

[Shri K. Hanumanthaiya]

against them. The Railways are helpless in the matter of restoring law and order in the State.

SHRI JYOTIRMOY BOSU : You have yielded to pressure ; you have not come out with a clear statement before the House, although you promised.

SHRI K. HANUMANTHAIYA : Sir, about the ticket collection also, what he says is not quite correct. On the other hand the drive initiated to check ticketless travellers has yielded very good results in Sealdah and Howrah stations. If one or two people have been requisitioned by the Railway Administration for this purpose, it is a natural course of thing and this has been done not only in Calcutta, in fact in Haryana, U P and other places: Wherever such drive has been initiated, teachers, scouts and social workers—all these people are helping the Railways, if there is any particular intention and irregularity in the selection of a particular individual and if my hon. friend brings it to notice, I shall take action.

So far as the appointments are concerned. I cannot straightway reply. I have to look into the file. If he writes a letter to me, I will send a reply.

MR. DEPUTY-SPEAKER : The question is :

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1972-73 for the purposes of Railways, be taken into consideration."

The motion was adopted

MR. DEPUTY-SPEAKER : I shall now put the clauses. The question is :

"That Clauses 2 and 3. Clause 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted

Clauses 2 and 3, Clause 1, the Enacting Formula and the Title were added to the Bill

SHRI K. HANUMANTHAIYA : I beg to move :

"That the Bill be passed"

MR. DEPUTY-SPEAKER : The question is :

"That the Bill be passed"

The motion was adopted

GENERAL INSURANCE (EMERGENCY PROVISIONS) AMENDMENT BILL

MR. DEPUTY-SPEAKER : Shrimati Sushila Rohatgi.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) , I beg to move* :

"That the Bill to amend the General Insurance (Emergency Provision) Act, 1971, be taken into consideration."

Honourable Members are aware that on 13th May, 1971, an ordinance was issued for taking over the management of the undertaking of general insurance companies pending nationalisation of their business. Subsequently, a Bill was introduced in this House for replacing the Ordinance by an Act and the same was passed into law retrospectively from 13th May, 1971.

It is not necessary for me on this occasion to recapitulate the various provisions contained in the Act. Suffice it to say that it provides for the management of the undertakings of general insurance companies being carried on for and on behalf of the Central Government until such time as Government acquires the ownership of the insurers.

The provisions of the Act closely follow the corresponding provisions in the Life Insurance (Emergency Provisions) Act, 1956 which was enacted in similar circumstances at the time of nationalisation of life insurance business. The provisions were found satisfactory and we had presumed that on this occasion also no difficulty would arise. However, certain contingencies have arisen. While

*Moved with the recommendation of the President .

the Custodians appointed by Government have full authority to manage the undertakings, subject of course, to any direction or instructions issued by the Central Government it has been contended that as only the management has been taken over without affecting the ownership which continues to vest with the company, the shareholders still have power to decide in what manner the management should be carried on. Based on this contention the shareholders of one insurer at an Extraordinary general meeting passed a resolution deciding to discontinue general insurance business with effect from 1st January, 1972, and on the Custodian failing to comply with the resolution, the company, its directors and shareholders filed a petition before a High Court for issue of writs on the Custodian and the Central Government to implement the decision of the shareholders' meeting. The High Court has passed judgement declaring that the right to manage an undertaking is different from the right to decide what business a company should or should not carry on and therefore when the shareholders decide to discontinue general business the resolution must be given effect to unless the Act has expressly taken away that right. The Custodian and the Central Government have, therefore, been directed by the High Court not to carry on any new insurance business so far as this particular company is concerned.

In the case of another insurer the Board of Directors had given notice sometime ago of a resolution purporting to amend the Memorandum and Articles of Association for commencing a new line of activity; this virtually amounts to a decision that the transaction of new insurance business should be stopped. There is also a possibility that other insurers might pass resolutions for stopping new insurance business.

The intention of the Act has always been very clear, namely, that all powers of management including the carrying on or otherwise of the business are vested in the Custodian and neither the Board of Directors nor the shareholders have any say in the management of the business. It may be mentioned that the shareholders are being adequately compensated in this behalf. In view of the judgement mentioned earlier and the attitude of some other Boards of Directors, it has become necessary to make the intention absolutely clear by spelling out in more express

terms that the Custodians alone shall have all the powers of management whether the powers are derived from the Companies Act or the Memorandum or Articles of Association or from any other source and that any resolution passed by the erstwhile Board of Directors or the shareholders of any insurer shall not have any effect unless such resolution is approved by the Central Government. The power sought to be vested in the Central Government now ensures that no resolution which has the effect of hampering the process of nationalisation has any effect.

The minor amendments to the Act have been proposed in the present Bill which are also clarificatory. The compensation payable under Section 6 of the Act is related to the average quantum of dividends distributed, for the years 1967, 1968 and 1969. The wording used in the Act, namely "during the years" might be interpreted as referring to a dividend distributed in these years even though it might relate to an earlier year. The proposed amendment seeks to remove this ambiguity by making it clear that what is relevant is the dividend distributed for any of those years.

Some of the foreign insurers transact some insurance business outside India through their Indian branches. Since the management compensation under section 6 of the Act is based on the net premium written by the Indian branch, these insurers might include foreign premium written through the Indian branch for the purposes of calculating the amount of compensation. This was not the intention and the amendment which is now proposed seeks to clarify that only premium written in India will be taken into account.

