

**Mr. Speaker:** The question is:

"That the amendments made by Rajya Sabha in the Bill be agreed to."

*The motion was adopted.*

11.55 hrs.

**INSURANCE (AMENDMENT) BILL**

**The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu):** Sir, I rise to move:

"That the Bill further to amend the Insurance Act, 1938, be taken into consideration."

Since the Bill is a brief one, containing three clauses only, I would be equally brief.

As will be seen from the Statement of Objects and Reasons, this Bill has only a limited purpose.

In terms of sub-section (6) of section 3 of the Insurance Act, 1938, it is mandatory on the part of the Controller of Insurance to grant a Certificate of Registration to an applicant if the formal requirements regarding registration under the Act have been complied with. The Act does not require, and in fact does not permit, the Controller, before registering an applicant, to satisfy himself about his financial condition and general character of the management.

If the number of insurers operating in the market is more than what the business can support, it is likely to lead to undesirable practices and a consequent deterioration in the stability of the units and in the service to the policyholders. The Bill, therefore, requires the Controller of Insurance to consider before registering any applicant whether there is room or necessity for an addition to the number. Such consideration is necessary in order to avoid congestion in this line of business which can only

result in unhealthy competition or losses.

**Shri Hari Vishnu Kamath:** Sir, is he going to read a long speech?

**Mr. Speaker:** He has said that it is a brief one.

**Shri D. C. Sharma (Gurdaspur):** Sir, this is his maiden speech. Why is the hon. Member interrupting him?

**Shri Rameshwar Sahu:** I am going to be brief. This Bill is to clothe the Controller with the necessary statutory authority. Provision is also made for an appeal to the Government from the Controller's refusal to register by the aggrieved party.

Sir, I move that the Insurance (Amendment) Bill, 1965, be taken into consideration.

**Mr. Speaker:** Motion moved:

"That the Bill further to amend the Insurance Act, 1938, be taken into consideration."

**Shri Alvarez (Panjim):** Sir, permit me to congratulate the Deputy Minister of Finance on his first sponsorship of a legislation in this House. If for nothing else than the Bill is bad in law. I have to oppose this Bill. Under the Indian Insurance (Amendment) Act, the Government had unauthorisedly been appropriating 5 per cent. of the surplus after the actuarial report as government revenue. This appropriation, which was unauthorised, has been struck down by the Supreme Court and the Government have now come with a Bill to permit 5 per cent surplus to be appropriated to Government as revenue but with retrospective effect. It would have been very legitimate for Government to try to seek a form of revenue from the surplus of the Life Insurance Corporation in order to buttress up its revenue during a period of financial crisis. We have been asking that all the public sector corporations we have, industrial or financial should be able to make a fair return to

[Shri Alvares]

government in order that Government should have a means of income from the profitability of these concerns. But, Sir, it is one thing to provide for revenue and another thing to appropriate revenue when it is unauthorised.

Shri Hari Vishnu Kamath (Hoshangabad): Mis-appropriate.

Shri Alvares: The Supreme Court has very rightly declared that what the Government appropriated was unauthorised, and this Bill comes to legalise something that was illegal.

Now, Sir, it is bad in law and, as I said, it would be quite proper if the Bill be made applicable from tomorrow so that the provision will be for prospective appropriation of revenue. But to seek to make it retrospectively legal, I think, would be wrong. Therefore, from this point of view I oppose the Bill.

12 hrs.

Then, there is another provision which will probably escape if it is not minutely analysed. First of all, I would like to know the amount that Government have allotted to its own fund in the last three or four evaluations on this 5 per cent appropriation, for then we could come to know what is the prospect or what is worthwhile for Government—to permit all the 100 per cent of the actuarial surplus to go down in the form of dividend or bonus to the policyholders or whether the 5 per cent is an amount sizeable enough for Government to appropriate. If it is small, I think, there will be no justification for this appropriation of the revenue; but if it is sizeable, there may be. But before we give our consent we should like to know the quantum.

In the second amendment to section 28A, the additional clause, there is a need for an explanation. It says that if in any financial year profits accrue from business other than life insurance.....

Shri D. C. Sharma (Gurdaspur): About which Bill are you talking?

Shri Alvares: The Insurance Bill. What have you got in your hand? I would like to know whether Government is practising a sort of schizophrenia in this Bill. Does it divide the profits on the actual policy in one compartment and profit from the investment in another compartment?

Shri Rameshwar Sahu: May I say a word? The hon. Member is probably referring the LIC (Amendment) Bill which is not under the consideration of the House. This Bill concerns with amendments of the Insurance Act, 1938.

Shri Alvares: Life Insurance Corporation Bill.

Mr. Speaker: Insurance is common to both; but there is life in one while there is no life in the other.

Shri Alvares: But he said "yes" when there was a doubt raised by one hon. Member.

Mr. Speaker: Probably, life was not in a lively mood at that time. Now, will he go on without life?

Shri Alvares: No, Sir.

Mr. Speaker: Shall we consider what has gone on the record as a part of the speech?

Shri Alvares: No; it can be expunged.

Shri Warlor (Trichur): Sir, I have no objection to having an amendment like this. But the whole question starts again with the question of nationalisation of general insurance. Some time back, I remember, the then Deputy Finance Minister said that this question had been engaging the attention of Government and that Government was considering it and would arrive at a decision very soon. But nothing has happened; meanwhile by some such small amendments the Government thinks

that the disease that has already eaten the vitals of the general insurance business in this land, can be cured. That cannot be done. It can be done only by a major operation and the Government actually has started, in principle, to have that operation. But why is the Government fighting shy of taking proper action at the proper time before it is too late? That is the whole question.

