

Government is not even making a statement on this issue.

SHRI B. R. BHAGAT: Sir, all these points can be raised in that debate with special reference to rice and sugar. Of course, sugarcane can also be discussed.

SHRI CHANDRA SHEKHAR: But the strike is going on there for the last 15 days, the factories have been closed and workers are suffering, cane-growers are suffering, production is suffering and the matter has become urgent. You can discuss policy matters after a week or two.

MR. CHAIRMAN: I am in active communication with the Government. I think on the 9th instant they will amply justify the delay and you will be satisfied. That is my information.

SHRI A. B. VAJPAYEE (Uttar Pradesh): Sir, when we give notices for half-an-hour discussions, who is to decide whether a particular discussion is to take place or not? It is for the Chair to decide it.

MR. CHAIRMAN: It is decided by the Chairman in consultation with the Government.

SHRI A. B. VAJPAYEE: It seems that decisions are left to the sweet will of Ministers.

MR. CHAIRMAN: It is decided by the Chairman in consultation with the Government. The Chairman asks from the Government what their position is and then he decides it. Notices for this discussion were given on the 4th. Three days can elapse normally. So, nothing has been done against the Rules.

SHRI A. B. VAJPAYEE: Sir, this is a matter of urgent public importance.

MR. CHAIRMAN: The rule provides for three days. Government can take three days.

SHRI A. B. VAJPAYEE: In that general discussion on the food situation that particular matter is not likely to come.

MR. CHAIRMAN: That particular matter you can raise and it will be discussed.

SHRI P. L. KUREEL *URF* TALIB (Uttar Pradesh): Can't you, Sir, give some time today after 5 o'clock so that we can have this discussion? This is a very serious matter.

MR. CHAIRMAN: I am afraid I can't.

RESOLUTION RE. NATIONALISING COMMERCIAL BANKS—*Continued*

MR. CHAIRMAN: We now take up further discussion on the Resolution regarding nationalisation of commercial banks. Shri Sheel Bhadra Yajee was speaking last time. He has already spoken for 12 minutes. He can speak for 3 minutes today.

श्री शीलभद्र याजी (बिहार) : माननीय चेयरमैन महोदय, २२ नवम्बर को श्री रघुनाथ रेड्डी जी ने जो सब कामर्शियल बैंकों के राष्ट्रीयकरण करने का प्रस्ताव रखा था, मैं उसकी तारीफ करते हुए अपने वित्त मंत्री जी से यह कह रहा था कि जब जब यह सवाल आया राष्ट्रीयकरण करने का तो उन्होंने आनाकानी की और कहा कि इस राष्ट्रीयकरण के करने से बड़े बोझ बढ़ जायेंगे। लेकिन मैंने उस रोज बताया था कि जो राष्ट्रीयकरण की नीति है बैंकों की, उसको हमारी सरकार ने कबूल करके जब इम्पीरियल बैंक का राष्ट्रीयकरण किया, तो उसके साथ साथ जितने शेड्यूल्ड बैंक हैं जो देश में चन्द पूँजीपतियों के हाथ में हैं, उन में पूँजीपतियों का ५० करोड़ रुपया डिपॉजिट है और करीब १५ सौ करोड़ रुपया हमारी जनता जनार्दन का और हिन्दुस्तानियों का, जो पूँजीपति नहीं हैं, उनका डिपॉजिट है, और उस डिपॉजिट से पूँजीपति अपने उद्योगों को, कलकारखानों को, प्रेस को और तमाम इंडस्ट्रीज को चलाते हैं। आप जानते हैं कि कई वर्ष पहले बहुत से शेड्यूल्ड बैंक फेल हो गये। इसलिये पूँजीपतियों के हाथ में या प्राइवेट सेक्टर के हाथ में

[श्री शीलमद्र याजी]

जो बैंक हैं, उन बैंकों में जनता अपना रुपया न जमा करके जमीन में गाड़ती है और अपने पास रखती है क्योंकि सब जगह स्टेट बैंक की शाखाएं और प्रशाखाएं नहीं हैं। उनको विश्वास नहीं है पूंजीपतियों पर, इसलिये जितना रुपया उनको जमा करना चाहिये, उतना रुपया वे डिपॉजिट नहीं करते हैं। इसलिये सरकार के पास—जो समाजवाद की स्थापना के लिये प्रयत्नशील है—हिन्दुस्तान की जो अर्थ-नीति है, जो वित्तीय नीति है वह नहीं रहती है, यह सारा उनके हाथ में नहीं रहता है। जो १५०० करोड़ रुपया डिपॉजिट के रूप में लगा हुआ है उसे पूंजीपति मनमाने ढंग से इस्तेमाल करते हैं, जो हमारे समाजवाद के दुश्मन हैं या जो मुबालिफ हैं या विरोधी हैं वह उन रुपयों से प्रेस की इंडस्ट्री को चलाते हैं, जो पूंजीपति हैं वह प्रेस को इंडस्ट्री के नाम पर चलाते हैं और इस तरह से हमारी प्लानिंग की योजना की जो नीति है, समाजवाद की जो नीति है, नान्-लाइमेंट की जो नीति है उसका वे सब विरोध करते हैं। इसलिये यह प्रस्ताव आता है, हमारे जो विरोधी दल के लोग हैं उनको भी जयपुर कांग्रेस में जो डेमोक्रेसी और सोशलिज्म का प्रस्ताव लाया गया था उससे प्रेरणा मिली, मैं अपने वित्त मंत्री जी से भी कह रहा था कि अब इसमें देरी करने की जरूरत नहीं है क्योंकि यह जो राष्ट्रीयकरण की नीति है इसको हम ने इम्पीरियल बैंक का राष्ट्रीयकरण करके स्वीकार कर लिया है, तो इन बैंकों का भी जल्दी से जल्दी राष्ट्रीयकरण करना चाहिये। इस तरह से जो करोड़ १५०० करोड़ रुपया डिपॉजिट का है वह हमारी पूंजी होगी, उससे हमें अरबों योजना में, जो विकास के काम हैं उनमें, खेती को बढ़ाने में, इंडस्ट्री को बढ़ाने में, आसानो होंगे और इससे ज्यादा से ज्यादा जनता को फायदा होगा और राष्ट्रीय आय बढ़ेगी और हम समाजवाद के रास्ते पर काफी तीव्र गति से चढ़ेंगे। जता कि शुरू में मैंने अभी कहा कि प्रेस को इंडस्ट्री के नाम पर

चलाते हैं और हमारी नीतियों का विरोध करते हैं। इसलिये इन बैंकों का राष्ट्रीयकरण करके, जितने करीब ३०० शेड्यूल्ड बैंक्स हैं उनका राष्ट्रीयकरण कर के, इन प्रेसों को भी जो कि इंडस्ट्री के नाम पर चला कर जो हमारे मुल्क की, देश की, पार्लियामेंट की समाजवाद की नीति है उसका जो विरोध करते हैं उनका भी राष्ट्रीयकरण कर हम रोक सकते हैं। इसके अलावा इस तरह से बैंकों पर जनता का भी विश्वास बढ़ सकता है क्योंकि सब सरकारी बैंक हो जायेंगे। तो उनको भी बढ़ावा होगा, उनको भी आस्था हो जायगी और जनता भी ज्यादा से ज्यादा रुपया बैंकों में जमा करेगी और पूंजी के रूप में ज्यादा से रुपया देकर के हमारी योजना जो है उसको चलाने में मदद देगी।

इन शब्दों के साथ मैं फिर इस प्रस्ताव का तहेदिल से समर्थन करता हूं और अपने वित्त मंत्री जी से अपील करता हूं कि ये जो चन्द मुबालिफ पार्टी के लोग हैं, स्वतंत्र पार्टी या जन संघ वाले लोग हैं जो कि प्राइवेट सेक्टर के हमी हैं वह तो इसका विरोध करेंगे मगर उनकी विरोधिता पर ध्यान न दे कर इस बात को ध्यान में रखें कि अब इसके लिये समय आ गया है और जयपुर कांग्रेस के बाद और भी समय आ गया है और वह इसको कबूल करें।

SHRI BHUPESH GUPTA (West Bengal): Mr. Chairman, Sir, we are discussing today a very important subject and we are glad that by and large there is a great measure of national agreement over this question and this has been expressed here in this House already by the mover of the Resolution, who spoke from this side of the House as well as by a Member of the ruling Party, who has just finished his speech. Time has today come that we act in this matter because the demand for the nationalisation of banks has become a truly national demand. I need not mention

that in the Great campaign that we carried out in the country and submitted a Petition to Parliament signed by over a crore of people, this particular demand was given considerable importance and prominence. Quite apart from that, recently, as you know, on Sunday before last the Utkal Pradesh Congress Party adopted a resolution asking for, among other things, the nationalisation of banks. I am sure that expressed the sentiments of a large number of Congressmen at different levels of that Party. I am not talking about the supporters of the Congress Party most of whom stand for the nationalisation of private banks in our country. In connection with the resolution of the Utkal Pradesh Congress Committee I congratulate them because this shows the sense of urgency on the part of the leaders of the Utkal Congress which all the more underlines and emphasises the importance and urgency of the task that we are discussing here.

As far as the bank employees are concerned, all of them are in favour of nationalisation of private banks. The matter was discussed in the other House in March, August and September and already in this speech, the Finance Minister, Mr. T. T. Krishna-maohari, has made it clear that he has no ideological objection to it. I welcome that approach. But he said that this was not the time to nationalise banks. His problem was one of a practical nature. To be exact, he said:

"For the time being we are not in a position to accept the suggestions."

Therefore, the Government, it seems, are not in a position for the time being to accept the suggestion. Would it be wrong then if I conclude that in point of principle more or less it is accepted that the banks should be nationalised some day or the other? I should like to put this interpretation-

tion on what has been said in the course of the debate in the other House by the Congress Members as well as by the Minister and I should like the interpretation to be stuck to.

Therefore, we say in point of principle we are all agreed that the private banks should be nationalised. The question only is when and how. It is there that we have some disagreement with the Government. I think the time is ripe for nationalisation of the banks. Once we are more or less agreed upon the proposition in principle, at least in such a matter like this there should not be delay in practice, and hence I think that we should act now without waiting for future events to develop. They may not be favourable for us. Anyhow, why should we lose time? Sooner or later nationalisation is going to come, of the private banks. In fact, we had done part of it in nationalising the Imperial Bank of India. I say the sooner it is done the better. And everyone will agree that if the principle is good, then it is better to implement it here and now, when we are in great difficulty in matters of finance.

Our reappraisal of the Second and Third Five Year Plans would lead me to the conclusion of securing better and more effective control on our economic life, on our resources and on the various aspects of our planning. Hence from every angle the irresistible conclusion arises that nationalisation should be undertaken without much delay.

Experience has shown that we gain by it. Nationalisation of the Imperial Bank has proved to the hilt that it was a very courageous and bold step that we took in this House and the other House. Doubts at that time were cast that it would lead to the disorganisation of the credit system of the country and instability in the credit market. But if anything has been proved by the 11a-

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tionalisation Of the Imperial Bank of India, it has been proved that this nationalisation stabilised the credit system, brought stability to it, and far from disorganising it, it helped in organising the credit system in the country. We should go forward instead of stopping at merely this partially nationalised sector.

My friend, Mr. Raghunatha Reddy, has placed before the House already many relevant statistics into which I need not go. I need not repeat them. But at the same time I would like to remind the House of some of the salient aspects of this very important question because it is a constant reminder of the basic reality which troubles us—when I say "us", we mean Members on both sides—to ask for nationalisation of private banking in the country.

As has been pointed out to the honourable House, there are 292 scheduled and non-scheduled banks in the country out of which about 79 are scheduled banks, excluding, Mr. Chairman, the State Bank of India. These banks have a paid-up capital of Rs. 39.7 crores and the total deposits are Rs. 1,438 crores. With this quantum of paid-up capital they have attracted deposits forty times as much as the paid-up capital as you can clearly see. It is a matter of arithmetic here. I would like to point out here that these deposits are equivalent to 10 per cent, of the national income. These (factors should be borne in mind. These few banks control, as between them, 10 per cent, of the resources, equal to 10 per cent, of our national income and these resources are more than really the annual domestic savings of the country which is now about 8 per cent, of the national income. Therefore if you look at it from the point of view of the domestic savings in the country which is 8 per cent., the deposits are higher in the hands of the banks. If you look at it from the point of view of the country's national income, the deposits amount to 10 per cent, of

that amount. Therefore it is no small resource which is in the hands of these few banks. We can make the nation with these resources or mar the nation with these resources. It is for the country to decide and I think the decision will be taken that these resources should be fully and absolutely in the hands Of the nation to be so used that they really promote well-being of the people and the reconstruction of our country. That itself would be a major consideration for nationalising the banks.

Now out of these 292 banks, only five are major banks. These are well known—I need not name them—such as the Bank of India, the United Commercial Bank, the Punjab National Bank, the Bank of Baroda and so on. These are well known. These five major banks between them, account for Rs. 820 crores of the total deposits, in short 55 per cent, of all the deposits of the banks. These five banks again account for 33 per cent, of the total paid-up capital. Therefore in the paid-up capital structure, they have the monopolistic or near-monopolistic control or dominance in this matter. In the matter of loans and advances, their share is 8; 3 per cent, of all the loans and advances made by the private banks. Therefore you see that in the field of operations, there too, again these five banks dominate or account for 58 per cent. As far as bills discounted are concerned, their share is 57 per cent.

Therefore these five banks may very well be called, the Pentagon of the Indian private banking. I should like to describe them today as the pentagon of the Indian private banking, these five banks, tycoons. Here is an example of the concentration of economic power. We are searching for economic power, concentration of it. Well, we see it in a very physical sense of the term in these five banks and we are not doing anything about it as yet effectively. This banking Pentagon has grown on the ruins of

many small and medium banks in the country. That should also be remembered, as always happens with the growth of monopoly in the economy when many go down, some come up. For example, in 1949 there were 585 banks in 1960 the number came down to 350—that is to say, the number declined by 234—but in the same period the deposits held by a lesser number of banks—that is 350—went up to 1238 crores of rupees compared to Rs. 539 crores in 1949 when we had in the field 584 banks. Therefore you see the process. On the one hand a large number of banks are getting weeded out due to competition, monopolistic operations and concentration of economic power; on the other hand, more and more resources are falling into fewer and fewer hands. Such is the process which has been going on over the last decade or so, or ever since Independence, shall we say. Now therefore we must see that here is a monopoly which is growing by crushing the smaller elements within that sector itself and that is a sign of concentration. Everywhere concentration takes place in this manner. If you look at the Board of Directors of the five big banks . . .

SHRI K. SANTHANAM (Madras): Is this reduction mostly not due to the merger advocated by the Reserve Banks?

SHRI BHUPESH GUPTA: It is right Mr. Santhanam. All that I am saying is it is true that some may have gone into liquidation by merging, eating up or swallowing up. Mr. Birla has become Mr. Birla by swallowing up many a little man like me and you. It is true—merger. This is precisely called concentration, some go under liquidation but the money is taken by some others. You are right. I wish you had mentioned that in the Article about 'Plan Reappraisal' you have written to-day. If you look at the Board of Directors of the five banks you will find that they are confined to well-known financial and big business houses in the country such as the

Tatas, Birlas, Sahu-Jain, Goenka, Mafatlal, Warchand Hirachand, etc. I have then taken down, the full list is with me. It is very interesting, the galaxy of names there. Between them they perhaps control thousands of crores of rupees. As a matter of fact the Birlas are physically present in the Board of Directors of two of the five banks. The great Goenkas are present in three out of the five. This is how they have shared things as between themselves, inter-linked as between themselves. Significantly enough, now the Indian Princes too have come into the picture and they are well-known people—Baroda, Gwalior and the Scindias. They are distributed in these Boards of Directors. They are also very wealthy people, powerful people. Therefore the inter-linking is taking place in that direction also.

You can well understand where the money is going. If such is the composition, the money is going to the companies which they favour, in which the directors are interested. Now there is an alarming feature in the private banking world, namely, it is getting deeply, organically connected with the industrial finances, trade and commerce under the control of the monopolists and big business. The banks certainly will be interested in industry and commerce but the small and medium industries are neglected. Of the total advances received by small and medium industries, only 2 per cent, come from the commercial banks and the rest come from the State Bank. That only shows how the small and medium industries are treated by the big banking tycoons whereas 56 per cent, or so of their investment goes to industries in which they are directly or indirectly interested.

I give another example. There are 188 directors of the 20 leading banks. This is the Reserve Bank study. The 188 Directors of the 20 leading banks hold, between them, 1452 total directorships in 1289 other companies. There you will see that these 188

[Shri Bhupesh Gupta.] people have spread their tentacles far and wide, that apart from these 188 directorships in the banks, they hold directorships aggregating to 1452 and the companies concerned in which these directorships are held number again 1289. That shows the inter-linking and how it is taking place. I need not say now very much as to what is happening to the resources and it is happening as we all know. The Vivian-Base Commission gave some examples of how the banks in their control are used to help not only the concentration of wealth but all kinds of malpractices including downright swindles of public funds and so on.

Take now our favourite Pentagon, as I said, the five leading banks. Their 55 directors share between them 689 directorships in companies in almost all vital branches of industry and commerce. Then, these 55 directors, who sit on the Board of Directors on the five banks, have reached out to 689 companies and over a wide field of economic activity. This is another aspect of the matter. Therefore, the concentration is self-evident in this matter. It does not require Prof. Mahalanobis to point it out. We can easily do so (by looking at the report of the Reserve Bank of India. Now, these moneys are being handled and used for building up the banking empire, the financial empire of these houses, to give mutual accommodation in order to circumvent the laws and so on, to promote malpractices, to evade taxes, to carry on speculation, to attract contracts and so on. All kinds of things take place about which, under the existing law, we cannot have a clear knowledge, as far as the public are concerned, far shady deals are the order of the day.

Let us be a little concrete here. As I said, 188 directors have taken to their companies or the companies in which they are interested, aggregate loans to the extent of Rs. 183 crores from the banks in which they are interested or with which they are connected. The actual figure would

be much higher. This is how it is done. Take, for instance, the United Commercial Bank. It advances loans to companies in which—shall we say—the directors of the Punjab National Bank, are interested and *vice versa*. That is to say, the Punjab National Bank, by mutual arrangement will advance loans to the companies in which the directors of the United Commercial Bank are interested, so that they do not come under the mischief of the Banking Companies Act or the Company Law. There are certain restrictions and these are circumvented by mutual arrangements as between them. That is also another practice which is being indulged in by them. Some figures are available, but the real figures are disguised to some extent and usually these deposits are used largely for speculative purposes and not for productive purposes and this should be borne in mind. If you look at the advances against stocks of foodgrains—that is another name for speculation in food-grains with banking money—you will find that in 1959, it was Rs. 49.78 crores. In 1963 it had gone up to Rs. 136.14 crores. That is the position. Such a big jump has taken place, and much of this money goes in for speculation. Mr. Chairman, I need not give very many examples. Private credit expansion is taking place through the scheduled banks. When we talk of deficit financing, we must also talk about credit expansion by the private sector. In short, I say that from every point of view, nationalisation is called for, as we all know, in order to break this economic concentration of power so that the vital resources of the country, of the order of Rs. 1,400 crores, not including the deposits in the State Bank of India, may be put in the hands of the State to be utilised for planned economic development including the giving of support to medium and small industries in the private sector. Then it will not be available for being utilised for speculation or for other malpractices and so on. An annual profit of Rs. 12 crores would also be

available. I am not asking you to attach much importance to the question of profits, but then it is there and it is not a small amount and if you do that, then it will be difficult for the monopolists to get the banking finance, it will not be easily available to them to take over the industries or build up their empires or take over the subsidiaries and thus accelerate the process of interlinking the companies and so on. Therefore, I say, from every angle and from every single point of view, nationalisation in this respect is essential. Mr. Chairman, I say that today we have reached that stage when we should do it. We know that some of us are saying that the position is stagnant. We cannot allow the vast resources of the country—in fact it is equal to 10 per cent of the national income—to remain in the hands of a few families! Really it comes to its being in the hands of a few families in the country, and they being able to control our industrial and commercial complex. This has to be taken as an economic measure, a measure of far-reaching economic consequences, in the interest of planning, with a view to breaking the power of monopoly, with a view to making all these resources available for the Plans, for the planned development of the country's entire economic life. That, Mr. Chairman, is how we should proceed in this matter.

I hope that the House will express its opinion in favour of my hon. friend's motion in an informed manner in favour of the nationalisation of these banks. I hope the Prime Minister will consider these suggestions that we are making in this House and take vigorous steps, bold steps, and not let things drift further. Let us act now when there is time for acting. Already we are late. We must act now and take over these banks and that will be for the good of everyone of us which will bring benefit to the country as a whole.

