

MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : (a) The overall expense ratio (i.e. ratio of the total expense to the total premium income) of the LIC for 1973-74 was 28.52%. The overall expense ratio for 1973 of the well-established life insurance companies in the U.K. and the U.S.A. varied from 18 per cent to 22 per cent. The overall expense ratio of the Postal Life Insurance Fund for 1973-74 was 10.13%.

(b) and (c) : In view of the differences in the circumstances of the various insurance organisations, a valid comparison cannot be made between their expense ratios. However, the LIC is alive to the need of keeping its expenses within reasonable limits and is taking steps, through budgetary control measures, to limit its expenses.

SHRI M. V. KRISHNAPPA : Since how long are they taking these steps ?

SHRIMATI SUSHILA ROHTAGI : Continuously.

SHRI BHAGWAT JHA AZAD : May I know, if as a result of the continuous efforts of the hon. Minister, the result is that the expense ratio is going up? Is that the result or should there be the result of its going down? Is it due to the fact that there are some incompetent Divisional Officers like in Patna Divisional Office where nothing is found properly in record? There is no supervision whatsoever from the LIC headquarters to see that the ratio does not go up.

SHRIMATI SUSHILA ROHATGI : I would start with the latter part of his question. I think, there is definite scope for improvement in the efficiency of the LIC. There can be no two opinions about it. Whether it is Patna office or any other office, if the hon. Member is kind enough to send us something in detail, we shall certainly look into it. But I do not think that the fall in business is due to inefficiency of the officers though the overall efficiency certainly can be improved.

About the first part of the question, the increase in the expense ratio of the LIC is not due to any particular factor. Though there has been a continuous rise of 23½ to 25 per cent in the overall business of the LIC, the expense ratio has gone up because of increase in salaries and dearness allowances.

श्री मधु निम्बे : एन० आई० सी० के विभिन्न दफ्तरों में प्रफ़्तारों की सुविधाओं, उनके भत्ते, गैस्ट हाउस आदि के ऊपर जो प्रनाप-प्रनाप खर्च हो रहा है, क्या एकलपैडीयर रेजियो बटाने के लिए कोई काम किया जा रहा है ?

श्रीमती सुशीला रोहतगी : मान्यवर, एन० आई० सी० में जितने भी प्रनाप-प्रनाप खर्च हैं, चाहे उनके दफ्तर में हैं या व्यवस्था में हैं, चाहे किसी भी प्रकार के हों, वह किस तरह से उनमें बचत कर सकती है, प्रोस्ट्रिटि या इकनामी कर सकती है, इन सारी बातों पर वह गम्भीरता से विचार कर रही है।

SHRI P. R. SHENOY : May I know whether it is a fact that the insurance business in India is employment-oriented and, therefore, computers cannot be used in insurance business and so the expense ratio is bound to be higher.

SHRIMATI SUSHILA ROHATGI : I certainly do not subscribe to the view of the hon. Member that computers do not play any part in the LIC. I think, the LIC has been doing good business. But recently because of the increase in salaries and dearness allowances, as I have already said, this could not be controlled. I do not think the LIC as such is incompetent in its working.

जीवन बीमा निगम के फील्ड वर्कर्स द्वारा प्रभावित

* 451. श्री मन्मथर द्विवेदी : क्या निम्न प्रश्नों का बताने की कृपा करेंगे कि :

(क) क्या भारतीय जीवन बीमा निगम के फील्ड वर्कर्स ने अपनी कुछ मांगों के सम्बन्ध में उचित भारतीय स्तर पर प्रान्तीय सरकार किया है; और

(ब) यदि हाँ, तो उनकी मुख्य बातें क्या हैं तथा इन मामलों में सरकार का क्या कर्तव्यवाही करने का विचार है ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHTAGI) : (a) The agitation launched by the Federation of Class II Officers of L.I.C. has since been called off.

(b) The main demands of the Development officers pertain to revision of pay scales allowances, bonus and conveyance allowance. In their recent statements, reference is also being made to improvement of services rendered by the LIC to its policyholders. These demands are receiving attention.

श्री माधेश्वर द्विवेदी: क्या मालनीय सर्जी जो यह बताने की कृपा करेंगे कि जो आन्दोलन वापिस लिया गया है वह किसी आश्वासन के आधार पर लिया गया है ? यदि हाँ, तो वह आश्वासन किसकी तरफ से दिया गया था ?

श्रीमती सुशीला रोहतागी: मान्यवर, जो दो-एक वक्ता इसके बारे में एल० आई० सी० और फेडरेशन के बीच बात की गई थी उनमें यह तय हुआ था कि एल० आई० सी० ने उनको जो थोक दिया है वह सबकेट टू दी एग्जल आफ दी बोर्ड एंड गवर्नमेंट स्वीकार की जाएगी। सरकार इस पर विचार कर रही है और इस पर अभी कोई निर्णय नहीं लिया गया है।

श्री माधेश्वर द्विवेदी: क्या तक निर्णय लेने की संभावना है ?