If we go deeper into this, I think, this is the most appropriate opportunity, before the Fourth Plan is finalised which is on the anvil, for seeking resources and seeing wherefrom the Government can get it. We thought, when the LIC entered the general insurance field, that there would be a proper balancing or adjustment of the resources between the private sector and the public sector. This did not happen. It could have happened if the LIC had done it properly. That was not done. It was done in a haphazard way, very hesitantly. The Government is fighting shy of touching the private sector in that respect also.

May I ask the Finance Minister why, when the Government itself is having 75 per cent of the general insurance in the fire department, that Government business is given to four major companies in India and why should not the Government take at least that in its own hands? Why should the Government give it to private companies? When the Government gives that to private companies, the Government pays the premium and finally these very companies have a portion of this premium collected in Government securities for which the Government again pays interest. So, why should this double contribution be made to private business like this? I do not understand this.

Already there is a trend of monopoly in general insurance. Year by year the number of companies is decreasing and not increasing even though the economy is developing and the scope of general insurance

is also improving. There is vast scope for general insurance even now, but actually the number of companies has decreased and not increased.

Then, there is the question of the cut-throat competition in rebates. It is amazing that because of this competition in rebate not only the small companies, the small insurers, are going down but also the employees in Indian insurance companies, specially the lowest paid, come back in the foreign insurance companies. They are to suffer. The entire burden of the losses of their own mischievous act is placed on the shoulders of the employees so that their profits and profitability will not be affected. We find from statistics that general insurance is only seeing to more and more improvement in profits and profitability. From a very low figure of Rs. 30 lakhs or Rs. 40 lakhs, now it has come to about Rs. 3 crores in the last one year. When the Times analysed the statistics of about 24 companies, it found that there was a vast scope even now to improve general insurance business in India.

There is another point also to be mentioned in this regard. Even now the foreign owned companies are making more profits and are having more business because we have a wide field of oceanic traffic carrying our cargo outside and their cargo inside. Since, compared to the shipping position of foreign countries our shipping position is much lower, insurance business specially marine insurance is taken much more by these foreign companies and India is not getting its due share in that.

So, taking into consideration all these aspects of the question. I think, Government cannot evade this question of nationalisation of general insurance. This is the appropriate time that Government should give due consideration to this aspect instead of trying to mend the evils in this insurance business which is left entirely to the private sector more or less although the Govern-

[Shri Warrior]

ment has a few controls there and there. In the larger interests of the nation, in the interest of its own employees and in the interest of the insuring public, I think, the Government must take a final decision now at the appropriate time and take over this business also and add to the LIC. This is my suggestion. I have no opposition to this Bill as such.

**Shri D. C. Sharma:** Mr. Speaker, Sir, I congratulate the hon. Deputy Minister for the very eloquent speech that he made while introducing this Bill. I think, if he goes on repeating his performances like this, he has a very bright future in this country so far as the Treasury Benches are concerned. I give him my hearty congratulations.

The first point that I want to make is that I cannot understand the policy of the Government. It is the half-hearted policy of the Government. When I see that the Government has nationalised life insurance and not nationalised general insurance, I am reminded of a proverb which I read when I was a student at school: It is the case of swallowing an elephant and straining at a gnat. They have nationalised life insurance which is a mammoth piece of work and, I think, on the whole they are doing well in that. But I do not understand why they have not taken general insurance. I think insurance should be looked upon in this country as one unified, integrated business and there should be one controlling authority for it, not that 7/8th should be controlled by one authority and 1/8th should be controlled by some other persons. I believe that the Government has taken too long for nationalising general insurance and the sooner it does, the better it is.

I ask myself the question: What is general insurance? Life insurance is for me and for the Members of this House and for the masses and when you come to general insurance,

you think in terms of big buildings, you think in terms of cargo and you think in terms of other things which are the property of the nation or the property of a gentleman. I am very glad to hear that the message of life insurance is being taken to the rural people also—I read the statement of the Chairman of the Life Insurance Corporation the other day—and if you are going to do that, I do not understand why this Parliament House or the Reserve Bank building or the Rail Bhavan or the Krishi Bhavan should not be insured by us. They belong to us; they belong to the nation; they belong to the country and for their protection, we look to some foreign company or some indigenous company. I think this kind of anomaly can be seen in the thinking of the Indian Government only. No other Government will be guilty of this kind of thing.

Just now, my hon. friend said that 75 per cent of the insured money comes from the Government. Why is it that the Government is putting that money into the pockets of somebody else? I do not know what kind of economics it is. Economics means to keep the money into your own pocket or if you give money to somebody else, you give it to him for some consideration. But the 75 per cent of the money, as my hon. friend said—he is the master of statistics; I take my statistics from him—is going to the pockets of these persons who are responsible for general insurance.

Sir, some days back, a deputation of insurance workers came to see me. I asked them, "Where do you work? Are you the workers of the Life Insurance Corporation?" They said, "No, Sir". I asked them, "Where are you working then?". They said, "We are working in general insurance field". They gave me a memorandum—I am sorry I have not brought their memorandum—which, of course, the Finance Ministry must have had it and they must

have put it in cold storage. I can see that.

