ परसेंट से अधिक किसी प्राइवेट कम्पनी के आडिनरी शेयरों में न लगाया जायें और इस चीज को नियमों में स्थान दे दिया जाये।

अब मैं प्रेफेस शेयरों के बारे में कुछ अर्ज करना चाहता हूँ। जो अच्छे प्रेफेस शेयर माने जाते हैं वैसे शेयर छः या साढ़े छः परसेंट के लिये रुपयों में फी भाफ टैक्स के मिलते हैं। इनमें अगर टैक्स जोड़ा जाये तो आठ या साढ़े आठ परसेंट का ब्याज होता है। जहां तक आडिनरी शेयरों का सम्बन्ध है उनमें फायदा बटावही होती है। साथ ही साथ हम को इस बात का भी ध्यान रखना होगा कि जीवन

[श्री. रामेश्वर टाटिया]

बीमा में जो रुपया आता है, वह ज्यादातर गरीब भादमियों का आता है, मध्यम श्रेणी के जो लोग हैं उनका आता है, जो आफिसिस में क्लर्क हैं उनका आता है और उनके हित में यह देखा जाना बहुत आवश्यक है कि उनसे ज्यादा से ज्यादा ब्याज बिना किसी खपरे के कैसे मिल सकता है। मैं मानता हूँ कि यह ज्यादा ब्याज स्टेकुलेशन और आइन्टरी शेयरों में है और आज जिस सी रुपये के शेयर की कीमत सी रुपया है कल उसकी १२५ हो सकती है। लेकिन हमें यह भी ध्यान में रखना होगा कि उसकी कीमत घट कर ७५ भी हो सकती है। इस वास्ते हमें सोचना होगा कि हमें ज्यादा रुपया प्रॉफ़ेस शेयरों में या आइन्टरी शेयरों में लगाना चाहिये। प्रॉफ़ेस शेयर में आइन्टरी शेयरों के मुकामले में कम घटा बड़ी होती है और नुकसान होने पर उसका ब्याज नहीं मिलता है, वह जुड़ता रहता है। मैं समझता हूँ कि जीवन बीमा निगम का यह उद्देश्य होना चाहिए कि जो १५ या २० परसेंट रुपया वह प्राइवेट कम्पनियों की पूंजी में लगावे वह प्रॉफ़ेस डिबेंचर्स और प्रॉफ़ेस शेयरों में ज्यादा लगावे और आइन्टरी शेयरों में कम लगावे।

पहले प्राइवेट कम्पनियां नए मकान बनाने के लिए पालिसी होल्डरों को तप्या देती थी। आज शायद यह तप्य हो गया है कि इस तरह से रुपया नहीं दिया जाएगा। मैं प्रार्थना करता हूँ कि आज जरूरत इस बात की है कि साधारण और मध्यम श्रेणी वाले लोगों को इस चीज को करने के लिए अधिक से अधिक प्रोत्साहन दिया जाए, और उनको जीवन बीमा निगम उनकी पालिसियों की जो सरेंडर वैल्यू है उसको कर्ली टव सिन्धोरिटी के रूप में रख कर उनको छोटे छोटे मकान बनाने के लिए कम से कम ब्याज पर तप्या दे। यदि ऐसा किया गया तो जो आपका तप्या है वह तो सेफ़ रहेगा

ही और साथ ही साथ बीमा कराने वालों की आप अधिक से अधिक सेवा भी कर सकेंगे।

जीवन बीमा निगम काफी रुपया प्राइवेट कम्पनियों के आइन्टरी शेयरों में लगाता है। जैसा कि श्री. मल चौब ने कहा कि अगर अलग अलग जोन हों और सब जोंस में एडवाइजरी बोर्ड हों तो यह ज्यादा अच्छा होगा। मैं यह भी चाहता हूँ कि इन बोर्ड्स में प्राइवेट सेक्टर के प्रादमी भी लिये जायें, पब्लिक सेक्टर के भी लिये जायें और अगर ऐसा किया गया तो ज्यादा जानकारी का मौका मिलेगा और पता चल सकेगा कि किस जोन की क्या हालत है और जिस कम्पनी के शेयर हम खरीद रहे हैं, वह अच्छी कम्पनी है या नहीं, उस रुपये का हमें अच्छा रिटर्न मिलेगा या नहीं और वह ठीक इन-वैस्टमेंट है या नहीं।

Shri Achar (Mangalore): The policy laid down has been considered and there is almost unanimous agreement, as is clear from the attitude taken up by Members Opposite also. So I do not wish to say anything about the policy.

I only want to make one or two suggestions. The income of the LIC is increasing. They will be able to invest large amounts year after year and probably more hereafter. In fact, the Deputy Minister stated during Question Hour that they had a record business last year, though there has been a certain amount of criticism that though the business has been a record one, the LIC has not made as much progress as the insurance companies used to do when they were under private management. Anyhow, this is not the occasion to discuss that aspect of the question. I am only trying to make one or two suggestions which I would request Government to consider.

The income of the LIC comes from all parts of the country, from towns, from villages where the insurance habit is developing very much. When that is so, we have no doubt to consider the interests of the policyholders uppermost. In fact, it is their money which is almost a trust money in the hands of L.I.C. From that point of view we should consider this aspect of the question also whether the capital available cannot be made available to the smaller people also who live in the villages and the mofussil. Instead of investing in the cities and big towns and industries and equities and gilt-edged securities, should not the investment be made in that area also? I am suggesting whether the Government cannot think of investing these funds in loans etc. that may be floated by the local boards, the district boards and municipalities. We know that several municipalities are lacking in funds and the State Governments are not able to supply them with the necessary funds. They are floating loans which are not sufficiently subscribed sometimes.

13 hrs.

The improvement of the municipalities and the improvement of the mofussil areas under the district boards have very often to face difficulties. These governmental and semi-governmental bodies like the local boards, district boards and the municipalities are not able to find sufficient funds. I am only requesting government to consider this aspect of the question whether this large amount coming to this organisation from all parts of the country—to a considerable extent from the villages also—in the interests of the country—and I am sure it is not going against the interests of the policyholders—should not be invested in the loans that are floated by the local bodies like the district boards, the municipalities and the like.

If there is any statutory difficulty—I do not think there is any—the Insurance Act should be amended to

that effect. I would request Government to consider that aspect of the question.

The other suggestion that I would like to make is with regard to the smaller industries and the smaller concerns that are coming up in the district and taluk headquarters. Of course, so far as the small industries are concerned, we have got the Small Industries Corporation also to give them loans. But, we also know how to a considerable extent, when these applications are made, funds are not available.

I am making this request also whether the LIC funds should not be made available for the purpose of helping these institutions by granting them loans. I do not mean that any risk should be taken or that the policyholders' interests should not be looked into. So far as that is concerned, safety has to be considered. But, while considering that, I think, it should be possible to invest a considerable portion of the amount in these smaller concerns. Probably, some organisation is necessary to find out how it can be invested. I would request the Government to consider this aspect of the question also and see whether the funds could not be made available for the smaller concerns in the mofussil.