PROF. A. R. WADIA (Nominated): Mr. Chairman, I am not surprised that

my hon. friend, Shri Raghunatha Reddy, has brought forward this Resolution about the nationalisation of commercial banks. The idea of nationalisation is extremely fashionable. There are people who believe, as my hon. friend, Shri Bhupesh Gupta does, that all the ills in the world will be done away with only if we nationalise everything. Unfortunately, the main motive for this move for nationalisation is the jealousy of the rich. The main motive is to impoverish the rich, not the desire to enrich the poor. In fact, if you study the economic condition of the people in the Communist countries and in the democratic countries, you will find that nationalisation does not really make for the betterment of society at large.

SHRI SHEEL BHADRA YAJEE
(Bihar): Question.

PROP. A. R. WADIA: In China they have had regimentation in food and clothing. But there is scarcity and food has to be supplied by capitalistic countries. In Russia there has been tremendous loss of individual initiative and I have not the slightest doubt that real communism does not exist in Russia. On the other hand, we And that the wealthiest country in the world is America, and next to it are England and West Germany. And there the main motive is not nationalisation but the encouragement of individual private enterprise and industry. That is the position. Now, it seems to me that if we compare these two economies, there is 'everything to be said in favour of the free countries with private individual initiative rather than in favour of nationalisation. What is the experience of India? I know that in certain quarters! the idea of nationalisation is very common. But in actual practice this has meant loss of efficiency, intense corruption and low profits in the public sector to a decimal point.

SHRI P. N. SAPRU (Uttar Pradesh): What about the private sector? Is there initiative in the private sector?

PROF. A. R. WADIA: If the hon. Member has to say anything against the private sector, he is welcome to say it. But the fact remains that the private sector will not be changed by what my hon. friend says about the private sector. In the private sector we have to distinguish between good people and bad people. I am not saying here that all the private owners and capitalists are good people. They may be knaves, some of them are. We know that

SHRI BHUPESH GUPTA: The hon. Member in this House is a creation of the public sector, being nominated by the State.

PROF. A. R. WADIA: So I am not standing for each and every individual capitalist or industrialist. We have to pick and choose and it is for the Government to do that. The Government has got full powers to pick out the industrialists who are wicked. Unfortunately, our grievance is that the Government has not been active enough in doing so. If they had done it, it would have benefited the country immensely.

Now, there cannot be two opinions about the need to better the conditions of the labouring classes. We all recognise the importance of labour as a contributing factor in the economy of our country or of any country—There is not the slightest doubt that the labouring classes must be improved in every way, in housing, in educational facilities, in medical facilities, in food (but the experience of England goes to show, and America too, that this result is best achieved by equitable even though a very high taxation of the private individuals, the capitalists. In fact, there are none so blind who having eyes would not see and none so deaf as having ears would hear not. We find in America that on an average one man out of three has a car and practically every American household has got a number of gadgets in the form of washing machines, cookers, radios and what not. Now that sort of luxury can hardly be imagined to exist in what are called

nationalising countries. Why is this done? What is the experience of England? We know that in England the Labour Party once upon a time was very keen on nationalising every thing but they burnt their fingers very badly and they have learnt from that lesson. They are not so keen on nationalisation now). They are content to follow the wise old Fabian, policy of taxing as high as possible the industrialists and getting

more income for the Government and spending it for the betterment of the poorer classes. Now, what I wish to know is what is to be gained by the nationalisation of the banking concerns in India? Of course, it is a very common idea that all the high profits will come to the Government but it is forgotten that the cost of running these banks by the Government will be ever so much more than in the case of individual bankers. (*Interruption*). Certain, the private sector will lose the facilities that it now enjoys of having credit. Modern commerce is so complicated that even a multi-millionnaire cannot carry on business without some credit. Everyone has got an overdraft facility and this they might lose on nationalisation and I think, on the whole, that would be a loss to the country at large because it means loss of private initiative. The needs of safe banking in India have been already attended to by the creation of the State Bank of India. Now, Mr. Bhupesh Gupta said that it was not a case of nationalisation but as a matter of fact, the old State Banks of Bombay, Calcutta and Madras were all Government concerns and the principle has been extended to the State Bank of India and the interests of private banks and the investing public have been more or less safeguarded by bringing into existence the Reserve Bank of India, and I think this is a very wise proposition. We all know that banking is much safer today than it was ten or twenty years ago and we are grateful to the Government for all the powers that they have given to the

Reserve Bank of India because the powers of the Reserve Bank of India are exercised in the interests of the community at large.

Now, there is one important aspect which seems to be completely forgotten by the hon. Members who support nationalisation and that is the cost of nationalisation. Of course, in a Communist country anything can happen and they are not bound to compensate the private banks but luckily our country has not come to that stage of Communism yet. We still believe in compensating private industry; we still believe in compensating the private capitalists and therefore, if the banks have to be nationalised, compensation will have to be paid. How much will it come to? How many thousand crores will be needed and where is the money to come from, except from the public at large? Well, Sir, my own feeling is, this that in trying to nationalise in great haste we shall be committing the usual fallacy of killing the hen that lays the golden egg.

SHRI G. S. PATHAK (Uttar Pradesh): Mr. Chairman, I have heard with great interest the speeches that have been made by the hon. Members who have gone before me. I have also read in script the speech made by the hon. Mover of the Resolution.

I oppose the Resolution and my reason for opposing the Resolution is that it is neither expedient nor necessary today to nationalise commercial banks in the whole of India. I am not in favour of adopting any doctrinaire or dogmatic approach. Conditions must exist which should justify or require nationalisation of any particular activity and I do not think that today such conditions exist any more for the nationalisation of the banks than for the nationalisation of other industries which are fed by the banks. Private banks are mere limbs of private industry and unless you find that the time has arrived for nationalisation of the private industry, it will be an error, a logical error, to

nationalise the limb which feeds the private industry. Now, Sir, our goal certainly is social and economic justice. We have laid down the principles of the policy in part IV of the Constitution but all this is subject to two things, number one, individuals' rights and number two, freedom of trade and commerce in the country. (*Interruption*.)

Please listen. I have listened to you and you listen to me.

Now, it is true that where nationalisation has been made, it will not be open to attack on the ground that the citizen's right has been infringed. Well, the question remains whether the freedom of trade and commerce has been infringed and the context in which the power is given to the State to nationalise is—article 19(6) itself says that—we must not nationalise at random, we must nationalise only where public necessity demands nationalisation, only where it is reasonable to nationalise, not otherwise. Therefore, Sir, there must be a rational basis for every nationalisation and each case must be considered on its merits and there should be no 'dogmatic approach' in this matter. Now, Sir, nationalisation as a doctrine is certainly very attractive but the socialistic pattern of society to which we are wedded is conditioned by our history, is conditioned by our Constitution, is conditioned by the practical necessities and the practical realities of our national life. We cannot draw upon economic theories derived from foreign countries. We must look to our history, we must look to our Constitution and we must look to our own practical needs and practical realities and I submit, Sir, that if the question is whether there is any public necessity peculiar to banking business which requires its nationalisation, the answer should be in the negative. Today the banking business is conducted both in the public sector and in the private sector. The State Bank and the Reserve Bank are banks in the public sector. The Reserve Bank also conducts banking business to

[Shri G. S. Pathak.] some extent in the public sector and the Reserve Bank is a sort of a lord over the entire banking business in the private sector. Now when this situation is existing at the present moment, then the question is whether you can say that there is concentration of wealth in the hands of a few to the common detriment of the people of the country. That is the question. And I submit, Sir, that that question must be answered again in the negative. There is no concentration of wealth if the facts are properly analysed in the hands of a few without control by the Government and to the detriment of the people in general. Now, Sir, the argument has been. . .

SHRI BHUPESH GUPTA: Where is concentration then? If there is concentration, it must be in the hands of a few.

SHRI G. S. PATHAK: Now, Sir, the argument has been that there is economic power over the deposits made by the public. I am using the words which were used by the hon. speaker who moved this Resolution. He referred to the chain of directorships for purposes of economic control which would result in concentration of wealth. He also said that with 51 per cent of share capital in a particular company a particular managing agent will get into power—I am giving the substance of what he said—and the managing agent will get complete control over a company. He will take loans, he will invest money in other companies and soon and so forth. Now, Sir, this completely disregards the Banking Companies Act and the picture given is an unreal picture. It should be remembered that rigid and stringent controls have been imposed by law on banking companies. There is prohibition on trading. No banking company shall employ or be managed by a managing agent. No employee can take remuneration in the shape of profits and the remuneration can be fixed by the Reserve Bank itself if it is excessive. No banking company should be

managed by any person who is a director of any other company or who is engaged in any other business. No shareholder, whatever might be the amount of his shareholding, can exercise voting power in excess of five per cent of the total voting rights of all the shareholders of the company. Therefore it is wrong to say that 51 per cent of shareholding can take the rights belonging to others. There are other provisions. The Reserve Bank can determine the policy, lay down the policy, for every banking company and can see that the policy is carried out. How can then, Sir, it be said that there is concentration of wealth? If the Reserve Bank is not functioning properly, the Reserve Bank should be made to function properly. If the law is not sufficiently stringent, make it more stringent but is there any reason to say that there is concentration of wealth because the private sector is being fed by private banking at the present moment? (Time bell rings.)

Now, one point you will permit me to mention and that is the point raised by Mr. Bhupesh Gupta about the bigger crushing the small. It should be remembered that it is the Government policy that there should be banks of a particular magnitude so that they may inspire confidence and it is in consequence of the Government policy, in consequence of the directives of the Reserve Bank, that there is merger. It is not on account of the fact that voluntarily the big fish are eating the small. The picture therefore which is presented before the House, I submit, is an unreal picture and no necessity arises at the present moment of nationalising the banks any more than nationalising any other industry in the country.

Thank you, Mr. Chairman.

MR. CHAIRMAN: I am sorry to have interrupted you at the wrong time. You have finished a minute before time.

SHRI G. S. PATHAK: That is all right, Sir. I thought I had taken fifteen minutes.

MR. CHAIRMAN: No; you have finished a little before time. I am sorry to have interrupted you at the wrong time.

SHRI G. S. PATHAK: In that case, Sir, if you will kindly permit me, I shall take one minute more.

MR. CHAIRMAN: That is all right.

SHRI G. S. PATHAK: Sir, it has been properly pointed out that the compensation which will have to be paid will be heavy. If you take into account the amount of compensation which will have to be paid, if you also take into account the amount of money which will have to be set apart for the purpose of carrying on the business and if you take into account the amount of deposits made by the banks—and I speak subject to correction; I believe it is about Rs. 711 crores—in Government investment, nationalisation of banks is not justified. We must take stock of our public sector. We should try to strengthen and consolidate what we have already done before launching on new ventures and I submit, with all respect, that we should not demolish unless we are ready to rebuild and unless it is necessary to demolish.

12 NOON.

श्री ए० बी० बाजपेयी (उत्तर प्रदेश) :

सभापति जी, मैं इस प्रस्ताव का विरोध करने के लिये खड़ा हुआ हूँ, इसलिये नहीं कि मैं एक ऐसी अर्थ-व्यवस्था का हामी हूँ जिसमें पूँजीपतियों को मुनाफा कमाने की खुली छूट होनी चाहिये। खुली छूट के दिन लद गये हैं और जो दल तथा व्यक्ति खुली छूट देने की बात करते हैं वे युग धर्म को नहीं पहचानते। लेकिन जहाँ मैं खुली छूट का हामी नहीं हूँ वहाँ मैं ऐसी अर्थ-व्यवस्था का भी समर्थन नहीं कर सकता जिसमें सारा नियंत्रण, सर्वाधिकार, शासन के हाथ में हो। सरकार ने समाजवाद का उद्देश्य स्वीकार किया है। मैं समाजवाद का विरोधी नहीं हूँ लेकिन मैं

समाजवाद को जीवन का पूर्ण दर्शन नहीं मानता। मनुष्य केवल अर्थ का दास नहीं है, मनुष्य काम का भी कीड़ा नहीं है। हम नैतिक और आध्यात्मिक जीवन मूल्यों की अवहेलना करके नहीं चल सकते। हमें ऐसे समाज की रचना करनी चाहिये जिसमें शासन न हो लेकिन अनुशासन हो; जिसमें नियंत्रण न हो, संयम हो; उच्छृंखलता न हो, स्वतंत्रता हो; जिसमें अधिकारों का संघर्ष न हो लेकिन कर्तव्य की स्पर्धा हो। समाजवाद की जो तसवीर हमारे सामने आ रही है वह भारतीय जनता को संतोष नहीं दे सकती। देश में एक हवा चली है जिसके अनुसार राष्ट्रीयकरण हर एक राष्ट्रीय रोग की रामबाण-औषधि के रूप में पेश किया जाता है। जहाँ आवश्यक हो वहाँ राष्ट्रीयकरण किया जाना चाहिये लेकिन राष्ट्रीयकरण किया जाय या न किया जाय, इसका निर्धारण व्यवहार की कसौटी पर होना चाहिये, किसी तात्त्विक या वैचारिक अभिनिवेश के कारण नहीं। राष्ट्रीयकरण को समाजवाद का पर्यायवाची समझा जाता है और यह सोचा जाता है कि अगर कोई धंधा या वाणिज्य या व्यापार सरकार अपने हाथ में ले लेगी तो समाजवाद आ जायेगा और जनता सुखी हो जायेगी। हमारे देश में राष्ट्रीयकरण का अर्थ सरकारी-करण हो गया है और बैंकों के क्षेत्र में तो नहीं लेकिन अन्य क्षेत्रों में सरकारी-करण जनता को सुख नहीं दे सका, संतोष नहीं दे सका है। जहाँ तक बैंकों के राष्ट्रीयकरण का सवाल है हम व्यावहारिकता की कसौटी पर कस कर देखें कि क्या आज बैंकों का राष्ट्रीयकरण आवश्यक है। हमारे देश में पब्लिक सेक्टर, प्राइवेट सेक्टर की बात कही जाती है। मुझे यह शब्दावली ठीक नहीं लगती। सचमुच में देश में एक ही सेक्टर है, वह नेशनल सेक्टर है, राष्ट्रीय क्षेत्र है, और अगर हमने यह फैसला नहीं किया कि हम प्राइवेट सेक्टर को खत्म कर देंगे, हमारे देश में व्यक्तिगत प्रयत्नों के लिये कोई गुंजाईश नहीं रहेगी, उत्पादन के, विनिमय के, वितरण के सारे साधन सरकार के

[श्री ए० बी० वाजपेयी]

आधीन होंगे तो फिर जो व्यक्तिगत प्रयत्न हैं, उद्योग हैं, धंधे हैं, व्यापार हैं, उनके लिये पूंजी जुटाने के प्रयत्नों का हम विरोध नहीं कर सकते। या तो सरकार या सदन यह फैसला कर ले कि भारत में व्यक्तिगत प्रयत्नों के लिये कोई स्थान नहीं होगा, सब काम सरकार करेगी—सरकार रेल चला रही है, सरकार मोटर चलायेगी, सरकार होटल चलायेगी, सरकार बैंक चलायेगी, व्यापार चलायेगी, कल-कारखाने चलायेगी, सरकार खेती करेगी . . .

श्री सी० डी० पांडे (उत्तर प्रदेश) :
चीनी बांटेगी।

श्री ए० बी० वाजपेयी : लेकिन अगर ये फैसले करेंगे तो एक और फैसला भी करना होगा, कि देश में लोकतंत्र नहीं चलेगा।

श्री शील भद्र याजी : चलेगा।

श्री ए० बी० वाजपेयी : आर्थिक क्षेत्र में कोई भी नीति हम लोकतांत्रिक जीवन मूल्यों को दृष्टि से श्रोज्ञल करके निर्धारित नहीं कर सकते। यह ठीक है कि उन लोकतांत्रिक मूल्यों का यह तकाजा है कि हम आर्थिक क्षेत्र में जितना आवश्यक हो उतना नियंत्रण करें, नियमन करें। अगर व्यक्तिगत बैंक अपनी पूंजी का और उस पूंजी से प्राप्त आर्थिक सत्ता का दुरुपयोग करते हैं तो नियंत्रण कठोर किया जाना चाहिये। आज भी रिजर्व बैंक काफी नियंत्रण के अधिकार रखता है—किस प्रकार से बैंक कर्जा दें, रुपया एडवान्स करें या न करें और सुद की दर कितनी लें, ब्याज की दर कितनी लें, इस सब का निर्धारण रिजर्व बैंक के परामर्श से होता है। सभी शेयरहोल्डरों को अधिकार दिये गये हैं कि वे अपना मत दे सकते हैं, अगर आवश्यक हो तो उस नियंत्रण को और भी बढ़ाया जा सकता है। लेकिन कुछ बुराइयां हैं इसलिये सरकार

सारे बैंक उद्योग को अपने हाथ में ले ले, इसका समर्थन नहीं किया जा सकता।

मुआवजे का भी सवाल खड़ा होता है। लेकिन हमारे याजी महोदय ने तो यहां तक कहा कि मुआवजा देने की आवश्यकता नहीं है। अगर मुआवजा देने की आवश्यकता बिड़ला और टाटा को नहीं है तो फिर छोटे से किसान को भी, छोटे से दुकानदार को भी, मुआवजा देना संभव नहीं होगा। सरकार ने अनुमान लगाया कि १०० करोड़ रुपये का मुआवजा देना पड़ेगा। मुआवजे की रकम हजारों में नहीं होगी, सौ करोड़ रुपये की रकम हम कहां से जुटा देंगे? १९६२ में बैंक व्यवसाय में ६ करोड़ ५० लाख का मुनाफा हुआ था। अगर मुनाफे से प्राप्त होने वाली सारी रकम मुआवजे में दे दी जाय तो हमें सोलह साल तक बैंक व्यवसाय से प्राप्त होने वाला मुनाफा मुआवजे में देना होगा। २१०० करोड़ रुपये की पूंजी अलग अलग बैंकों में जमा है जिसमें से ७०० करोड़ रुपये की पूंजी स्टेट बैंक तथा अन्य सरकारी बैंकों में हैं। व्यक्तिगत बैंकों की पूंजी और जो बाकी के १४०० करोड़ बचते हैं उनमें ३० फी सदी सरकारी सिक्यूरिटीज़ में लगी है। मैं नहीं समझता जो बाकी की रकम बची है, केवल उसे प्राप्त करने के लिये राष्ट्रीयकरण जैसा चरमपंथी, एक्स्ट्रीम कदम उठाने की आवश्यकता है।

यह कहा जाता है : हमें विकास के लिये, निर्माण के लिये वित्तीय साधन चाहिये। इसका भी हम कुछ अनुमान लगाकर देखें। १९६२ में बैंक व्यवसाय से कुल लाभ २८ करोड़ ८० लाख रुपये का है जिसमें से करों के, टैक्सों के रूप में १४ करोड़ ४० लाख की रकम निकल गई, कर्मचारियों के बोनस में, शेयरहोल्डरों के हिस्से में ४ करोड़ ६ लाख रुपये की रकम निकल गई। राष्ट्रीयकरण के बाद भी कर्मचारियों का बोनस कम करने का सवाल नहीं है—बढ़ाना पड़ेगा—और शेयरहोल्डरों को भी उनका हिस्सा देना पड़ेगा।

श्री सी० डी० पांडे : इनकमटैक्स भी पड़ेगा ।

श्री ए० बी० वाजपेयी : और भी भार पड़ेंगे । जो काम सरकार करती है महंगा करती है, इससे तो इनकार नहीं किया जा सकता । और सबसे बड़ी बात यह है कि राष्ट्रीयकरण करने के बाद ८० करोड़ रुपये के बान्डों पर ६ फी सदी की दर से सूद देना पड़ेगा जो ४ करोड़ रुपये के करीब आता है । तो इतना उत्तरदायित्व िभाने के बाद आर्थिक विकास के लिये कितनी पूंजी बचेगी, इसका थोड़ा सा अनुमान लगाकर बनाना चाहिये ।

सबसे बड़ी बात यह है कि हम अपने देश में जो आर्थिक विकास कर रहे हैं उसमें हमने मध्यम मार्ग का अवलम्बन किया है, जिसे अंगरेजी में मिक्स्ड इकानामी कहते हैं । व्यक्तिगत प्रयत्नों को भी हम छूट देते रहे हैं, सार्वजनिक क्षेत्र को बढ़ाते जा रहे हैं, उसके लिये विदेशों से आर्थिक सहायता भी प्राप्त कर रहे हैं, कर्जा भी ले रहे हैं । हम कोई ऐसा कदम उठाने की शक्ती नहीं कर सकते जिसका मनोवैज्ञानिक असर देश में और देश के बाहर खराब हो । जैसा मैंने पहले निवेदन किया, या तो हम व्यक्तिगत प्रयत्नों को खतम कर दें—लेकिन उसके साथ—विदेशी पूंजी का सवाल भी जुड़ा हुआ है । मैं इतनी मात्रा में विदेशी पूंजी लगाकर आर्थिक विकास करने के हक में नहीं हूँ लेकिन जो भी योजनाएं विदेशी कर्जों पर, विदेशी सहायता पर, निर्भर करती हैं, उनके लिये बैंकों के राष्ट्रीयकरण का कदम क्या देश में पूंजी एकत्र करने का वातावरण बनायेगा, जिसकी आज आवश्यकता है ? पूंजी हमारी नई बहू की तरह से कुछ शर्माती है, कुछ लजाती है, कुछ घबराती है । मैं चाहता हूँ वह खुल कर मैदान में आये । क्या बैंकों के राष्ट्रीयकरण का कदम उस लजाती, शर्माती हुई पूंजी को और भी पर्दे के भीतर नहीं ढकेल देगा ?