**Shri Rameshwar Sahu:** They can send it to us.

**Shri D. C. Sharma:** They gave me their memorandum and in that memorandum, we were told the story of discrimination; we were told the story of some pending promotions; we were told the story of unremunerative jobs and we were told the story of work which is not justly paid. In the interest of our nationals who are working in the general insurance, in the interest of the Government, in the interest of unified control, we must take general insurance. We are always asking for money for the Third Plan, the Fourth Plan or the Fifth Plan and we go to this country or to that country to get the money. But when we can get the money in our own country, we are shy of getting it. Why can't we reap up the profits of these general insurance companies for our own good, for the good of the Fourth Plan or the Fifth Plan? The hon. Deputy Minister who is so intelligent, who is so far-sighted and who is going to be so sympathetic, should try to have this general insurance. If he can get that thing done, he will live in the history of India and his name will go down in the annals of India. If he does not do that, I think, he will be like any other Deputy Minister. So many Deputy Ministers come and go; so many Ministers come and go—nobody bothers about them. But if the general insurance is nationalised by him, I think, the hon. Deputy Minister will become one of the immortals in the insurance world.

**An hon. Member:** What can he do?

**Shri D. C. Sharma:** I now come to the Bill. The Bill is very harmless. What does the Bill say? It says that there should be no mushroom growth of general insurance companies; there should be no

growth of bogus companies; there should be no growth of companies which cannot pay their liabilities; there should be no growth of such companies as cannot meet the demands which are made upon them. I think this is all very good. But I ask the hon. Deputy Minister: Have we been giving a licence to the general insurance companies to do general insurance without proper capital, without proper accounting and without proper capital for meeting the demands of the insurers? If we have been doing that, we have been guilty of a national crime, if not of nationals.....

**An hon. Member:** Not correct.

**Shri D. C. Sharma:** Nothing is correct. I know in your world everything is very good. My misfortune is that I do not live in your world. I live in the world of the poor; you live in the world of the rich....

**Mr. Speaker:** Order, order.

**Shri D. C. Sharma:** Sir, I was submitting that so far as the provisions of this Bill are concerned, they are very good. But what has made the Government to bring forward these provisions now? Why should they try to mend the evil? Why should they not nip the evil in the bud? And the evil can be nipped in the bud only if you nationalise general insurance. That is the need, the crying need, of the day. That is the demand brought forward by our Fourth Plan, the Fifth Plan, the Sixth Plan and so on. I think if the Government does not do it, they will be falling in their duty.

**Shri K. L. More (Hatakanangle):** Mr. Speaker, Sir, as the Speaker who preceded me pointed out, there is no urgency to introduce this Bill. Secondly, the hon. Deputy Minister has not cited any instance or case where the insurers have acted adversely to the interest of the policyholders. On the contrary, if we look to the Hindustan Year Book

[Shri K. L. More]

of 1963, we will find that there is admirable progress in general insurance. My third submission is that the report shows that there were cancellations of only three companies. Even these cancellations were due to the fact that the insurers did not get their renewal of registration.

With regard to the power now given to the Controller, it is very vague and has not been properly defined.

Under these circumstances, I feel that it is very hard to congratulate the Deputy Minister on this. I oppose the Bill.

**Shri Himatsingka (Godda):** I support the provisions of the Bill as introduced in the House and I feel that the remarks made by the hon. Member, Shri D. C. Sharma, are beside the point. He forgets that, under the Insurance Act, any body or any company doing insurance business for a particular time is required to deposit certain amounts as provided in the Act itself. Therefore, there is no question of any insurance company being allowed to do business without proper deposits being made, as is provided for in the Act itself.

The provision that is intended to be passed today provides that the Controller shall not be bound automatically to grant a licence to a foreign insurance company unless he is satisfied with the points now indicated in (2A). Previously he did not have this power and the applicant was entitled to get a licence almost automatically. But now the Controller will be entitled to go into the facts and if he is not satisfied, he will be entitled to refuse registration.

Regarding the other question about nationalisation, I do not know why, from time to time, this question is raised unnecessarily. They forget that general insurance is not a thing which will automatically bring

money. That is, a good deal of risk is involved in the general insurance and if certain policies are not very carefully taken, it may be that, instead of profit, the company may be a loser and may have to pay much more than the premium that is earned. As you know, the Government has now a number of insurance companies which are entitled to do general business; they came in along with life insurance. Therefore, a certain amount of general insurance is being transacted by Government insurance companies. Therefore, there is no case why the Government should think of nationalising the general insurance companies. After all, no one would like to take all the risks himself. Generally when a company insures certain risks, it reinsures in the other companies to minimise the risk of a particular transaction. If there are a number of companies, they generally enter into certain arrangements whereby the risk is passed on to a number of companies on certain percentage basis. Therefore, I feel that the work is now going on in the right direction and that the Government should not take into its hands more than what they can manage. If they do so, they will be taking a risk which may not be justified and which will not be in the interest of the country. Therefore, I support the Bill. I feel that the provisions of the Bill are limited to a particular point and we should confine ourselves only to that.

**Shri S. M. Banerjee (Kanpur):** After going through the Act, I feel that this amendment is necessary. But is that the only remedy which may settle this deep-rooted malady of the general insurance companies? You know why today every political party and even progressive individuals—there are some in the ruling Party also—are demanding nationalisation of general insurance: why suddenly this demand has cropped up and has become a living slogan or rather a national slogan in the country today. The same arguments were

advanced when Government thought of nationalising life insurance. I remember what happened when those who were opposed to nationalisation became the Directors of the nationalised industry. What happened to Life Insurance Corporation? It is a matter which I do not want to discuss here; it is known to the entire country.