**Shri Morarka (Jhunjhunu):** Mr. Speaker, Sir, we are thankful to the Finance Minister for placing before this House a statement of policy concerning the investment of the LIC funds. The statement says, in paragraph 3, that 'while ensuring the safety of the policy holder's money the possibility of augmenting the profits has also been afforded'. I think, Sir, this is the main guiding principle for the investment of these funds.

The first principle which must apply to the investment is safety and the second is profitability. May I say with great respect that there cannot be any third consideration for the investment of these funds, howsoever noble and laudable that other objective may be?

[Shri Morarka]

After all, these funds belong to certain classes of people. These are their savings. There are about 55 lakhs of policyholders and the total amount is about 400 and odd crores of rupees. On an average, it comes to about Rs. 800/- per policyholder. One cannot say, therefore, that these savings or funds belong to a class which is very rich and can afford to lose these funds. Therefore, my humble submission is that there cannot be any third consideration to guide the investment of these funds except the two which are enumerated in the statement and which I have also mentioned. Among these two, the first is the safety and the second is profitability.

Now, because safety comes first, a large portion of these funds has to be invested necessarily in those securities where the fluctuations are less, where the risk of losing the capital is the least; that is, in gilt-edged and government securities.

Section 27A prescribes a definite and rigid limit, that is a certain percentage that must be invested in these gilt-edged securities. At the same time, in order that the investment may also earn profit which is more than usually realisable on government securities, certain latitudes are given. And, those are in the form of investment in approved securities and in other securities.

There is one statement in this policy statement which I cannot understand. Though the Finance Minister tried to explain it, still it is slightly ambiguous and that is in paragraph 7. It says:

"It will"—it "means the LIC—therefore, invest in ventures which further the social advancement of the country."

What is social advancement of the country? Any activity connected with the social welfare or social advancement of the country may be a venture

in the social advancement of the country. Yet, investment in that venture may not be as safe or lucrative or profitable as is required under the rules of sound investment.

As you know, sometimes Government have to invest funds in ventures on considerations other than mere considerations of safety and profitability. But, for that purpose, if the Government wants to make use of the funds of this Corporation, they must provide a cushion. You remember that when the Government floated the Industrial Finance Corporation and wanted the banks and other insurance companies to subscribe to share capital of that Corporation, they guaranteed a certain minimum rate of dividend and also the safety of the capital.

Similarly, if I remember correctly, when the Warehousing Corporation was floated, again, similar guarantees were given.

If the funds of the Life Insurance Corporation are to be invested in any social advancement venture which does not satisfy the guiding principles, namely, safety and profitability, then, I think, in fairness to the policyholders the Government must provide a cushion and must give a guarantee about the safety of the funds and a minimum return.

In this connection one of the speakers, Shri Ghose, said that all the funds of the Corporation must be taken over by Government, a minimum guarantee of returns should be afforded and these funds should be utilised for the purpose of the Plan.

Shri Bimal Ghose: I did not say so. That was not my opinion. I said that was a view expressed with which I did not agree.

Shri Morarka: I stand corrected. I do not also agree with this view. This will virtually mean investing cent per cent of the funds of the Corporation

in the gilt-edged securities. While it would ensure a definite minimum return, it would at the same time endanger the safety of the funds.

Dr. Krishnaswami, on the other hand, was even objecting to the rigid limit of 50 per cent. He thought that no limit should be prescribed for investment in gilt-edged securities. His contention was—if I understood him correctly—that this matter should be left free and the Corporation should be allowed to invest more and more funds in the equity capital of the ventures, both old and new. There are different views expressed about investment in the equity share capital and there is a view expressed here by an American author which goes so far as to say—

"Investment in common stock is not investment at all, but speculation and morally wrong for life insurance companies. 'I am against it', says one leading life insurance official. I think it would be a sin to utilise policy holders funds to speculate in common stock."

The second objection which people took in other countries also against the investment of these funds in the common stock was that unless there are definite and rigid limits, life insurance companies, particularly when they happen to be one single monopoly corporation, would have a tendency to invest more in one company in order to capture control and management and thereby build an economic empire around itself. Apart from the managerial difficulties which the Life Insurance Corporation would create by such activities, in principle it would be wrong because it is none of the functions of the Life Insurance Corporation to take over the management of other companies. We know unfortunately at present the Corporation has been saddled indirectly though with the management of certain concerns. The Corporation has to put its officials through the High

Courts and have a voice in the management of big companies and corporations where the Corporation has a big stake.

There is also a strong argument why investment in these common stocks should be allowed and that is that when the country prospers and when there are very good companies which have a good record of dividends, good record of stability without any risk of investment in those shares, there is no reason why one of the biggest investing bodies should not benefit by investing its funds in those shares also. Therefore, I think this policy statement has rightly allowed the Life Insurance Corporation to invest its funds in common stocks also, but has laid down a limit of 30 per cent. of its ordinary shares in any single company.

Objection has been raised that this 30 per cent. is too high. I also feel that 30 per cent. is too high. But then there is another consideration to this. Before these companies were nationalised there were about 240 different companies and each company was allowed to invest up to 10 per cent. of the subscribed capital. When these companies were nationalised, it is quite possible that when all their investments were put together, the Corporation might have come in possession of shares which are more than 15 per cent. or even 30 per cent. If you were to enforce this rule of 10 per cent. or 15 per cent. today you would be compelling the Corporation to disinvest its funds from the shares. Those shares might be quite good, might be lucrative and a sound investment.

What about future investments? I do not think that the Life Insurance Corporation after various censures that have been passed by this House, would ever dare invest funds in any risky ventures and would ever dare invest funds more than 10 per cent. of the capital of that company, unless of course there are very good reasons.

[Shri Morarka]

The reasons may be it may be a Government corporation with a definite future with Government guarantees and things like that. In those circumstances, I do not think that there should be any objection in this Corporation investing its amounts.

There is another point which I want to say and that again is in the statement. The modification of section 27, sub-section (a) permits the Corporation to invest in private limited companies. This is a new thing. Shri Ghose said if this is only for the purpose of enabling the Corporation to invest in Government companies which are technically private companies the objection would be less. But if under this section you are permitting the Corporation to invest funds even in private companies of private individuals, I think the objection is very strong, because under the Companies Law private companies are not subjected to the same scrutiny, to the same vigilance as the public companies are. The affairs of these companies are not known to the public; the public is not entitled to know them; their accounts are not audited in the same way and these companies are not subjected to the same regulations as the public companies. Therefore I think that there is a lot of force in this argument that the investible funds of the Corporation should not be allowed to be invested in the private companies in the private sector.

There is one thing more. I do not think that all the private companies which are in the public sector should be permitted to be invested in. Unless a company owns an industrial undertaking, no investment should be made in that by the Corporation. We should not make any investments in a company whose business by its very nature is of a speculative character. For that purpose the statement of the hon. the Finance Minister requires certain clarification and the Corporation must be given some directive in that behalf. One great merit which invest-

ment in the common stock or equity capital, as it is called, has, is that it diversifies risk. Safety of the funds also includes diversification of risks and to the extent to which the risk is diversified the funds are safe and to that extent the first condition is satisfied.

Therefore, I feel that by and large the whole policy enunciated by the Finance Minister is acceptable and is very satisfactory subject to the few things which I have said.