हम विदेशी सहायता पर भी निर्भर करते हैं । कम्युनिस्ट पार्टी की बात मैं समझ सकता हूँ—वे तो तेल कम्पनियों का राष्ट्रीयकरण चाहते हैं, वे तो मित्र देशों के साथ हमारे संबंध, आर्थिक क्षेत्र में, अन्य क्षेत्रों में, कठिनाई में डालने का प्रयत्न कर सकते हैं ।

श्री शीलभद्र याजी अखबारों के राष्ट्रीयकरण की बात कर सकते हैं तो फिर पार्लियामेंट भंग कर दीजिये, विरोधी दलों पर रोक लगा दीजिये । फिर समाजवाद का नाम मत लीजिये, अधिनायकवाद की बात करिये । ऐसा नहीं हो सकता कि हम राजनीतिक क्षेत्र में लोकतंत्र पर चलें और आर्थिक क्षेत्र में सारे साधन, सारे अधिकार, शासन के हाथ में रख दें । इसलिए मध्यम मार्ग का अवलम्बन करना होगा और मध्यम मार्ग का तकाजा है कि हम कोई चरमपंथी कदम न उठायें । विकास में हमें अधिक पूंजी चाहिये और यह कदम उस प्रगति के निर्माण में बाधक बनेगा, विदेशों में हमारी साख को घटायेगा और हमारी विकास की गति को मन्द करेगा । आवश्यकता विकास की गति को बढ़ाने की है और शायद जो इस प्रस्ताव का समर्थन करते हैं उनका उद्देश्य यह है कि विकास की गति बढ़े । लेकिन परिणाम उल्टा होगा । उद्देश्य कुछ भी हो काम की सफलता की कसौटी उसके परिणाम से आंकी जायेगी । जहां तक परिणाम का सम्बन्ध है इस बारे में दो राय नहीं हो सकतीं ।

जो बैंक व्यक्तिगत कब्जे में हैं, उन्होंने भी सेवा की है, उनका रुपया भी उद्योग और व्यापार में लगा है, कल-कारखानों में लगा है, और उन्होंने लोगों में रुपया जमा करने की आदत डाली है । वे गांव गांव तक रुपया जमा करने की व्यवस्था को ले गये । १९५२ में २६७१ आफिस थे और आज १९६२ में ४६११ आफिस रुपया जमा करने के हो गये । रुपया जमा करने वालों में १९५२ में ३२ लाख

[श्री ए० बी० वाजपेयी]

है, अब उन खातों की संख्या ६५ लाख हो गई है और रुपया आम आदमी का है और हिस्सेदार भी आम आदमी हैं। अगर कहीं पूँजी का संग्रह हो रहा है तो उसको रोकना चाहिये, लेकिन उसके लिए इस तरह का कदम जो आर्थिक विकास की गति को रुद्ध करे, सरकार के हाथ में अमर अधिकार रखे, मनोवैज्ञानिक दुष्परिणाम पैदा करे, उसकी आवश्यकता नहीं है। यह कदम आज वांछनीय नहीं है। तत्व की कसौटी पर इस प्रश्न को नहीं देखा जाना चाहिये। एक ही कसौटी है और वह व्यवहार की कसौटी है और उस कसौटी पर कसों तो इस परिणाम पर पहुँचेंगे कि यह कदम आज की स्थिति में न आवश्यक है और न वांछनीय है। धन्यवाद।

SHRI M. GOVINDA REDDY Mysore): Mr. Chairman, the resolution under discussion raises to very important matter which merits careful consideration on the part of Members of this House and of the Government. Questions will be 'asked' and have been asked as to where is the necessity of nationalising commercial banks. What is wrong with our banks today? Banks accept deposits from the poor as well as the rich. Banks lend to big and small.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair.]

They support and enrich the economic activities of the nation, and what is wrong with them? May be, some time ago there was a series of bank failures in West Bengal culminating in the failure of the Lakshmi Bank and the Palai Bank. May be when such things occur, doubts arise in our minds as to whether the ordinary man who deposits in the bank is really safe, whether we have sufficient guarantees for the safe working of the banking system. But then the answer is that we have tightened the provisions of the Banking Companies Act and given more and more control

to the Reserve Bank, and therefore the Reserve Bank is in a position today not only to insist upon all sorts of safeguards for the floatation of banks but also for the conducting of banks. It has the powers of supervision, control and direction and therefore, as the hon. Members were saying, banking today is far safer than it ever was. So, where is the need for nationalisation?

Sir, in order to answer this question one has to probe a little deeper and examine the function of banking. It is not a question of public sector or private sector. It is not a question of relating banking to private industry. We have to look at this question from the point of view of the goal we have adopted. Our goal is the creation of a socialist society. This we adopted some seven or eight years ago, and I am amazed to see that not a single step has been taken which is calculated to lead us to that goal.

One important factor which helps to take us towards that goal is the removal of inequalities of wealth. This is a goal to which possibly no hon. Member can have any exception. If we have to remove inequalities of wealth, then we have to remove the opportunities which create concentration of wealth. And what are those opportunities and where is the banking system coming in this matter? Now I wish to show that these commercial banks do help in the concentration of wealth in the hands of a few. I do not mean to say that it is illegal or unlawful or bad. It is a lawful activity. But pursuing quite a lawful activity these banks wittingly or unwittingly have been helping certain vested interests to grow stronger. What is our answer? The Government may say and some hon. Members may say that we have got these of higher income-tax, super tax, excess profits tax, to mop up higher incomes and so on. But no amount of these things can take away concentration

of wealth. We have seen that. In fact if the Mahalanobis Report comes into our hands, we will see that concentration of wealth has gone on in spite of all our measures. So our taxing has not been able to solve this question.

Now we have to really root out all chances of a man unlawfully enriching himself. By the position of the strength of money, by the position of the strength of influence that he commands in society he is able to exploit others and create a position of wealth for himself. Now in these opportunities the banks have a very great place. Sir, if we have to realise the important place that banks have in our society today and the vital role that they are playing in our economy, we have to probe, as I was saying - a little before, a little deeper. How do they work? I am an agriculturist. I grow cotton and I bring it to the market. In the market there are two or three buyers, and they are rich people. Any number of people are willing to buy but they have no money to buy that. These two or three people have influence with the banks. They get any amount of loan from the banks or overdraft. That opportunity others cannot have. These two or three people will corner the produce in the market. They do not demand it when there is a lot of produce, but they make the produce rot in the market until at last the peasant is tired out and then they will dictate the price in spite of the Government's regulated market. They will have to sell at the price dictated by these two or three purchasers. I have this experience myself. We started a co-operative society, a Consumers and Producers Co-operative Society, of which I was the President. It was just to counteract this that I started it because mine is a cotton-growing area. You have only two cotton purchasers in the entire cotton area. They are playing havoc with the cotton producers. But what are our resources?

How can a co-operative society raise enough funds to buy one day's produce one day's supply, in the market? No banks lend me because I have not security to offer and I have no influence with them. These two people can do anything with the market, and this is going on today in spite of our regulations. What I say with regard to cotton applies with regard to oil-seeds, it applies with regard to every commodity that comes to the market. Now, this has an indirect effect. If I am able to corner the oil-seeds today because I can export them with the help of my money, then I am indirectly raising the price of oilseeds at home. So, every man who consumes oil will have to pay a higher price. That applies to every consumer product. Now, what about the smaller merchants? The smaller merchants are nowhere before these big people because they have no resources and it is only these big financiers who control these banks that can command enough resources to corner the produce in the market.

Well, Sir, I think the Mover very ably showed to us how they manipulate floating of companies. With the help of these banks they float companies. They need not invest a pie of their own; they borrow money from the bank, they get money from the share-holders. As the hon. Mover was saying, merely with the shareholders' money they will be able to float a company and by virtue of floating one company, they can float ten, fifteen, one hundred other companies. Therefore, all this means that they have a stranglehold on the economy of the country. Today you take any product, cement, or iron and steel or even automobiles. Government are not in a position to dictate the prices. Now, what is the Tariff Commission doing? The Tariff Commission is going into that but then these manufacturing concerns are showing higher costs of production and therefore, Government are compelled to raise the prices of these products.

[Shri M. Govinda Reddy.]

So, Government are helpless. In that way, they are able to have a stranglehold on everything that we need, that we produce. And what is the reason for their stranglehold? It is not their own money. They may be millionaires, they may not be million-lires. But they have this stranglehold, naturally, with the help of the influence that they have with these tanks. The hon. Mover was saying—I am not going into the figures—that about 70 people had been able to control some 250 companies. That is so, that is going on in our economy. It is not that we do not want the private sector, it is not that we do not want the banks. But unfortunately, these commercial banks are lending themselves, lawfully of course, to this activity which is having a stranglehold on the economy of the country.

Now, what are we going to do in the matter? Should we control it or not? What is the method of controlling? There is no other way except by nationalising these banks.

Sir, there is a difficulty. If we have to nationalise these banks, how can we pay these banks? Well, that is not a very great difficulty. After all, the paid-up capital of these banks, when compared to the turnover of these banks, is little. We can pay that. We can pay in cash or we can pay partly in cash and partly in bonds. That we can pay. Reserves and other things are there. And we will not make a loss.

There may be another difficulty raised. Where do we find the personnel to run the banks? We have to train them. When we are running a Government, when we are running several undertakings, big and small, in the public sector, we can as well train personnel for the banking service, create a Banking Service. Unless we have a hold on this activity which is having a stranglehold on the public

and economic life of the country, how are we going to achieve our goal of a socialist society? I can understand it if we give up the goal of a socialist society. I can understand this going on. Rich people may become richer and the poor may become poorer.

SHRI A. B. VAJPAYEE: It is going on inspite of your socialism.

SHRI M. GOVINDA REDDY: I am saying that we do not have socialism now. That is my regret, and I do not see socialism anywhere near. I would like to see it but it is so far off. If we give up that goal, that is a different matter. I am one with Shri Pathak, Prof. Wadia and others who are arguing; I am one with them. If we do not have that goal, we allow this economic system to go on. But if we want the poor man, the middle class man, to get his due, if we want him not to be exploited by the rich man merely because he has got money and approach to money and the means to get money . . .

SHRI R. P. N. SINHA (Bihar): You have our Mr. Mani here.

SHRI M. GOVINDA REDDY: Yes, Mr. Mani is for money. We have to have control . . .

SHRI A. B. VAJPAYEE: You have no power.

SHRI M. GOVINDA REDDY: We have to have control over these banks. Well, examples of other countries were given. Examples of other countries do not apply to us. A businessman in England or America is more honest than a businessman here. I do not say that all businessmen are not honest I do not mean to say that. (*Interruptions.*) If we can predicate a group of people, whether citizens or even Members of Legislatures or Government servants or businessmen or anybody, then we can say that we are not up to that level.

SHRI C. D. PANDE: Government also.

SHRI M. GOVINDA REDDY: Those examples we cannot take.

SHRI A. D. MANI (Madhya Pradesh) : Mr. Vice-Chairman, I am sorry that I will have to fulfil the expectations of my hon. friends of the Communists Party by saying that I oppose the Resolution.

Sir, I have gone through very carefully the record of proceedings of the last sitting of the Rajya Sabha and I have given my earnest attention to the arguments put forward by the Mover of the Resolution in support of this proposition. I must concede that the Mover has placed before us a well-documented case. But, unfortunately, that case is not related to the needs of the country, but to the requirements of an academic discussion. The Mover of the Resolution has pointed out in his speech that the country has set before it a socialist pattern of society and he wants everything else to be fitted into that pattern. It is only natural that this country is progressing towards socialism. We must take all the necessary steps to have a fully socialist society, as quickly as possible. But this country has also accepted a mixed pattern of economy. Whatever the ruling party might say about the socialist pattern of society, it has given a position to private industry, to what is called the private sector, in the picture that it has of the future.

Sir, there would have been justification for Government or for anyone coming forward and pleading for the nationalisation of banks if it had been proved that the banks had misused their funds as the life insurance companies in the past used to do, which led to the nationalisation of life insurance. The Reserve Bank Bulletins and the Finance Minister, Shri Krishnarajwari, while speaking in the other House, have admitted by implication that there has been no gross misuse of funds. I would like to men-

tion here that though a small minority controls the capital holding in the scheduled banks, there has not been misuse of the funds at the disposal of the banks in the shape of deposits by the directors. Out of Rs. 1,200 crores of advances, only Rs. 156 crores went to the directors. This is a small percentage. There has also been an increase in the advances of the State Bank. If it is a question of comparison, the advances of the State Bank have also gone up, not necessarily in the same ratio as in the case of the scheduled banks, but it has also shown a progressive increase. Further, the deposits in the scheduled banks are of the order of two-thirds of the deposits in India. Out of Rs. 2,100 crores of deposits as much as 33 per cent, are held by the State Bank of India. Already one-third of the sector has been nationalised. It is only the two-thirds that are available for the private industry.

Mr. Raghunatha Reddy, the Mover of the Resolution, mentioned in his speech—I am referring to him because he put forward what I consider to be the most documented and well argued case for nationalisation of banks—that these deposits were not available for investment in public securities. But the House has got to take into consideration the requirements of the private sector. If the country has accepted a mixed pattern of economy, the private sector too requires capital for the expansion of its programme and its plans.

SHRI BHUPESH GUPTA: That is coming from the State Bank now.

SHRI A. D. MANI: I will come to that. Now I have got one serious objection to giving more and more power to the State Bank. The State Bank has not proved that it can be the only effective instrument of banking in the country, I wanted to examine the figures of the State Bank and the figures of the scheduled banks. The figures of the State Bank are much less. The House has before»

[Shri A. D. Mani.] it the example of the management of the public sector industries. We have not reached the Plan target in respect of realisation of profits for these public sector industries. When our experience of the public sector has not been of an encouraging character I would not advocate the step for nationalisation of banks which would give the Government full control over the economic life of the community.

Sir, much has been said about a small minority controlling the economic destinies of the country.

SHRI BHUPESH GUPTA: Minority— you can count them on fingers.

SHRI A. D. MANI: Unfortunately, the pattern of human life all over the world shows that it is only the minority which controls the life of a country. What about the Soviet Union? What about the Communist countries? There it is the Communist Party hierarchy which controls the political as well as the economic destinies of the country. In this country 45 per cent, of the votes were secured by the Congress. A minority party is in power and controlling the economic life of the country. You see, therefore, that if it is to effect complete equality in distribution of power, it is not possible. If the Opposition had put forward a case to show that the deposits of the banks have been misused for purposes against public interest, there would have been a case for nationalisation of banks.

SHRI BHUPESH GUPTA: After the Dalmia-Jain enquiry, Mr. Mani, would you not say that at least in the case of the Punjab National Bank one case has been clearly stated whose funds were being used for purposes which are fairly bad?

THE VICE-CHAIRMAN: (SHRI M. P. BHARGAVA) : Mr. Bhupesh Gupta, you should address through the Chair, not Mr. Mani direct.

SHRI BHUPESH GUPTA: But Mr. Mani wants to be attractive in this House.

SHRI A. D. MANI: I am not a depositor in the Punjab National Bank. But I am sorry that this case has been raised on the floor of the House. The Punjab National Bank is one of those banks which have operated a high margin of profit. If my memory does not fail me, Sir, about 20 per cent, dividend is being given.

SHRI BHUPESH GUPTA: Mr. Vice-Chairman, Mr. Mani is a journalist. Therefore, I say that when, for example, a warrant was issued for the arrest of Mr. Dalmia and he was taken into custody, Mr. Shanti Prasad Jain came here and offered Rs. 2 crores immediately to the Government in order to get his father-in-law released and so on. We can understand the son-in-law and father-in-law business. But Rs. 2 crores was offered and that money was sought to be drawn up—and I think was given also—on the Punjab National Bank. Now, would you call it a proper use?

SHRI A. D. MANI: This happened twelve years ago, Sir. It did not happen recently. Many things have happened in the past. Twenty years ago there was mismanagement of the scheduled banks. But at present the Punjab National Bank is one of the most efficiently managed banks of the country, whatever the form of ownership may be. Even recently there was a run on the Punjab National Bank some two years ago and then the Government came to its rescue.

SHRI BHUPESH GUPTA: That is why at the instance of the Reserve Bank the Chairman of the Bank was removed and Mr. Goenka was appointed.

SHRI A. D. MANI: The Government of India came to its rescue of the Punjab National Bank because it was a sound bank. Sir, a case of mismanagement has not been made out.

against the scheduled banks. The case that these scheduled banks have not used their deposits for the development of the country has not been proved. On the other hand it is these banks which have helped the private enterprise and provided the nucleus of the corporate capital which has come into existence, which has led to the emergence of new companies.

Sir, life insurance companies were nationalised and but for the methods and techniques of the life insurance companies followed by the Life Insurance Corporation it may not be possible for the latter to get business on the present scale if there were competition. It is only because of its monopoly position that the Life Insurance Corporation is able to get its business. Sir, even with regard to the settlement of claims there is considerable delay on the part of the Life Insurance Corporation. Now the Life Insurance Corporation is going to enter the general insurance field. If it were in such a strong position it would not seek to compete with other insurance companies on non-tariff basis as they are seeking to do today. It will be seen that our experience of the Life Insurance Corporation, as it is, does not warrant an assumption that we can manage the banks better than the people who are in charge of it at the present time.

Sir, my hon. friend Mr. Pathak, referred to the effective control of the Reserve Bank over the scheduled banks. Mr. Bhupesh Gupta pointed out just now that the Chairman of the Punjab National Bank had to resign because he was involved in a foreign exchange violation case.

*" SHRI BHUPESH GUPTA: But the list of Directors will show that his son, Ashok Kumar Jain, is there, according to the Vivian Bose report.

SHRI A. D. MANI: Even in Communist countries the son is never punished for the sins of his father ex-

cept during the days of Stalin which you have repudiated now after the Chinese aggression. Sir, Stalin used to do that in that country but it is not being done now. Even the Communists do not visit the sins of the father on the son.

Sir, the Reserve Bank has got also power of selective credit control. It can ask for the list of advances at any time. It can prevent a bank having deposits if it is satisfied that the bank's overdraft policy is not sound. The Reserve Bank also has got power, as Mr. Pathak pointed out, of fixing the remuneration of the members of the staff of the State Bank in view of the agitation that was led some years ago and against the overpayment to members of the staff of the State Bank. All these powers of control the Reserve Bank already possesses at present.

Sir, my another objection to the nationalisation of banks is that in spite of the progress of the public sector and in spite of investment of colossal capital in the public sector, we have not been in a position to build up a managerial democracy in our country so far. We do not yet have even the talent in the public sector for manning the public sector industries. Banking is an extremely delicate instrument in a nation's economy. If we try to nationalise banks, we must first be satisfied that we have the staff for this purpose.

Further, the question of payment of compensation to the shareholders of the scheduled banks is one which does not admit of an easy solution. Mr. Morarji Desai, Sir, referred to this matter in the other House during the Budget debate and pointed out that the compensation itself would work out to Rs. 100 crores. (Interruption by Shri Bhupesh Gupta) I know that. But this is what Mr. Morarji, a Government spokesman, said. The pro-

[Shri Bhupesh Gupta.]

ceedings are there in the Parliament. Library for Mr. Bhupesh Gupta and any other Member to see.

SHRI BHUPESH GUPTA: Even if he did say Rs. 100 crores, you have got nearly Rs. 30 crores as reserves, and the compensation need not be paid in one shot. It can be spread over 40 50 or 60 years.

SHRI A. D. MANI: I am only quoting. The Minister of Finance of the Government must have worked out all these details as well as Mr. Bhupesh Gupta is trying to do on the floor of the House without any figures before him. If the Finance Minister has worked out these figures, he must have had a sound basis. In any case, taking the rate of interest at 6 per cent, it will take 16 years for this country to pay the interest on this Rs. 100 crores investment and for 16 years there will be no profitable return to the country on the investment of money for the compensation of the shareholders.

SHRI BHUPESH GUPTA: It will be turned into bonds.

SHRI A. D. MANI: Mr. Gupta does not want equitable compensation to be paid. We on this side of the House, not on his side, do not accept that. Equitable compensation has to be paid.

SHRI M. N. GOVINDAN NAIR (Kerala): What was the principle of compensation paid to the Imperial Bank when it was nationalised? Cannot we apply the same principle in this case also? Do not accept Mr. Gupta's views but the principle which was employed when you nationalised the Imperial Bank of India could be applied, whatever was the amount of compensation.