The nationalisation of general insurance is necessary for augmenting the resources for our Plan. What are the profits of the general insurance companies today? I give you the figures of 24 companies. In 1964, the pre-tax profit was Rs. 487 lakhs; the profit after tax improved from Rs. 162 lakhs in 1963 to Rs. 272 lakhs in 1964. My hon. friend, Shri Himatsingka, says that it is almost a losing concern, rather a risky concern, and that Government should not have this adventure at this hour. The same arguments were advanced when Government thought of nationalising life insurance. After nationalisation life insurance, is it not adding much to the resources of the Five-Year Plans; is it not a fact that even today the L.I.C. supports with all sorts of finances? I think that the financial support that we get from the L.I.C. is the biggest.

There is not only the question of finances or augmentation of our financial resources for the Fourth Five-Year Plan or Fifth Plan. These concerns are being run by the big business bosses. We know the history of the Ruby Insurance and the New Asiatic Insurance. If you read even the summary of their audit report—you have read that—then you will find that the affairs there are scandalous. Should we not nationalise those concerns. It is high time that we nationalised general insurance in the larger interests of the nation. We may not earn more than Rs. 4 to 5 crores a year, but it is necessary because the condition of the employees working under those insurance companies excites horror

in me. There are no service conditions at all. This may not come strictly within the purview of the amendment, but the sense of the House should be taken into account. It is not I, belonging to the Opposition, who advocate nationalisation of general insurance. It is my hon. friends Shri D. C. Sharma and Shri Bhagwat Jha Azad who want nationalisation. So, there are sections in the ruling party also who have fought the elections with their own money, by getting money from the common people, who want to support this demand for nationalisation and not the interests of those who represent a particular business-house or business-houses. I am not attacking any Member of this House. Shri Himatsingka is more able than weak, but I feel that he should not oppose nationalisation. He says that his fear is that if Government take over these things then they would lose. But I would submit that if in the interests of the country, and for the welfare of the country, we want that general insurance should be nationalised, so that the people may benefit and the Plan may be benefited, and last but not least, those employees who are working under the heels of these big business-houses may also heave a sigh of relief, then what is wrong with it? I feel that nationalisation of general insurance should be done under those circumstances. In fact, a memorandum was submitted to the Government of India by the general insurance employees which revealed that the profits were rising day by day. They were not advancing their own arguments, but they were quoting the various papers run by the capitalists like *The Eastern Economist*, the *Economic Weekly*, and the report of some sample survey conducted by a group of persons. Their memorandum had revealed that the profits were rising day by day. Yet, my hon. friend Shri Himatsingka says that it would be a risk to Government if they were to nationalise both concerns. This slogan which is coming from a quarter, this slogan



जो धन हमें प्राप्त होता है या जिसको हम पैदा करने हैं उसको त्याग भाव से भोगें, क्योंकि धन तो धरने जाने वाली माया है ।

प्राज हमारी राष्ट्रीय सरकार ने अपनी पंचवर्षीय योजनाओं के द्वारा विकास की जड़ जमा दी है । जो उन्नति फैलायी है और जो स्वास्थ्य के साधन दिए हैं उससे हमारी धायु भी बढ़ी है और उनी का यह प्रभाव हुआ है कि देश में धन के बारे में और जीवन के बारे में विश्वास पैदा हुआ है, जड़ता के साथ नहीं, भौतिकता के साथ नहीं बल्कि इस विश्वास के साथ कि जीवन जीने के लिए है, जीवन धानन्द के लिए है लेकिन मनुष्यता तथा धर्म के नाने । सरकार ने इस काम में उन्नति भी की है और प्रच्छा काम किया है कि जीवन बीमा का राष्ट्रीयकरण कर दिया । जहां तक सामान्य बीमा का सवाल है उसके बारे में ये तर्क दिए जाते हैं कि अगर उसका राष्ट्रीयकरण करते हैं, तो उसमें झंझट है, दिक्कतें हैं । तो यह एक विश्वास की बात होती है । चाहे प्राप सरकारी प्राधार पर ही किसी काम को लें, लेकिन इस विश्वास से लें कि सरकार में इस काम को करने की क्षमता है, तो उसे प्राप कर पाएंगे ।

12.36. hrs.

[MR. SPEAKER in the Chair]

यह मैं इसलिए कहता हूँ कि देश के अन्दर और देश के बाहर भी लोग यह सोचते थे कि ये घांती वाले और टोपी वाले क्या राज्य चलाएंगे और क्या युद्ध में अपनी शक्ति दिखाएंगे, लेकिन उपाध्यक्ष महोदय हम ने यह दिखा दिया है कि हम जीवन में विश्वास करते हैं, राष्ट्रीयता में विश्वास करते हैं, देश की मजबूती में विश्वास करते हैं, और प्राज हमने जो शक्ति पाकिस्तान को दिखायी है वही जीवन बीमा का सब से बड़ा उद्देश्य है । इसी शक्ति और अधिक जीवन में लाने की बात है । इसी विश्वास को जीवन में और लाने की बात है ।

अगर प्राप जीवन बीमा के बारे में किसी गांव वाले से पूछेंगे तो वह यह समझेगा कि धन मरने के बाद मिलने वाला है, यह मृत्यु धन है । मृत्यु धन किसी का प्रच्छा नहीं लगता, हो सकता है कि मुझ जैसे कुछ लोगों को यह धन प्रच्छा लगता हो, लेकिन बहुतों को प्रच्छा नहीं लगता । लेकिन हमें प्राज इस काम में विश्वास हो रहा है । मेरा सुझाव है कि जिस तरह प्राप ने जीवन बीमा का राष्ट्रीयकरण किया है उसी प्रकार सामान्य बीमा का भी राष्ट्रीयकरण करें और जो फायदा उस काम से प्राज विदेशी कम्पनियों को हो रहा है वह हमारी सरकार को हो ताकि इस धन में लाने वाली चौथी योजना को बल मिल सके और देश की गरीबी और मजबूरी का इलाज हो सके और देश में एक नई शक्ति पैदा हो सके और देश में शक्ति और समृद्धि का स्रोत जो हम बहाना चाहते हैं उसे बना सकें ।

