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# Northern India Life Insurance Salaried Field Workers Association.

## DEMANDS

1. Minimum basic Salary according to our Charter.
2. Regular automatic increments.
3. No reduction in basic Salary and total emoluments as on 19-1-56 or 30-8-57 which ever is higher.
4. Removal of the Clause of dismissal without assigning any reason.
5. Vacation of illegal acts meaning thereby restoration of emoluments and reinstatement of employees terminated during the last 2 years.
6. Special start for those who have done exceptionally good business.
7. Minimum Commission for the agents should be fixed at 35%.
8. The rights and Privileges of the Supervisory Officers have to be given due weightage.
9. Recognition of National Federation at all levels.
10. Joint Committee for framing field staff Regulations.
11. Workers' participation in the management.

**G. L. WADHAWAN**

PRESIDENT

N. I. L. I. S. F. Workers Association

*Member High Power Committee*

# Northern India Life Insurance Salaried Field Workers Association,

(Affiliated to :- National Federation of Life Insurance Field Workers of India)

NEW DELHI

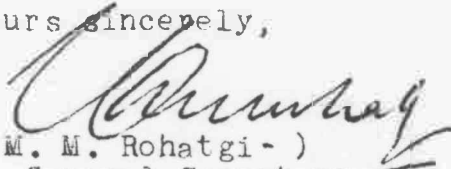
Dated.....13-2-1958..

Dear Shree **S. A-Dangal**

I feel great pleasure in extending you the invitation at tea on Sunday the 16th Feb., 1958 at 4 P.M. at Wengers when Shri G.L.Wadhavan, President Northern India Life Insurance Salaried Field Workers Association and Member High Power Committee National Federation of Life Insurance Field Workers of India, will address the Press Conference and also appriase the distinguished M.Ps and other Trade Union Leaders of the Problems confronting the carreer of the Field Workers in the Nationalised Insurance Industry. Nationalised Insurance has to play a very important role in the execution of 2nd Five Year Plan. I would therefore, feel highly obliged if you kindly attend the same and understand our problems.

Thanking you,

Yours sincerely,

  
( M. M. Rohatgi - )  
General Secretary,  
Delhi Division.

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Recd  
27/7/58

Northern Zone Ins. Employees' Association  
Head Office :- LAKSHMI INS. BLDG.  
NEW DELHI

Dear Friends,

We are holding the 3rd Annual Conference of our Association on 26th and 27th July, 1958. The Inaugural Session of the Conference will be held at 3 P.M, on Saturday, the 26th July, 1958 at Maharashtra Bhawan. Opp. Paharganj Police Station, New Delhi.

We shall be much pleased to receive you in person on the auspicious occasion. However, if due to prior engagements you are unable to attend the Session in person you may please send us your valuable message for the guidance of Insurance employees.

Fraternally Yours,

23rd July, 1958

D. C. Gupta

Chairman

Reception Committee.

**Programme**  
( Inaugural Session )

1. Inaugural Address
2. Speeches by Prominent Trade Union Leaders & M.Ps.
3. Message and Greetings
4. Concluding Speech by the President

Recd  
Mon.  
27/7/58

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## Reasons

The High Power Committee congratulates the Central Zone for Non-cooperation movement. After considering the action taken by the Central Zone, the members of the High Power Committee was satisfied that the field workers were not only feeling frustrated but it was also found that deliberate attempts were made by the management to demoralise them with a view to cow them down and make them submit to the revised formula which was never officially given to National Federation, it was further brought to the notice of the High Power Committee that all attempts made by the President to persuade the authorities of the Corporation to call the 2nd Bi-Partite conference as promised, did not evoke any response as a result of which the action of the Central Zone, though isolated, was a voluntary reaction of all the field workers of the Central Zone. It would, therefore, be in the fitness of things that the other Zones should not only take this matter seriously but contemplate a line of action which would spread this struggle throughout the country. The reports made by the various Zonal representatives to the High Power Committee of the National Federation show that after the promulgation of the standardisation order and the fitting in circular there is a general sense of dissatisfaction prevailing to all the Zones. The High Power Committee, therefore, besides endorsing the action of the Central Zone, direct that all the other Zones to move in the matter on the lines suggested as below.

1. While accepting their respective salaries for the month of January all Field Workers are to submit the draft Protest letter as directed by the National Federation.