Hon. Members will appreciate that this Bill is designed only to remove doubts as to the powers of the Custodians and to make clarificatory or verbal amendments and that no new principle is being enunciated. I seek the support of all the Members of the House to pass this measure. The matter is somewhat urgent and I would, therefore, earnestly request that this Bill may be passed as early as possible.

With these words, I move.

MR. DEPUTY-SPEAKER : Motion moved :

"That the Bill to amend the General Insurance (Emergency Provisions) Act, 1972, be taken into consideration."

SHRI SOMNATH CHATTERJEE (Burdwan): Mr. Deputy-Speaker, Sir, we feel this Bill has been necessitated by the half-hearted measure that was taken only a year back in taking over the management of general insurance business although there has been persistent demand that general insurance should be outright nationalised. It is strange that although a year has passed no Bill is being introduced by the government to nationalise the general insurance business as such, and these piecemeal legislations have been brought which shows government have no present intention of bringing the Nationalisation Bill itself.

When we were discussing the main Bill last year the hon. Finance Minister said :

"I would like to finish the whole process as early as possible."

But after a year has elapsed we find that only certain amendments have been brought forward which clearly shows that government still want to go on paying Rs 33 lakhs every month to the general insurance companies, although these companies with the old management and the old Board of Directors have no function to perform and although there has been clear evidence of attempts to sabotage the proper functioning by the management which had been taken over by the 1971 Act. I do not know why the government are still thinking of retaining these managements and going on doling out public money at the rate of 33 lakhs every month. This clearly shows that they have no faith in nationalisation itself or the government owning this important business or important industry, if you want to describe it as industry. Actually, there is no case whatsoever for the government, delaying the nationalisation.

It is also very unfortunate that although one year has lapsed and the hon. Finance Minister had assured the House that general insurance will now "break new grounds, see some new horizons and try to serve more social objective"—I was quoting from his speech delivered last year on the 2nd June—I have yet to see how the horizons have been expanded and how the social objective is sought to be achieved by the implementation of the Act, namely, only by taking over the management.

15 25 hrs.

[**SHRI R. D. BHANDARE** in the Chair]

We had pleaded last year, when we were discussing the main Bill, for diversification of the insurance business. It was essential and we had suggested unemployment insurance, crop insurance and some social security insurance. An assurance was given that the "general insurance business would not only confine itself to commerce and industries"—again, I am quoting from the Finance Minister's speech—"they could expand their activities to other social purposes." We are yet to see how this expansion has taken place. In which direction? We have not yet found the result of the alleged or intended utilisation of the funds of general insurance companies for achieving any social purpose.

We wanted a categorical assurance from the Government as to when they proposed to bring forward the nationalisation Bill which will do away with these attempts of sabotage and to create difficulties in the proper functioning of the general insurance business by these people and which will stop the payment of Rs. 33 lakhs every month to these insurance companies by the Government out of the public exchequer.

So far as the management is concerned, we find that in many cases even the custodians have not been appointed. The hon. Minister will correct me if my information is wrong. The old persons are still continuing in management. The old management pattern has not been altered. Persons, who had no faith and belief in the nationalisation or the State undertaking the general insurance have been kept in management. They have either no faith in the new horizons of which the Finance Minister had spoken last year or in the social objectives to be achieved through the utilisation of the vast resources of the general insurance business. How the Government propose to achieve the objectives, it is supposed to have set before it and before the country? You cannot please the country merely words all the time. You must show some deeds. We must see that these vast resources are really utilised for the purpose of better management and achieving social purposes and social objective.

If you will kindly see, from clause 4(b) of the Bill you will find that the custodians or

some persons in charge of the management have been given certain powers. We would like to know who are the persons who are still in charge of the management, if custodians have not been appointed, and who are the persons who are being appointed as custodians of the general insurance companies after the management has been taken over.

I submit that this is another measure which merely shows that the Government is anxious not to take over the insurance business outright or at least at an early date which will annoy their friends in the commerce and business field. That is why these piecemeal measures are being brought.

MR. CHAIRMAN : The Bill speaks of giving powers to management, whoever may be the person.

SHRI SOMNATH CHATTERJEE : That is why I am asking why custodians are not being appointed in all these concerns.

MR. CHAIRMAN : There is nothing wrong

SHRI SOMNATH CHATTERJEE : The main object of the Act was that until a custodian was appointed, the old persons in management will continue. Why custodians have not been appointed? Why old persons are kept on in the management? That is what I am asking. Custodians have not been appointed.

The other point is about the Calcutta Claims Bureau, in respect of the employees of whom during the last debate on the 2nd June, 1971, an assurance was given by the hon. Finance Minister that their cases will be looked into and these employees of the Calcutta Claims Bureau will be absorbed in Government employment and their services will be secured. We find that nothing concrete has been done except an assurance has been given. I request the hon. Minister who is piloting the Bill to inform the House as to what the Government propose to do with regard to the employees of the Calcutta Claims Bureau.

Subject to this, we certainly support the main purpose for which the amending Bill has been brought and we feel that the House

should assert itself and see that the objectives of the social legislation however half hearted it may be, are not being put to such a use that the whole purpose is frustrated.

With these words, I support the Bill.