Two or three hon. Members who preceded me have argued here—though not very germane or relevant to the issue under discussion—that this monolithic Corporation should be split up into five or six different units. That would make the management more efficient and create competition and further the interests of the policy-holders better. May I say with great respect that I do not agree with this view? It would have been one thing to create five or six corporations to begin with, but it is another to split them now and again create troubles which are hardly over. When these 214 companies were merged into one single Corporation, it lead to a lot of problems—teething problems if you may call so—and even today, I do not think the Corporation has got them over. When these problems are hardly over, you decide to create again six bodies and again create those problems of disintegration.

13-22 hrs

[SHRI C. R. PATTABHI RAMAN in the Chair.]

In that case, when would this Corporation pay attention to the real business for which it was created? They would always be busy in integrating and disintegrating offices and corporations, divide the assets and liabilities and policies and so forth. I, therefore, feel that we should not think in terms of dividing this Corporation into small units at this stage. We must give it a fair chance and allow it to stabilise and

then see whether it functions properly or not and whether in spite of all these the need to split it into smaller units still exists. Therefore, I oppose this view and I thank you very much for this opportunity.

**Shri Dasappa (Bangalore):** Mr. Chairman, I am very happy that the investment policy of L. I. C. has been clearly laid down by the Government. I wish very much that it had been done even earlier. In fact, under section 43 of the Life Insurance Corporation Act they did contemplate the application of section 27 (a) of the Insurance Act to the Life Insurance Corporation with suitable modifications. But somehow that idea never matured till the 25th of September last. Possibly, if the Government had been vigilant and also mindful of their own assurances, the mishap or misadventure which happened during the period could well have been obviated and so this has come none too soon.

With regard to the particular points referred to in this policy statement, I am almost in entire agreement though might have a few general observations to make not necessarily arising out of the statement. At the time of the enactment of this Act I was one of those who definitely held the view that it is not wise or good to have a monolithic structure and that it would be better if every State of this Union would be permitted to have its own Life Insurance Corporation or company and that in any case such of those who had their own life insurance schemes should be permitted to continue them. I tried to reason out to the best or my humble capacity but it carried no conviction to the hon. Finance Minister then. Even now, I feel it is wrong from every point of view to have monopoly in life insurance in the country. That is my definite view. While I entirely agree that there is merit in nationalisation, I do not subscribe to the view that it must be one big, huge, colossal Corporation in India all centralised I would say that

while we subscribe to the view of nationalisation, we must permit every State to have its own life insurance scheme. The reasons are very obvious.

**The Minister of Revenue and Civil Expenditure (Dr. B. Gopala Reddi):** Come to the investment policy.

**Shri Dasappa:** My hon. friend says that I must confine myself to the investment policy. If only he had alerted the first speaker, the second speaker, the third and the fourth....

**Shri Bimal Ghose:** The second speaker spoke on the investment policy. I did not speak on anything but investment policy.

**Shri Dasappa:** The first speaker at any rate. Why should he have his daggers drawn at me alone? (*Interruptions.*)

**Mr. Chairman:** He meant to say that he was in good company.

**Shri Bimal Ghose:** The first speaker was the Minister.

**Shri Dasappa:** I am speaking about Dr. Krishnaswami and Shri Morarka.

**Shri Morarka:** What did I say?

**Shri Dasappa:** You opposed it; my friend forgets what he has spoken.

**Shri Morarka:** The hon. Member was not in the House. He went out and when he came back he could not gather the thread of the debate..... (*Interruptions.*)

**Shri Dasappa:** I do not know whether I have got to disbelieve my eyes or my ears or both. He seemed to suggest that it was not a wise policy to break up this organisation into five or six.

**Shri Morarka:** That was only in answer.

**Shri Dasappa:** I am saying he referred to the subject. That is all that I have said.



**Mr. Chatterjee:** I think the Minister wanted to convey that here we were concerned with the policy of investment. That is all.

**Pandit Thakur Das Bhargava (Hissar):** May I suggest that what the hon. Member is saying is also a means of finding out avenues for investment? If there are so many companies the money may be invested in different States in the manner suggested and I am sure he is also discussing the investment policy in this way and he is not irrelevant in this way.

**Shri Dasappa:** That is exactly the point. If anybody has any doubt I am going to illustrate my case. The idea which was at the back of all the hon. Members who referred to this question was that every part of the country should have its due share of the advantages of the investments. If that is a thing which is irrelevant..... (An Hon. Member: No, no)..... then I really cannot understand what is relevant....

**Shri D. C. Sharma (Gurdaspur):** It is very relevant.

**Shri Dasappa:** It can only be achieved, I believe, not by having this huge, monolithic structure, nor only by diversifying the investments but also by diversifying the management of the Corporation.

I am saying this not without some experience of the working of State life insurance schemes. I happened to be in charge of the State life insurance when I was, in a small State maybe, but still I had this scheme working very successfully. I am referring to Mysore State. It started with a total revenue of Rs. 2 crores to Rs. 3 crores. But if you just evaluate the productive assets that the State has built up it will be comparatively very much more than what any other State has done. I ask, Sir, whether it is not worthwhile to investigate how that State has been able to build those productive assets.

I entirely agree with my hon. friend Shri Morarka, when he said that if these investments are to reach the private sector it should certainly be not for commercial ventures and undertakings but for development of these productive assets, namely industries. I quite appreciate that point. I was illustrating this point to support what my hon. friend, Pandit Thakur Das Bhargava, was saying.

We had these life insurance funds at our disposal. Sir, I am not very much worried about the safety of the life insurance funds.

Some Hon. Members: Why?

The Deputy Minister of Finance (Shri B. R. Bhagat): Not worried?

**Shri Dasappa:** Sir, even Shri Bhagat is surprised at my statement. I am not worried, for this obvious reason that the whole thing is nationalised, and therefore it is a national trust for the Government to see.....

An Hon. Member: Now it is a national worry.

**Shri Dasappa:**.....that the policy-holders' interests do not suffer. They cannot suffer. And what is more? If they had seen the investments they would have realised that as much as 70 per cent. and more, are invested in gilt-edged securities and approved securities. When you have such a large percentage of investment in them, I do not know why my hon. friends should be harping on the question of safety. Shri Ghose said, I suppose very rightly, when the whole of the life insurance business is nationalised the Government of India may take over the entire funds of the Corporation and give them the necessary interest to see that the interests of the policy-holders are secure.

**Shri Nathwani (Sorath):** What about the loss in "Mundhra deal"?

Supposing a loss is incurred as a result of investment, how will it be made good?

**Shri Dasappa:** I am afraid, my hon. friend has not followed my argument. I said, if the Government of India takes over all the funds on the basis of giving an adequate return to the Life Insurance Corporation, how will the interests of policy-holders suffer? Therefore, the 'Mundhra deal' does not come in; the 'Mundhra deal' comes in only when the Life Insurance Corporation tries to gamble with its investments. But the suggestion, which of course did not find acceptance at the hands of Shri Ghose, is not going to minimise the safety of investments by the Corporation in any way and that specially, when most of it is going to be invested in gilt-edged securities. Therefore, I would not in the least be worried if that policy is to be accepted, unless you find that the Government goes bankrupt. That is a different thing; I do not think even in their wildest imagination they will ever suggest an occurrence of that sort.