इन शब्दों के साथ मैं इस विषयक का समर्थन करता हूँ और माननीय उप मंत्री जी का ध्यान इस और आकर्षित करना चाहता हूँ कि अधिकारी को शक्ति दें लेकिन शक्ति देते समय इस प्रकार का नियंत्रण भी रखें कि देश में भ्रष्टाचार में वृद्धि न हो ।

Shri A. N. Vidyalkar (Hoshiarpur): So far as the provisions of this amending Bill are concerned, I do not think that anyone can take exception to that. Apparently, all these provisions that have been made in the amending Bill appear to be correct and desirable. But I am afraid that in actual implementation and in actual practice, the discretionary powers may be used for strengthening the monopolies of the insurers. So far, the practice has been, and we have seen this in the various matters where licences have to be issued for industries or where discretionary powers are to be exercised that the officers generally remain under the pressure of the monopolists. Whether it be in insu-

[Shri A. N. Vidyalankar]

rance or in banking etc., generally we find that the discretion is exercised in their favour. Newcomers are discouraged on some excuse or the other. Here in the amendment, various conditions are laid down for fulfilment by the applicant. It is stated in the statement of objects and reasons that at present it is mandatory on the part of the Controller of Insurance to grant a certificate of registration to an applicant if the requirements as to registration are complied with. But now discretion is sought to be given to him to examine several aspects. There are conditions laid down, (a), (b), (c) and (d), and the Controller has to satisfy himself that these conditions have been fulfilled.

These are general conditions. For instance whether the interests of the general public will be served if the certificate of registration is granted. If he does not want to grant a certificate to a new insurer just due to the pressure or influence exerted by the monopolists already in the field, he will say that general public interests will not be served by grant of a certificate. I know certain instances where licences to new industries have been refused simply because of pressure from the big industrialists. They are told, 'You have no capacity; your financial condition is not satisfactory'. In this connection, so far as the big monopolists are concerned, whether in insurance or other business or industries, for instance, Birlas, Khataus and others, their financial condition is such that it cannot be compared with that of the newcomer in the same business. The newcomers' Capacity, to run business will always be deficient in comparison with that of the established family firms.

I agree the intention of Government is good. But in the implementation, we find that the discretion is generally misused. It is misused under the pressure and influence of

big business. Therefore, I think there is only one way out. So long as these monopolies continue, so long as the power of the big business and big finance continues to be recognised, their influence will remain and their influence will always be made to be felt on the officers also. That is why we always pleaded that the key industries should always remain in the hands of Government. They should be in the public sector. There is a strong case for nationalisation of general insurance. All these measures being taken would be useless or ineffective under these circumstances. If you do not give discretion to the officers, there would be inefficiency and delay in the disposal of applications. If you give the discretion, that is misused, and it will always be misused when economic power remains in the hands of a few wealthy elements. Therefore, I think that the economic power should remain with the Government and these monopolies should be smashed. That is the only way out. To that end, nationalisation of general insurance is an important step. In that case, all these amendments will not be required and the difficulties we are at present facing will be removed.

श्री भागवत झा झाजाद (भागलपुर) :  
उपाध्यक्ष महोदय, इस विधेयक में जो संशोधन लाया गया है, मैं उस का स्वागत करता हूँ। मैं उस का स्वागत इसलिए करता हूँ कि उस की भावना अच्छी है, लेकिन यह मेरी निश्चित राय है कि इस संशोधन से इसकी भावना की क्रियान्विति नहीं हो पायेगी।

आज हमारे देश में यह बात स्पष्ट हो चुकी है जिन जैसे वालों लोगों के पास व्यापार, उद्योग बैंकिंग और जीवन बीमा का एकाधिपत्य है, उन की ताकत और शक्ति. उन के बिना वाले पूरे इस देश पर इतने फैले हुए हैं कि वे न केवल इस देश के नब्बे प्रतिशत

व्यक्तियों के खून का शोषण करते हैं, बल्कि उन का प्रभूत्व यहां के बड़े बड़े वर्गों पर भी फैला हुआ है, चाहे वे वग सरकार में हों और चाहे उस के बाहर। इस लिए जब सरकार ने इस बात की प्रावश्यकता को महसूस किया, उस ने देश के वाइटल सैक्टर का राष्ट्रीयकरण किया। आप जानते हैं कि हम ने अपने देश की प्राथिक व्यवस्था में पब्लिक सैक्टर और प्राइवेट सैक्टर दोनों का स्थान दिया है। लेकिन साथ ही साथ हम ने यह भी निर्देश दिया है कि हमारे देश में उद्योग, व्यापार या प्राथिक क्षेत्र के जो बहुत ही महत्वपूर्ण सैक्टर हैं, उन को हम पब्लिक सैक्टर में रखेंगे। इसी नियम के अन्तर्गत सरकार ने स्टेट बैंक और जीवन बीमा का राष्ट्रीयकरण किया। लेकिन हम यह नहीं समझ पाए हैं कि जब सामान्य बीमा के राष्ट्रीयकरण की प्रावश्यकता है, तो उसमें संशोधन ही क्यों लाया जा रहा है। हम यह नहीं समझ पाए हैं कि जहां पर सर्जन की प्रावश्यकता हो, वहां पर छुरी से क्यों काम चलाया जा रहा है।