***SHRI K. SURYANARAYANA (Eluru) :** Mr. Chairman, Sir, the Government have taken over the management of general insurance companies through an Ordinance in May 1971, as a prelude to the eventual nationalisation of these companies. This was replaced by an Act last year. Within the last one year the capitalists owning these companies have taken advantage of certain loopholes in the principal act and thinking that Government has no inclination or the capacity to nationalise these companies, have got certain resolutions passed regarding their power to enter into any business. They had even taken this matter to courts of law. As a result thereof it has become incumbent on the Government to clarify the position and hence this amending Bill. The hon. Minister has explained the reasons for this legislation and I support the Bill. Sir, it has become a habit with Government to legislate in a hurry and to come forward subsequently with amendment to rectify the situation and in the process to be subjected to criticism from various groups in the House. The Ministries of Law and Finance have well experienced officers and I am sorry that such situations should arise.

I know that the Government is equally interested and eager to nationalise general insurance as much as the hon. Members of this House are. But as I said on an earlier occasion financial considerations in regard to compensation etc., are standing in the way. Speaking on the Finance Bill Shri Jyotirmoy Bosu criticised the Government for an outlay of 33 lakhs of rupees as compensation to these insurance companies monthly which would work out to 1.1 lakhs of rupees per day. He therefore felt that there was some other consideration for not nationalising this general insurance. I submit that because of this delay Government's intention to nationalise is suspect in the eyes of all parties. When Government issued the Ordinance taken over the management of general insurance companies they had in mind the eventual nationalisation at an early date

*The original speech was delivered in Telugu.

SHRI MADHURYA HALDAR (Mathurapur) : On a point of order. There is no quorum in the House.

MR. CHAIRMAN : The hon. Member may please sit down. The bell is being rung

Now there is quorum. The hon. Member may continue.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) : I would like to put on record that the hon. Member who raised the question of quorum has immediately walked out himself. This only shows how serious or sincere he and his friends on the other side are in raising the question of quorum. This is in spite of a gentlemen's understanding between us that 15 members would remain present on that side and 35 members would be present on this side. Here Sir, we are more than 35. *(Interruption)*

SHRI DASARATHA DEB (Tripura East) : He might have gone to collect his people. *(Interruption)*

SHRI K. SURYANARAYANA : Sir, when the parliament is not in session Government has taken recourse to legislation through Ordinance and that is how the Ordinance was issued last year. As soon as Parliament met a Bill to replace the Ordinance was brought before the House. It is one year since the principal Act has been on the Statute Book. If even after one year Government has not thought fit to bring out the Bill to nationalise general insurance, not only the other parties but even we on this side are justified in criticising the Government.

Because of this fluid and uncertain conditions now prevailing the custodians of these companies are also feeling the difficulty. They want to know when they would be relieved of this burden and responsibility. The Board of Directors are not the ruling organ nor is the custodian their watch dog. Transferring of custodians from one company to the other will not yield the desired results and people have not much confidence in the present set up.

While replying to the debate on the Finance Bill 1972, Shri Chavan has promised to bring up a Bill for nationalisation of these companies before the current session is adjourned. We have been informed that the Bill will go up to a Select Committee. That would mean a further delay of a year or more. If a shareholder has got back by way of dividends profits etc., twice the amount of his share no compensation should be paid. This should be the principle on which nationalisation of these general insurance companies should be based. While supporting the present Bill I once again request that the Bill for nationalisation of general insurance should be brought up immediately.

श्री आर० बी० बाड़े (खरगोन) : माननीय सभापति महोदय, जनरल इन्शोरेंस एमरजेंसी प्रोविजन अमेण्डमेंट बिल को मैंने पढ़ा, तो मुझे यह मालूम पड़ा कि गवर्नमेंट को जब कोई डिफिकल्टी आती है, कोई एम्बेगुइटी होनी है **तो वह पार्लियामेंट में आती है।

MR. CHAIRMAN : You are a senior-most Member and an advocate. यह शब्द ठीक नहीं है। यह रिकार्ड से निकाल दिया जायेगा।

SHRI R. V. BADE : Just like a cyclist goes to a cycle-repair shop for repair of punctures they come to this Parliament for plugging the loopholes in the law.

MR. CHAIRMAN : Due to respect, I am not asking you to withdraw those words, but I am deleting those words from the record.

श्री आर० बी० बाड़े : मेरा मतलब है कि ठीकर लगने के बाद यहाँ पर वह आती है। जिस प्रकार से साइकिल-रिपेयर की दुकान होती है कि पंचर होने के बाद वहाँ पर जाना पड़ता है उसी प्रकार से इस पार्लियामेंट को भी साइकिल-रिपेयर की दुकान बनाना मैं समझता हूँ ठीक नहीं होगा। सरकार के पास का मिनिस्ट्री है, फाइनेंस मिनिस्ट्री है, सरकार को देखकर कानून बनाना चाहिए। आपने मैनेजमेंट कस्टोडियन को दिया

हुआ है। मैनेजमेन्ट का अर्थ क्या होता है ? एक कम्पनी के बोर्ड आफ डायरेक्टर्स ने निर्णय कर लिया कि हम इसको बन्द कर देते हैं तो उस पर जो मैनेजमेन्ट है वह तो जैसा मालिक कहेंगे, बोर्ड आफ डायरेक्टर्स जैसा कहेंगे वैसा ही करेंगे। इस पर जब मैनेजमेन्ट हाईकोर्ट के पास गया। उन्होंने यह निर्णय लिया कि कम्पनी ला के अनुसार अगर कम्पनी को बन्द करने का प्रस्ताव पास हो गया तो मैनेजर या कस्टोडियन का काम यही होना चाहिए कि बोर्ड आफ डायरेक्टर्स जैसा कहे वैसा उनको करना चाहिए। बोर्ड आफ डायरेक्टर्स जैसा कहे वैसा मैनेजमेन्ट को करी आउट करना चाहिए। इस प्रकार का कानून होने के बाद जब हाईकोर्ट ने कहा कि बोर्ड आफ डायरेक्टर्स जो है वे अपने अधिकार में किसी कम्पनी को चला सकते हैं या बन्द कर सकते हैं, मैनेजमेन्ट या कस्टोडियन उसके लिए बाध्य होगा कि उनका हक माने तब यह गवर्नमेन्ट सैक्शन 4 में यहाँ पर अमेन्डमेंट लाई है।