Sir, I was referring to the question of the States having their own life insurance corporations for the fulfilment of the objectives which are now set out in this investment policy. I was saying that Mysore built up its productive assets. It so happens that today's mail brings me a letter from an industrial concern in Mysore State to which I, during my term, had advanced a sum of Rs. 10 lakhs because it felt the need, it was short of funds. They now say: "We are very happy to report to you the news that we have paid back the whole of the amount with all the interest, and the industry is on a very stable and sound footing; we are now declaring dividend and bonuses." I ask, is not a great social purpose served by the funds which the Government had at its disposal, whose funds were augmented by the receipts of the life insurance scheme which it had?

Therefore, I say it would be a very great national service which we can do if we allow every State to have its own life insurance corporation.

Then, in the alternative, I plead, if you are so averse to trusting your own State Governments and encouraging them to find funds to meet their State demands, you could at least split the L.I.C. up into five insurance corporations.

**Shri Morarka:** Not now.

**Shri Dasappa:** That is your view. My hon. friend thinks that wisdom does not lie apart from himself.

**Shri Morarka:** And you agree.

**Shri Dasappa:** I cannot so readily agree to that.

Sir, I do not know whether Shri Morarka remembers that the hon. Prime Minister while speaking on this subject here or in Rajya Sabha—at any rate, I listened to him—referred to this monolithic structure of the Life Insurance Corporation and also referred that it may be desirable to consider whether anything could be done to change that character. This is what the hon. Prime Minister said in Parliament. Therefore, the idea is not so very strange. If Shri Morarka thinks that it can never be done now, I do not really know why the hon. Prime Minister should have referred to it. I do not think he would have referred to something which would become impossible of achievement.

**Shri Morarka:** I never said that it can never be done. All that I said was that at the present moment it was not desirable to do it.

**Mr. Chairman:** It is a matter of opinion.

**Shri Dasappa:** I do not know why my hon. friend is so very allergic to any criticism that I am making. What

[Shri Dasappa]

I say is, if a thing is good by itself it has got to be done. He says the time is not propitious. Sir, I would like him to indicate the time and I would not pursue that point any further. Let it be one year, two years, five years or ten years . . .

**Shri Morarka:** Give a fair chance to this Corporation. Let it stabilise.

**Shri Dasappa:** He does not indicate the time; he leaves it to the glorious future and makes it as indefinite as possible. I have a different notion of my responsibility. If I say the time today is not propitious, I think of tomorrow or the day after.

**Mr. Chairman:** The hon. Member must try to conclude his speech now.

**Shri Dasappa:** Is there a time-limit, Sir?

**Mr. Chairman:** Yes. I have got a number of speakers on the list.

**Shri Dasappa:** I have hardly got into the subject. There were so many interruptions.

**Mr. Chairman:** The hon. Member may go on and try to finish as quickly as possible. I am calling Shri Asoka Mehta after this.

**Shri Dasappa:** I am equally anxious to listen to my hon. friend.

My next point is about the development of the work of the Corporation. I feel, apart from this question of zones which I will now leave to itself, that certain arrangements in regard to agencies would greatly help in spreading the net wide, and securing more policy holders and funds at our disposal. I have been at this point for a fairly long time. I have mooted this point here also. Today the Life Insurance Corporation thinks of, what is known as 'personalised service'. I have been unable to understand this expression used

by the Life Insurance Corporation. The idea is that the field agent could only be an individual and not a partnership or a co-operative venture. I thought that instead of an individual agent if half a dozen of them pool their resources together they could render much better service to the Life Insurance Corporation than they could do as isolated individuals. I do not know why the Insurance Corporation has not chosen to welcome this co-operative effort on the part of agents, where they could pool their resources, have common offices and all that and work more vigorously. I really have been unable to understand it even in spite of my best efforts.

So, there are these ways of getting more funds. After all, what are we getting now? No doubt the teething troubles are over and we are doing much better than at the beginning. But the people are becoming insurance-minded, and we ought to be able to mop up very much more than what we are doing today. Therefore, I suggested that point. I just leave that suggestion for the consideration of Government, for this notion of personalised service makes no sense to me. There can be no institution without persons. They should welcome the idea of co-operative efforts for the kind of agency work that the Corporation has.

With regard to investments, as I said, so far as the question of gilt-edged securities and approved securities goes, there is no change. 50 per cent is the limit. Certainly the Life Insurance Corporation is at liberty to invest anything more than that in the gilt-edged and approved securities, and that is how we find today that as much as 71 per cent, of the funds has been invested in these gilt-edged and approved securities.

As regards the other approved investments, such as the debenture, preference and ordinary shares, and so on, my submission is, as Shri Bimal

Ghose said, they are increasing. They can very well increase even up to 30 per cent. What is wrong with it? In fact, the idea of the hon. Minister in saying that the interest of the community as a whole has to be maintained and safeguarded can only be carried out through the investments which they have enlarged from ten per cent to 30 per cent. I welcome this arrangement.

Shri Morarka was saying that it is possible that the Life Insurance Corporation finds itself, with regard to certain private companies, that it has an extent of more than 30 per cent of their equity capital. He asked what is to be done or something like that.

Shri Morarka: Not private companies.

Shri Dasappa: I am talking of these,—what you call,—public companies. The public companies and the public sector make different meanings altogether. What I say is, the Life Insurance Corporation may invest more than 30 per cent. in these public companies, because there are 240 insurance companies which they have taken over. The provision is there in the investment policy. If more than 30 per cent has got to be invested the Life Insurance Corporation Investment Committee cannot do it. They must come with a recommendation to the Government and the Government can have 30 per cent or 60 per cent or 80 per cent; may be 90 per cent or even 100 per cent. Therefore, there is nothing to prevent the L.I.C. from investing more than 30 per cent if it becomes necessary.

One plea has been made right from the beginning, namely, that this idea of diversification, being an excellent idea, must bear fruit. The natural fear is this, in this connection, and the hon. Minister, will kindly forgive me and forgive the others who have ventured to refer to this point. It is this, namely, the structure being

what it is—a huge monolithic structure—their vision will be more confined to the bigger concerns and not on the poorer, smaller concerns, in the various regions of the country. Supposing there is a 20-lakh project in my State, it is very difficult for that enterprise to go as far as Bombay and make itself felt and be able to secure some aid. Therefore, the Life Insurance Corporation must have some idea of this diversification being State-wise so that every State may have its share of the advantages of this diversification. I do not think that is too unreasonable or extravagant a plea. I am afraid it is not possible now. If there are State Insurance Schemes, it could have been easily possible. What I would suggest is that in its investment policy, whether it is by way of a direction issued by the Central Government or by any other way, the persons charged with the investment must be specifically directed or asked to see that these smaller companies are helped by these funds.

I can give instance after instance where such help has gone to help the industries. I need not mention the one which I have already referred to, but I now mention another. There is a textile company whose Rs. 50 share came down to as low as Rs. 2-8-0 a share. It was almost sinking. The Government went to its rescue because they had this fund at their disposal, and today, that enterprise is paying 16 per cent. dividend regularly. Therefore, it is possible to build up the national economy on a wider basis if the Corporation funds are invested in the manner which I have been pleading.