SHRI A. D. MANI: I am answering the point. If the Resolution had

said that an enquiry should be conducted into the feasibility or otherwise of the nationalisation of banks, I would have been prepared to accept an enquiry into the proposition. Now the Resolution says that the banks should be nationalised and we are saying—those who are opposed to the Resolution say—that we do not want it to be done because you have to pay heavy compensation. When the Finance Minister says Rs. 100 crores, I would go by Mr. Morarji Desai on this matter. If you say that you do not accept Mr. Desai's calculations, what are your calculations? You better find it out and come forward with counterarguments. I would like to make one final point and I have two minutes more.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Your time is up.

SHRI A. D. MANI: I am an old-fashioned liberal who believes in democratic principles. I do not very much believe in increasing the Government's control over every aspect of the country's economic life. It is possible, ten years' hence, if the Banks are to be nationalised, the Party in power may be prepared to nationalise the banks and those engaged in industries may be penalised on account of their political views by withholding credit facilities. I do not think we have reached a stage of equanimity and fairness in our democracy which will permit us to reach reasonable decisions on economic matters. I think there is a much greater danger of the misuse of this power over the economic life of the country if the banks are nationalised. I oppose the Resolution.

SHRI AKBAR ALI KHAN (Andhra Pradesh): Mr. Vice-Chairman, we are grateful to Shri Raghunatha Reddy for bringing this motion before the House when we can consider the different aspects of this very intricate and difficult problem. Let me make it clear that I give a qualified support to this Resolution and it means this that so far as the object is concerned,

in course of time it may be necessary, in the interest of the people of this country, that we may have to go on nationalising these commercial banks; also but I feel that this is neither the proper time nor we have the facility to accept the proposition and nationalise the banks. I think when my friend moved this Resolution, obviously he was influenced by the environment in which he sits though he is an Independent Member. The very basis of nationalisation of banks tantamounts to the end of the private sector and private industries. Let us be very clear about it. If we want that there should be no private sector and private banking, I can understand it. We may agree or we may not agree but it will be a clear thinking that we do not want any private enterprise whether it be in the industries or in the case of banking, but we, after mature consideration, have come to this conclusion that in the interests of our country, in view of the conditions existing here, in view of the fact that the public sector and the nationalisation of banks do require certain preliminaries which will have to be fulfilled before we can take this step, we have decided for a mixed economy and as such so far as the key industries are concerned, we have taken a step that it will be under the public sector. So far as the control of economic factors and banking is concerned, we have taken an effective step. The friends who have given the example of the U.S.A., the U.K. or Germany or even Soviet Russia, forget one thing that even in these democratic countries the trend to control economic matters is growing day by day. I am sure even Prof. Wadia and Mr. Vajpayee will agree that so far as the quantum of control of the Government is concerned, it is increasing and that shows that in the best interests of the country and to reduce the disparity as much as possible between the rich and the poor, that is necessary. I would like to place before you one consideration so far as the control of these things is concerned. Have we got effective measures or remedies to control them or not? I

would not go into the details of the legal aspect which Shri Pathak has very ably placed before the House but I would say, referring to the point raised by Shri Govinda Reddy that it does happen in certain cases where these private banks and commercial agents do control the market in such a way that it creates great disadvantage to the common man but under the Banking Companies' Act and the powers given to the Reserve Bank, they can be dealt with. I would like to remind them that when the price of foodgrains was increasing, the Reserve Bank issued a direction that no advance should be made so far as food-grains are concerned. The result was that the prices of food that were going up, were to a great extent controlled. What I wish to state is, that these measures should be further strengthened through the Reserve Bank, through the Banking Companies' Act, if necessary, through amendments. Let us see that the persons who hold this capital, the persons who manage these banks, do not defeat our object of a socialistic pattern or the welfare of the people. All the loopholes where the opportunity is taken to exploit the common man should be effectively controlled. If that is achieved, to a great extent the object of the Mover and that of those who are keen to have this control, will be achieved. Now, why is it that I do not want nationalisation at present? Apart from the reasons which have already been mentioned by my hon. friend, Shri Mani, and by other hon. Members, there is the question of the amount to be paid as the compensation. I entirely agree with what some of them have said and I say we are committed to paying compensation.

AN HON. MEMBER: Equitable compensation.

SHRI AKBAR ALI KHAN: Yes, equitable compensation and regarding that, I think it would not be in the national interest to pay so much money in order to take over these banks. The

[Shri Akbar Ali Khan.]

other thing about which I am concerned, is that this nationalisation requires a certain atmosphere. This nationalisation requires certain qualifications, certain training and certain education and certain personnel who would be in a position to effectively manage these institutions. The other day you will remember, Sir, that we had a discussion about the public sector undertakings and many a case was brought to our notice where with greater efficiency, with persons with more experience, with more fully qualified personnel, we could have controlled those undertakings and run them better. That means that we have not yet got the necessary personnel, the persons with the necessary qualifications and also that atmosphere that is required. We have seen a lack of education, a lack of business honesty, a lack of sufficient public spiritedness. These factors, I fear, are lacking. If at this stage we go in for the nationalisation of these banks, then I feel that the very trend of the public sector will get a very serious set back. Even in the best interests of a socialist pattern of society, even having all those ideas— not the methods— which my hon. friend, Shri Bhupesh Gupta and other friends have, we should not do a thing which will jeopardise that very idea or objective itself.

SHRI M. N. GOVINDAN NAIR: If I may interrupt for a moment, at Jaipur, the AICC has clearly pointed out that there is concentration of wealth in the country, that this is a dangerous symptom which has to be fought. Does the hon. Member agree with that proposition or not?

SHRI A. D. MANI: Your infection had spread to Jaipur.

SHRI AKBAR ALI KHAN: I am in entire agreement with the proposition. We are only waiting for the report of the Mphalanobis enquiry, and as soon as we get it we will take all necessary steps so that we take the wind out of your sail. Every time you are trying

to say that this is the Congress rule and here there is so much of disparity in wealth and you try to take advantage of that position. We will take all possible measures to see that all this speechifying will go without any results, because we do want to reduce disparities. But the question is whether the mere fact of nationalisation of the bank will achieve that objective. I very much doubt.

AN HON. MEMBER: That will be one step.

SHRI AKBAR ALI KHAN: Yes, provided you are prepared for that step, provided you have got the necessary personnel for it.

SHRI CHANDRA SHEKHAR (Uttar Pradesh): Just now the hon. Member, very rightly, while discussing the public sector undertakings, pointed out that there were difficulties and so much of inefficiency in the public sector. Then will he agree that all these public sector undertakings should now go to the private sector, just because they are inefficient? What is your argument? Inefficiency is there. Bureaucracy is inefficient. But does it change the whole philosophy of socialism and the whole philosophy of economic life?

SHRI AKBAR ALI KHAN: Probably I was not able to make myself understood by my learned friend. My point is this. So far as the philosophy is concerned, it is quite evident, through the resolutions, through the Jaipur session, through the Avadi Session and so on. There is no question of any philosophy. What I am trying to explain is . . .

SHRI M. N. GOVINDAN NAIR: What about the practice?

SHRI AKBAR ALI KHAN: Having that philosophy, are we to take up this adventure into our hands and take up an undertaking which will indirectly affect the progress of the very movement? I am certain, when there is the proper personnel, when there is

the proper atmosphere as I call it, then we can do it, and if I had felt that we do have that proper atmosphere and the necessary personnel, I would have requested the House to approve of the Resolution. But I do think that at present we are not in a position to undertake this and as I mentioned just now, if we take up certain measures without the full preparation and without the necessary equipment, then our cause, without being served, will be detrimentally affected, we would be doing a disservice to that very cause. It is in that light that I want this honourable House to consider this proposition. We know that in many matters we all agree. We agree that there is this concentration of wealth, and this concentration sometimes takes advantage of the position and tries to exploit the common people. And we do want to have measures which, by modifying the Companies Act and the Acts governing the working of the banks, and other measures, will see that all these evils are effectively remedied. And then we will be in a position to nationalise these things on socialistic principles and to give the best to our common man, without damaging the democratic principles and the Directive Principles of our Constitution for which we all stand. Thank you.

श्री गोडे मुराहरि (उत्तर प्रदेश) : उप-सभाध्यक्ष महोदय, श्री रघुनाथ रेड्डी साहब का जो प्रतिपादन है, मैं उस का समर्थन करता हूँ। अभी सुनने में आया कि समाजवाद में जाने के लिए तैयार हैं लेकिन साथ ही साथ राष्ट्रीयकरण भी नहीं होना चाहिये, यह कांग्रेस के कुछ सदस्यों का कहना है। मैं इस वक्त सिर्फ इतना ही कहना चाहता हूँ कि वे अपने आप को धोका दे रहे हैं। अगर वे सचमुच में समाजवाद को नहीं लाना चाहते हैं तो ठीक है, ऐसी बात कर सकते हैं। लेकिन अगर वे समझते हैं कि देश में समाजवाद को लाना है तो फिर वे अपने आपको धोका दे रहे हैं, यह कह कर कि हम राष्ट्रीयकरण नहीं चाहते हैं, लेकिन फिर भी हम

देश में समाजवाद ला देंगे। जब हम समाजवाद की बात करते हैं तो बैंकों का राष्ट्रीयकरण सब से महत्वपूर्ण होता है; क्योंकि अगर बैंकों का राष्ट्रीयकरण नहीं हुआ तो फिर कोई समाजवाद का ढांचा इस देश में खड़ा नहीं कर सकता है; क्योंकि समाजवाद को लाने के लिए सब से पहले जिस चीज का राष्ट्रीयकरण करना होता है, समाजीकरण करना होता है, वे बैंक होते हैं। बैंकों द्वारा ही देश का सारा जीवन और देश का सारा आर्थिक विकास होता है। बैंक ही सारे देश की आर्थिक व्यवस्था का नियंत्रण करते हैं और जब तक बैंकों का राष्ट्रीयकरण नहीं होता, तब तक किसी तरह की समाजवाद की बात करना बेकार है और देश को एक तरह से धोका देना है। इसलिए मैं कहूंगा कि चाहे राष्ट्रीयकरण करने में कितनी कमियाँ हों और मैं यह बात भी जानता हूँ कि सरकार ने जितनी चीजों का राष्ट्रीयकरण किया है उन सब का इन्तजाम खराब है तथा उन का काम ठीक तरह से नहीं चलता है। लेकिन इस के बावजूद जब तक हम राष्ट्रीयकरण नहीं करते, तब तक कोई भी समाजवाद करने की बात भूल जाये। इसलिए मेरा कहना है कि सब से पहले सरकार को चाहिये कि वह देश में सारे बैंकों का राष्ट्रीयकरण करें।

आजकल हम देख रहे हैं कि हमारे देश में कुछ पूंजीपति, चन्द पूंजीपति देश की सारी पूंजी को अपने हाथ में रखते हैं। वे अपनी पूंजी नहीं रखते, बल्कि दूसरों की पूंजी को अपने हाथ में रखते हैं। जो छोटे छोटे आदमी हैं उन का पैसा बैंकों में जमा रहता है और उस का इस्तेमाल ये बड़े पूंजीपति करते हैं अपनी कम्पनियों के फायदे के लिए करते हैं और इस तरह से अपने मुनाफे के लिये ये दूसरों के रुपयों का इस्तेमाल करते हैं। अगर इस तरह की चीज किसी देश में हो और फिर वह समाजवाद की बात करें तो यह बिल्कुल गैर सी

[श्री गोडे मुराहरि]

बात मालूम देती है। मैं आप के सामने यह रखना चाहता हूँ कि अगर बैंकों का राष्ट्रीयकरण नहीं किया गया तो फिर न हम खेती में सुधार कर सकेंगे और न ही हमारे कल-कारखाने सुधर पायेंगे; क्योंकि सारी चीजों पर तो बैंकों का अधिकार रहता है। अभी हमारे मित्र गोविन्द रेड्डी साहब ने कहा कि हमारे गांव की फतवों को किस तरह से बड़े बड़े मालदार लोग खरीद कर ले जाते हैं। इसका मुख्य कारण यह है कि बैंक बड़े बड़े मालदार लोगों को रुपया एडवॉन्स कर देता है जिस के जरिए वे गांव से किसानों का माल खरीद कर ले आते हैं और अपने भाव पर देश की जनता को बेचते हैं। इस तरह से देश में न सिर्फ चीजों के दाम बढ़ते हैं बल्कि आजकल चीजों की कमी तक हो गई है और जगह-जगह पर अकाल पड़ा हुआ है।

THE VICE-CHAIRMAN (SHRI M. P. BHAHGAVA) : Mr. Murahafi, you may continue after lunch.

The House stands adjourned till 2-30 P.M.

The House then adjourned for lunch at one of the clock.

The House re-assembled after lunch at half-past two of the clock, THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY) in the Chair.

श्री गोडे मुराहरि : उपसभाध्यक्ष जी, जैसा कि मैं कह रहा था कि जो कृषि का विभाग है उसमें चन्द बैंकों का कारोबार होता है और उसमें यह देखने में आता है कि ज्यादातर वे एडवांसज ऐसी चीजों के लिये देते हैं जिस से चंद लोग, जो कृषि का उत्पादन होता है, उस को अपने हस्तगत करके, उस के बाद अपने निर्धारित दाम पर लोगों को बेचते हैं। इससे कामों की लूट हिन्दुस्तान में चल पड़ी है।

तो इन सब चीजों को देखते हुए भी, और फिर बैंकिंग का जो कारोबार आजतक हम देखते आये हैं, उसमें यह भी देखा गया है कि जहां पर हम यह कहते हैं कि रूरल बैंकिंग ज्यादा होनी चाहिये और रूरल एरियाज में बैंकों का ज्यादा कारोबार होना चाहिये, वहां रूरल सेक्टर में बहुत कम बैंकों ने अपनी ब्रांचें खोली हैं। बड़े बड़े शहरों में ही बैंकों की ब्रांचें खोली गई हैं। जहां उनका बड़ा बिजनेस चलता है और बड़े बड़े पूंजीपतियों के घंघे चलते हैं, उन्हीं जगहों पर इन बैंकों ने अपना कारोबार चलाया है। हिन्दुस्तान की जगह हम प्लान्ड प्रोग्रेस चाहते हैं और जब हम यह कहते हैं कि एक प्लान के जरिए हम हिन्दुस्तान के आर्थिक जीवन को बढ़ाना चाहते हैं और उस प्लान के अन्तर्गत अगर हम पूंजी को इस्तेमाल करते हैं तो फिर इन बैंकों का राष्ट्रीयकरण बहुत जरूरी हो जाता है; क्योंकि जब तक इन बैंकों के पास जो पूंजी पड़ी हुई है, उसका देश के लिये इस्तेमाल नहीं होता है तब तक समाजवाद का नारा लगाने से कोई फायदा नहीं होगा।

साथ-साथ यह कहा गया है कि बैंकिंग ऐक्ट आने के बाद हालत बहुत कुछ सुधर गई है। बैंकिंग ऐक्ट आने के बाद दो बैंक फेल हुए हैं, एक पलाई सेंट्रल बैंक और दूसरा लक्ष्मी बैंक। यह कोई ऐसी चीज नहीं है कि दो तीन तब्दील। हम कर देते हैं तो उसमें उनको कोई लूटहोत्र नहीं मिलता है जिससे वे पैसे का दुरुपयोग कर सकें। इसलिये बैंकिंग इंडस्ट्री जो है, उसका जब तक पूरा राष्ट्रीयकरण नहीं होगा, तब तक उसमें जो गड़बड़ है, उनको हम बन्द नहीं कर पायेंगे।

साथ ही साथ अभी जो कांड हुए हैं, दालमिया जैन इंडस्ट्रीज के और मुंद्रा के और जो हाल में कलकत्ता में फारिन एक्सचेंज का घटाला हुआ है, इन सब में हम देखते

हैं कि कोई न कोई बैंक उसमें इनवाल्व्ड है। इसलिये जब तक ये बैंक प्राइवेट ओनरशिप या प्राइवेट इंडिविजुअल्स के हाथ में रहते हैं तब तक हमारी जो पूंजी है उसका दुरुपयोग बन्द नहीं होगा।

साथ साथ हम देखते हैं कि देश में जो बैंकिंग इंडस्ट्री है उसमें २६ बैंकों ने, सारा जो बैंक का कारोबार है उसका करीब करीब ८० प्रतिशत हस्तगत कर रखा है। यानी २६ बैंक जो बड़े बड़े पूंजीपतियों के हाथ में हैं और जो बड़े बड़े पूंजीपतियों के घरानों के चलाये हुए हैं, उन बैंकों में सारी हमारी पूंजी रखी हुई है। तो इस तरह का जब एक कंसंट्रेशन हो जाता है, तो फिर यह बड़ा मुश्किल हो जाता है कि प्लाण्ड ढंग से हमारे देश में कोई भी कामकाज हो। मैं आप को मिसाल भी दे सकता हूँ कि कौन कौन से बैंक किस किस घराने के हाथ में हैं। सेंट्रल बैंक आफ इंडिया लिमिटेड, टाटा, खटाऊ, मफतलाल गुप्त के हाथ में है। पंजाब नेशनल बैंक डालमिया जैन ग्रुप के हाथ में है। बैंक आफ बड़ौदा वालचंद हीराचन्द ग्रुप के हाथ में है। यूनाइटेड कमर्शियल बैंक धिड़ला ग्रुप के हाथ में है। हिन्दुस्तान कमर्शियल बैंक जे० के० ग्रुप के हाथ में है। हिन्दुस्तान मर्कैन्टाइल बैंक जालान ग्रुप के हाथ में है। यानी चन्द बिजनेस घराने इन बड़े बड़े बैंकों को हस्तगत किये हुए हैं और जितनी पूंजी देश की है, उसका वे दुरुपयोग कर रहे हैं और उसका ठीक इस्तेमाल जनता के लिये नहीं हो सकता है और जब तक इनका राष्ट्रीयकरण नहीं होता तब तक उसका ठीक इस्तेमाल नहीं हो पायेगा।

बैंकों ने जो लोगों को कर्ज दिये हैं, उसमें अगर हम देखें तो १४२० करोड़ रुपया जो उन्होंने लोगों को दिया है, उसमें से करीब करीब ३६७ करोड़ रुपया स्टॉक

एक्सचेंज पर और शेष पर उन्होंने दिया है। यानी उनके हाथ में जो रुपया है उसका २५ फीसदी कर्जा उन्होंने स्टेकुनेटिव बिजनेस के लिये दिया है। तो इस तरह से बरबाद देश की हो, देश के पैसों को हो, यह हमें बर्दाश्त नहीं करना चाहिये।

साथ ही साथ हम यह देखते हैं कि कुछ बड़े बड़े घरानों को या बिजनेस कांस्लर्स को जो ऐडवांसेज दिये जाते हैं, उसमें एक कंसंट्रेशन होता जा रहा है, सालों साल वह बढ़ता जा रहा है, फिर भी चन्द लोगों को कर्ज दिये जाते हैं, जैसाकि रिजर्व बैंक के एक्स-गवर्नर श्री आर्यगर ने एक बार कहा था :

"One of the structural features of the Indian banking system is the concentration of power which in some passu is enormous in relation to capital employed. From time to time we have across cases in which a family or group has got full controlling interest in a Bank."

