

insurance interests and has been able to wrest from unwilling hands concessions in taxation by presenting the special problems of the industry with expert knowledge and competence. That it has not succeeded as well as the life offices expected it to do, is because of the complexity of the problems involved. It has still a lot of work to do to persuade the Government and the public that the concept of surplus in the valuation of life insurance companies is different from what it is in the case of 'income' as understood in other fields of enterprise. The Association's services in the matter of taxation is given precedence over its services in moulding insurance legislation, for the simple reason that it is a matter still on the anvil and much work remains to be done. To the case of legislation, its influence and its unchallenged authority to speak for the industry and to guide future development without any dispute. To dilate on it would be otiose.

There was a time when not only Indian the companies had to fight against powerful vested interests firmly entrenched in the business, but the Association had to tell people what insurance was and to overcome deep-rooted prejudices against this entirely unexceptionable and socially beneficial enterprise. This service could not possibly have been rendered as effectively by others. One has only to recall the manner in which the Association set about to overcome Muslim prejudice against insurance on the ground that it somehow smacked of usury with which devout Muslims should have no truck or barter. The Ulemas of Deoband were invited to a conference in Bombay, their objections were met and economics was successfully matched to theology, an achievement which may well be held up by the Governor of the Pakistan State Bank next time he calls upon the budding economists of that country to evolve a system of economics which would do away with interest.

There is a special reason for recalling this particular episode in the life history of the Association for some day, life insurance will have to break new ground. Perhaps that time is now, if it is true, though statistics may be wanting, that there has been some redistribution of incomes in favour of rural areas. The Rural Banking Enquiry Committee as well as practical bankers want banking to cover these

areas in order to tap the savings which do not normally flow into the organised investment market. Perhaps the next stage of development for life insurance might be in this direction. For, if savings have to be directed into more desirable channels than those which they would seek, when left to themselves, organised efforts of the type in which the Association excelled in the past, would be called for.

Finally there is the question of the role of insurance in financing development. From time to time, the cry of nationalisation is raised in this connection. Even a cursory glance at the composition of assets of life offeres should dispel the idea

that by nationalisation, insurance companies can be made to contribute much more for development than they have been currently doing. For that, the savings of the community have to be increased. For it is savings which insurance companies can mobilise and place at the disposal of the Government. They are already doing so and can hardly be expected to do much more. Whether they are doing their part adequately or not, is to be judged by other standards. No fair-minded observer will have any mental reservation in saying that the record of Indian insurance can certainly be improved but it has not been such as to cause it any compunction.

A New Approach ?

FOUR weeks ago, in his funeral tribute to Stalin, M Malenkov assured the world that he and his new regime believed in the "peaceful co-existence" of Capitalist Powers and Communist States. In emphasizing his peaceful foreign policy he explained in his first address before the Presidium that "there are not any, and there will not be any, questions that cannot be solved by 'peaceful means'". In elaboration of this theme he expressed his willingness to reach a negotiated settlement of differences with all Governments, "including the United States of America". His reported enunciation of his peaceful foreign policy failed to evoke any response from the non-Communist world. It was suspicious of M Malenkov's peace gestures as propaganda measures to induce a false sense of security. It was suspicious of Moscow's sincerity. It demanded deeds, and not words, as evidence of Moscow's peaceful intentions.

Moscow was quick to respond to this challenge. General Chuikov agreed to discuss safety measures for the air corridors to Berlin, and ensure smooth traffic along the Berlin Canal. Russia has now extended an invitation to America and France to participate in the talks between Russian and British experts to introduce measures to ensure smooth air and canal traffic. Some days ago, Moscow promised to use its good offices in arranging repatriation of British civilian prisoners in Korea. M. Molotov, the Foreign Minister, later extended a similar assurance to France. These peaceful deeds were appreciated by Washington. But it hinted that if Russia

sincerely desired peace she could exert her influence over the Chinese and the North Korean Communists to end the Korean truce deadlock.

Washington had not to wait long for the Communist response to its implied challenge. Within six days of the United Nations Command's proposal "to exchange sick and injured prisoners of war on both sides during the period of „ hostilities" the Communists of North Korea informed General Mark Clark that it should be possible "to achieve a reasonable settlement on this question in accordance with the provisions of Article 109 of the Geneva Convention of 1949". In accepting this proposal the North Korean Communists expressed their anxious desire to reach "a smooth settlement of the entire question of prisoners of war, thereby achieving an armistice in Korea for which people throughout the world are longing." While intimating acceptance of the UN Command's plan for exchange of sick and wounded prisoners, they suggested that liaison officers of both sides should meet to discuss the more vital question of resumption of truce talks. They have followed this request with a later Note, that the conference to be held at Pan Mun Jon on Monday next should also discuss a date for resumption of armistice negotiations.

Immediately after the acceptance by the North Communists of the UN Command's plan for exchange of sick and wounded prisoners, but even before the expected meeting between the Liaison officers of both sides to negotiate this issue, Chou En-lai, Red China's Prime Minister, announced a compromise plan to

resolve the deadlock on war prisoners. He suggested that prisoners willing to be repatriated should be returned, and that those who refused voluntary repatriation should be transferred to a neutral State "to ensure a just solution to the question of their repatriation". M Molotov has announced his support to Chou En-lai's Korean peace plan to emphasize Russia's desire for world peace.

Chou En-lai's proposal does not differ in substance from the Mexican plan of last October. Whether his peace formula will be acceptable to the United Nations is uncertain unless it is elaborated in detail. But the wider implications of repeated peace gestures and deeds by the Communists should not be ignored or minimised. A common theme runs through the recent speeches and moves of the Communist leaders. M Malenkov has expressed his willingness to talk peace. North Korean Communists are eager to resume Korean armistice talks in the wider interests of world peace. Chou En-lai has proposed a formula for solving the question of repatriation of war prisoners. The wider issue which is responsible for the

prolonged truce deadlock, "in order to satisfy the desires of the people of the world for peace". There is a ring of sincerity in his emphatic avowal of the Communists' desire for "a peaceful settlement, of the Korean question to preserve and consolidate world peace".

Such peaceful gestures call for a conciliatory response from Washington. It is encouraging that for the first time since the beginning of the "cold war" the Western Powers are inclined to concede the Communists' desire for world peace. Even though, they are cautious in their approach to the recent peace gestures by the Communists. Washington has not missed the significant differences in Chou En-lai's and M Molotov's approaches to Korean armistice. In his proposal for repatriation of war prisoners Chou En-lai implies that Peking is now prepared to abandon its former insistence on "unconditional repatriation" in order to further Korean and world peace. M Molotov endorses Chou En-lai's formula, but he still emphasizes that repatriation must be effected in accordance with the Geneva Convention. Prosperity of an early Korean peace depends

on whether Red China will revise the demand for repatriation of war prisoners, if necessary by force.

There is another significant difference in the approaches of the Russian Foreign Minister and Red China's Prime Minister to the question of Korean peace. M Molotov hints that an early peace can be concluded if North Korea and Red China are admitted to the United Nations, although neither North Korea nor Red China has raised this issue in their joint peace moves. Many member-States will endorse M Molotov's implication that Far-Eastern problems cannot be solved without a settlement of the question of Red China's admission to the United Nations. But even M Molotov will not deny that Korean armistice is an essential condition to Far-Eastern peace. That being so, the more immediate issue before the world is whether an agreed solution to the war prisoners' question can be reached. It will not be easy to arrive at a settlement of this complex issue. But Washington would be wise in adopting a more accommodative attitude in response to the recent peaceful deeds and actions of the Communists.

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