I have said most of what I wanted to say. I am inclined to agree with Shri Morarka that these private companies, if they mean non-Government private companies, should not be very much thought of in regard to investments and for very good reasons. They have got very many other institutions from which they

[Shri Dasgppa]

can get aid if they deserve it, but I think it will lead to complications if the Life Insurance Corporation's funds are thought of for the benefit of these private limited companies.

With regard to the other investments, I think the Life Insurance Corporation have got to be congratulated on the fact that they have kept their investments, other than those to which I referred, very much below the limit. I hope that the fact that they have been permitted to have as far as 15 per cent should not mean that they should necessarily resort to other investments up to 15 per cent limit.

I have really great pleasure in welcoming this policy. In the end I request the hon. Minister to give us half-yearly reports, as suggested by some hon. friends, so that we may throw such light on the transactions as we think is desirable, in the interests of the country as well as in the interests of the Corporation, and contribute what little we can to the successful working of the Corporation.

**Shri Asoka Mehta** (Muzaffarpur): Mr. Chairman, Sir, as we look at this investment policy, we can look at it from two possible angles: either we want an investment policy which is known as a sound policy or we have an investment policy which is dovetailed into a socialist policy. This whole question of nationalisation of life insurance was dealt with partly as a reaction and a revulsion to the mismanagement that was taking place in some of the life insurance companies, and partly because the country at that time was profoundly interested in a search forward towards socialism.

Recently, certain incidents that we all know of, have given a jolt to this process of nationalisation, and I do not know if perhaps the climate in the country as a whole has somewhat

cooled off as far as socialism is concerned. I would, therefore, like to place before you two approaches, and suggest why I feel that the second would be better than the first. This particular policy statement has been placed before us on the plea that it adopts or it sanctifies the main provisions of section 27-A of the old Insurance Act, and it is said that these provisions have stood the test of time. Firstly, these particular provisions were introduced into the Act only at the end of 1950. I believe by that time the insurance companies were nationalised. I do not think the competent authorities had more than five years' information at their disposal to study and scrutinise and reach any conclusions. Secondly, the life insurance companies were nationalised because it was felt that in spite of the provisions of this Act, things were not as they should have been.

It would, therefore, be better if we do not fall back upon the provisions of this Act and the way those provisions were acted upon in order to strengthen our case now. After all, only on merits these provisions can be considered and perhaps these provisions make out a case for a sound investment policy. I would like to remind the House that nationalisation of life insurance followed in the wake of the nationalisation of the Imperial Bank of India. We were told by the then Finance Minister that this was done because it was essential for the implementation of our Plan. I am not going to suggest that all the monies of insurance should be invested in the Plan; I am not making any such juvenile suggestion. When the then Finance Minister, who is one of the acutest minds in our country, said that this was essential for the implementation of our Plan, he had two things in view: (i) mobilisation of savings in the country, and (ii) an investment policy which would be in conformity with the Plan. Is this investment policy in conformity with the Plan? Is this

the best investment policy that we can have?

Before I go into all those details, I would like to analyse it on its own merits. As I said, it is conceivable that we are not interested in socialism just now; we are just interested in having a sound investment policy. Even from that point of view, it must be realised that by the time the third Five Year Plan is over, the L.I.C. funds will be Rs. 8,000 crores or Rs. 10,000 crores. Can you conceive of these funds in isolation? What is the Plan after all? As the Finance Minister knows very well, the Plan is nothing more, nothing less, than an investment policy for all the internal and external resources both in the public sector and in the private sector. Such large funds—Rs. 10,000 crores—would mean almost one year's national income at the beginning of our planning period. This huge amount that would be available has to be fitted in adequately and properly into an over-all investment policy which we must evolve.

I have supported that policy and I am sure we are committed to what is loosely called a policy of mixed economy. We do not want that our entire economy should become one undifferentiated public sector. If the private sector is to continue to grow and blossom in the manner in which we would like it to, what should we do? We have been told last year with the blessings of the Government a very influential delegation was sent out—maybe year before last—and this Birla delegation came back and said that the difficulties are not about getting foreign capital, but about internal resources. Have we made adequate provisions to meet that difficulty also?

If the traditional pattern is to be followed, I find in foreign countries, the life funds are invested in 11

avenues which have been provided for investment; Government securities, corporate bonds, preferred stocks, common stocks, policy loans, mortgages, real estate, private business loans, purchase of commercial and industrial properties with the purpose of leasing them back to the sellers, promotion of new enterprises and foreign investment. It would have been useful to know how many of these 11 avenues are going to be explored or whether some of these avenues are definitely closed. But a general statement has been made that more or less the provisions of section 23A are going to be continued. I would like to know, if a broad pattern has to be followed, out of the 11 avenues—possibly there may be more; I am not claiming that my list is exhaustive—how many are ruled out and why.

My friend Shri Bimal Ghose raised the question of mortgages. Today the question of housing is becoming a problem in India. I am not making any plea for Bombay city, as I never make any plea for any one part of the country, but as an illustration, in Bombay city, an enquiry was made by a competent official body and it said we would require Rs. 20,000 crores to solve the housing problem in Bombay. Should the Life Insurance Corporation think in terms of building up certain real estate areas? Mortgage is one way of doing it. You permit people to construct on their own and give them certain facilities. The other way is, you take certain areas and build houses. It is a kind of planning, of perspective construction. Is it possible or should the whole housing be left to somebody else? Our departments and agencies proliferate. The large investment that the Life Insurance Corporation is in a position to make can provide a basis or focus where some of these dispersed activities can be brought together. Is any effort made in that direction?

[Shri Asoka Mehta]

In some foreign countries, this idea of purchase of commercial and industrial properties with the purpose of leasing them back to the seller is being carried out extensively, the purpose being that you release part of their own funds for working capital for these concerns. I do not know whether it would be wise or whether the private enterprises in India are worthy of such support. If you want to have a broad type of policy, there also my suggestion is there is room for further thinking.

Then again, constantly we are told that any investment policy must be such that there will be no kind of risk involved in it, and that these are sacred or trust funds. I grant that any public corporation must be very vigilant and careful about the way it uses the funds. But nowhere in the world has anyone been able to exercise or organise an investment policy with 100 per cent security guarantee. I have some figures about the United States of America. A study of 26 largest life insurance companies by the Securities and Exchange Commission, which is a government body, for the decade preceding World War II showed that they had to write off a loss of 269 million dollars in the real estate loans and 624 million dollars in the stock and bond accounts. The life insurance companies in the U.S.A. are in the private sector. 26 biggest life insurance companies lost a billion dollars in a decade, it is truly a turbulent decade.

14. hrs.

[PANDIT THAKAR DAS BHAR-  
BAVA in the Chair]

I am not saying that our investment policy should be such that it should involve any loss and the worthwhileness of the policies should be judged by the losses they make. All I am saying is that in all these matters we must not lose our perspective or balance. Maybe something happened during the Mundhra episode, which was very unfortunate; but that

should not colour our thinking so completely that we are all the time frightened of embarking on an imaginative policy. I hope there will not be large losses, but there may be losses, and no investment policy can be worked out where people demand that there should be a cast iron guarantee against any kind of loss, whether it is the public sector or the private sector, no matter where the insurance companies are located.