*Protest on account of the following :*

1. Basic Salary has been reduced.
2. Total emoluments have been reduced.
3. Presence of the clause 9 (a) where the due enquiry has been deleted in the Government Order the Corporation reserves the right of deciding the scope of the enquiry and ignores the security of service and (b) in the terms and conditions of service envisaging termination of field employees without assigning any reason.
4. Clear absence of the normal Provision of automatic increments in the terms and conditions of service.
5. The Principle of the No Cost No quota system of appointment as demanded by the National Federation and subsequently endorsed by the Chairman has been totally ignored by the terms offered.
6. There is no provision of fitting in of the Field Workers as per the Charter of Demand submitted by the National Federation and that it does not define adequate standard for judging individuals. The revised categorisation scheme has neglected the past experiences.
7. That the increments for better work are not with effect from 1-9-56, the appointed day.
8. It proposes to demote the confirmed employees to probationers.
9. That the Junior workers are subjugated to suffering at the time of fitting in.
10. That the Corporation did not honour its commitments to the Probationer Inspectors appointed after 1.9.56.
11. That there has been discrimination in the matters of appointment of Branch Manager, Asstt. Branch Manager (Development), Junior Officers and Claim investigation officers.
12. Agents' commission has been reduced and terms and conditions of agency made much stricter.
13. That the commitments made by the Chairman to the Representative of the National Federation have not been honoured by the scheme.
14. That the Government has rushed in with an order in contravention of the Promise of the Chairman of the Life Insurance Corporation to settle matters finally with National Federation.

( Please turn over )

- 15. The rights and privileges of the Supervisory Officers have been ignored.
- 16. No Provision of Promotion of the field officers when the maximum is reached.
- 17. That part of the total remuneration has been arbitrarily detained and the total emoluments are not being taken for fitting in.
- 18. That the categorisation scheme envisages terminations.
- 19. That uniform conditions during the period of last 16 months were not available and rules and regulations carried out before 30-12-57 have not been duly framed.
- 20. That the rationalisation of remuneration and terms of service conditions had already been carried out for the supervisory class through provisional appointment letters issued to the present Executive personnel of the Corporation under section 11 clause 2 of the Corporation Act.

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August 12, 1958

General Secretary,  
Indore Division Insurance Employees' Association,  
50 Gautampura,  
INDORE CITY

Dear Comrade,

We thank you for your letter of 5th August on the Second Annual Conference of your Association.

On behalf of the AITUC, we wish your conference all success.

We are glad to find that the insurance employees have come more and more into the field of trade union activity and organisation and have come to assume an important role in the building of strong united unions to defend their vital interests. Beset with many special problems as you do, we are sure your second Annual Conference would succeed in laying down concrete plans of action to win your outstanding demands.

With warm greetings,

Yours fraternally,

*K.G. Sriwastava*  
(K.G. Sriwastava)  
Secretary



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INDIAN POSTS AND TELEGRAPHS DEPARTMENT

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Received here at           H           M.  
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S A DANGE 4 ASHOKAEROAD NEW DELHI.

OBSERVING NONCOOPERATION FROM TENTH .

- PRESIDENT JAMSHEDPUR DIVISION LIFE INSURANCE  
FIELD WORKERS ASSOCIATION.

OPD 16/25

*File  
4/10  
17/2*

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any) and number of words.

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MGIFPAh.—121—30-4-57—91,370 Bks.



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INDIAN POSTS AND TELEGRAPHS DEPARTMENT

No.

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S A DANGE 4 ASHOKA ROAD ND

... PREVENTED FROM SIGNING ATTENDANCE REGISTER FROM DATE AMOUNTING TO LOCKOUT AND PROVOCATION TO TOTAL STRIKE PRAY INTERVENE ...

• PRESIDENT DHANBAD BRANCH NATIONAL FEDERATION OF INSURANCE FIELD WORKERS ASSOCIATION.

MX 2.15.

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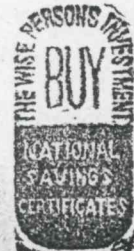
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O MD PURNEA I

S A DANGE 4 ASOKEROAD NEWDELHI.

..... FIELD WORKERS DEMAND IMMEDIATE WITHDRAWAL OF TERMINA-  
-TION NOTICE TO GIRIJA SHANKAR VAISH OUR PRESIDENT INTERVENTION  
PRAYED....

FIELD WORKERS BINASHAKHA...