"Notwithstanding anything contained in the Companies Act, 1956, or in the memorandum or articles of association of any insurer or in any other instrument, no resolution passed at any meeting of the Board of Directors or of the members of an insurer shall be given effect to unless approved by the Central Government "

इनको बाद में अक्ल आई। उस वक़्त हमने यह प्रस्ताव रखा था कि इसको सिलेक्ट कमेटी में भेजा जाये तो चम्हाण साहब ने कहा था

"As early as possible I don't think I will be able to introduce in this session. This much I am clear, but certainly I would like to finish the whole process as early as possible "

अब उन्होंने यह जो आश्वासन दिया था उसको एक साल हो गया है। एक साल में उन्हें यह कल्पना ही नहीं हुई कि काम्प्रिहेसिव बिल लाना चाहिए। मालूम होता है यह 33 लाख रुपया जो देना पड़ रहा है उसको लेकर कांग्रेस और उन लोगों में कुछ गड़बड़ है।

सभापति महोदय आप मोटिव इम्प्यूट कर रहे हैं।

श्री आर० बी० बड्डे इन बातों को लेकर पब्लिक में शंका उत्पन्न होना स्वाभाविक है। गवर्नमेन्ट का भूवमेन्ट चल रहा है राष्ट्रीयकरण का, इसमें गवर्नमेन्ट की नाराजगी में जो आते हैं उनका राष्ट्रीयकरण कर दिया जाता है और जो नाराजगी में नहीं आते हैं उनका राष्ट्रीयकरण नहीं होता है। इसको अभी तक नेशनलाइज्ड क्यों नहीं किया, इसका कारण नहीं बतलाया गया है। जैसे कि चन्द्रभा पर जाने की इच्छा या पागलपन है इसी प्रकार से नेशनलाइजेशन करने का प्रयत्न किया जा रहा है। यदि राष्ट्रीयकरण से पार्टी का फायदा होता है तब तो राष्ट्रीयकरण करते हैं वरना नहीं करते। इसलिए मेरा कहना है कि राष्ट्रीयकरण करने में और केवल मैनेजमेन्ट लेने से क्या-क्या बातें हुईं ? एक कस्टोडियन आया नवादला होकर। उसका नया अवाइन्टमेन्ट हुआ। तो 110 रुपये की फ्री फनिशड बिल्डिंग उसको दी और टेलीफोन वगैरह दिया। मेरा कहना है कि इसमें यूनिफार्मिटी आफ सर्विस होती नहीं है। एक कम्पनी में एक कानून है तो दूसरी कम्पनी में कोई दूसरा कानून है। अगर राष्ट्रीयकरण होता तो यूनिफार्मिटी आफ सर्विस जरूर हो जाती। इसी प्रकार से स्टैंडर्डाइजेशन आफ वेंजेज भी नहीं है। उसके बारे में अलग-अलग कानून अलग-अलग कम्पनियों में है। फिर अगर राष्ट्रीयकरण करते तो लोवॉरिंग टाउन आफ ऐडमिनिस्ट्रेटिव कास्ट भी हो जाता। आज एन्टरटेन्मेन्ट कास्ट के नाम पर कितना खर्च हो रहा है ? सरकार ने मैनेजमेन्ट को टेक ओवर कर लिया है। लेकिन एन्टरटेन्मेन्ट कास्ट में कोई बचन नहीं है। इनका उस पर कोई कंट्रोल ही नहीं है।

इस प्रकार यदि राष्ट्रीयकरण करेंगे तो तीन फायदे हो जाएंगे। एक तो यूनिफार्मिटी आफ सर्विस हो जायेगी, दूसरे स्टैंडर्डाइजेशन आफ वेंजेज हो जायेगा और तीसरे लोवॉरिंग टाउन आफ ऐडमिनिस्ट्रेटिव कास्ट हो जायेगा। शीघ्र से शीघ्र सरकार को उसे करना चाहिए।

[श्री बार० बी० बाड़े]

