

variations in re-insurance arrangements, I need not go into those details at the present moment as my object is only to give a general idea to this House as to the re-insurance business with which this Bill is primarily concerned.

Next I will give some idea as to the pattern of operation of re-insurance business arising out of general insurance business transacted in India. Insurance companies operating in this country place their re-insurance only to a very limited extent within the country. The bulk of re-insurance is placed with companies in foreign countries. Generally speaking, the terms which the Indian companies are able to get abroad are poor. Then also, Indian business is highly profitable business. The Indian re-insurance business or Indian insurance business is highly profitable business, whereas, generally speaking, insurance business in foreign countries is not so profitable. Therefore, even if the Indian company gets some foreign business placed with it by way of re-insurance, it is only exchanging its highly profitable Indian business for foreign business yielding less profit. This re-insurance business being placed with the foreign companies is not profitable for the Indian companies; that is to say, it is not a very good business principle to get in exchange poor business in the place of good business. The main cause for these unsatisfactory features appears to be the lack of a strong market in India which can handle reinsurance business.

This operation also leads to a loss of foreign exchange every year. Further, there is a loss of income-tax, because of a large amount of Indian insurance business being placed with the foreign reinsurance companies. We lose by way of income-tax also, because those foreign reinsurance firms make profit on the Indian business but they do not pay taxes in India since their offices are located abroad in the respective countries. Therefore, in that way, we lose income-tax on the reinsurance business that is at present being done

abroad by companies operating in India.

Mr. Speaker: How long will the hon. Minister take?

Shrimati Tarkeshwari Sinha: I shall take a little more time. If you so please, I can continue on Monday.

Mr. Speaker: Very well.

15.31 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

SEVENTY-NINTH REPORT

Shri Jhulan Sinha (Siwan): I beg to move:

"That this House agrees with the Seventy-ninth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 15th March, 1961."

Mr. Speaker: The question is:

"That this House agrees with the Seventy-ninth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 15th March, 1961."

The motion was adopted.

RESOLUTION RE: TRADE UNION ACTIVITIES OF GOVERNMENT EMPLOYEES—Contd.

Mr. Speaker: The House will now resume further discussion of the following resolution moved by Shrimati Parvathi Krishnan on the 4th March, 1961:

"This House is of opinion that no Government employee should be penalised for trade union activities and that whenever any disciplinary action against a trade union functionary is proposed to be taken, the case should be referred to the Public Service Commission for examination and advice