यानी एक कोई घराना पूरी बैंक का इस्तेमाल अपनी बिजनेस के लिये करता है और साथ साथ जो उसमें डिस्ट्रिब्यूट होते हैं, उनको भी अपनी बिजनेस के लिए इस्तेमाल करता है और देखा जाये तो जो ऐडवांसेज दिये गये हैं, उसमें एक साल का मैं आपको बताऊँ कि सन् १९६०-६१ में ५० फीसदी की बढ़ोतरी हुई है, जिसमें कुछ घरानों को बारोइस दिये गये हैं।

कुछ लोग यह कहते हैं कि अगर बैंकों का राष्ट्रीयकरण किया गया तो फिर उनको मुआवजा कहां से देंगे, हम कम्पेंसेशन कहां से देंगे। मैं उनसे कहना चाहता हूँ कि जैसाकि मणि साहब ने कहा कि १०० करोड़ रुपया देना पड़ेगा, तो १०० करोड़ रुपया नहीं देना पड़ेगा; क्योंकि १०० करोड़ रुपये का तो पेड-अप कैपिटल ही है। उसके लिए ३० करोड़ रुपया देना पड़ेगा और उसमें भी यह कोई जरूरी नहीं है कि अभी हम उन

[श्री गोडे मुराहरि]

को ३० करोड़ रुपया दे ही दें। उनको हम बांड्स दे सकते हैं या किसी दूसरे जरिये से उनको कम्पेंसेशन दे सकते हैं। इसलिए यह कोई बहुत बड़ा सावाल नहीं है, जिस के लिये इस चीज को टाल दिया जाये।

अगर हम समाजवाद की स्थापना की बात करते हैं और अगर हमें हिन्दुस्तान में प्लाण्ड ढंग के आर्थिक जीवन को चलाना है तो फिर बैंकों का राष्ट्रीयकरण बहुत ही जरूरी है। जो शंका प्रगट करते हैं और यह कहते हैं कि राष्ट्रीयकरण बहुत मुश्किल है, उनसे मैं यह कहना चाहूंगा कि बहुत से ऐसे छोटे छोटे देश हैं, जिनको आप अपने से बैंकवर्ड समझते हैं, उन देशों ने भी अपने यहां बैंकिंग इंडस्ट्री को नेशनलाइज किया है। यूनाइटेड अरब रिपब्लिक ने अपने यहां बैंक्स का राष्ट्रीयकरण किया है, बर्मा ने बैंक्स का राष्ट्रीयकरण किया है और भी एशिया के कई देशों में बैंक्स का राष्ट्रीयकरण किया गया है। इसलिए यह ऐसा कोई सवाल नहीं है जो किया नहीं जा सकता। यह जो दलील दी जाती है कि यह बड़ी मुश्किल चीज है, इसका सबब सिर्फ एक ही है और वह यह है कि उनका मन नहीं होना है कि बैंकों का राष्ट्रीयकरण किया जाये। उनका दिमाग यह नहीं मानता है कि इन का राष्ट्रीयकरण किया जाये। उन के दिमाग में यह बात है कि हिन्दुस्तान में समाजवादी ढांचा नहीं होना चाहिये और उसी के कारण ये सब दलीलें दी जाती हैं कि बैंकों का राष्ट्रीयकरण क्यों नहीं होना चाहिये।

इतना कह कर मैं आप लोगों से अपील करूंगा कि जो भाई समाजवाद लाना चाहते हैं, चाहे वे कांग्रेस के हों, चाहे वे किसी दूसरी पार्टी के हों, कम से कम उन लोगों को इस प्रस्ताव का विरोध नहीं करना चाहिये।

SHRI SURESH J. DESAI (Gujarat):
Mr. Vice-Chairman, Sir, I am sorry I

cannot support the Resolution moved by my hon. friend, Mr. Raghunatha Reddy. My hon. friend, Mr. Bhupesh Gupta, tried to give a picture of the Indian banking system which was also rather distorted. He has missed the very basic facts about the structure and the nature of the banking system. Today the fact is that the Reserve Bank, which is at the apex of the Indian banking system, has such wide and extensive powers that it can control all the activities of the banking system even in details. Even the day-to-day operations can be controlled by the Reserve Bank.

Another thing is that 32 per cent, of the banking system is already in the public sector; is already nationalised. So the Indian banks function in a manner which is completely under the guidance, regulation and control of the Reserve Bank of India. These basic facts about the banking system have been missed by many of the speakers who have preceded me. Sir, the functions of a bank are usually to mobilise savings, to invest them for productive purposes and to enlarge the money market in a manner that the money market becomes responsive to Government control for purposes of planned production. These are the functions of any banking system. Now, I am not against nationalisation as such; I judge nationalisation on merits. Whenever the question of nationalisation arises people very naively equate nationalisation with socialism. That is an out-dated dogma. Nationalisation is not socialism. By nationalising this industry or that, industry you do not bring in socialism. This is the new modern thinking in the western world, in England, in West Germany. The Social Democratic Party of West Germany or the British Labour Party do not think that by nationalising any industry you are advancing socialism. They judge each case on merits, and the merits are whether it is in public interest or not. If it is in public interest, certainly it should be done. When we discuss the question of public interest, immediately the question arises

whether our banking system is performing the functions which I have just mentioned or not, that is, mobilising the savings, investing them for productive purposes and expanding the money market so that it becomes more responsive to Government control.

First, let us take up this question of mobilisation of savings. Now it is argued both ways. If the private banks do not mobilise savings, then it is said, they are no good and the Government should take them over. If they mobilise more savings, then it is said that 10 per cent, of the national income is in deposits and so they should be nationalised. Actually the figure is not 10 per cent, as my friend, Mr. Bhupesh Gupta, said. It is more than that, it is 13 per cent. Thirteen per cent, of the national income is in deposits. But that only shows the efficiency of the banking system, that the people have confidence in it. Nobody prevents anybody from going to the State Bank or the Post Office. This only shows that the people have confidence in the integrity, efficiency and the soundness of the Indian banking system. In 1955 the deposits in the State Bank were Rs. 205 crores which they increased in 1962 to Rs. 382 crores, that is, an increase of 86 per cent., whereas the deposits with the Scheduled Banks increased from Rs. 823 crores in 1955 to Rs. 1,546 crores in 1962 which is 88 per cent. People go to the private banks because they have got confidence in them.

Then the next question is about the expansion of the banking system. If the banks do not expand, it is said that the Government should take control of the whole banking system and then only banking will expand. But it is not the case. Between 1955 and 1962 the State Bank opened 554 new offices reaching a total of 997 while the other scheduled banks during this period opened 1197 new offices reaching a total of 3614 offices and this was done without any special privileges. The State Bank enjoys so

many special privileges. It has got the overwhelming support of the Government behind it. The scheduled banks have not got any such support but still the scheduled banks increased the number of their branches to a very large extent. The State Bank was given a subsidy for opening new branches of Rs. 81 crores from the Development and Integration Fund, so that if the State Bank opens new branches the losses from them would be met from this amount of Rs. 81 crores. But still it is the private sector which has opened more branches than the State Bank even though the private sector is not receiving any such subsidy.

Then the question is often asked whether the banks are financing industries or not. If the banks are not financing industries it is said that they are all commercial banks and that is why they are not financing industries. If they are financing industries, it is said they give finance to the industries of their own directors. Here also the argument is put forward both ways. Actually in 1962, that is, last year, 54 per cent, of the advances of the banks went to industries and those industries are not their own industries. I shall come to this a little later, about the borrowing accounts. Only 29 per cent, of the advances were to trade and this 29 per cent, included foreign trade. They finance foreign trade also. And in financing foreign trade and internal trade the banks have to subject themselves to all the selective controls which the Reserve Bank exercises. I will come to this point also a little later.

Then it is said that the banks are not financing long-term development projects. Well, no bank can finance long-term development projects because after all the banks must have certain liquidity. They must find money immediately on demand or at short notice. These are all deposits only and naturally the banks cannot go on financing long-term industrial schemes or development schemes but

[Shri Suresh J. Desai]

they do it through the Government of India because they subscribe to the loans of the Government of India and the Government of India finances all these big long-term industrial projects. In 1962 the investments of scheduled banks in Government securities reached the peak of Rs. 711 crores. The other day, my friend, Mr. Raghunatha Reddy, was giving certain figures and I had to correct him. Investments in Government securities by the scheduled banks last year came to Rs. 711 crores. These are only the scheduled banks, not the 295 banks that operate. He knows very well that many banks are not scheduled banks but only a few are scheduled banks. I shall give the number of the scheduled banks later.

The question arises about financing of agriculture and small-scale industries. Very often it is said that the banks do not finance agriculture because this is not a profitable business. But such advances are not commercial ventures. Even the Government of India knows it is difficult because the element of risk, the magnitude of risk involved is so much that the scheduled banks cannot undertake this business. This is the business of co-operative banks which are receiving large subsidies and large grants from the Reserve Bank of India but even the Reserve Bank also has found this difficult. Mr. H.V.R. Iengar said only last year that there are huge demands on the Reserve Bank from the co-operative banking institutions for loans and grants and the Reserve Bank cannot meet them. And the co-operative banks say that the Reserve Bank is very conservative, that the Reserve Bank is old-fashioned and that is why they are not giving loans to the co-operative banks. That is what the co-operative sector says. Mr. Iengar, former Governor of the Reserve Bank, has said that the Reserve Bank is resisting all the pressures of these co-operative banks and the Government of India are behind the Reserve Bank in resisting their pressures. So when the Reserve Bank

finds it difficult, how can the scheduled banks, which are commercial banks and which take short-term deposits of the people, finance the agricultural sector or the small-scale industries sector?

Then, Sir, let me go to the question of the controls exercised by the Reserve Bank over the banking system because the whole structure of the Indian banking system should be examined properly if we have to offer any comments on the Indian banking system. I will just mention what are those controls exercised by the Reserve Bank:

(1) All banks have to obtain a licence from the Reserve Bank to commence business or to open a new office.

(2) There are restrictions about the paid-up capital of every banking institution and restrictions on banking institutions are being further tightened in the new Banking Companies (Amendment) Bill which is before the other House now.

(3) The appointment of the Managing Director or the Chief Executive Officer of every bank and the fixation of his salary and amenities are subject to Reserve Bank's approval.

(4) The Reserve Bank have powers to carry out changes in the management of any bank.

(5) The Reserve Bank can appoint an observer to look into the day to day running of any bank and report on the same.

(6) The Reserve Bank can send their officers to the Board of Directors' meeting of any bank. Such an officer can speak at the Board's meeting and also report on the meeting.

(7) No person can be a Director of more than one bank at a time.

(8) Unsecured loans to Directors or firms or companies of persons in which the Directors are interested are prohibited,

(9) No bank can control a non-banking business. Thirty per cent, of its own capital and reserves or 30 per cent, of the shares of another concern, whichever is less, is the limit on a bank holding shares of another concern.

(10) Banks have to keep a certain portion of their deposits as cash reserves with the Reserve Bank and a large amount in Government securities. A fixed portion of the profits must every year be taken to reserves.

(11) The Reserve Bank issues from time to time strict directions to banks about credit control. Selective credit control is exercised in respect of the banks' transactions. The Reserve Bank can notify the bank saying that only for this purpose you can give loans. For this particular transaction you can give a loan. For this particular commodity you can give a loan. To this extent you can give a loan. The rate of interest can also be regulated. The Reserve Bank can also determine the margin. They can say that this margin must be maintained. So, where is the power with the bank to advance? It is completely controlled by selective credit controls. The Reserve Bank can exercise complete control over the advances in the banking system.

(12) The Reserve Bank is already exercising these powers of credit control. It also regulates the ratio of reserves in respect of demand and time deposits. I cannot further explain that here because my time is short.

(13) The new Banking Bill which is before the other House gives exceptionally wide powers to the Government to appoint directors, to remove directors, to appoint executives and the Government has reduced the voting power from 5 per cent, to 1 per cent, in the case of any shareholder. The other day when we were in a meeting, one Member said: "This is all nationalisation without compensation". The Reserve Bank already has **these powers and the** Reserve Bank

and the Government are having further powers.

(14) The bank has to close down, wind up, if the Reserve Bank so directs. If the affairs of any banking institution are not carried out in public interests, the Reserve Bank can order the winding up of the bank and the court has to follow that. I will just read out two sentences from the Judgment of the Supreme Court of India—of Mr. Justice Kapur and Mr. Justice Shah—on this matter of winding up:—

"Under the Constitution the Courts are the custodians of the fundamental rights of citizens; but by this extraordinary piece of legislation these very custodians are made the instruments of the Reserve Bank for imposing an order which *prima facie* is destructive of a guaranteed fundamental freedom."

Then, further they say:—

"Normally, it is the function of the judicial power to investigate whether a banking company should continue to function or should be liquidated."

Then, they further say:—

"It would be a tragedy if by this and similar legislation citizens are to be convicted of offences, penalties are to be imposed upon them, their property sequestered, and their rights trampled upon without enquiry by the courts by the simple expedient of requiring the courts to lend their aid in imposing their authority and thereby creating a judicial facade to what is in truth exercise of purely executive authority."

These are all extracts from the Judgment of the Supreme Court of India.

SHRI SHEEL BHADRA YAJEE: The Zamindari Abolition Act was first held *ultra vires*. Later on they have corrected it.

SHRI SURESH J. DESAI: Only one last point and that is, my hon. friend, Shri Raghunatha Reddy, gave certain figures the other day about paid-up capital, deposits, etc. He has misunderstood the very nature of banking. Banking is not money-lending. In money-lending if you have Rs. 100 you lend Rs. 100. In banking you have paid-up capital, on that basis you attract and mobilise savings as much as possible and then you lend them to other people, after keeping certain finance, certain funds for your day to day work. That is, the very nature of banking is different from money-lending. Secondly, he said that there are some big banks. He gave their number as five. Actually it is not five. There are nine banks with deposits over Rs. 50 crores. There are six banks with deposits from Rs. 25 to Rs. 50 crores. There are another six banks with deposits from Rs. 10 to Rs. 25 crores. There are eleven banks with deposits of Rs. 10 crores or less. These are the correct figures. Otherwise, it is jugglery with figures that anybody can do. Actually a few banks are all-India banks. They have a large network of branches all over the country. The smaller banks are more or less local or provincial banks. Their deposits are naturally less. In the case of all-India banks, which are few, they have got larger deposits. We would like to have many more big banks but the development of banking is slow because our economic development is slow.

With these remarks, I oppose the Resolution moved by Mr. Raghunatha Reddy.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Mr. Dave:

SHRI BHUPESH GUPTA: This morning I referred to my Notice of Motion for Papers regarding the Tibbia College. Three students have been lathi-charged.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): YOU cannot raise anything now. Mr. Dave,

SHRI BHUPESH GUPTA: On Monday only we shall meet again. Three days are there. I must invite your attention and that of the House . . .

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Mr. Gupta, we are in the midst of business. This is not after the Question Hour, when if there is any point you can raise it immediately after. This is regular business and you cannot raise the point now.

SHRI G. MURAHARI: The students have been lathi-charged and it will take three more days.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Will you please resume your seat?

SHRI ROHIT M. DAVE (Gujarat): Mr. Vice-Chairman. originally I had no intention of taking part in this debate for the simple reason that almost all the points that could be said for and against nationalisation of banks have been repeated almost *ad nauseum* in this House and in the other House and it is difficult to make any new point. I, therefore, thought it wise not to waste the time of the House, but when I heard the debate on this Resolution and the arguments put forward by some of those who are opposing this Resolution I thought it would be desirable to participate in the debate in order to clarify the position of those who believe that nationalisation of banking is in the interests of the country. Before going into the arguments, however, I would like to make it quite clear that I am not one of those who believe that, nationalisation is a panacea for everything, that whenever we have got some difficulties either chant the 'mantra' of co-operation or the 'mantra' of nationalisation and everything will be all right. Such shortcuts to thinking are really responsible for the present state of our economy and it is desirable that we analyse every problem on its merits and take a decision thereon.

3 P.M.

As far as the banking system is concerned, it has been argued that banks are controlled sufficiently by the Reserve Bank and therefore it is not necessary that the banking system should be nationalised. My friend, Mr. Suresh Desai, gave us a long list of controls to be exercised by the Reserve Bank under the banking system and from that he -tried to argue that nationalisation was not necessary. Sir, the very fact that such an impressive array of controls have to be exercised on the banking system goes to show that banks occupy a very peculiar place in our economic sector and in the sector of all the countries of the world, and therefore special treatment is necessary as far as the banks are concerned. The number of controls that are exercised by the Reserve Bank, though salutary, go only a small way in solving the big problem that we face as far as the banking system is concerned. The Reserve Bank can at the most direct the advances and loans of banks to a desired channel but cannot induce or compel the scheduled banks to give sufficient credit or money to industry, trade, agriculture or commerce in order to discharge the various functions that these sectors have to discharge in the economy. Sir, the very fact that only 13 per cent, of the national income is with the banking system by way of deposits goes to show that our banking system has failed in its most elementary task of creating banking habit in the country. Our banks refuse to go to areas where initially it is not possible for them to make profits, and every time the argument is that banking institutions are not charitable institutions, that they are business organisations, and that their policies are directed solely by the consideration of profit. It is a well-known fact that as far as banks are concerned, the profitability of the banks and the desirability of mobilisation and channelisation of the savings of the community are at loggerheads. If we concentrate our attention on the profitability of banking

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operations, it becomes impossible for a bank to discharge its duties as a mobiliser of savings and creator of capital. It is because of this that banks should be nationalised and the report of the Committee . . .

SHRI C. D. PANDE: Like the State Bank of India. That is a nationalised bank.

SHRI ROHIT M. DAVE: In that report the main point that was made was that the profitability of a bank goes directly against the principle of mobilisation and channelisation of the savings or resources of the community, and therefore it is desirable that as far as banks are concerned we should try to nationalise the apex banks wherein the real control over the credit system lies. My friend, Mr. Pande, reminds me that in this country also the State Bank is a public sector bank and the Reserve Bank is also in the public sector and to that extent the essential direction and control take place. But unfortunately the experience after the Second World War has clearly shown that the banking system as it has developed after the Second World War, in spite of being controlled by the Reserve Bank and in spite of the fact that the State Bank plays a very crucial role in our scheduled banks system has failed to discharge its function as creator of capital in the country.

Sir, the ratio of deposits to advances today is such that it cannot be said that the banking system has discharged its functions. The mobilisation of resources would have been much better if profitability was not the sole criterion of determining the policies of the scheduled banks and if other criteria like the needs of the economy and the needs for mobilisation and channelisation of the resources were also kept in mind. Sir, even these limited functions which the scheduled banks in the private sector are performing today are **not** performed in the best interests even of that small private sector with which they deal. It is well known

[Shri Rohit M. Dave] that there is an interlocking of directorships as a result of which it is possible for some of the big houses to get easily the advances from the banks under conditions which are much more favourable than the conditions that are prescribed for other houses. If the private sector is really based on the principle of competition and if the rules of competition are to be such that they are just to all the competitors, these banks have failed to create conditions under which just competition can take place among the various industrial houses in the country, and that is the greatest possible condemnation of the operation of the banking system in our country, and it is because of this that there is such a heavy demand for nationalisation of banks, and a justifiable demand as far as I can see.

Sir, I have got certain figures with me which show that the interlocking of directorships, I am sorry directorships, is rather heavy.

SHRI C. D. PANDE: Dictatorship of the State.

SHRI ROHIT M. DAVE: Dictatorship of these 188 directorships. That is why it again and again comes to my mind.

SHRI C. D. PANDE: One is required for dictatorship but not 188.

SHRI ROHIT M. DAVE: There are 188 directors who are holding between themselves 20 banks, and the directorships that these 188 directors are holding aggregate to 1640 according to one study. Even as far as the frequency distribution of directorships is concerned, it is found that 12.8 per cent, of them are holding only one directorship while 10.2 per cent, more than 20 directorships. It is such interlocking of directorships which is responsible for certain practices that are being followed by the banks which are not desirable and which creates a very strong case for the nationalisation of banks.

Sir, it has been argued that the problem of equitable compensation and the problem of the right type of managerial personnel required for nationalised banks should be taken into consideration before taking any decision on the nationalisation of banks. As far as the question of compensation is concerned, it is well known that compensation, and a large part thereof, would still constitute the savings of the community, and if the banking system has to operate the savings of the community, it should not be at all difficult to evolve a formula whereby this saving in the form of compensation that might be given to the shareholders of the banks could be regulated by the banking system as such and therefore equitable distribution could be provided. Secondly, as far as the managerial staff is concerned, again it is well known that the banking operations require a high degree of technical skill and these banks which are operating in the country today are not operated by the big financial houses as such and those who own the largest shares in these houses but by the managers and by other technicians who have got a fairly good skill, knowledge and experience as far as the banking system is concerned. I cannot imagine a situation in which a manager who is today working under a private house would refuse to work under the Government tomorrow if the banks are nationalised. Therefore, this question of dearth of efficient personnel also does not hold water.

Finally, Sir, there is the question of private sector, and it is argued that as long as mixed economy exists and as long as private sector exists there should be a private sector in banking also. Again I see no reason why it should be so because after all we have nationalised a number of saving institutions. Life insurance is also a saving institution which has been nationalised. The private sector has not suffered as a result of that. We have got provident fund which is also being worked under the public sector.

The private sector has not suffered as a result of that. We have got the Employees' State Insurance Scheme. It is also working under the public sector. As a result of that also, the private sector is not suffering. I see no reason why, if the banks are nationalised, the private sector should suffer in any way.

Therefore, Sir, in the interests of the development of our economy and for meeting the needs of the economy which is growing at a very rapid rate, we will have to take a decision sooner than later to nationalise all the banks.

SHRI N. M. ANWAR (Madras): Mr. Vice-Chairman, I am happy that my good friend, Shri K. V. Raghunatha Reddy, has come forward with this Resolution that—

"This House is of opinion that Government should take steps to nationalise all the commercial banks in the country."

How I wish I could welcome that Resolution! In fact, that was my view some thirty years ago when I was specialising in Banking and International Trade while I was undergoing my Honours course. But it is 30 years since then and naturally—I think my friends opposite will concede—I have become a little wiser.

SHRI SHEEL BHADRA YAJEE: You are reactionary, not wiser.

SHRI N. M. ANWAR: Please listen and you will be wiser, too. We have had a very phenomenal growth of our national income in this country particularly since the advent of freedom, and I have figures with me right at hand which reveal what a tremendous progress we have made during the decennium 1951 to 1961. The growth of our national economy has been evidenced in respect of national income from Rs. 9,970 crores . . .

SHRI M. N. GOVINDAN NAIR: About this phenomenal growth, will you enlighten us with figures?

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): He will come to that.

SHRI N. M. ANWAR: I wish you had as much patience too.