काम्प्रीहैसिव ला लाने के बास्ते आपके पास कोई दूसरा आर्युमेंट नहीं है। आपका सिर्फ यही कहना है कि हम विचार कर रहे हैं। 33 लाख रुपया हर महीने आप दे रहे हैं। जो गोलकुनाथ का जममेंट था वह भी अब खत्म हो गया है। अब कम्पेन्सेशन देने की भी जरूरत नहीं है। कांस्टीट्यूशन अमेंडमेंट भी हो गया है। तो फिर आप कानून क्यों नहीं लाते हैं? ऐसी स्थिति में अपोजीशन और कांग्रेस पार्टी के सबस्यों को भी शंका होगी कि आप काम्प्रीहैसिव कानून क्यों नहीं लाते हैं? इसका राष्ट्रीयकरण न करने से शासन के ऊपर शंका होना स्वाभाविक है। आज छोटा-सा दो सैंक्शन का अमेंडमेंट लाए हैं। आप अनेजमेंट या कस्टोडियन के लिए कम्पनी ला में अमेंडमेंट नहीं लाए। बोर्ड आफ डायरेक्टर्स को जो अधिकार दिए हैं उनसे वंचित कर दिया है। जो एंटरप्राइजिंग लोग होते हैं जो सेविंग करके पैसा लगाते हैं वे सोचेंगे कि यह तो सरकार को देना है। इसलिए अपना मजा करो और पैसा उड़ाओ। अगर इसमें कोई एन्करेजमेंट देना है तो कम से कम यह देखना चाहिए कि यह जो कम्पनी ला पर आघात किया है छोटे-छोटे कानून बनाकर और बोर्ड आफ डायरेक्टर्स की पावर्स को निकाल लेते हैं यह ठीक नहीं है। जो शुरू में कानून बनाया है उसको एफेक्टिव करने के लिए आप यह कानून लाए हैं। इसलिए मैं इसको अपना अनुमोदन देता हूँ।

समाप्ति महोदय : चेयर मी कोई कानून लाई नहीं है। गवर्नमेंट कानून लाई है इसलिए जो कुछ कहना है वह गवर्नमेंट की कहिए। आपने किया है, आपने किया है, ऐसा बोलना ठीक नहीं है।

SHRI R. V. BADE : Thank you for that. Through the Chair, I address the Government.

MR. CHAIRMAN : That is the correct procedure.

SHRI B. V. NAIK (Kanara) : Mr. Chairman, Sir, General Insurance has been nationalised for quite some time.....

AN HON. MEMBER : Management ..

SHRI B. V. NAIK : Whatever name we may call it, nationalisation has not been defined precisely in legal terminology. The entire management is in the hands of Government. And, I think, each year we are giving as much as about Rs. 4 crores to the people who had an interest in it before. I would like to bring out the analogy and point out some of the problems involved in taking over of the management at the time of the bank nationalisation. In the case of the banks we have some *status quo ante* prevailing. There have been some expansion of branches etc. I want to draw out the parallel here. The *status quo* prevails. In the case of new branches opened, there also we see that there has not been a substantial departure from the previous policy regarding recruitment as well as personnel. Therefore I feel that nationalisation or taking over of the management is not such a panacea for almost every ill in our economic system. Before nationalisation, adequate preparatory steps have to be taken. Such a thing was done in the case of the LIC when the life insurance companies were taken over. But similar steps were not taken in regard to general insurance prior to nationalisation. This is evidenced by the amendment Bill brought forward which shows that even after one year of nationalisation of general insurance business, the people formerly in charge of the managements still continue in those posts exercising their powers thought not by the front door at least by the backdoor. I think a time-limit has to be fixed with regard to unloading the profits or revenues occurring to these concerns at rate of Rs. 33 lakhs a year or Rs. 4 crores a year, an amount equal to the yearly privy purses which have now been abolished. Is there any justification for this? I would like the Minister to clarify upto what period this amount is going to be paid to those people who had an interest in the capital structure of these concerns.

I would like to say that even after two years of the nationalisation of banks which preceded nationalisation of general insurance, we have not been able to reconstitute the boards of management. We have in fact handed over the management to the same people or group of people who were in charge prior to nationalisation. We find that most of these nationalised concerns have not

changed their mode of operation prevalent before nationalisation

There was also a kick-back procedure as far as the premia payable to the general insurance companies were concerned. Have Government taken any steps to see that the kick-back money which was given to the customers or the middle agents who were working has been stopped completely or it still continues to be paid?

In the course of questions, I had also raised the point that in the case of general insurance companies, there were 25,000 bogus jobs already on the muster rolls. We are today unloading at the rate of Rs 33 lakhs a month to these concerns. Have any steps been taken in regard to the misfeasance of the money in the form of bogus jobs on the muster of these concerns when these jobs were non-existent and nobody was employed? Have any steps been taken to stop it with retrospective effect? Has it been legally examined to see if this money which was misutilised in regard to previous operations which are at present in the hands of Government could be recovered or simply because it has been written off in the balance sheet or shown as expenditure already incurred the matter is to be treated as closed for ever? If this is treated as closed, then I am afraid we shall not be able to lay down any clear guidelines in regard to the conduct of business, whether it is banking or general insurance or other forms of monetary activities. It will not be possible for us to say that such and such activities or such and such practices of malpractices do not pay. Since time and again there has been a cry for nationalisation of this concern or that concern or this oligopoly or that group of industries I would only like to reiterate that before nationalisation we shall have to take adequate preparatory steps as to the deviation of the path that we are going to take once nationalisation takes place. The general impression among the people is that though some more branches or some more new units might have been opened, by and large, nationalisation of these financial institutions has not made any material changes.