धरम श्री कृष्णमाचारी अपने को सर्जन समझते हैं—मैं समझता हूं कि वह है—, तो वह यह बड़ा आपरेसन क्यों नहीं करते हैं? उन के पास फ़िनांस में जगलिस करने, लोगों को बनाने बिगाड़ने और तोड़ने फोड़ने की बहुत शक्त और बुद्धि है और इस मामले में वह बहुत तेज है, तो फिर वह हिम्मत क्यों नहीं करते हैं और सामान्य बीमा का राष्ट्रीयकरण क्यों नहीं करते हैं? हम देखते हैं कि देश में पैसे वालों का प्रभूत्व बढ़ता जा रहा है। श्री कृष्णमाचारी की सरकार ने एक महालनबीस कमेटी बिठाई, जिस ने यह रिपोर्ट दी कि देश में सत्ता का—चाहे वह सत्ता राजनीतिक हो और चाहे प्राथिक हो—केन्द्रीकरण हो रहा है। आज इस देश के पैसे वाले व्यापार, उद्योग, राजनीति और हर एक जगह अपनी शक्ति को बढ़ाते जा रहे हैं, उस का केन्द्रीकरण करते जा रहे हैं। मैं तो यह बात पिछले बारह, पंद्रह सालों से कह रहा हूं।

उस के बाद स्वर्गीय पंडित नेहरू ने इस कमेटी की स्थापना की, जिसका रिपोर्ट का द्वितीय भाग आज तक प्रकाश में नहीं आया है। इसका कारण यह है कि उस कमेटी के सदस्य काम नहीं कर पाते हैं और इस सरकार के मंत्रियों तथा कर्मचारियों पर इस देश के पैसे वालों का बहुत बड़ा जोर और प्रभाव है।

इस अवस्था में महालनबीस कमेटी की रिपोर्ट का जो भाग हमारे सामने आया है उस का श्रेय इस संसद को है, जिस ने हर एक सत्र में, बार बार और हर एक प्रश्न के सम्बन्ध में इस के लिए जोर डाला। लेकिन अफसोस यह है कि जो भाग जनता के सामने आया है, वह बहुत ही तोड़-मरोड़ कर आया है। लेकिन फिर भी महालनबीस कमेटी की रिपोर्ट एक धाईना है, जिस में समाजवादी होने का क्लेम करने वालों यह सरकार अपना मुन्दर मूह देख सकती है। यह देख सकती है कि किस प्रकार इस देश के केवल छः बैंक सिर्फ बीस करोड़ रुपये लगा कर इस देश के हजारों करोड़ रुपयों पर अपना प्राधिपत्य रखे हुए हैं। और इन बैंकों के हजारों करोड़ रुपये किस के पास जाते हैं? क्या वे रुपये इस देश की जनता की भलाई के लिए इस्तेमाल किये जाते हैं? क्या उन से सिवार्ड की व्यवस्था होती है? क्या उन से कृषि का उत्थान होता है? नहीं, उन से उत्थान होता है उस उद्योग और व्यापार का, जिस पर इस देश के छः दस या पंद्रह बिजिनेस हाउस लगाए हुए हैं।

धरम यह सरकार योजना में विश्वास करती है—मैं समझता हूं कि वह करती है— धरम वह अपनी चतुर्थ पंच-वर्षीय योजना में 21,500 करोड़ रुपये खर्च करना चाहती है, धरम वह चाहती है कि इस देश में प्राथिक विषमता की दूरी कम हो, धरम वह चाहती है कि इस देश में राजनीति और प्राथिक शक्ति का बिकेन्द्रीकरण हो, केन्द्रीकरण कम हो, धरम वह चाहती है कि योजना को कार्यान्वित और सफनीभूत करने के लिए

[श्री भागवत जा घाज़ाद]

साधन जुटाये जायें, तो उस का एक मात्र उपाय यह है कि वह इन महत्वपूर्णक मात्र पर धपना एकाधिपत्य करे । जिस प्रकार जीवन बीमा का राष्ट्रीयकरण किया गया है उसी तरह ये सामान्य बीमा का राष्ट्रीयकरण ध्राप कीजिये, उसी प्रकार से बैंकों का राष्ट्रीयकरण ध्राप कीजिये । हमारे बड़े माननीय मित्र ने धभी बताया है कि राष्ट्रीयकरण से बहुत दिक्कतें हुई हैं, उस में बहुत सी बुरायाँ हैं । Man invented the aeroplane, apes got hold of it. इसका यह मतलब ढोड़े हैं कि वह खराब है । प्रश्न यह है कि अगर ध्राज हमारे कर्मचारी या काम को चलाने वाले मंत्री खराब है तो कोई काम ही हम न करे । इस का अर्थ यह नहीं होता है । यदि हम योजनाबद्ध विकास में ध्रौर समाजवाद में विश्वास करते हैं, तो इस चीज को हमको करना ही होगा । ध्राज भी हम बार बार धपनी इस प्रतिज्ञा को दोहराते हैं कि इस देश में गरीब ध्रौर ध्रमीर के बीच की जो दूरी है उसको हम कम करेंगे, ध्राज भी हम चाहते हैं कि हमारे देश में समाजवाद ध्राये, तो उसको कार्यान्वित करने के लिए, उसके लिए साधन जुटाने के लिए यह जरूरी है कि हम राष्ट्रीयकरण की ध्रौर धपने पग बढ़ायें । टिकरिंग विद दी प्रान्सेम से काम नहीं चलेगा । इस तरह का संशोधन कर देने से काम नहीं चलेगा । यह धपनी जगह है । जिस तरह से हमने जीवन बीमा का राष्ट्रीयकरण किया है, उसी तरह से हम को सामान्य बीमा का भी राष्ट्रीयकरण करना होगा, बैंकों का राष्ट्रीयकरण करना होगा । ऐसा होने पर ही इस देश की यह जो बीमारी है यह दूर हो सकती है । ऐसा करके ही हम साधन एकत्र कर सकते हैं, हम धपनी योजना को कार्यान्वित कर सकते हैं ।