Then, even in the United States of America this question has been very squarely posed. The *Harvard Business Review*, one of the most sober journals of commercial opinion, as early as 1946 posed this question. It said:

"Policyholders will have to choose one day not too distant, between continued security for their policies and more security against cyclical unemployment."

This is the choice which the policyholders have to make. Do you want the kind of security, I would say wooden security, for your policies or are you willing to invest against certain social disabilities and disadvantages that should be warded off to certain advantages that should come? Are the investment funds going to be used for the purpose of fostering and developing the co-ordinated sector in our economy or are they going to be used all the time as a widow clings to her mite? I would say that a country like ours, with all its faith, with all its confidence, should see to it that the fullest provisions are made against any kind of maladministration, against all mismanagement and should always function with hope, with confidence, with faith and in a manner whereby the resources that we have will be utilized, not for the purpose of assuring a widow's security but for the purpose of having the possibilities and perspectives that a pioneer sees or the voyager sees when he moves forward on a voyage.

Here again the best authorities on the subject say that boiled down and stripped of qualifications, the real basic investment policies are two—investment for income and investment for appreciation. Do you invest only for the income or do you invest also for appreciation? That is a matter to be decided, and I hope that is one of the crucial things that the Finance Minister would allow us to decide. Are we interested purely in accepting the theory of investment for income or are we interested also in the theory of investment for appreciation? As has been stated, probably he will come forward, and very rightly, and very wisely he would recommend, as he recommended in his policy statement, what we might call the theory of "balanced Fund". But the moment you accept the theory of balanced fund, you have accepted the theory of investment for appreciation, and any theory of investment for appreciation cannot be hundred per cent guaranteed in favour of security.

I welcome the proposal that has been made that the funds of the Life Insurance Corporation will be used with discrimination and great care under requisite caution as a counter-speculator in the stock exchange. Repeatedly, even at the cost of being misunderstood, I have argued and have pleaded for such a policy. And there are various reasons for it, the most important being that since, I think, increasingly the L.I.C. is going to be the single biggest shareholder in the country, it has got to see that its own investments are properly safeguarded and, secondly, if you are interested in the theory of investment for appreciation, obviously then you are tremendously interested, the Corporation should be profoundly interested, in the prospects and the fluctuations in the stock market. Obviously, it will not function as a bull in the China shop. We want it to act as a counter-speculator, as a stabilising force. Therefore, I feel that even if we want to follow the traditional policy, even if we want to accept and

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develop in terms of the traditional policy to which we are accustomed to, as we move forward with growing resources, we will find that the pressures of socialistic policies are going to become more and more significant and, therefore, I shall turn to what I mean by the socialist implications of the investment policy.

The first thing is that if we mobilise these savings for our Plan, then all savings must be treated alike. I have a feeling that we are treating the contributions of the poor people, the provident fund and the small savings, not on the same basis, not on par with the savings that are covered by the L.I.C. I do not know if my findings are correct, but if they are, I find that the average value of life policy has gone up after nationalisation from Rs. 3,100 to Rs. 3,500. If that is so, in spite of the Janata policies that we have launched—and at the launching of it I had the privilege of being associated with our Finance Minister in Bombay—it is found that the average size of the policies are becoming larger, compared to the conditions of our people in the country. Now the provident funds and the small savings, to the best of my knowledge, do not share in the profits, while the life insurance policies, many of them, enable them to share the profits. Now this is a matter to be considered. These two types of savings, when both of them are being mobilised for the purpose of our Plan—I include both in the Plan, the private sector or the public sector—why should there be this discrimination? Because, the Government have already guaranteed the life funds; the principle of guaranteed yield is implicit in the Government's guarantee, the yield being assumed in the construction of the premium. Over and above that, they share the profits and so various difficulties arise.

Now this is a question which should be considered: I am not saying today or tomorrow, if we want to create, in this country a uniform impulse for



[Shri Agoka Mehta]

contributing to the accumulation of capital that is needed for the development of our country, whether all these contributors have to be treated on par or they should be treated separately, where ultimately savings are concerned, which all have been guaranteed by Government, whether it is provident fund or small savings or life insurance funds, whether there should be any kind of difference are matters which have to be gone into.

Then, whether you have an investment board or an investment committee, the investments should not be in any kind of hand-to-mouth manner, but should be properly planned and co-ordinated. Today there is the Investment Advisory Committee, which just gives advice and it is probably inside the Corporation itself that decisions are taken. The Investment Committee should be a competent body. Whether, it is inside the L.I.C. itself or separately from it is again a matter of detail. But we should have at its disposal increasing amounts from year to year that are to be invested, and there should be a proper picture before it as to where those investments are to be made. I think the private industries should also get investments of funds of the L.I.C. and the industries should place their schemes, their plans, their prospects, their proposals, all of them, before the L.I.C. That is done in the case of any lender, particularly foreign lenders. Even so great or proud a nation like ours has to place all these things before the World Bank if we want anything. We have the Company Law Administration, the Life Insurance Corporation, and a variety of these institutions today in the country. I would like them to be integrated in a manner whereby not only the private sector is enabled to function freely and effectively, but at the same time, it functions within the four corners of the Plan and in accordance with the social discipline and social objective that we are determined to implement in our country. The Life Insurance Corporation funds pro-

vide you with a tremendous opportunity to see that the social discipline and social objectives are carried out. I do not know what the Policy statement under discussion precisely means, there are general statements here. They might mean anything or they might mean nothing. I would have liked this Life Insurance Corporation investment policy to have been so worded, or at least, I hope it will be so worked out that the social discipline and social objectives are really made effective. It is possible, for instance, to invest up to 30 per cent in an individual concern. In this also, there is no idea of increasing nationalisation in this. Those of us who accept an economy wherein there is scope both for the private sector and the public sector, and both are considered relevant and necessary for the full flowering of the economic destiny of our country, are not interested in introducing anything by the backdoor. What is important is that the private sector in this country has not functioned in a manner as would leave it beyond reproach. If it had functioned in that manner, there would not have been this Income-tax Investigation Commission and there would not have been this new Life Insurance Corporation. People like me would have pleaded for them. A large majority of the people, sober and practical in their outlook, would never have supported that kind of a step. We have moved in this direction not only for purely ideological reasons, but mainly because of the actual difficulties and mischief that we have encountered. That is why I say that this can be a kind of instrument for seeing that the social discipline and social objectives are carried out.