श्री रामावतार शास्त्री (पटना) : सभापति महोदय, यह जो जनरल इन्श्योरेंस अमरजंजी क्रमेडमेट बिल है इसका मकसद ठीक है लेकिन

मैं यह जानना चाहता हूँ कि सरकार अभी तक राष्ट्रीयकरण का विधेयक सदन के सम्मुख लाने में क्यों ढिठाई कर रही है, या क्यों देर कर रही है। इसका क्या कारण है? क्योंकि सरकार के हाथ में जनरल इन्श्योरेंस के काम को आये हुए इतने दिन हो गये फिर भी अभी तक इतने लम्बे सेशन में भी यह नहीं लाया गया, और पता नहीं सरकार का इरादा कब तक लाने का है। तो मैं यह जानना चाहूँगा कि इसके विलम्ब का कारण क्या है? और मैं यह भी जानना चाहूँगा कि सरकार राष्ट्रीयकरण के प्रति यदि सचमुच से आदर रखती है, और इस काम को करना चाहती है तो जुलाई या अगस्त में होने वाले सेशन में सरकार राष्ट्रीयकरण का व्यापक विधेयक हमारे सामने पेश करे और बेरो के राष्ट्रीयकरण या दूसरे प्रतिष्ठानों के राष्ट्रीयकरण से शिक्षा लेते हुए इस तरह के नियम बनाये ताकि जो कमियाँ उनमें रह गई हैं वह कमियाँ जनरल इन्श्योरेंस के राष्ट्रीयकरण के कानून में न रहे इस बात का ध्यान सरकार को रखना चाहिए। इसके लिए मेरा एक सुझाव होगा कि आल इण्डिया जनरल इन्श्योरेंस ऐम्प्लॉयज्मेंट एसोसिएशन से सरकार को राष्ट्रीयकरण के सम्बन्ध में कई बार ज्ञापन दिये। मैं चाहूँगा उन मीमोरेन्डा पर सरकार गम्भीरता के साथ विचार करे, उनसे आवश्यकता पड़ने पर राय ले, बातचीत करे ताकि जो छाये बिल आये वह ज्यादा से ज्यादा जनता के हित में हो, इन्श्योरेंस के हित में हो और जो कमी रह गयी है वह कमी नहीं रहने पाये, इस बात का कयाल रखना चाहिए।

सभापति महोदय, इसमें कस्टोडियन की बात कही गयी है। उन्हें इसकी व्यवस्था को चलाने के लिए सारे अधिकार दिये जा रहे हैं। तो मैं यह जरूर कहना चाहूँगा कि जो कस्टोडियन बनाये जायें वे समाजवादी विचार के हों। हम देखते हैं कि हमारे यहाँ सरकारी क्षेत्र में बहुत सारे कारखाने चल रहे हैं, बैंकों का राष्ट्रीयकरण हुआ वहाँ भी जो काम करने वाले लोग हैं बड़े-बड़े, उसी तरह से कस्टोडियन को सारी जिम्मेदारी दे रहे हैं। उन्हें ऐसा जरूर होना चाहिए जो अपनी

[श्री रामावतार शास्त्री]

नीति में निष्ठा रखते हों, जो विश्वास करते हों कि राष्ट्रीयकरण की नीति में हमारे देश का भला है, वर्तमान परिस्थिति के मुताबिक यह नीति सही है, दुरुस्त है। इस विचार को मानने वाले हों और जिस तरह के विचार का प्रतिपादन कम-से-कम आप भाषण में करते हैं कि समाजवाद होना चाहिए उसको मानने वाले हों। नहीं तो अगर आपके सिद्धान्त कुछ हों, आपके उसूल कुछ हों, आप कहते कुछ हों और आपके कस्टोडियन या जो आपके बड़े-बड़े प्रतिष्ठानों को चलाने वाले बड़े-बड़े अधिकारी हैं वे उसके विपरीत आचरण करें, तो जाहिर बात है कि जो आपका उद्देश्य है, जिस तरफ आप राष्ट्रीयकरण के बाद जाना चाहते हैं, उस तरफ आप नहीं जा सकेंगे।

मैं यह जरूर चाहूंगा कि आपके जो कस्टोडियन बहाल हो चुके हैं या होने वाले हैं उन्हें ऐसा होना चाहिए जो हमारे सिद्धान्त के अनुरूप काम करें, जो आपके जनरल इन्स्पेक्टरों में काम करने वाले कर्मचारी हैं, उनकी भी बहुत-सी दिक्कतें हैं। वे उनके बारे में आपके पास आपन भी भोज चुके हैं। मेरा निवेदन होगा कि उनकी बैंकिंग कंशिन के बारे में जो गड़बड़ियां हैं उनके सम्बन्ध में, उनकी तनक्काह के सम्बन्ध में और दूसरी सहूलियतों के बारे में जो कठिनाइयां हैं उनकी तरफ आपका ध्यान जाना चाहिए ताकि उनसे सहयोग लेकर राष्ट्रीयकरण के बाद ऐसी व्यवस्था चल सके। राष्ट्रीयकरण हो या न हो, अगर वे असन्तुष्ट रहेंगे, उनको कठिनाई रहेगी, वे यह महसूस नहीं करेंगे कि जो राष्ट्रीयकरण किया जाने वाला है उससे उनका भला होगा तो वे कभी भी जनरल इन्स्पेक्टरों की भलाई के लिए काम नहीं कर सकेंगे। सरकार को चाहिए कि कस्टोडियनों को बहाल करके प्रबन्ध में जो भी कमी हो उसको दूर करे। अगर कर्मचारी महसूस नहीं करेंगे कि राष्ट्रीयकरण से देश के साथ उनका भी भला होगा, तो उनका सहयोग मिलने में कठिनाई होगी। मैं चाहूंगा कि आपको उनसे पूरा-पूरा सहयोग मिले और सही मानों

में आप समाजवाद की तरफ जा सकें।

केवल समाजवाद की बात कहने से काम नहीं चलेगा। उसको कार्य-रूप में परिणत करने से काम चलेगा। मैं आपकी मार्फत सरकार से निवेदन करता हूँ कि इन बातों की तरफ सरकार का ध्यान जाना चाहिए ताकि आने वाले दिनों में यह व्यवस्था ठीक से चल सके और इसका लाभ देश को, सरकारी कर्मचारियों को और आम जनता को मिल सके।

*SHRI V. MAYAVAN (Chidambaram) : Hon Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to say a few words on The General Insurance (Emergency Provisions) Amendment Bill, 1972.