श्रीमती सुशीला रोहतागी: मीघ से मीघ।

SHRI S. M. BANERJEE : I would like to know from the hon. Minister whether it is a fact that before starting the agitation they have been knocking at the doors of both the Corporation and the Ministry with no response. I want to know whether a final decision will be taken in respect of the implementation of the assurances given or whether the Corporation will await another agitation to solve the problem.

SHRIMATI SUSHILA ROHTAGI : I do not know anything about the threat of launching another agitation. But the Government is seized of the matter and it is giving full thought to the demands and the offer made to the Federation.

SHRI S. M. BANERJEE : There should be some time limit. Let us be reasonable.

MR. SPEAKER : He is quite reasonable.

SHRIMATI SUSHILA ROHTAGI : Any demand coming from the Kanpur Member is bound to be reasonable. But the fact is that, before Government gives any assurance, it has to take all the factors into consideration—since it concerns the pay scales, allowances, etc. Government is aware of all this and it would try to come to a conclusion as early as possible.

MR. SPEAKER : You are also very reasonable.

SHRI R. S. PANDEY : May I know what are the details of the demands of these field workers of LIC and what assurances have been given ?

SHRIMATI SUSHILA ROHTAGI : The demands presented by them were really fantastic. Since the Government is working out and the negotiations have taken place earlier . . . (Interruptions)

SHRI R. S. PANDEY : What are those fantastic demands ? The House would like to know that.

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM) : The Development Officers originally worked on the basis of their performance and they were getting commission and remuneration on that basis. At a certain stage they wanted to be permanent officers of the LIC with scales of pay. Unfortunately, this has been done. Now they want increase in salaries, emoluments, etc., without reference to performance. This is the real difficulty. With Development Officers, it has to be linked to their performance. As it is, today, even

if they do not work, I am told, for three years and eleven months and come back for one month in the fourth year, they are entitled to the entire salary. This is a sort of anomaly that has come about and this will have to be removed. Hon. members were putting questions why the expenditure had gone up. So, this is a sort of anomaly and this will have to be looked into. I am sure the hon. Member would agree that, while the reasonable demands of the workers will have to be met, there is also the other side of the picture, there will have to be performance, efficiency and discipline. Without these, you may be on increasing the salaries but no results would be achieved.

SHRI DINEN BHATTACHARYYA : Agitation was resorted to not only by the Development Officers but also by all the agents of the insurance companies. May I know whether, on a preliminary assessment, the Government has come to any figure, the amount that will be spent if the demands of these employees are met.

SHRIMATI SUSHILA ROHTAGI : So far as the agitation by the agents is concerned, I think, that was also a part of the entire agitation which was launched in July, and which ended in March—it was there for about eight months or so. The agitation which was launched by the agents was a part of that. It will be difficult to quantify exactly what the amount will be.

Credit given by Nationalised Banks

* 452. **SHRIMATI PARVATHI KRISHNAN† :**

SHRI VIJAY PAL SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether nationalised banks have given credits to the Sugar Barons, Cotton Barons, Textile Barons, wholesale food traders and larger industrial houses with an asset of over Rs. 5 crores in 1972-73, 1973-74 and 1974-75 more than small industrialists, small traders and small agriculturalists in the same period; and

(b) if so, the facts thereof and reasons therefor ?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM) : (a) and (b) : A statement is laid on the Table of the House.

Statement

Since nationalisation, there has been a perceptible shift in the deployment of bank credit in favour of such sectors as agriculture, small industries, road and water transport, small trades, self-employment endeavours, etc. in which the small man is on the whole well represented. Thus, whereas at the end of June, 1969, outstanding advances of public sector banks to these sectors amounted to about Rs. 441 crores involving barely 2.6 lakh accounts and accounting for no more than 14.9 per cent of the total advances, by the end of June, 1974, the amount involved in this type of lending increased to Rs. 1688 crores, the number of accounts and the proportion to the total advances having gone up to 26.16 lakhs and 25.7 per cent respectively.

2. With the increased flow of credit to the above-mentioned sectors as also to such other equally important spheres of activity as public food procurement agencies, exports and public enterprises, the share of the traditional sectors, viz. private large-scale industries and whole-sale trade in the aggregate credit extended by the Banking system has declined from 54 per cent in end-October, 1972 to 51 per cent in end-April, 1974. Although the present system of statistical reporting does not provide for classification of advances according to the size of the asset holding of the borrowers, the fact that the share of larger borrowers in the aggregate bank credit has declined can be seen from the data separately compiled by the public sector banks regarding their outstanding advances to 75 industrial houses listed in the Monopolies Enquiry Committee's Report. The share of these houses in the aggregate credit of the 14 nationalised banks amounted to 19 per cent at the end of 1971. This proportion declined to 18.2 per cent by the end of December, 1972 and further to 15.2 per cent by the