हमने धपनी पहली योजना में, दूसरी योजना में, तीसरी योजना में यह प्रतिज्ञा दोहराई है कि इस देश में हम एकाधिपत्य का विकेन्द्रीयकरण करेंगे । इस प्रतिज्ञा को हमने बार बार प्लेटफार्म से दोहराया है । इस सदन में माननीय अंगियों ने दोहराया है । प्रधान मंत्री जो ने रेड फोर्ट से ध्रौर दूसरे स्थानों में घोषणा की है कि हम यह चाहते हैं कि लोगों की भलाई के काम हों ध्रौर तमाम जो ऐसे साधन हैं जो ध्राज इस देश में चंद मुट्ठीधर पूंजीपतियों के हाथ में केन्द्रित हैं उनका विकेन्द्रीयकरण हो । मैं चाहता हूँ कि उनको उन से छीन कर ध्राप राष्ट्रीयकरण कीजिये । ध्राज देश के ध्रगर ये कर्मचारी गलत है तो मैं कहता हूँ कि अरुछे कर्मचारी ध्राप रखें । मैं इस बात को भी मानता हूँ कि ये उतने तेज नहीं होते हैं जितने तेज व्यवसाय वाले होते हैं । लेकिन इन तमाम चीजों के बावजूद भी वे अरुछे हैं, उन पर ध्राप विश्वास करें । ध्राप राष्ट्रीयकरण करें ताकि साधन ध्रापको उपलब्ध हो सकें ध्रौर योजना को ध्राप चला सकें ।

अस्तु, यद्यपि इस विधेयक के द्वारा जो संशोधन किया जा रहा है, इसकी भावना का मैं ध्रादर करता हूँ लेकिन उसके साथ साथ मैं यह कहना चाहता हूँ कि यह मेरी निश्चित राय है कि इस संशोधन को करके सरकार यह तो सिर्फ उन लोगों की ध्राधों में धूल झोंकना चाहती है जोकि राष्ट्रीयकरण की मांग करते हैं या सरकार नहीं समझती है कि संशोधन के बाद भी वे काले, खूनी ध्रौर नख वाले पंजे जो इस देश की सामाजिक व्यवस्था पर छाये हुए हैं, उनके नखों को वह नहीं काट सकेगी, वह नहीं तोड़ सकेगी ।

The Minister of Finance (Shri T. T. Krishnamachari): There seems to have been only one hon. Member who opposed the motion. The other hon. Members spoke on what might be called an ancillary matter.

The present Bill seeks to empower the Controller of insurance to regulate the applications which are received for starting new general insurance companies. At the present moment no such power exists. Power is taken to empower the Controller to say "no" in cases where he thinks it is desirable, and a provision for appeal to Government is provided. I admit that the scope of the Bill is extremely limited, but at the same time. I would say that the scope of the Bill is useful and desirable as a step for the purpose of better regulation of this part of insurance which is not being done at the moment because of the fact that it is almost mandatory so far as Government is concerned that they should permit people to form fresh companies.

So far as the major question which has agitated the minds of hon. Members is concerned, I would not deny that there is a lot of feeling in the country on this question of nationalisation of general insurance, and hon. Members who spoke were only voicing that feeling. The matter itself has got to be examined at great length and in great detail. It is not like life insurance where an actuarial assessment would cover the organisation adequately; also, the very wide range of cover that it introduces, the very wide scope of accumulating assets that is there so far as life insurance is concerned, does not exist in this case. Really this is something of a business with a certain amount of risk. I can tell the hon. Members that in regard to insurance against accidents, the profits are practically negligible. It is really a very risky thing, and sometimes some of these companies do not pay claims, about which we get angry, no doubt, if we have an accident.

Perhaps there is a very good reason for Government taking it over, because we insist on third party insurance at least. That part of it is all right, but you have to provide cover

against accidents and pay for repairs for replacement of motor vehicles and the risk is considerably greater.

Of course, there is the question of marine insurance which has to be studied from different points of view. There are foreign companies operating in marine insurance, and whether by nationalisation we get the foreign business or not is a matter which we have to think of. It is obvious that the country where the shipment originates might insist upon a insurance being made there, or probably we will have to come to some agreement with those countries.

So, this is a matter which has to be examined at great length, and I think Government will continue the examination and see what they can do in this matter, whether it should be dealt with as a whole or sectorally.

I quite agree, in fact I do not mind confessing that my predilections are towards the public sector. In fact, when we nationalised life insurance, I felt we might have nationalised the whole thing, lock, stock and barrel, but because of various other factors I think the colleague who did the nationalisation did not want to touch this aspect of the business. The matter might be looked into, but this think certainly has risks, it is not a matter entirely of profits.

**Shri Bhagwat Jha Azad:** We are proud that we have a very strong and wise man to take that risk. You are not taking it.

**Shri T. T. Krishnamachari:** It might not be a very profitable business in certain sections.

**Shri Warior:** The claims, as far as we know from the analysis of *Economic Times* are generally only from 45 to 50 per cent.