It is rather interesting to find that the British Labour Party, after travelling in various directions, has come to the conclusion that nationalisation is no longer necessary. As against that, the British Labour Party's new policy which it hopes to implement if it comes into power is that, the Govern-

ment will invest in different companies, the idea being that you share in the rising prosperity of those concerns. Particularly such investments are very necessary and very useful in what may be called the growth sector of our economy where conspicuous benefits are likely to follow as a result of the development that we are carrying on today, and secondly because it provides you with sensitive instruments, instruments which are built—in, into those undertakings themselves through which you can prevent wrong things being done and see the right kind of social discipline all round. This can be just a stray investment or all these investments are co-ordinated. There is a purpose behind it, a pattern behind it. There is a well articulated policy behind it. It is not clear whether these scattered investments are going to be made by just looking up the prices of shares, quotations on the stock market and then deciding what you buy or sell in order that you may have a little more income or it is going to be worked out as a result of a detailed study of the economy, of the direction in which you want to go, of certain people who need to be pulled up, of certain people who need to be encouraged, of certain industries which are located in the growth sector where we should have a fairly large share in the growing prosperity of these industries. These things may be there, I do not know, because it is a rather cryptic statement. I would like the Finance Minister, if it is possible, to take us further into confidence. I say, if it is possible, because these details are not worked out. If they have not worked out, on a later occasion we might be told how his mind is working.

I was in Egypt and I found that the nationalisation of the French and British Banks and the French and British Insurance companies, which was carried out immediately after the invasion of Suez and which was carried out entirely for other reasons, as you know, has led to remarkable economic consequences. The leaders of the

Egyptian Government told me that they are not interested in nationalisation any more. I asked them, why. They said, in 80 per cent of the companies—they are all important companies in Egypt—with the nationalisation of these important banks and insurance companies, we have enough participation and we are able to influence and control things. In India, not only have the Life Insurance Corporation with large funds, but the banks are today bursting with funds which are not being fully utilised. On the one hand, there is this cry that there are not enough internal resources. I am not talking about the difficulties of the Government. But, businessmen are saying that they are in a position to do many more things, but the tight internal resources position creates serious difficulties. We shall soon be engaged in drawing up of our Third Plan. I personally would like the Third Plan to be proportionately as ambitious as the Second Plan was with reference to the First Plan. If it is to be done, the resources of our banks have to be fully utilised. They cannot all be utilised piecemeal. How to utilise the resources that are with the banks today for the furtherance of the Plan, how to utilise the resources that are with the Life Insurance Corporation for the furtherance of the Plan, all these things have ultimately to be co-ordinated. I am not suggesting that we have a further proliferation of more Boards and more Bureaus. May be that in a developing economy that we envisage, some proliferation is inevitable. Whatever is done, I would not like all these investments to be carried out in a kind of side way, un-related, un-co-ordinated or at least not adequately related and adequately co-ordinated for the overall purposes and policies of the Plan. I have, therefore, on more than one occasion in the past, argued and pleaded for a National Investment Board, and that we have to move in that direction. In the last analysis, the Plan is effective only to the extent you are able, on the one hand, to mobilise the fullest possible resources

[Shri Asoka Mehta]

of the country and on the other hand, to work out and implement the most effective, the most efficient and the most productive investment policy that you can conceive. It is wrong to speak of the private sector and the public sector. To my mind, that is a controversy that need not cloud all our discussions. If a National Investment Board is to be created, the nucleus is already provided by the Life Insurance Corporation funds. Any authority that is clothed with the power and responsibility of utilising these funds should realise, should be made to realise that it is either the nucleus of a larger body or that it will be integrated into such a larger body. If the Finance Minister agrees with me and if we are really serious about socialism, we have to move towards some such overall investment policy which can only be implemented by a National Investment Board.

In conclusion, I would like to say that even if this policy is viewed as the traditional policy, a policy which was pursued between 1950 and 1956, a certain amount of further thinking needs to be done. We are in 1958. Things have changed. Whether the avenues for investment that we decided upon in those days are still the avenues or they can be widened or narrowed needs to be considered. Secondly, even if we accept the old policy, the mere fact that the size of the funds is going to be disproportionately large compared to 1950—by 1960, the funds would be two-fold or threefold or fourfold than we were in 1950—by itself should compel us to think out this policy more fully than seems to be done in the paper that has been given to us. Thirdly, I have been contending that if we want to move towards socialism, the whole investment policy should be dovetailed into an overall investment policy, an overall investment Plan. We have already started having annual plans. The annual plans will move forward to a national economic and investment policy. All these tools and techniques are being

reviewed. I am just pleading that we move a little faster and make it possible for us to forge the tools and techniques earlier than we are compelled to do with the development and pressure of circumstances. These, in brief, are the comments that I have to offer.

श्री अशोक मेहता (फिरोजाबाद) :  
सभापति महोदय, मैं यह कहना चाँगा कि जिस तरह इस साल जीवन बीमा निगम का रूपया लगाने के बारे में नीति यहाँ पेश की गयी है, इसी प्रकार, जीवन बीमा निगम के महत्व को देखते हुए, हर साल सरकार का यह काम होना चाहिए कि यह नीति सदन के सामने विस्तृत रूप से पेश करे।

आज जो नीति व तथ्य हमारे सामने पेश किया गया है उसके दोतरफा अर्थ लगाये जा सकते हैं। मैं चाँगा कि भविष्य में जब भी इस तरह का नीति व तथ्य पेश किया जाये तो वह इतना निश्चित होना चाहिए कि उसके दो अर्थ न लगाये जा सकें। हमेशा वही अर्थ लगाया जा सके जो कि सरकार चाहती है, ताकि सरकार का उद्देश्य अच्छी तरह पूरा हो सके।

सदन में चर्चा की गयी है कि जीवन बीमा निगम के पास जो धन है उसे विभिन्न रीतियों से लगाकर हम राष्ट्र का उत्थान कर सकते हैं। लेकिन मैं इस बात से सहमत नहीं हो सकता, जैसा कि कुछ माननीय सदस्यों ने कहा है कि यह धन प्राइवेट उद्योगों में लगाया जाये। मैं तो चाहता हूँ कि यह धन उन उद्योगों में लगाया जाये जो कि पब्लिक सेक्टर में हैं, और ऐसा करना हमारी राष्ट्रीय नीति के अनुसार भी होगा। हम प्राइवेट लिमिटेड कम्पनियों में भी धन लगा सकते हैं लेकिन केवल उनमें ही जो कि पब्लिक सेक्टर में हैं। यदि इसी प्रकार हम देश के उद्योगों का उत्थान करें तो बहुत अच्छा होगा। प्राइवेट कम्पनियों को हम जीवन