"GST" AT 2040HRS.

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any) and number of words.

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# LIFE INSURANCE CORPORATION

## Investment Policy

By A CORRESPONDENT

**I**N every country with a highly developed economy, the business of life insurance plays a significant role not only in providing the finances necessary to strengthen the economy but also to maintain it at the fortified level.

During the twelve months that have just elapsed since its formation, the Life Insurance Corporation of India has tried to evolve an investment policy designed to emphasise the part it will eventually play as a major investor in India. The Corporation's investment activities have a special significance especially at this time when, in the context of the development plans of the country, an integrated plan of investment is necessary not only for the proper and balanced development of the country's economy but also for securing the greatest good to those who, by their hard-earned savings, contribute to the funds that are invested.

### THE LIABILITY

To comprehend the investment policy of the Corporation in its proper perspective, it is well to remember that the funds represent the liability of the Corporation to its policy-holders and should be kept invested in securities and other assets that do not diminish in value, that give the highest possible returns on the investments and benefit the people who have contributed to the funds. That would suggest that the investments must be in unimpeachable securities, must be properly distributed as to class as well as maturity dates and must be such as to advance the economic conditions of the policy-holders.

Constituted as the Indian investment market is today, not much choice is left for the investment of life insurance funds. Apart from government and semi-government loans which, with their tradition of security offer little opportunity for real diversification except to a limited extent in respect of maturity dates, the security markets present only a very limited range of first-class industrial securities, such as debentures, preference shares and ordinary shares which occupy an important place in a life insurance company's investment portfolio in the industrially advanced countries. Thus, where security of invested funds and the rate of returns are primary considerations, investments must perforce be confined to a limited field.

Two considerations weighed with the Corporation in deciding upon the types of investments purchased during the past twelve months. The first of them, namely the erratic nature of stock exchange securities during the period, commencing roughly from the inauguration of the Corporation, gave an opportunity for buying up first-class scrips at attractive rates. Secondly, there was the need for stepping up the tempo of investments in the first year of

the second Five-Year Plan and, in doing so, to follow an integrated pattern which would help in the ultimate realisation of the targets fixed under the Plan.

### GOOD RESULTS

These two considerations, which sometimes conflicted with each other, put the utmost strain on the Corporation and necessitated the exercise of fine judgment. Nevertheless, the results were, by and large, extremely good and the Corporation has emerged with flying colours so far as its investments are concerned.

On September 1, 1956, when the Corporation took over the assets of the "controlled business" of insurers, investments stood at Rs. 341 crores, of which Rs. 171 crores (50.1 per cent.) represented Government of India securities, Rs. 79 crores (23.00

per cent.) Indian State, foreign, municipal and other approved securities, Rs. 57 crores (16.8 per cent.) equities, Rs. 15 crores (4.4 per cent.) loans on mortgages of properties and Rs. 19 crores (5.5 per cent.) land and house properties. There was also a sum of Rs. 71 lakhs representing 0.2 per cent. in other loans. Of the State Government securities Rs. 7.16 crores represented the assets of the controlled funds of the public branches of the insurance departments of the Governments of the States of Mysore and Kerala (formerly Travancore-Cochin) and after negotiations, these assets were treated as 4 per cent. loans to the respective governments to be repaid in 20 equal instalments of principal. The net investments after September 1, 1956, totalled Rs. 35.29 crores distributed in the following manner:

Class of Investments	Rs. in Crores
1. Government of India securities	14.82
2. State Government and other approved securities	10.36
3. Debentures, preference and other ordinary shares	10.11

(These figures represent net additions after deducting sales.)

A major statement of policy concerning the investment of the Corporation's funds was the solemn assurance given by the Government on the floor of Parliament that the proportion of investments in the private sector would not be allowed to fall below the pre-nationalisation level. The Corporation has been very careful to ensure that the private sector was given all the support it possibly could with the result that its investments in debentures, preference and ordinary shares of companies were substantial.

The bulk of the purchase in Government and other approved securities during the period was in securities of the State Governments. The net addition to Government of India securities until just before the recent loan was floated was about Rs. 27 lakhs, after deducting the securities sold during the period. Nearly a crore of rupees was also invested in Government-guaranteed and

other approved securities and the proportion of Indian State Government securities purchased during the 11 months ending July 30, 1957, to other purchases in government and approved securities was roughly 2 to 1. For obvious reasons, there can be no set rules for the pattern of investments in gilt-edged securities, except to the extent dictated by the need to keep investments in long-term rather than in short-term securities. In August, the Corporation invested over Rs. 16 crores in the new loans floated by Government.