The growth of the national economy has been evidenced in respect of national income going up from Rs. 9,970 crores to Rs. 14,630 crores, a rise of 47 per cent, in respect of money supply from Rs. 1,850 crores to Rs. 3,053 crores, an increase of 65 per cent. In respect of national savings, there has been an increase from 4 to 6 per cent, during this decennium and in respect of currency in circulation, the increase has been 71 per cent., from Rs. 1,286 crores to Rs. 2,202 crores. But what is to me most amazing is that our bank deposits have increased from Rs. 822 crores to Rs. 1,921 crores, a record rise of 134 per cent.! And all these bank deposits constitute a rise from 8 per cent, of the national income in 1951 to 13 per cent, of the national income in 1961. And I am very happy that these bank deposits constitute quite a good percentage of the money supply, which again has registered a rise from 44 per cent, to 63 per cent, during this decade. But what is really something which is most encouraging is the number of deposit accounts that have simply multiplied during these ten years. From 3.2 millions, it has shot up during these ten years to 6.5 millions, that is to say, it has more than doubled itself during this period. When we have such an army of depositors, that is a tremendous tribute to the vitality of the private enterprise that we have in the sphere of banking. After all, except for the Imperial Bank which also later on had been taken over by the Government and the State Bank of India, we have been having in this country much of the banking facility extended to the community by the private sector, by the scheduled banks. And what is the position with regard to the role the scheduled banks have played in mobilising the savings of the community through bank deposits? That

[Shri N. M. Anwar] is a revealing commentary on their efficiency, on their popularity and on their serviceability to the community. The scheduled banks have been able to mop up deposits from Rs. 823 crores to Rs. 1,546 crores, that is a rise of 86 per cent, during the recent decade. On the contrary, the State Bank of India with all the patronage that it is bound to receive from the Government with many of the subsidiaries which also have been integrated with the State Bank of India, could only attract Rs. 205 crores some ten years ago. Of course, they have improved their position as well, equally well.

SHRI C. D. PANDE: Now, it is Rs. 300 crores.

SHRI N. M. ANWAR: But even so, their increase is round about 80 per cent. It stops only at Rs. 382 crores of the savings of the community. I believe in the golden mean of Aristotle. I do not like the swing of the pendulum from one extreme to another, rushing towards nationalisation of all enterprises in the private sector. That, of course, is not our policy either. Under our Industrial Policy Resolution of the Government of India, we have committed our national economy to a mixed economy and equally so, by virtue of the same logic, we have extended the operation in the banking sphere to the public sector and the private sector. And in that way, thanks to the genius of our leadership, we have fostered forces of healthy competition between the two sectors, and as a result, during the several years which we have now under review, the scheduled banks have stolen a march over the State Bank of India in ever so many directions in attracting the savings of the community by the excellence of their services and the adaptability of their personnel in their dealings with their clientele.

Well, this is the position, and this, after all, is a democracy where we have got to go by the confidence of the community. And it is the sche-

duled banks that have come to enjoy the confidence of several hundreds of thousands of depositors in this country, most of them depositors of small means, and when the people have chosen to keep their savings there where comes in the question now of trying to use the big stick of authority to run down these scheduled banks? They are there not because of your sufferance; they are there because of the confidence that they are sharing with the community, and that is a point which, with ordinary prudence, we have got to appreciate and rightly appreciate. And I for one extend my heart-felt gratitude to the scheduled banks who have risen to this position by enterprise, by initiative and by efficiency and in trying to render service particularly in the field in which I am equally interested as many Members here are, that is, trade, commerce and industry.

What is the position with regard to the capital funds of these banks? In the aggregate, these banks have got a capital fund running to the tune of Rs. 76.36 crores as reported from the statistics of 1961, and 20 per cent, of the declared profits of these scheduled banks, under the directive of the Reserve Bank, have got to be carried over to the Reserve Fund. I can imagine if there should be any grievance on behalf of the depositors. We did have the experience of a crisis in the banking industry only recently and thanks to the collective wisdom of Parliament, we have now placed on the Statute Book a very valuable piece of legislation and that is the Deposit Insurance Corporation Act. And what is the impact of that enactment? It has now provided safeguard up to 77.6 per cent, of the depositors that have their books of accounts with these scheduled banks. For any balance within Rs. 1,500, every depositor comes within the privilege of this insurance scheme and that too, in the private sector where the scheduled banks take enormous risks and therefore possibly make enormous fortunes too, and sometimes grave liabilities. But we have at the same

time provided for safeguards against hazards. Naturally as a businessman I know I have earned lakhs and lakhs of rupees and I have lost lakhs and lakhs of rupees, once. From my own experience I tell you this, Mr. Vice-Chairman, that only he accumulates who speculates. When the scheduled banks undertake this venture and try to run the risk of extending their accommodation to ever so many industries, it is quite possible that sometimes there is a run on the bank. The fiduciary position of this or that banks comes into jeopardy. Against such risks of bankruptcy these small depositors have now been guaranteed immunity through the Deposit Insurance Corporation Act. I can imagine if the depositors raise a hue and cry against the conduct of the bank. On the contrary, statistics reveal that their number is on the rise.

I had told you a little while ago, Mr. Vice-Chairman, that the number of deposit accounts has risen phenomenally from 3.2 million to 6.5 million which means it has doubled itself during these ten years. For whom are we now trying to bring in this legislation? Why should we project our ideology, our prejudices and our tremendous contempt that we have got for the private sector?

SHRI C. D. PANDE: For those who have no accounts at all.

SHRI N. M. ANWAR: I can well understand their difficulty in a democracy, in a political democracy, in an economic democracy. But when it is a question of efficient running and husbanding the resources of the banking community, let the have-nots keep their hands off.

I tell you, Mr. Vice-Chairman, I do not plead for the private sector. I want that there should be a public sector as well. We are committed to a policy of mixed economy—a private sector and a public sector—even in the realm of banking. There is the Reserve Bank of India Act. There is the State Bank with ever so many

subsidiaries. And with all that, still the measure of progress that they have achieved, commendable though that may be in a certain way, is not very creditable to them when you look to the advances that the scheduled banks have made by penetrating into the very interior of this vast country by their human relations with the trading community, by their competitive superiority.

Mr. Vice-Chairman, as I told you..

(*Time bell rings*). I wish I could speak for twelve hours if you could favour me with time.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You have just one minute more.

SHRI N. M. ANWAR: But I know, Mr. Vice-Chairman, that deposits are liabilities of a bank. What is their function? They are providing the working capital for trade, industry and commerce, particularly in earning the most valuable and most needed foreign exchange for this country. It is there that the scheduled banks have come in to extend accommodation, possibly not only overdraft but even such other measures by which they alone could extend the help for the growth of our trade, our international trade. Some of the scheduled banks, which are still incorporated in the United Kingdom, have taken the lead. But I feel happy and proud and pleased that the scheduled banks of Indian origin have also come into this field and are now trying to absorb a considerable degree of our foreign exchange earnings. (*Time bell rings*). But what can I do with you, Mr. Vice-Chairman?

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You can conclude.

SHRI B. K. P. SINHA (Bihar): Mr. Vice-Chairman, the hon. Member met certain arguments which were not advanced. But he did not get time to meet the arguments that were advanced.

SHRI N. M. ANWAR: I can speak for twelve hours to meet these arguments.

SHRI LOKANATH MISRA (Orissa): The refit will be covered by Mr. Jai-puria. Do not mind.

SHRI SITARAM JAIPURIA (Uttar Pradesh): Mr. Vice-Chairman, after hearing my good friend, Mr. Anwar, I certainly feel a little excited to speak on this important Resolution that has been brought forward by our friend, Mr. Raghunatha Reddy—one which merits great consideration because the whole point is that political ideologies should not influence our decisions in such matters. They are matters of economic consideration, matters on which the future industrial development of the country depends. Our political leaders have said times without number that we have achieved political freedom but what we need is freedom based on economics, that is, economic freedom. That is the most important necessity of the day. We have two systems of banking in our country, what we call the mixed banking system.

The State Bank, which already has additional seven subsidiaries, has been functioning to a very great extent all over the country. In fact, they handle nearly one-third of the entire banking business in our country. There are other banks which are owned by thousands of shareholders. The directors are also hundreds. But they are all elected by the shareholders and also nominated by the Reserve Bank. Now, if we compare the working of these two institutions, the State Bank along with the private banks, I am sure such of us who have been advocating the cause of nationalisation will certainly realise as to how far the argument that they have placed before the House will be a correct presumption on their part.

If we see the deposits of the State Bank, Mr. Vice-Chairman, we will realise that exclusive of the P.L.* 480, which is a Government fund, the State Bank during the years 1965-62 have been able to increase their deposits nearly by 69 per cent. As against that the private banks have been able to have nearly 86 per cent. of increase in their deposits. Then let us not forget that the State Bank gets all the necessary facilities from the Government. It has been a well-known fact and, I hope, an open secret that confidential instructions have been given to autonomous corporations and semi-Government institutions that their deposit accounts should be with the State Bank. The very fact that during the earlier part of this year, the State Bank had to increase their deposit rates, Mr. Vice-Chairman, is a sad commentary on the public sector character of it. And mind you, Sir, that is after the Government credit is behind it. And, therefore, we have got to consider as to what is in the best interests of the country.

The public today has an option of going to the private banks or the Government bank. In fact, the private banks have been able to have more deposits with a better confidence than the State Bank which is directly, more or less, owned by the Government of India. The number of deposit accounts, as has been said by the previous speaker also, were 32 lakhs in 1951. As against that they stand at 65 lakhs now.

Coming to the question of branches also, Mr. Vice-Chairman, you will observe that the State Bank has opened only 554 branches during the years 1955-62 as against the private banks having been able to open 1,198. Over and above this, the State Bank gets a subsidy also for opening new branches. It is a well-known fact that opening new branches means a certain amount of loss for a certain period. The scheduled banks and private banks are not given this facility. During the period 1957-61, the

State Bank has received nearly Rs. 81 lakhs as subsidy from the Development and Integration Fund.

Now, coming to the question of advances, Mr. Vice-Chairman, you will observe that there has been a definite change in the trend of advances. They have now been mostly confined to industrial advances rather than to trade and commercial advances which many friends call speculative advances. The Reserve Bank has the fullest power to regulate as to what percentage of advances should be made against which particular commodity, and thus they are able to control the market to a very much greater extent. While in 1951 the advance to industry was 34 per cent, it has increased to 54 per cent, in 1961. As against 53 per cent, to commerce in 1951, the advance has been reduced to 34 per cent, in 1961. Now the study which was made by the Reserve Bank and was published in the "Trend and progress of Banking in India" will show that there has been no concentration of advances in the hands of a few persons. It has been proclaimed from many quarters and particularly by those to my right, otherwise called Leftists, that the concentration has been in the hands of a very few. Now a study was made in regard to 40 banks which were inspected by the Reserve Bank and it did show that while in 1953 there were Rs. 21 crores which were advanced to a few industries, in 1961 they were increased to Rs. 31 crores but we cannot forget that this amount of Rs. 21 crores worked out to only 3.1 per cent, of the total advances as the advances at that time were Rs. 556 crores. In 1961 however the percentage was reduced to 2.3 because the total advances were Rs. 1364 crores. We have got to keep in mind always the economic growth in the country and it is the Percentage that will give an idea, not the exact figure.

SHRI CHANDRA SHEKHAR: What about advances to the agriculturists?

SHRI SITARAM JAIPURIA: So far as advances to the agriculturists are concerned, I will come to that later on, Mr. Chandra Shekhar I am sure you will be convinced that there has been a very good case for the private sector and also the State Bank in that matter. In fact there was a study made of 33 banks as to how much advance had been made to directors, their relations, their associates, etc. and there also it will be observed that the total advance was only to the tune of Rs. 6 crores during 1953 which in 1961 was increased to Rs. 9 crores but when you work out the percentage, it comes to 1.1 per cent, of the total advances in 1953 and to 0.7 per cent, in 1961.

SHRI N. M. ANWAR: That is a point we will have to over-emphasise very much because there is a misapprehension that some directors monopolised it.

SHRI SITARAM JAIPURIA: I am sorry, you are taking up my time. The question is this that after all we have to consider that the borrower of money, that person, is more important than the one who lends. I remember what an earlier Finance Minister, Dr. C. D. Deshmukh, once said that no man is rich enough not to borrow, no man poor enough not to lend. We should keep in our mind that the person who borrows gives a definite security and a promise of fair return to the banks. Only that person gets a loan and no one else. The banks have always to invest a lot of amounts in Government Securities and you will be interested to know that more than one-third of the resources of the total banks, that is about Rs. 700 crores have already been invested in the Government Securities. I am at a loss to understand what further resources this nationalisation will bring to the Government to have at their disposal.

One point that was raised by quite a number of Members was that there is concentration only in 4 or 5 banks. My friend Shri Suresh Desai tried to meet this point by saying that it is of an all-India character. Uh-

[Shri Sitaram Jaipuria] doubtedly that makes a difference. The budget of the Bombay Corporation is very much more than the total budget of even a State. That does not necessarily mean that because these banks have been doing the major amount of business, because they have an all-India character, they have hundreds of branches, they are efficient, the people have confidence in them, that they have been giving service, they have been going from door to door to the people canvassing for accounts, that is no reason why they should be punished or why they should be penalised in this manner. The Directors of these companies have also been charged for taking advances in their names. I would do no better than quote what our worthy Finance Minister Shri T. T. Krishnamachari had said. He said:

"The available figures as at the end of 1962 indicate for example that advances to directors or officers of the banks and to firms or companies in which the directors are interested were of the order of 13 per cent, for the first four major scheduled banks in the private sector as against 27 per cent, for the State Bank of India."

Here also the position amply reflects the part played by the private banks in not only expanding the economic condition of our industries, making them more healthy, but by seeing that they grow to meet the potentialities of our plan. In fact, nationalisation will mean nothing else but disappearance of initiative, efficiency and service. We nationalised the L.I.C. I am a new Member, not very old, but I can tell you from whatever debates that I have heard in this House about the L.I.C. that there is not one Member who has been able to say that the L.I.C. has done a wonderful job, a fine job or has a record, shall I say, of an unblemished character or something of which we

can all be proud. If we want to repeat the same folly that we committed, if we want to nationalise the banks and give an opportunity to every section of the House to discuss and criticise the banks, well, we can please ourselves and nothing more than that. There are already a number of restrictions that one person cannot be a director in more than one bank. There are many other provisions which were pointed out here by Members earlier. The Reserve Bank has already the right of changing the management. They have the right to send officers to the Board meetings to look into the proceedings and ask for copies and all the reports. In fact no bank can have control or even an interest in a non-banking business. Therefore it is a fallacious argument which was made here that the Scheduled Banks have control over many industries and things like that. Under the Banking Companies' Act no banking company can ever interest itself in any enterprise which is of a non-banking nature. The shareholders of the bank are lakhs and millions and as it was said earlier, the compensation would work out to Rs. 100 crores. The Act as it stands now is stringent enough and is already causing a lot of difficulty in the working of the private banks. Recently, the Banking Companies' Bill has been introduced which will come to this House for discussion but may I say that we should look at these matters more in an objective manner rather than in a subjective manner? The question of profit was mentioned by Mr. Vajpayee this morning where he showed that there will be hardly any amount left for the Government to take over. If you look at the figures of 2880 crores, we find that Rs. 14-45 crores go for taxation. Rs. 359 crores for reserves, Rs. 3-26 crores for bonus to the workers and Rs. 4-61 as dividends. If interest has to be paid to the persons who had the share capital—the share capital means reserves also which are accumulated profits of the shareholders by their capital—I am quite sure that the Government

will find that ultimately it will be a great loss to them rather than any gain. Amalgamate small banks, make them more active, strong and efficient.

SHRI SHEEL BHADRA YAJEE: May I say . . .

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): Your time is over

SHRI SITARAM JAIPURIA: In fact even after nationalisation, bonus will have to be paid to the workers, the workers will have to be paid their due wages and if mere considerations of social justice prevail, the position will become difficult.

SHRI SHEEL BHADRA YAJEE: You are a capitalist.

SHRI SITARAM JAIPURIA: Whether I am a capitalist, you a Communist or a Congressman, the fact remains as it is. The question is that in any institution worth the name, if social consideration is the only consideration, I am afraid we cannot run the country-. If the Fertilizer Corporation has to distribute its fertilisers to the growers free of charge, that is a part of social consideration. Let cement be given to everybody for making houses and also iron and steel. Is that the way of social consideration? The whole question is, every institution will always like to see that the capital is saved and a fair return is obtained. My hon. friend, Shri Chandra Shekhar, raised the point about agricultural credit. I may tell him that co-operative banks have been established for that purpose.

SHRI C. D. PANDE: Thsy are bogus.

SHRI SITARAM JAIPURIA: I don't know if they are bogus, but you and Yajeeji were always advocating for them. That has been your entire demand always. But the whole point, Mr. Vice-Chairman, is that in the last two decades . . .

AN HON. MEMBER: He is with you. (*Time bell rings.*)

SHRI SITARAM JAIPURIA: Mr. Vice-Chairman, I cannot help. My time is being taken up by interruptions.

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You please wind up.

SHRI SITARAM JAIPURIA: The whole point is, since the last two decades, the Reserve Bank has been already doing a lot for agriculture*. Even so, Mr. Vice-Chairman, the Chairman of the Reserve Bank has said, and said it rightly, that the whole matter has got to be looked at from the security of the money and the return that the bank will get. With that background, Mr. Vice-Chairman, I do agree that agriculture should be given all help, because if agriculture is not based on a strong footing, then we will find ourselves in a very bad situation.

Mr. Vice-Chairman, the condition of our banking today is this. The existing legislation and the one that is going to be put through are stringent enough and they are nothing short of nationalisation. Nationalisation will only bring added misery to it and what has already been done has brought enough miseries and, therefore, I oppose this Resolution. Thank you.

SHRI C. D. PANDE: Mr. Vice-Chairman, before I make the few remarks that I have on the Resolution itself, I would like to reply to the point raised by Shri Dave when he said that banks are governed by the profit motive, that they look to the profits resulting from their expansion in the country, and that is why our banks do not go to the rural areas. I would like to point out that the State Bank was authorised by this Parliament and by the Government, to extend its business in;

[Shri C. D. Pande.] the country, and a target of 600 branches was fixed about seven years back, and a sum of Rs. 80 crores was also sanctioned. Even then they could not go to such rural areas as Mr. Dave has referred to. There are banks today which are not getting a subsidy of Rs. 80 crores spread over seven years, willing to go to rural areas, but the Reserve Bank will not allow them to have more than a particular number of branches. In Nainital—to give my experience—I asked the State Bank to open a few branches at Kashipur, Haldwani and so on, and they were kind enough, at my instance, to do so. The other banks were also willing to open their branches there, but the Reserve Bank said, "No. You cannot expand." The State Bank is subsidised to open more branches. Even then the State Bank has found it difficult to fulfil the target. In this Parliament repeatedly questions are put as to how many branches had been opened and year after year figures are given by the Minister of the progress made, and I am glad, perhaps, the target is more or less achieved now. Therefore, it is not an easy thing to go to the rural areas unless subsidy is given to the particular institution concerned, whether it be in the State sector or in the private sector. They have to go into the economics of it. After all, business is not a charitable purpose, as was said by an hon. Member here. It must have economic calculations. Even the State Bank cannot afford to waste money in such areas where banking is not likely to prosper. Therefore, it is a fallacy to say that banks are not going to the rural areas because they are actuated by the profit motive. That is not so and my hon. friend should disabuse his mind of this view.

Coming now to my point, I would like to say that I am not one of those who are dogmatic about this sector or that sector, about the philosophy of right and left. I believe that the entire question should be based on

one principle and that is the principle of the good of the country, the good of the people. If a thing is for the good of the people, I am for it. What I say is, that ideologies should not dominate over practical realities. Whenever any matter comes up, the question is raised: Why don't you nationalise this industry or that industry? That is asked without caring what will be the impact of it on production, on the production of wealth itself. If you do not produce wealth, you cannot distribute anything. Mere nationalisation of one industry or one financial institution does not mean socialism. I will suggest a via media. You can achieve your socialistic objectives without nationalisation of banks.

SHRI CHANDRA SHEKHAR: Does production of wealth mean socialism?

THE VICE-CHAIRMAN (SHRI M. GOVINDA REDDY): You go on, Mr. Pande.

