

Nair, Shri N. Sreekantan  
 Nair, Shri Vasudevan  
 Nambiar, Shri  
 Nihal Singh, Shri  
 Pandey, Shri Sarjoo  
 Patil, Shri N. R.  
 Ramabadrán, Shri T. D.  
 Ramani, Shri K.

MR. DEPUTY-SPEAKER : The result\* of the division is : Ayes : 93 ; Noes : 36. The 'Ayes' have it ; the 'Ayes' have it. The Motion is carried.

*The Motion was adopted.*

THE MINISTER OF HOME AFFAIRS (SHRI Y. B. CHAVAN) : I introduce the Bill.

SHRI NAMBIAR : This is a nail in the coffin of the Congress. (*Interruptions*)

SHRI VASUDEVAN NAIR (Peer made) : As a protest, we walk out. (*Interruptions*)

*Shri Nambiar, Shri Vasudevan Nair and some other hon. Members then left the House*

#### STATEMENT RE. ESSENTIAL SERVICES MAINTENANCE ORDINANCE

THE MINISTER OF HOME AFFAIRS (SHRI Y. B. CHAVAN) : I lay on the Table a copy of the explanatory statement giving reasons for immediate legislation by the Essential Services Maintenance Ordinance, 1968, under rule 71 (1) of the Rules of Procedure and Conduct of Business in Lok Sabha. [*Placed in Library. See No. LT-2522/68.*]

16.53 hrs.

#### INSURANCE (AMENDMENT) BILL— *Contd.*

MR. DEPUTY-SPEAKER : Further consideration of the motion for consideration of the Insurance (Amendment) Bill moved by Shri K. C. Pant on 4th December, along with amendments moved.

Samanta, Shri S. C.  
 Sen, Shri Deven  
 Sharma, Shri Beni Shanker  
 Sharma, Shri Yogendra  
 Singh, Shri J. B.  
 Suraj Bhan, Shri  
 Vajpayee, Shri Atal Bihari  
 Viswambharan, Shri P.

Shri Bedabrata Barua may now continue his speech.

SHRI BEDABRATA BARUA (Kaliabor) : While this was discussed yesterday, I was saying that the question of mobilisation of resources and other vital issues are involved in this matter, but so far as the limited objectives placed before the country are concerned, social control would certainly achieve those limited objectives.

The question of high premium rates charge should be gone into. The rates of premium may be high. Particularly when the policyholders' interests are involved, we have to realise that the bulk of the policyholders are those people who are not only the common people, but also under the recent regulations and requirements of insurance, the bulk of policyholders happen to be quite a sizeable number of policyholders in regard to fire insurance and all that—public institutions, government and other people. These policyholders happen to be people who generally do not have much claims against insurance : and when claims are paid, as for example, in the case of motor vehicles, they are paid to people who have got a certain understanding with those inspecting staff and other people. Naturally, therefore, when the public pays a lot of the premium to these insurance companies, it is essential that these rates should be brought down. The aim of social control in that direction can certainly be achieved.

Secondly, the other aim is to control malpractices. There have been lots of these brought out in the inquiry; they were brought out at the Joint Committee stage. There were allegations that some companies used to purchase shares worth Rs. 6 at Rs. 1.50 and then sell them at Rs. 6. It is very dangerous to allow them to indulge in these practices.

\*The following Members also recorded their votes :  
 Noes : Sarvasbri S. M. Krishna and Swami Brahmanandji.\*

[Shri Bedabrata Barua]

There were other forms of malpractices brought to notice. Sinecure posts are created and it has been alleged that these posts are created to berth the relatives and others connected with directors, and these posts take away a lot of profits. If at any time, Government seek to nationalise these companies, these sinecure-post holders may be a great burden on the common people.

Therefore, we have to see whether the powers given to the Controller of Insurance will be really effective to achieve the objects in view.

16 56 hrs.

[Shri Thirumala Rao in the Chair]

In the original Bill the Controller was given enough powers, but now it appears that a sort of consultative committee will be formed in regard to the management with people of experience and knowledge in the insurance line. When we say people with experience and knowledge we mean naturally people who have been in some way or other connected with the Insurance business. We should try to enlarge it in such a way that we are able to take in others, for example the employees of insurance companies who know the other side of the business, who would like to expose malpractices and advise how to correct things. There will be four members in this consultative committee with knowledge and experience of insurance. Knowledge and experience should not mean service in the insurance line itself, because we are aiming at not merely the regulation of insurance, but we have the larger and wider objective of using the resources that are available in this period when there is a lot of scarcity of resources for our planned development.

The biggest bottleneck in regard to the Fourth Plan has been lack of resources. We are even thinking of whittling down the Fourth Plan when resources amounting to Rs. 80 crores are controlled by people who may not have even Rs. 2 crores worth of shares in those institutions. The question is how to mobilise resources. If we want to mobilise resources, it will not be fulfilled by this social control unless it

seeks to advance in certain directions. I can say negatively that resources cannot be mobilised saying that these are not approved securities, but as a firm cannot by itself produce a picture on Rabindranath Tagore, but can only prevent a mini skirt from becoming smaller, this negative statement will not do. What is necessary is that this national objective of mobilising resources should receive greater emphasis and for that we should try to bring insurance not only under more social control but national control consistent with the objectives that the whole country has laid before itself in terms of resources and in terms of increasing concentration of wealth. General insurance, banking, and life insurance, which we have fortunately nationalised, are examples where vast economic power of the common people is concentrated in a few hands. This concentration can be done away with only when we not only give powers to the Controller but see that we are able to utilise the economic power not for the benefit of a few individuals but for the benefit of the whole country.

Any satisfactory regulation of the insurance system involves a question of control and relation of foreign insurance companies or the drain of foreign exchange resources. In this insurance business Rs. 20 crores, that is the latest figure, is the premium income of the foreign insurance company. That is a fairly big amount.

MR. CHAIRMAN : He may continue tomorrow.

17.00 hrs.

#### DISCUSSION RE. SUGAR POLICY

MR. CHAIRMAN : Now we take up the discussion under Rule 193. Shri Kashi Nath Pandey and Shri N. P. C. Naidu to raise a discussion on the sugar policy declared by the Government on the 28th September, 1968 for the coming season. The time allotted is one hour.

SEVERAL HON. MEMBERS rose—