You know, Sir, that the General Insurance (Emergency Provisions) Act, 1971 providing for the taking over of the management of the undertakings of all general insurers and for the carrying on of general insurance business was passed in June, 1971. The House is also aware of the fact that every month a sum of Rs. 33 lakhs—nearly Rs. 4 crores per annum—is being paid to the erstwhile management of general insurance companies. Even after a year the Government have not yet brought forward a comprehensive bill nationalising the general insurance business. I would take this opportunity to point out that such a huge sum of Rs. 4 crores per annum need not be paid to the former management of general insurance firms, as they have been for decades appropriating large sums as profits. I would like to appeal to the Government that they should soon introduce legislation nationalising the general insurance and also try to stop the drain of public funds being paid as compensation.

16.18 hrs.

[SHRI SEZHIYAN in the Chair.]

Sir, I would also point out that in the Finance Ministry there are any number of high-salaried officials. I wonder how the deficiencies in the original Bill which they are trying to cover through this amending bill escaped their attention at the time of framing the original bill taking over the management of the general insurance undertakings. If they could have foreseen these draw-backs, they could have naturally avoided the wasteful expenditure involved in passing this amending bill. All of us know that for every hour of sitting of Lok Sabha the Government

*The original speech was delivered in Tamil.

is spending Rs. 50,000. Two hours have been allotted for discussion and passing of this Bill, which means an expenditure of Rs. 1 lakh for the Government. I am surprised that the officials in the Ministry of Finance, getting fat salary, could not foresee that the Custodians alone should have all the powers of management in respect of the general insurance business. Is this beyond their comprehending capacity for inclusion in the original bill? If they had done that, they could easily have avoided all unnecessary complications resulting in this amending bill and they could also have saved the valuable time of this House and avoided the unnecessary expenditure in getting this amending bill passed. I have to say that the blame squarely rests on the shoulders of officials who formulated the original proposal for taking over of the management of general insurance business. Similarly, an attempt is also being made through this amending bill to curb the tendency of foreign insurers carrying on business outside India through their Indian branches to get unintended benefit in respect of premiums written outside India. The Government have the experience of foreign insurance companies at the time when the life insurance was nationalised two decades ago. I begin to doubt whether the lapse of the Government in providing for this in the original bill itself is unintentional. Those foreign insurance companies have been given this benefit for the past one year.

As I pointed out earlier, it is at least beyond my comprehension why such important issues should escape the attention of highly-paid officials of the Finance Ministry when they framed the original proposals last year. Here, I am reminded of a Tamil proverb which means that law is an ass. If you go in front of an ass, the ass bites you and if you go behind, you receive the kick. When the Government bring forward legislations intended to benefit the masses of the country, it should be ensured that such legislations are an exception to this proverb.

While I commend the amending bill making the Custodians solely in charge of the management of general insurance business and also providing for a check on the foreign insurers from making unintended profit, I regret to say that it has become the usual practice with the Government to come before

the House with half-backed measures and immediately after that, again approach the House for the acceptance of amending bills. I plead with the Government that at least measures which are in the general interest of common people should not be treated in such a manner hereafter.

With these words, I conclude.

THE DEPUTY-MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI): Sir, I am extremely grateful to the hon. Members for the various suggestions. But I wish that they sat back to hear the reply or at least paid together attention at the time of the first speech. Had they done so many of the points which they raised or reiterated would have been cleared and their fears would have been allayed and it would not be necessary for me to reply point by point.

I appreciate their stand. Their opposition was only symbolic. I think they are committed to nationalisation as such. While supporting nationalisation indirectly, they want to register their party's standpoint. Otherwise they would be failing in their duty. They have to show to their constituents and their partymen that they have voiced the stand of the party and opposed, if not to nationalisation, the Congress Party. I do appreciate their difficulty and so I would not take them very seriously. I do not think they meant the opposition to be taken seriously also.

The hon. gentleman who started the debate belongs to the CPM and he made a brilliant opening and said that this was a half-hearted measure and the Government did not show enthusiasm and sincerity. He also wanted an outright assurance. I fail to understand how any party holding the position of a responsible Government can afford to give any outright assurance without understanding all the intricacies of the problem. It is the privilege of irresponsible opposition to give outright assurances. I am not in a position to do so.

SHRI SOMNATH CHATTERJEE: May I make my position clear? I quoted from what the hon. Finance Minister himself said last year when he said that he wanted to complete the process of nationalisation as early as possible. I thought the Deputy

[Shri Somnath Chatterjee]

Minister would have come here after having read the speech of the Finance Minister, before complaining against others about irresponsibility.

SHRIMATI SUSHILA ROHATGI : I stand corrected. The Deputy Minister had read the speech ..(Interruptions).

SHRI SOMNATH CHATTERJEE : I wanted a categorical assurance when such a nationalisation measure would be brought. What is the irresponsibility in this ?