The entry of the Corporation as a prominent buyer lent strength to the equity markets and helped sustain the confidence of the investors during a fairly long period when economic and financial developments had seriously undermined the confidence of the regular operators and threw them into a state of near-panic. Supporting scrips, the intrinsic value of which was beyond

question, at prices which ensured an attractive return on the investment, the Corporation did not hesitate to acquire substantial holdings in well-established industrial, manufacturing and commercial enterprises, when such support was the only factor which prevented the markets from collapse. This happened more than once and especially in the month of May when the markets reacted strongly to the budget proposals.

There can be no two opinions on the need to sustain the strength of the investment markets if the interests of policy-holders are to be served adequately, for the strength of the market is closely linked up not only with the current economic conditions inside the country but also with the development programmes so necessary for economic advancement. By its operations, therefore, the Corporation fulfilled its sacred duty to the policy-holders and, at the same time, emerged as a substantial investor capable of sustained optimism and of stabilising the markets to the ultimate good of the people.

The bulk of the purchase in the equity field during this period was, of course, in selected common shares, although the support to debentures and preference shares was substantial.

Whilst its support to equities resulted from careful planning and was marked by calm sobriety, the Corporation did not feel itself bound to restrict its activities to well-known scrips or to the stocks of well-established concerns. Once the need for ensuring the security of funds, profitable returns and the ultimate good of the intending and existing policy-holders was adequately met, the Corporation went boldly ahead and even ventured upon the underwriting of new issues. A total of over Rs. 75 lakhs was invested in new issues, of which Rs. 18 lakhs was in debentures, Rs. 58 lakhs in preference shares and Rs. 2.5 lakhs in ordinary shares.

## Readers' Views

### Coastal Shipping

To The Editor, "Times of India"

Sir,—I was both interested and intrigued to read in *The Times of India* of September 4 a special contribution from New Delhi under the heading "Indirect Subsidy to Coastal Shipping" by *The Times of India* News Service.

I am amazed at the naivety of whoever has contributed to this misleading and tendentious report. It is stated that while the average cost of transport by rail to the South works out to Rs. 43.5 per ton, the corresponding cost by sea is as much as Rs. 70.5 or approximately 63 per cent. more than the rail route.

Let me say at once as one who has studied something of the freight structure of the Railways that the average cost of transport by rail quoted is an artificial amount with no bearing on the actual cost incurred. The Railways have opportunities of charging for other freight and thereby subsidising their own carriages of coal to themselves primarily and to the private consumers secondarily. It is also unfortunate that the figure of Rs. 70.5 which is supposed to be the cost by sea may be interpreted by the unwary reader as the actual cost paid to shipping companies. This figure includes harbour dues and various other costs for which shipping companies are not liable and do not get the benefit of. All that the Indian coastal shipping companies are asking is that they should be given the cost of transport of coal with a reasonable percentage of profit, and they are asking for nothing more.

The correspondent does not seem to realise that whereas there is no detention for a coal train either in loading coal or in unloading coal at destination, the detention suffered by ships is of many days and weeks at both ends. Truly it can be said that in this case comparisons are odious. It must be realised that in order not to waste the capacity of the Railways either in engine power or in the availability of wagons, Government is pressing the Indian shipping companies to put more and more ships for the coal trade. At present 14 ships load for coal at Calcutta during a month. The pressure from the Railways has been that 18 ships should load per month. It seems ungracious to speak of a "huge subsidy" paid to coastal shipping. It is wholly incorrect to say that the Railways have to abide by the Government decisions to provide regular custom to Indian coastal shipping when it is the Railways that are pressing for more coastal ships to serve this traffic.

I must in fairness to the Railway authorities whom I had the opportunity of knowing fairly well state that I cannot believe and do not believe that any of the responsible officers would approve of this hysterical attack on Indian coastal shipping. I may add that my Company has no ships which load for coal but as Chairman of the Indian Coastal Conference, I know the exact position of various companies who have financially suffered by acceding to the request of the Railway Board and the D. G. Shipping to load for coal on the coast.

A. RAMASWAMI MUDALIAR,  
Chairman,  
Indian Coastal Conference,  
Calcutta, September 7.