**Shri T. T. Krishnamachari:** It is true, but I would like to mention one thing to hon. Members if they

[Shri T. T. Krishnamachari]

will pardon me. Everybody wants nationalisation, but once we nationalise an institution, that institution comes under the largest amount of criticism not only from Members of Parliament, but also from committees. In fact, it is fair game for anybody to attack the public sector.

**Shri A. N. Vidyalkar:** That is a healthy sign.

**Shri T. T. Krishnamachari:** I do not know. If you create a child and say it should not be fed, it should not be allowed to grow, what is the use of creating the child?

श्री रामसेवक यादव (बाराबंकी) : समाजवाद का अर्थ यह नहीं है कि पूँजीवादी समाज की सारी बुराइयाँ उस में हम रखें। नुकताफीनी इसलिए होती है ताकि वे बुराइयाँ दूर हों।

**Shri K. D. Malaviya (Basti):** When you hand over a public sector organisation or a unit to people who really do not believe in prosecuting the public sector project, then the trouble comes. I am sure the Finance Minister will take steps by which such institutions are handed over to persons who have faith in prosecuting the public sector.

**Shri T. T. Krishnamachari:** For instance, we say that the public sector should not make a profit, it should hand over everything to the employee. Then, what is the use? As a matter of fact, once we push the private sector out and take over, we should also make a profit. After all, Government does not always live by taxation, it also lives by profits.

I can tell you that so far as I am concerned, I am a person who believes in the public sector. I have believed in it all along. In fact, I have done my little in contributing towards that, not that I want anybody to recognise it, but the point really is this. This is natural. These are natural proclivities of human be-

ings. I can tell you that the moment I leave this place and sit on the other side, my old days come back, I go to 1937, 1942 and 1956. It is only after 1947 we started re-training ourselves. Before that we just let ourselves go. That kind of thing is there even in a person like me who is old, who has perhaps got to be very quiet, has to learn the art of keeping quiet. It is very difficult to resist the temptation of pillorying the Government or finding fault with it. But that is neither here nor there. My hon. friend Shri Azad spoke about the Mahalanobis Committee and I can tell the hon. Member that I had put no spoke in the wheel of that Committee's report. There seems to be such a lot of internecine trouble as to who is to approve the report; the report goes on; the draft goes on and a re-draft comes because we have got such a lot of wisemen together and wisemen are not able to agree. I hope ultimately something will come out of it and I do hope it will be soon. But I am not against the report nor am I afraid of what the report is going to be. I have been following it. Drafts come; somebody says, no; somebody else gives a draft and then somebody else is away somewhere else; it is something like what you may call the gooseberry; it is all right once you put it in a bag; the moment you put it out, it goes on and it is difficult to collect it again. Anyway, it is not germane to this issue. May I say that I apologise to the House for troubling it with such a simple matter. But I do think that even if you want to nationalise insurance some such power is absolutely necessary and I hope the House will pass the Bill.

13 hrs.

**Mr. Deputy-Speaker:** The question is:

"That the Bill further to amend the Insurance Act, 1938, be taken into consideration."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

"That Clauses 2 and 3 stand part of the Bill."

*The motion was adopted.*

*Clauses 2 and 3 were added to the Bill.*

*Clause 1, the Enacting Formula and the Title were added to the Bill.*

**Shri T. T. Krishnamachari:** Sir, I move:

"That the Bill be passed."

**Mr. Deputy-Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

13.02 hrs.

**\*DEMANDS FOR EXCESS GRANTS  
(KERALA), 1961-62  
AND**

**DEMANDS FOR SUPPLEMENTARY  
GRANTS (KERALA), 1965-66**

**DEMAND NO. IX—HEADS OF STATES,  
MINISTERS AND HEADQUARTERS STAFF**

**Mr. Deputy-Speaker:** Motion moved:

"That a sum of Rs. 1,27,752 be granted to the President out of the Consolidated Fund of the State of Kerala to make good an excess on the grant in respect of 'Heads of States, Ministers and Headquarters staff' for the year ended the 31st day of March, 1962."

**DEMAND NO. XIII—ADMINISTRATION  
OF JUSTICE**

**Mr. Deputy-Speaker:** Motion moved:

"That a sum of Rs. 58,539 be granted to the President out

of the Consolidated Fund of the State of Kerala to make good an excess on the grant in respect of 'Administration of Justice' for the year ended the 31st day of March, 1962."

**DEMAND NO. XV—POLICE**

**Mr. Deputy-Speaker:** Motion moved:

"That a sum of Rs. 2,53,053 be granted to the President out of the Consolidated Fund of the State of Kerala to make good an excess on the grant in respect of 'Police' for the year ended the 31st day of March, 1962."

**DEMAND NO. XXIII—PUBLIC HEALTH  
ENGINEERING**

**Mr. Deputy-Speaker:** Motion moved:

"That a sum of Rs. 31,84,725 be granted to the President out of the Consolidated Fund of the State of Kerala to make good an excess on the grant in respect of 'Public Health Engineering' for the year ended the 31st day of March, 1962."

**DEMAND NO. XXXIII—COMMUNITY  
DEVELOPMENT PROJECTS, NATIONAL  
EXTENSION SERVICE, LOCAL DEVELOP-  
MENT WORKS AND EXTENSION CENTRES**

**Mr. Deputy-Speaker:** Motion moved:

"That a sum of Rs. 9,03,946 be granted to the President out of the Consolidated Fund of the State of Kerala to make good an excess on the grant in respect of 'Community Development Projects, National Extension Service, Local Development Works and Extension Centres' for the year ended the 31st day of March, 1962."

\*Moved with the recommendation of the President.