SHRIMATI SUSHILA ROHATGI : It is not my intention to provoke. But since that was my interpretation, I shall come to it as the last point. They say this is a peacemeal and it shows the intention of the Government to go on doling out money. It is not the intention of the Government to go on doling out 33 lakhs a month. Government has realised that the entire scope has expanded and there is absolutely new objective and the Government is extremely sincere so far as the commitments that were made. Hon. Member Shri Bade is a very senior member. He said, "Government will come to the Parliament when it is in difficulty. It is like a bi-cycle which has a puncture and it is only when it is punctured, it comes here." I may ask Mr. Bade ; he is a very legal minded brain. I will ask him how is it that the bi-cycle gets punctured ? It is only when in use. Government goes on with dynamic acts of the party. It is always in movement and it feels the pulse of the people. In its true followup of the commitment the bi-cycle has been punctured. He will appreciate the enthusiasm for nationalisation. Government is working on this though it has taken a year. I do concede that the year is...

SHRI R. V. BADE : There was some judgement of the High Court and therefore, you have come to this Parliament.

SHRIMATI SUSHILA ROHATGI : Apart from that, I do share the concern shown by the Member that Government has taken so long and that such a big sum of money has been given every month. I would like to say for the benefit of the Hon'ble Members that this big sum is 33 lakhs per month. But it is a very complicated issue and the Govern-

ment has to decide what should be the ultimate shape of the organisation—whether it should be one Corporation or whether it should be more than one Corporation. What should be the area of competition ? Whether the Bill should be for the entire country as a whole or whether it should be limited to certain areas. These are the questions which require thinking. It is not as an hon. Member said, that wisdom has just dawned on us. Wisdom has been in operation all the time. Some people may have doubted our wisdom.

A very pertinent point was raised that some companies do not have custodians. I think that is a very relevant point. I would like to make clarifications on that. In the case of only four insurers, the custodians have not been appointed. They are - the Oriental Fire and General Insurance, the Jupiter Insurance Company, the Indian Guarantee Insurance Company, the Indian Re-insurance Corporation. Of these, first three are in public sector. The companies are the subsidiaries of the LIC. Hence the previous Board of Management will continue to manage on behalf of the Government now. As regards the fourth Company—the Indian Re-Insurance Corporation, its shares are all held by the other insurers and hence there is no advantage by appointing separate custodian. Here also the previous Board of Directors is managing on behalf of the Government. It is not quite necessary to appoint custodians on these four companies.

Another point is about the crop insurance. It is a very correct question. I mean this is some thing which is shared by this party and that party. Be that as it may, we should expand the area of insurance so far as the crop insurance is concerned. For that the Ministry of Food and Agriculture are mainly concerned with it and they are working on it. It is receiving the attention of the Government as it should rightly deserve.

There is another point which has agitated the Members most. Before I go to that there is a point about Calcutta Claims Bureau. There was a representation on behalf of these people and we have met them. The Finance Minister said that we should consider it sympathetically. I am not in a position just now to say where the matter stands. But certainly we shall examine it

and will see that any commitment made by the Government is honoured.

The hon. Member said that the Government only speaks, It does not act. I do not think that. The CPI Member said that in July Session Government should bring in the Bill. I will now say that the Government is intending to bring a Bill for nationalisation within this Session. I think within this we shall have this Bill and it should be sent to the Joint Select Committee.

With these words, I feel, and the Hon'ble Members will feel, that the Government is not sleeping over it. Government is not intending to dole out the money. It is not that the Government has not kept its commitment. Government is trying to bring the Bill for nationalisation in this Session of Parliament and it will go to the Joint Select Committee.

MR. CHAIRMAN : The question is :
"That the Bill to amend the General Insurance (Emergency Provisions) Act, 1971, be taken into consideration."

The Motion was adopted

MR. CHAIRMAN : We now take up clause-by clause consideration

As there are no amendments, I will put all the clauses to the vote of the House together. The question is :

"That Clauses 2 to 4 stand part of the Bill"

The motion was adopted.

Clauses 2 to 4 were added to the Bill
Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRIMATI SUSHILA ROHATGI : I beg to move :

"That the Bill be passed"

MR. CHAIRMAN : The question is :

"That the Bill be passed"

The motion was adopted.

16-15 hrs

SALARIES AND ALLOWANCES OF MEMBERS OF PARLIAMENT (AMENDMENT) BILL

THE MINISTER OF PARLIAMENTARY AFFAIRS AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) : Sir, I beg to move* :

"That the Bill further to amend the Salaries and allowances of Members of Parliament Act 1954, be taken into consideration."

Sir, this a very simple measure. As brought out in the Statement of Objects and reasons, the objects of this Bill is to provide two of our colleagues in this House, representing the Union Territory of Andman & Nicobar Islands and the Union Territory of Laccadive, Minicoy and Amindive Islands the facility of one free non-transferable pass each which will entitle them to travel at any time by the highest class by steamer to and fro any part of his constituency and any other part of his constituency or the nearest port in the mainland of India. This is coterminous with the facilities already available to members under the Identity Card cum-Railway pass in terms of section 6 of the Act. Subsequent to the introduction of Bill in Lok Sabha on the 20th December 1971, a suggestion was made that the steamer pass proposed to be given to two Members should entitle them to take the spouse and a servant with them as is the case with the rail journeys. This suggestion was examined and it was agreed that this facility might be extended to the two Members. Accordingly, I have given notice of moving an amendment to the Bill. This amendment seeks to entitle the members to :

- (i) one free pass for one person to accompany the Member and to travel by the lowest class by steamer and
- (ii) one free non-transferable pass for the spouse to travel by the highest class by steamer to and fro the usual place of residence of the Member in his constituency and the nearest port in the mainland of India, once during every session.

*Moved with the recommendation of the President.