बीमा निगम के धन से भरदें यह कोई  
बच्ची बाल नहीं होगी।

एक बहुत ही जरूरी चीज है जिसकी  
तरफ़ अभी तक सरकार का ध्यान नहीं गया है।  
अभी तक जीवन बीमा निगम के धन को  
केवल उन्हीं उद्योगों में लगाने पर विचार  
किया जाता है जो कि शहरों में हों। लेकिन  
जहां असली हिन्दुस्तान बसता है, अर्थात्  
गांवों में, वहां पर यह धन लगाने की ओर  
सरकार का ध्यान नहीं गया है। उदाहरण  
के लिए मैं सिर्फ़ एक बात कहना चाहता हूँ।  
सब लोग जानते हैं कि देश में मकानों की बड़ी  
अकूरत है और मकान बनाने में किसी का  
नुकसान नहीं हुआ करता। पहले भी जो  
२४० लाइव इंस्योरेंस कम्पनियां थीं, उनका  
काफी रुपया इस काम में लगा हुआ था।  
मकान बनाने के लिए वे रुपया कर्ज़ देती  
थीं। कुछ कम्पनियां अपने तौर पर भी  
मकान बनाने का काम करती थीं। इस  
काम में उनको नुकसान नहीं उठाना पड़ा।  
मैं चाहता हूँ कि राष्ट्र की इस बड़ी समस्या  
को हल करने के लिए सरकार क्यों न यह सोचे  
कि गृह-निर्माण समस्या को जीवन बीमा निगम  
के धन से हल करे। इस तरह से देश की  
एक बड़ी समस्या हल हो सकेगी और यह नीति  
वक्तव्य के अनुसार भी होगा जिसमें कि यह  
कहा गया है कि जीवन बीमा निगम के धन  
की सुरक्षा रहे और उसे इस तरह के कामों  
में लगाया जाये जिसे कि समाज की भलाई  
हो। तो मेरा क्याल है कि इस प्रकार  
रुपया लगाने से ये दोनों काम हो जायेंगे।  
मैं यह नम्रतापूर्वक कहना चाहता हूँ कि  
यह गृह-निर्माण की समस्या का सवाल कई तरह  
हल हो सकता है। या तो जीवन बीमा  
निगम खुद गृह-निर्माण योजना को अपने  
हाथ में ले। अगर वह खुद ऐसा नहीं कर  
सकता तो यह व्यवस्था करे कि प्राइवेट  
सोनों को दस दस पांच पांच हजार रुपया  
मकान बनाने के लिए कर्ज़ दे और वे लोग  
उन मकानों को या अपनी ओर दूसरी जायदाद

को निगम के पास गिरवी रखें। इस तरह  
से मुल्क की एक बहुत बड़ी समस्या हल की  
जा सकती है।

एक तरफ़ तो हमारे सामने यह समस्या  
है कि हमारे पास धन साधन नहीं है कि  
हम अपनी योजना के उद्देश्यों को पूरा कर  
सकें, और दूसरी तरफ़ हमारे पास इस जीवन  
बीमा निगम का धन आता है। यह जो ५५  
लाख पालिसी होल्डर्स का धन हमारे पास  
आता है इसको अगर हम स्टॉक मार्केट में  
लगाकर सट्टेबाजी करें तो यह हमारे लिए  
मुनासिब नहीं होगा। यहां मुंबई बॉस के  
बारे में बहुत सी बातें कही गयीं हैं और जब-जब  
सदन में उस पर चर्चा हुई तो यह कहा गया  
कि सरकार की नीति की वजह से यह चीज  
हुई। लेकिन मैं कहना चाहता हूँ कि अगर  
हमने सट्टे पर यह धन न लगाया होता या  
भविष्य में न लगायें तो इस तरह के सवाल ही न  
उठें। इसमें मैं निगम की नीति का उतना सवाल  
नहीं समझता जितना इस बात का क्या हम  
इस प्रकार स्टॉक मार्केट में रुपया लगा  
कर एक अच्छा उदाहरण पेश नहीं कर रहे  
हैं। मेरी तुच्छ राय में यह मुनासिब काम  
नहीं है और इसमें जीवन बीमा निगम का धन  
नहीं लगाया जाना चाहिए।

मेरा विचार तो यह है कि हम को अपनी  
योजना के उद्देश्यों को पूरा करने के लिए  
पालिसी होल्डर्स के इस धन को लगाना चाहिए।  
मैं इस बात से इनकार नहीं करता कि हमें इस  
धन की सुरक्षा का पूरा ध्यान रखना चाहिए।  
लेकिन जब इस उद्योग का राष्ट्रीयकरण हो  
गया है तो इस धन की सुरक्षा की  
जिम्मेदारी तो सरकार की है। राष्ट्रीयकरण हो  
जाने के बाद सरकार धन की सुरक्षा के लिए  
जिम्मेदार हो गयी है। उसे इस धन की  
सुरक्षा का खयाल रखना होगा। ऐसी  
हालत में मैं नहीं समझता कि इस बात पर बार-  
बार जोर देने की कि इस धन की सुरक्षा  
का ध्यान रखा जाये क्या आवश्यकता है।  
राष्ट्रीयकरण हो जाने के बाद यह सरकार

[श्री अजराम सिंह]

का काम हो जाता है और इस बन की सुरक्षा रहने, ऐसा हमको मान लेना चाहिए। लेकिन फिर भी मैं इस बात से इनकार नहीं करता कि जीवन बीमा निगम के बन की सुरक्षा की जरूरत है और उसको सुरक्षित रखा जाना चाहिए। लेकिन सास ध्यान तो हमको इस तरह देना चाहिए कि हमको जो इस तरह से बन मिल रहा है इसका अधिक से अधिक उपयोग योजना के उद्देश्यों को पूरा करने में किया जाये।

अब एक सवाल और उठता है। हमारे यहां अभी भी दस करोड़ एकड़ जमीन बेकार पड़ी हुई है जिसमें खेती नहीं की जाती पर जिसमें खेती की जा सकती है। मैं यह कहना चाहूंगा कि कोई ऐसी योजना क्यों न बनायी जाये कि इस बन का एक बड़ा हिस्सा इस खेती योग्य जमीन पर लगाया जाये। इसमें नुकसान होने का कोई सवाल नहीं है। अगर इस जमीन को तोड़ा जाये और उसमें खेती की जाये तो उससे एक तरफ तो हमारा बन राष्ट्र के हित में लगेगा, दूसरे मुल्क की जो क्षति की बड़ी समस्या है वह हल होगी और तीसरे जिन लोगों के पास जमीन नहीं है, जिनके पास काम नहीं है, उनको जमीन और काम मिलेगा और इस तरह से बेकारी की समस्या भी हल होगी।

श्री त्यागी (देहरादून) : लेकिन फिर पालिसी होल्डर्स को देने के लिए रुपया कहाँ से आयेगा ?

श्री अजराम सिंह : रुपया तो सरकार के पास ही रहेगा। सरकार उस की गारंटी देती है।

श्री त्यागी : लेकिन जब रुपया जमीन पर लगा दिया जायेगा तो देने के लिए कहाँ से आयेगा ?

श्री अजराम सिंह : इसमें जोखिम का तो कोई सवाल ही नहीं है। मैं तो केवल एक विचार दे रहा हूँ। आप अगर चाहें तो इसकी तफसील में जा सकते हैं और इसकी पूरी योजना को देख सकते हैं कि इसमें रुपया अधिक उपयोगी ढंग से लगेगा कि नहीं। खैर मैं यह निवेदन करना चाहता हूँ.....

Mr. Chairman: It is now 2-30. We have to take up Private Members' Business. The hon. Member may continue the next day.

14-29 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

THIRTIETH REPORT

Sardar A. S. Saigal (Janjgir): I beg to move:

"That this House agrees with the Thirtieth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 25th November, 1958."

Mr. Chairman: The question is:

"That this House agrees with the Thirtieth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 25th November, 1958."

The motion was adopted.

CODE OF CIVIL PROCEDURE  
(AMENDMENT) BILL\*

(Amendment of Section 100)

Shri Naldurgker (Osmanabad): I beg to move for leave to introduce a Bill further to amend the Code of Civil Procedure, 1908.