SHRI C. D. -PANDE: You have got the State Bank and the Reserve Bank. The State Bank and the Reserve Bank control funds to the extent of 33 per cent. The State Bank has got almost 1,000 branches and there is no law at present to prevent the hon. Minister from opening more State Bank branches in the country. Why can't you have more branches of the State Bank and squeeze out the private banks by your efficiency, your courtesy, accommodation, shown to the customers and clients? I belong to Nain Tal and I am free to go to the State Bank, to the Naini Tal Bank or to the Allahabad Bank. But I go to the Naini Tal Bank which is a smaller bank, where I get courtesy, consideration, efficient handling of business and also accommodation. Do not be prejudiced by names like Birlas, Tatas, Dalmias and Goenkas—names that are used by our communist friends just to arouse the prejudice in the minds of the people and thereby create the bogey that everything

is going away to big business. There are 329 banks, but there are not 329 empires. There may be only, some 10 or 12 such concerns. You take away privileges from them. But you cannot deny the privileges to the ordinary shopkeepers in Connaught Place or Naini Tal or Haldwani or Lucknow. You put the question to a smaller businessman—and that will be the test—and tell him: You have got per-fact freedom to go to the State Bank or to any of the private bank for your banking business. Banking is not merely depositing. It means also borrowing and borrowing is more difficult than depositing. Every bank is willing to get deposits, but when it comes to giving loans, then the real question comes how far you are trying to do good to the public, how far you extend courtesy, how far you give enough accommodation to your clients. I tell you there are about 65 lakh depositors and all these 65 lakh depositors are not empire-builders. There will be at least 20 lakhs of people who go to banks for borrowing purposes for carrying on their activities of trade and commerce. I will be surprised if even 10 per cent of them will go to the State Bank. There is nothing wrong with State Bank. The State Bank is a very secure bank. As far as security of the bank is concerned, I think no bank is more secure than the State Bank. And yet their dealings are such that they do not attract people, because the moment a thing comes to the bureaucracy, unfortunately, the bureaucracy makes it unacceptable, and makes it a little repulsive to the people. Mr. Vice-Chairman, when you were speaking, you said that it is unfortunate that in this country we do not have that standard of efficiency among our business men, our bankers, and even as citizens, and you were . . .

AN. HON. MEMBER: And as legislators also.

SHRI C. D. PANDE: Yes, legislators also. I was remarking that the

moment a thing falls into the hands of the bureaucracy, it becomes unserviceable to the public, and that is the only thing that stands in the way of expansion of the State Bank. Otherwise, even today I would request the Finance Minister to launch on a programme of opening 2,000 more branches. We have no objection. In fact, we will insist on opening more branches to serve the people as much as possible. You don't have to nationalise the banks. Is there any law to say that the State Bank should not expand? Is there any law that the States should have their own banks? The co-operative banks were referred to and when Shri Jaipuria was referring to them, I remarked that they are bogus. I still maintain that it is so, because they are not efficient. The people have a suspicion and doubt about their efficacy and a feeling that they are not handling things properly. Otherwise, after all, the people are poor, why should they be against the Government banks? That is because the Government cannot run them efficiently. I will give you one example. The State Trading Corporation is the biggest unit doing business.

AN. HON. MEMBER: The Government does not think that it is efficient.

SHRI C. D. PANDE: The State Trading Corporation is handling the biggest unit of business in the country. The State Trading Corporation is handling the biggest trading enterprise in the country and no business house, however big, can produce business out-turn to the extent of Rs. 170 crores a year. Few business houses can carry on business to the extent of Rs. 170 crores. And what has been the profit? Taking it at the percentage of 10 per cent which is supposed to be the basic rate according to the Income-tax Department, the profits should have been at least Rs. 17 crores. But last year we were told that the profits came to Rs. 1.5 crores. They earned this profit of one and half crores of rupees and that too be-

[Shri C. D. Pande.]

cause they had a monopoly of certain items of trade and a commission of Rs. 5 per ton on cement, five rupees per ton on coal, five rupees per ton on mineral ores.

[THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) in the Chair]

These are other benefits derived from the State Trading Corporation. I would have been very happy if the State Trading Corporation had made at least twenty crores of rupees and to that extent had lightened the burden of the taxpayer. You are not running efficiently and you are not making any profit. If it were a private organisation, it would have given something by way of taxes to the country. The private banks are giving a sum of fourteen crores of rupees per year as tax and if you were to run all the banks I would be surprised if you could make this sum which is paid as tax by these people. Of course, these people must be making something more, about twenty-eight crores of rupees to give you fourteen crores of rupees. Can you guarantee that if you nationalise the banks tomorrow, you will be able to give thirty crores of rupees worth of profit to this country?

SHRI SHEEL BHADRA YAJEE: More than that.

SHRI C. D. PANDE: I doubt. I have shown you the example of the State Trading Corporation and I shall be glad if you could make such a profit. There are big business houses but there are lakhs and more of smaller people. Have pity on those people. You visualise what will happen to these people if you nationalise the banks.

SHRI SHEEL BHADRA YAJEE: They shall be nationalised.

SHRI C. D. PANDE: According to you but I hope they will not be and

you will not be able to do that, and if the banks are nationalised you will not be in this Parliament.

SHRI SHEEL BHADRA YAJEE: I shall be here . . . (Interruption.)

SHRI C. D. PANDE: The whole question of nationalisation lies on its practicability, its giving the results. If it gives good results, we would welcome it but I think you should not prejudice the issue by quoting a few big names and thereby speaking as if you are the champions of the poor people. Out of the sixty-five lakhs of depositors, there may be at least twenty lakhs of people who are doing business, most of them are, small people. You cannot always be thinking of Tatas, Birlas, Goenkas, Kha-taus, etc. Why should you have any prejudice or grudge against the small businessman who is making ten or twelve thousand rupees a year? Could he get the same terms in the hands of the State Bank of India as he gets from the Punjab National Bank or the United Commercial Bank? I myself have got experience and am speaking from my own experience. Don't judge from the working of the branch upstairs here. It is meant for Members of Parliament. We go there and it takes just a second to cash one cheque but if you go to a branch of State Bank, say the Chandni Chowk Branch, you will know what it is to cash a cheque. I myself have the experience of being pushed from pillar to the post. I had to go there once. I got the token and sent my servant the next day to collect the amount. This is the condition and this is how we are handling public institutions and you should see this condition and base your thesis thereon. Don't go "By what people like Mr. Bhupesh Gupta say because he is interested in discrediting these institutions and by saying that this is bad, and so on . . .

SHRI SITARAM JAIPURIA: Mr. Vice-Chairman, please see that this.

'House is not turned into a debating society, one Member of the Congress Party supporting this proposition and another opposing it.

SHRI SHEEL BHADRA YAJEE: He is also interrupting, Sir.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : I shall see to it that he does not interrupt.

SHRI C. D. PANDE: I shall drown all interruptions. I say that Mr. Bhupesh Gupta criticises and that is nothing unusual. His aim is to discredit the democratic system. He says that in a democratic system the Tatas are prosperous, the Birlas are prosperous. He has got no grudge against the Tatas or the Birlas but his aim is to discredit the democratic system itself. The moment we fall into his trap imperceptibly we are not going to help the democratic institutions. Go to the sixtyfive lakhs of people who deposit and ask them, take a referendum and if they prefer nationalisation, I would be convinced that nationalisation is the only way and then nationalise the institutions. You may not have any stability for five or ten years, afterwards perhaps there may be, but during this period, there will be nobody to finance small trade. You may earn big profits and to that extent you will be satisfied but you will be harming numerous smaller people in the private sector. As far as correctives to be applied to these banks are concerned, you will find that the Bills that Government would be bringing forward—if they are passed—would be as good as nationalising the banks. The Banks would be abso. lutely at the mercy of the Reserve Bank and the Reserve Bank would be the supreme lord of all banking activities and there would be no breathing space left to these people. Why then do you want to go iⁿ for nationalisation? As regards concentration of power, let me tell you that concentration in every sense is bad. We dislike concentration in any way. No ■middleclass man, no democrat would

like this to happen. We are all not multi-millionaires. I want that the people in the middle class and the slightly higher class should prosper. I do not like that you should run down the whole system. I_n the name of attacking concentration of power you are attacking a system. Concentration of power in any form is bad and concentration of power and economic power in the hands of the State is much worse. Do you want to make the officers who are in the Company Law Department to become Czars of this country, as powerful as all the businessmen put together? Do you want the concentration of power legal power, in the hands of the State functionaries about whose honesty there are many doubts cast by the people? I do not, however, mean any single individual or functionary but the type of functionaries in this country. For everything they do they are criticised in this House. Excepting two items, namely, the Hindustan Machine Tools and the Hindustan Antibiotics, point out to me one instance where we have achieved good results.

SHRI A. M. TARIQ (Jammu and Kashmir): Air-India International.

BHRI C. D. PANDE: That is presided over by Mr. Tata.

SHRI A. M. TARIQ: Whatever it is, it is there.

SHRI C. D. PANDE: That is presided over by a gentleman from the private sector.

SHRI LOKANATH MISRA: Mr. Tariq has another, the B.B.C.

SHRI A. M. TARIQ: No, no.

SHRI C. D. PANDE: There are a hundred instances where money is being wasted. Nothing would gladden me more than to hear about the success of the public sector but alas it is not so. Therefore, we should, not be in a hurry in regard to these things.

[Shri C. D. Pande] This afternoon we heard a very good lecture of Mr. Anthony Greenwood who said, "We by experience . . . — "We" meaning England—"have decided not to do many things at one time. "Their programme is only nationalisation of Railways, canals, waterways and lands for building houses and coal and steel. Even that Socialist party which is a more vigorous forum than ours has not mentioned banking in connection with the question of nationalisation. We in this country, in our enthusiasm to bring socialism, are attempting too many things at one and the same time. I think we should not disturb all things at once. Time should take its own course. If the State Bank increases its orbit of action, it can squeeze out, push out, other banks and if this can be done, I shall be happy.

4 P.M.

شری پیارے لال کرپل ده طالب ॥ :

(اثر پردیش) : وائس چورمون صاحب ۽ باتیں تو سبھی کہی جا چکی ہیں مگر اصول میں اس پرستان کی تائید کروں گا۔

جمہوریت میں یا جمہوری دیہ میں اور سماج وادی دیہ میں ہم کو کچھ بنیادی کام کرنے ہوتے ہیں اور وہ بنیادی کام یہ ہے کہ ہم کو آزادی تو مل گئی ہے لیکن ابھی ہمارے یہاں سماجک برابری نہیں آئی ہے اور ہمیں اس سماجک برابری کو لانا ہے۔ دیہ کے اندر ہم نے سماجک برابری لانے کی کوشش کی ہے لیکن ابھی وہ مقصد پورا نہیں ہوا ہے۔ اس کے علاوہ ہم کو دیہ کے اندر

اقتصادی برابری بھی لانی ہے ۽ آرتھک برابری کو بھی ۽ آرتھک سسٹم کو بھی ۽ یہاں پر لانا ہے اور یہاں کے زیادہ سے زیادہ آدمیوں کو ۽ یہاں کے عوام کو ۽ غائدہ پہنچانا ہے۔

آپ تعجب کریں گے کہ اس دیہ کے اندر بینکنگ فیسٹیولیز کتنی ناکافی ہیں۔ ہماری زیادہ تر آبادی ۷۵ فی صدی یا ۸۰ فی صدی آبادی دیہاتوں میں رہتی ہے مگر ان کے لئے کسی قسم کی بینکنگ فیسٹیولیز نہیں ہیں۔ دیہات کے لوگوں کو ان بینکنس پر وشواس بھی نہیں ہے کیوں کہ وہ سمجھتے ہیں کہ کہیں بینکنس فیل نہ ہو جائیں۔ اس کے علاوہ اس میں بہت سی دقتیں بھی ہیں۔ بڑی ان افسیہمنسی سے یہ بینکنس چلتے ہیں اور روپیہ نکالنا ہو تو اس میں کافی ٹائم لگ جاتا ہے اور اگر کوئی ان پر وہ ہے تو اور زیادہ دقت روپیہ نکالنے میں ہو جاتی ہے۔ تو اس وجہ سے ہماری دیہاتی جگہ ان بینکوں میں روپیہ جمع نہیں کرتی ہے حالانکہ اس وقت ہم کو زیادہ سے زیادہ زیسورسز کی ضرورت ہے تاکہ ہم اپنے بڑے بڑے نیٹل پراجیکٹس کو آگے بڑھا سکیں اور تمام انڈسٹریز کو آگے لے جا سکیں۔

میرا صرف کہنا یہی ہے کہ اس دیہ کے اندر ۲۲۹۲ شیڈولڈ اور نان شیڈولڈ بینکنس ہیں جن کا پیٹ اپ

کھینچنے والے ۳۰ کروڑ کے لگ بھگ ۱۲۳۸ کروڑ روپیہ ہے۔ ہمارے یہاں ہمارے پاس اتنے بڑے دیسورسز ہیں جن سے ہم اس دیہے کے اندر سناج واہ لا سکتے ہیں اور اپنی انڈسٹریز کو نیشنلائز کر سکتے ہیں اور عوام کو زیادہ سے زیادہ فائدہ پہنچا سکتے ہیں۔ اگر کہیں بینکنگ نیشنلائز دیہاتوں میں پہنچ جائیں اور دیہات کے لوگوں کو سمجھایا جائے کہ ان کی بہتری اس میں ہے کہ وہ اپنا دیہہ بینکوں میں جمع کریں تو یہ دیسورسز اور کہیں زیادہ بڑھائے جا سکتے ہیں اور ہم دیہے کے اندر صحیح طور پر سناج واہ لا سکتے ہیں۔ صحیح طور پر جمہوریت لا سکتے ہیں۔ دیہات کے لوگ کہوں کہ ان پر وہ ہیں، پورے لکھ نہیں ہیں۔ اور ان کو تجربہ نہیں ہے اس لئے میں نے دیکھا ہے کہ وہ بعض اوقات توٹوں کو ٹرنک میں ڈال کر زمیں میں گڑ دیتے ہیں یا مٹی کی ہڈیاں میں ڈال کر زمیں میں دبا دیتے ہیں اور کچھ عرصہ کے بعد اسے کھولتے ہیں تو یہ ہلکے کے نوٹس جو ہیں، یہ روپیئے جو ہیں، وہ مٹی بن جاتے ہیں۔ اس طرح سے بہت روپیہ ضائع ہو جاتا ہے۔ اور وہ روپیہ جو نہ نیشنل کلسٹریشن میں لگایا جا سکتا ہے وہ بے کار پڑا ہوا ہے اور اس کو ہم استعمال نہیں کر سکتے

ہیں۔ تو تمام ورلڈ ایریاز میں بینکس کھولنے کی ضرورت ہے۔ ابھی جو چلند بینکس کے پاس ہماری دیسورسز ہیں وہ ہمارے پاس آئیں گی اگر ہم بینکس کو نیشنلائز کریں۔ یہ ضرور ہے جیسا کہ ابھی سمجھا رہا ہے کہ اور کانگریس کی طرف سے بھی بہت سے آدمیوں نے کہا کہ جو پبلک انڈر ٹیکنیکس ہیں، پبلک سیکٹر میں جو انڈسٹریز ہیں، وہ پرائیویٹ چل نہیں رہی ہیں۔ یہ تو ضرور ہے لیکن اس دیہے کے اندر ہم نے نیشنلائزیشن کا کام شروع شروع میں کیا ہے اور ان تمام پبلک انڈر ٹیکنیکس کو ہمارے وہ آفیسرز چلاتے ہیں جن کو کہ ابھی پورا تجربہ نہیں ہے اور ہم نے پرائیویٹ سیکٹر سے تجربہ کار آدمیوں کو نہیں لیا ہے اس لئے ایسا ہے۔ تو یہ چھوٹی چھوٹی خامیاں ہیں اور بہت بڑی بڑی خامیاں بھی ہیں مگر اصولاً ہم کو اس دیہے کے اندر نیشنلائزیشن کرنا ہے اور جب تک ہم اس دیہے کے اندر نیشنلائزیشن نہیں کرتے ہیں تب تک ہم اس دیہے کے دیسورسز کا اچھی طرح سے استعمال نہیں کر سکتے ہیں اور ہم یہاں کے عوام کی حالت کو بہتر نہیں بنا سکتے ہیں۔ تو یہ بہت ضروری ہے۔ اہل - آئی - سی - میں بھی خامیاں ہیں اور میں سمجھتا ہوں کہ جتنی آسانی کے ساتھ پہلے ہمہ ہو جاتا

[شری پھارے لال کرپل مطالبہ]
 تھا انکی آسانی سے اب نہیں ہوتا ہے
 اور اس میں کافی دقت ہے۔ مجھے
 تجربہ ہے کہ وہاں لکھنؤ ہو رہی
 ہیں۔ ایل۔ آئی۔ سی۔ کے اندر ایمپلائز
 بھی سینٹیفائڈ نہیں ہیں۔ بہت
 سی باتیں ہیں۔ اس سے انکار نہیں کیا
 جا سکتا اور ہم لوگ خود اس کو
 کریٹیسائز کرتے ہیں مگر اصولاً ہم کو
 نیشنلائزیشن کرنا ہے اور بیلنس کا
 نیشنلائزیشن کرنا ہے۔ یہ جو کنسلٹریشن
 آف پارر، کنسلٹریشن آف ویلٹھ،
 چلڈ آدمیوں کے ہاتھ میں ہے اس سے
 تو کوئی انکار نہیں کر سکتا۔ آپ
 کچھ بھی کہیں کنسلٹریشن آف
 ویلٹھ اور کنسلٹریشن آف پارر تو چلڈ
 آدمیوں کے ہاتھ میں ہے ہی اور ان
 پروپروپٹ بنکوں سے چلڈ آدمیوں کو
 فی فائدہ پہنچتا ہے، ان کی ہی
 بڑی بڑی انڈسٹریز کو فائدہ پہنچتا
 ہے۔ یہ وہی بڑی بڑی انڈسٹریز
 ہیں جو کہ چلڈ امپیر آدمی چلاتے
 ہیں مگر چھوٹی چھوٹی اور موڈیم
 سائز کی انڈسٹریز کو فائدہ نہیں
 پہنچتا ہے۔ جب ہم سماج واد لانا
 چاہتے ہیں تب تو ہمیں چھوٹے
 چھوٹے اڈیوگ دھندوں کو چلانا ہی
 ہے، ان کو کامیاب کرنا ہے، چھوٹی
 چھوٹی انڈسٹریز کو، موڈیم سائز
 انڈسٹریز کو کامیاب کرنا ہے، زیادہ
 سے زیادہ لوگوں کو یہ انڈسٹریز دیلی

ہیں اور ان انڈسٹریز کو مضبوط بنانا
 ہے اور کامیاب کرنا ہے۔ اس کی ضرورت
 ہے۔ بڑے بڑے کارخانے تو ہوں گے
 مگر ان چھوٹی چھوٹی انڈسٹریز کو
 بھی قائم کرنا ضروری ہے اور اس کے
 لئے لون وغیرہ دینا بہت ضروری ہے
 اس کے لئے روپیہ ایڈوانس کرنا بہت
 ضروری ہے۔ ان کو کم سے کم سوڈ پر
 روپیہ ایڈوانس دینا چاہئے اور اس
 روپیہ کو حاصل کرنے کے لئے ان کو
 کم سے کم دقت دینی چاہئے۔ وہ
 سیکیورٹی نہیں دے سکتے ہوں گے
 کہ وہ اتنے غریب ہیں۔ مگر ہم
 دیکھتے ہیں کہ بڑے بڑے بیلنس
 جو ہیں وہ بڑی بڑی انڈسٹریز کو ہی
 روپیہ دیتے ہیں اور ان انڈسٹریز کو
 روپیہ دیتے ہیں جس میں ان کے اپنے
 آدمی ہیں۔ یعنی ہندوستان کے
 چلڈ آدمیوں کے ہاتھ میں ملک کا
 سرمایہ جو ہے وہ چلا جا رہا ہے۔
 اس کو روکنا ہے اور جب تک ہم اس
 چھڑ کو نہیں روکتے ہیں تب تک
 ہم کبھی بھی اس دیہ میں سماج
 واد نہیں لا سکتے ہیں۔ دیہ کا
 ۱۰ فی صدی سرمایہ ان بلکوں کے
 پاس ہے۔ جب کہ ہمیں بہت سا
 سرمایہ اپنے نیشنل ورکس کے لئے خرچ
 کرنا ہے، نیشنل پراجیکٹس پر خرچ
 کرنا ہے، دیہ کی ترقی پر، سوشل
 اکنامک پروگریس پر، خرچ کرنا
 ہے۔

میں بہت کچھ کہنا چاہتا ہوں اور میرے پاس بہت سی فیکرس ہیں لیکن وقت نہیں ہے مگر ایک بات کی طرف میں آپ کا دھیان دلاؤں گا۔ ہمارے یہاں کچھ فارن بینکس ہیں جن کی طرف کسی سدسیہ نے دھیان نہیں دلیا ہے۔ اس لئے میں فارن بینکس کی طرف دھیان دلاؤں گا اور کہوں گا کہ اس دیس کے اندر سب سے پہلے فارن بینکس کا نیشنلائزیشن ہونا چاہئے۔ ان بینکوں میں باہر کی پونجی نہیں لگی ہے مگر جتنا بھی نفع ان بینکوں کو ہوتا ہے وہ دوسرے دیس والے لے جاتے ہیں۔ دوسرے دیس والے اس سے فائدہ اٹھاتے ہیں اور ہمارے دیس کے آدمیوں کو ان فارن بینکس کا فائدہ نہیں پہنچتا ہے۔ یہاں پر باہر کے لوگ بڑی بڑی تنخواہیں پاتے ہیں، بڑی بڑی تنخواہوں پر یہاں نوکر ہیں اور ہمارے ہندوستانی بھائی ایک تو ان میں نوکر کم ہیں اور اگر ہیں بھی تو ان کے ساتھ ڈسکریمنٹیشن ہوتا ہے۔ ان کی تنخواہوں میں اور باہر کے افسروں کی تنخواہوں میں بہت بھاری اتار ہے، بہت بھاری فرق ہے۔ تو اس چوڑ کو ہمیں روکنا ہے اور اپنے ملکوں کا نیشنلائزیشن کرنے سے پہلے ان فارن بینکس کا نیشنلائزیشن ہونا بہت ضرور ہے۔

میں زیادہ نہیں کہوں گا۔ اس بات کی اہمیت کو سمجھتے ہوئے کہ ہم کو بینکس کا نیشنلائزیشن کرنا ہے آل انڈیا بینک ایمپلائز کی طرف سے نیشنلائزیشن آف بینکس کے متعلق جو کس ہے اس کا صرف ایک پوراٹراف پڑھنا چاہتا ہوں۔ یہ ایمپلائز پرائیویٹ بینکس کے انٹر وولنگ کو جانتے ہیں اور ان کی اینوہسن کی بڑی قدر ہونی چاہئے۔ یہ جو بات کہیں کہ وہ صحیح کہہ گئے کہوں کہ وہ وہاں ملازم ہیں اور ان کو وہاں سے روٹی ملتی ہے۔ تو میں ایک پوراٹراف پڑھ کر اپنی تقریر کو ختم کروں گا۔

"The bank employees under the banner of All India Bank Employees Association have been demanding nationalisation of banking industry as it has been felt that continuance of this industry in the hands of private sector will frustrate our planned economy. If the Banks continue in private sector, it is but natural that one or the other group of industrialists will dominate them and that group will take extra advantage out of it. Almost all the big industrialists are now having their own banks. Public in general keep their deposits in those banks and a big portion of such deposits is utilised by these capitalists for their own purposes. This has always operated against the public interest. It is but natural that an industry runs with only 1.9 per cent* of its working fund as the capital

[شری پیارے لال کرپل مطالبہ]

paid by the shareholders cannot avoid the risk of being mis-managed as the shareholders, and more so the few Directors representing them, have nothing much to stake in the business. Under the circumstance the tendency has been to become irresponsible and selfish. This will be borne out by the fact that even after the year 1949, when following a number of bank failures the Banking Companies Act came into existence, there were Bank failures and only in the recent period, two banks, viz., the Palai Central Bank and Luxmi Bank went into liquidation due to fraudulent activities by their Directors. The recent findings of Vivian Bose Commission on the administration of Dalmia Jain Companies have revealed that in all its activities, which were anti-national and anti-social, one or the other bank was involved. Same is the case in relation to Mundhra deals. Whether in respect of spurious scrips or violation of Exchange Control Regulations, one or the other bank was involved. If similar enquiries are conducted into the affairs of other industrial houses, revelations will be no less startling. In the interest of millions of bank depositors, and for the greater interest of the country, its economy, its development and defence, a time has come when the nationalisation of banks has become imperative."

"Before we conclude, we wish to allay one apprehension that is some-

دو تہی قلمیں صرف اور پرمنا
چاہتا ہوں جو کہ انہوں نے اخیر قلمیں
کہی ہیں۔

times raised by interested quarters that in the event of nationalisation, efficiency is likely to suffer. Banks are managed and run by its officers, clerks and subordinates—employees who are today serving private capi-

tal with profit motive as its sole concern. Employees in nationalised banks will have the proud privilege to serve the nation to work for the progress of the country and hence the employees will never fail to come forward to discharge whatever responsibilities will be entrusted to them."

یہ بھلک ایسٹون کا کہس ہے، ان
کے آل انڈیا ایسوسی ایشن کی طرف سے
یہ کہس رکھا گیا ہے۔ اس میں بہت
سی اور باتوں ہیں اور یہ بہت بڑا
ہے جو کہ میں صدر کے سامنے رکھنا
چاہتا تھا لیکن ٹائم نہ ہونے کی وجہ
سے میں نے صرف ایک پیرا گراف ہی
پڑھا ہے۔ یہ بھلک ایسٹون اس
انڈسٹری کی ان ورکنگ کو اچھی طرح
سے جانتے ہیں اور ان کا یہ کہنا ہے۔

تو میں بہت پرزور درخواست
کروں گا کہ ان بھلکوں کو نہٹلائز کیا
جائے اور یہ فارن بھلکس جو ہیں ان
کو خاص طور پر نہٹلائز کرنے کی
ضرورت ہے۔ ان کے اندر کیا ہوتا ہے یہ
آپ جانتے ہیں۔ یہ نہٹل گرنڈل
بنک جو ہے مڈرائنڈ میں انوالو ہے۔
سراج الدین کہس میں انوالو ہے۔
برقہ ایلت کہلی کا جر قیترہہ کروز
روپہلے کا فارن ایکسچینج کا چکر
ہے اس میں انوالو ہے۔ اور جہسا کہ
میں نے کہا یہ باہر کے ایپے آدمیوں
کو زیادہ سے زیادہ تلفواہیں دیتے
ہیں اور ہمارے ملکوتانیوں کے ساتھ
تسکوتیہلی کرتے ہیں۔

میں اور زیادہ نہ کہہ کر ایڑیوں
کی طرف سے جو ہاتھیں کھینچی گئی ہیں
ان کو سہورٹ کرتا ہوں اور آپ کا
شکریہ ادا کرتا ہوں کہ آپ نے بولنے کے
لئے تھوڑا وقت دیا -

†[श्री प्यारेलाल कुरील "तालिब"
(उत्तर प्रदेश) : वाइस चैयरमैन साहब,
बातें तो सभी कही जा चुकी हैं मगर असूलन
में इस प्रस्ताव की ताईद करूंगा ।

जम्हूरियत में या जम्हूरी देश में और
समाजवादी देश में हमको कुछ बुनियादी काम
करने होते हैं और वो बुनियादी काम ये हैं
कि हमको आजादी तो मिल गई लेकिन अभी
हमारे यहां सामाजिक बराबरी नहीं आई और
हमें इस सामाजिक बराबरी को लाना है ।
देश के अन्दर हमने सामाजिक बराबरी लाने की
कोशिश की है लेकिन अभी वो मकसद पूरा
नहीं हुआ है । इसके अलावा हमको देश के
अन्दर इकतसादी बराबरी भी लानी है
आर्थिक बराबरी को भी, आर्थिक समता
को भी, यहां पर लाना है और यहां के ज्यादा
से ज्यादा आदमियों को, यहां के अबाम को
फायदा पहुंचाना है ।

आप ताज्जुब करेंगे कि इस देश के अन्दर
बैंकिंग फेसिलीटीज नाकाफी हैं । हमारी
ज्यादातर आबादी, पचहत्तर फीसदी या अस्सी
फीसदी आबादी, देहातों में रहती है । मगर
उनके लिये किसी किस्म की बैंकिंग फेसिलीटीज
नहीं हैं । देहात के लोगों को इन बैंक्स पर
विश्वास भी नहीं है क्योंकि वो समझते हैं
कि कहीं बैंक्स फेल न हो जायें । इसके अलावा
इसमें बहुत सी दिक्कतें भी हैं । बड़ी इनऐफि-
शियेन्सी से ये बैंक्स चलते हैं और रुपया
निकालना हो तो उसमें काफी टाइम लग जाता
है । और अगर कोई अनपढ़ हो तो और ज्यादा
दिक्कत रुपया निकालने में हो जाती है । इस
तरह से हमारी देहाती जनता इन बैंकों में
रुपया जमा नहीं करती है हालांकि इस वक्त
हमको ज्यादा से ज्यादा रिसोर्सेज की जरूरत

†[] Hindi transliteration.

है ताकि हम अपने बड़े बड़े नेशनल प्रोजेक्ट्स
को आगे बढ़ा सकें और तमाम इंडस्ट्रीज को
आगे ले जा सकें ।

मेरा सिर्फ कहना यही है कि इस देश के
अन्दर २२६२ शिड्यूल्ड और नान-शिड्यूल्ड
बैंक्स हैं जिनका पेड-अप कैपिटल ४० करोड़
के लगभग है और उनका जो टोटल डिपोजिट
है वो १४३८ करोड़ रुपया है । हमारे यहां,
हमारे पास इतने बड़े रिसोर्सेज हैं जिनसे
हम इस देश के अन्दर समाजवाद ला सकते
हैं और अपनी इंडस्ट्रीज को नेशनलाइज
कर सकते हैं और अबाम को ज्यादा से ज्यादा
फायदा पहुंचा सकते हैं । अगर कहीं बैंकिंग
फेसिलीटीज देहातों में पहुंच जायें और देहात
के लोगों को समझाया जाये कि उनकी बेहतरी
इसी में है कि वो अपना रुपया बैंकों में जमा
करें तो ये रिसोर्सेज और कहीं ज्यादा बढ़ावें
जा सकते हैं और हम देश के अन्दर सही तौर
पर समाजवाद ला सकते हैं, सही तौर पर
जम्हूरियत ला सकते हैं । देहात के लोग क्योंकि
अनपढ़ हैं, पढ़े लिखे नहीं हैं और उनको
तजुर्बा नहीं है, इसलिये मैंने देखा है कि जो वो
बाज़रीकात नोटों को ट्रंक में डालकर जमीन
में गाड़ देते हैं या मिट्टी की हंडिया में डाल
कर जमीन में दबा देते हैं और कुछ अर्से के बाद
उसे खोलते हैं तो ये बैंक्स के नोट जो हैं, ये
रुपये जो हैं, वो मिट्टी बन जाते हैं । इस तरह से
बहुत रुपया जाया हो जाता है, और वो रुपया
जो कि नेशनल कन्सट्रक्शन में लगाया जा
सकता है वो बेकार पड़ा हुआ है और उसको
हम इस्तेमाल नहीं कर सकते हैं । तो तमाम
रूरल ऐरियाज में बैंक्स खोलने की जरूरत है ।
अभी जो चन्द बैंक्स के पास हमारी रिसोर्सेज
हैं वो हमारे पास आयेंगी अगर हम बैंक्स को
नेशनलाइज करें । ये जरूर है जैसा कि अभी
सीताराम जयपुरिया ने कहा और कांग्रेस
की तरफ से भी बहुत से आदमियों ने कहा कि
जो पब्लिक अंडरटेकिंग्स हैं, पब्लिक सेक्टर
में जो इंडस्ट्रीज हैं, वो प्रोपर्टी चल नहीं
रही हैं । यह तो जरूर है लेकिन इस देश के

[श्री प्यारेलाल कुरील "तालिब"]

अन्दर हमने नेशनलाइजेशन का काम शुरू शुरू में किया है और इन तमाम पब्लिक अंटरप्राइजेस को हमारे वो आफिसर्स चलाते हैं जिनको कि अभी पूरा तजुर्बा नहीं है और हमने प्राइवेट सेक्टर से तजुर्बेकार आदमियों को नहीं लिया है इसलिये ऐसा है। तो ये छोटी छोटी खामियां हैं और बहुत बड़ी बड़ी खामियां भी हैं मगर असूलन हमको इस देश के अन्दर नेशनलाइजेशन करना है और जब तक हम इस देश के अन्दर नेशनलाइजेशन नहीं करते हैं, तब तक हम इस देश के रिसोर्सेज का अच्छी तरह से इस्तेमाल नहीं कर सकते हैं और हम यहां के अवाम की हालत को बेहतर नहीं बना सकते हैं। तो यह बहुत जरूरी है। एल० आई० सी० में भी खामियां हैं और मैं समझता हूं कि जितनी आसानी के साथ पहले बीमा हो जाता था उतनी आसानी से अब नहीं होता है और उसमें काफी दिक्कत है। मुझे तजुर्बा है कि वहां लेप्सेज हो रही हैं। एल० आई० सी० के अन्दर एम्प्लॉइज भी सैटिसफाइड नहीं हैं। बहुत सी बातें हैं। इससे इन्कार नहीं किया जा सकता और हम लोग खुद इसको क्रीटीसाइज करते हैं मगर असूलन हमको नेशनलाइजेशन करना है और बैंक्स का नेशनलाइजेशन करना है। ये जो कन्सेन्ट्रेशन आफ पावर, कन्सेन्ट्रेशन आफ वैल्यू चन्द आदमियों के हाथ में है उससे तो कोई इंकार नहीं कर सकता। आप कुछ भी कहें कन्सेन्ट्रेशन आफ वैल्यू और कन्सेन्ट्रेशन आफ पावर तो चन्द आदमियों के हाथ में है ही और इन प्राइवेट बैंकों से चन्द आदमियों को ही फायदा पहुंचता है। उनकी ही बड़ी बड़ी इंडस्ट्रीज को फायदा पहुंचता है। यह वहां बड़ी बड़ी इंडस्ट्रीज हैं जो कि चन्द अमीर आदमों चलाते हैं मगर छोटी छोटी और मीडियम साइज की इंडस्ट्रीज को फायदा नहीं पहुंचता है। जब हम समाजवाद लाना चाहते हैं तब तो हमें छोटे छोटे उद्योग धंधों को चलाना ही है। उनको कामयाब करना है। छोटी छोटी इंडस्ट्रीज को, मीडियम साइज

इंडस्ट्रीज को, कामयाब करना है, ज्यादा से ज्यादा लोगों को ये इंडस्ट्रीज देनी हैं और इन इंडस्ट्रीज को मजबूत बनाना है और कामयाब करना है। इसकी जरूरत है। बड़े बड़े कारखाने तो होंगे मगर इन छोटी छोटी इंडस्ट्रीज को भी कायम करना जरूरी है और इसके लिये लोन वगैरह देना बहुत जरूरी है, इसके लिये रुपया एडवान्स करना बहुत जरूरी है। उनको कम से कम सूद पर रुपया एडवान्स देना चाहिये और इस रुपये को हासिल करने के लिये उन को कम से कम दिक्कत होनी चाहिये। वो सेक्योरिटी नहीं दे सकते हैं क्योंकि वो इतने गरीब हैं। मगर हम देखते हैं कि ये बड़े बड़े बैंक्स जो हैं वो बड़ी बड़ी इंडस्ट्रीज को ही रुपया देते हैं और इन इंडस्ट्रीज को रुपया देते हैं जिनमें उनके अपने प्रादमी हैं यानी हिन्दुस्तान के चन्द आदमियों के हाथ में मुल्क का समर्पण जो है वो चला जा रहा है। इसको रोकना है और जब तक हम इस चीज को नहीं रोकते हैं तब तक हम कभी भी इस देश में समाजवाद नहीं ला सकते हैं। देश का दस फ्री सदी समर्पण इन बैंकों के पास है। जब कि हमें बहुत सा समर्पण अपने नेशनल बैंक्स के लिये खर्च करना है, नेशनल प्रोजेक्ट्स पर खर्च करना है, देश की तरक्की पर, सोशल, एकोनामिक प्रोग्रेस पर, खर्च करना है।

मैं बहुत कुछ कहना चाहता हूं और मेरे पास बहुत सी फिगर्स हैं लेकिन वक्त नहीं है, मगर एक बात की तरफ मैं आपका ध्यान दिलाऊंगा। हमारे यहां कुछ फोरेन बैंक्स हैं जिनकी तरफ किसी सदस्य ने ध्यान नहीं दिलाया है। इसलिये मैं फोरेन बैंक्स की तरफ ध्यान दिलाऊंगा और कहूंगा कि इस देश के अन्दर सबसे पहले फोरेन बैंक्स का नेशनलाइजेशन होना चाहिये। इन बैंकों में बाहर की पूंजी नहीं लगी है मगर जितना भी नफा इन बैंकों को होता है वो दूसरे देश वाले ले जाते हैं। दूसरे देश वाले इससे फायदा उठाते हैं। और

हमारे देश के आदमियों को इन फॉरेन बैंक्स का फायदा नहीं होता है। यहाँ पर बाहर के लोग बड़ी बड़ी तन्ख्वाहों पर यहाँ नौकर हैं और हमारे हिन्दुस्तानी भाई एक तो इनमें नौकर कम हैं और अगर हैं भी तो उनके साथ डिस्क्रिमिनेशन होता है, उनकी तन्ख्वाहों में और बाहर के अफसरों की तन्ख्वाहों में बहुत भारी अन्तर है, बहुत भारी फर्क है, तो इस चीज़ को हमें रोकना है और अपने बैंकों का नेशनलाइजेशन करने से पहले इन फॉरेन बैंक्स का नेशनलाइजेशन होना बहुत जरूरी है।

मैं ज्यादा नहीं कहूंगा। इस बात की सहमति को समझते हुए कि हमको बैंक्स का नेशनलाइजेशन करना है आल इंडिया बैंक एम्प्लोईज़ की तरफ से नेशनलाइजेशन आफ बैंक्स के मुत्तलिक जो केस है उसका सिर्फ एक पैराग्राफ पढ़ना चाहता हूँ। ये एम्प्लोईज़ प्राइवेट बैंक्स के इतर वर्किंग को जानते हैं और उनकी ओपीनियन की बड़ी कदर होनी चाहिये ये जो बात कहेंगे वो सही कहेंगे क्योंकि वो कहां मुलाजिम हैं और उनको वहां से रोटी मिलती है। तो मैं एक पैराग्राफ पढ़ कर अपनी तकरीर को खत्म करूंगा—

"The bank employees under the banner of All India Bank Employees Association have been demanding nationalisation of banking industry as it has been felt that continuance of this industry in the hands of private sector will frustrate our planned economy. If the Banks continue in private sector, it is but natural that one or the other group of industrialists will dominate them and that group will take extra advantage out of it. Almost all the big industrialists are now having their own banks. Public in general keep their deposits in those banks and a big portion of such deposits is utilised by these capitalists for their own purposes. This has always operated against the public interest. It is but natural that an industry runs with only

1.9 per cent, of its working fund as the capital paid by the shareholders cannot avoid the risk of being mismanaged as the shareholders, and more so the few directors representing them, have nothing much to stake in the business. Under the circumstances the tendency has been to become irresponsible and selfish. This will be borne out by the fact that even after the year 1949, when following a number of bank failures the Banking Companies Act came into existence, there were Bank failures and only in the recent period, two banks, viz., the Palai Central Bank and Luxmi Bank went into liquidation due to fraudulent activities by their Directors. The recent findings of Vivian Bose Commission on the administration of Dalmia-Jain Companies have revealed that in all its activities, which were anti-national and anti-social, one or the other bank was involved. Same is the case in relation to Mundhra deals. Whether in respect of spurious scrips or violation of Exchange Control Regulations, one or the other bank was involved. If similar enquiries are conducted into the affairs of other industrial houses, revelations will be no less startling. In the interest of millions of bank depositors, and for the greater interest of the country, its economy, its development and defence, a time has come when the nationalisation of banks has become imperative."

दो तीन लाइनें सिर्फ और पढ़ना चाहता हूँ जो कि उन्होंने आखिर में कही हैं—

"Before we conclude, we wish to allay one apprehension that is sometimes raised by interested quarters that in the event of nationalisation, efficiency is likely to suffer. Banks are managed and run by its officers, clerks and subordinates—employees who are today serving private capi-

[श्री प्यारे लाल कुरील 'तालिब']

tal with profit motive as its sole concern. Employees in nationalised banks will have the proud privilege to serve the nation to work for the progress of the country and hence the employees will never fail to come forward to discharge whatever responsibilities will be entrusted to them."

यह बैंक एम्प्लॉईज का केस है, उनके आल इंडिया एसोसियेशन की तरफ से ये केस रखा गया है। इसमें बहुत सी और बातें हैं और यह बहुत बड़ा है जो कि मैं सदन के सामने रखना चाहता था लेकिन टाइम न होने की वजह से मैं ने सिर्फ एक पैराग्राफ ही पढ़ा है। ये बैंक एम्प्लॉईज इस इंडस्ट्री की इनर बकिंग को अच्छी तरह से जानते हैं और उनका यह कहना है।

तो मैं बहुत पुराने दरखास्त करूंगा कि इन बैंकों को नेशनलाइज किया जाये और यह फोरैन बैंक्स जो हैं उनको खास तौर पर नेशनलाइज करने की जरूरत है। उनके अन्दर क्या होता है ये आप जानते हैं। ये नेशनल प्रिडले बैंक जो है मुद्रा कांड में इनवोल्व्ड है, सिराजुद्दीन केस में इनवोल्व्ड है, बर्ड एण्ड कम्पनी का जो डेढ़ करोड़ रुपये का फोरैन एक्सचेंज का चक्कर है उसमें इनवोल्व्ड है। और जैसा कि मैंने कहा कि ये बाहर के आदमियों को ज्यादा से ज्यादा तनख्वाहें देते हैं और हमारे हिन्दुस्तानियों के साथ डिस्क्रिमीनेशन करते हैं।

मैं और ज्यादा न कह कर अपोजीशन की तरफ से जो बातें कही गई हैं उनको सपोर्ट करता हूं और आपका शुक्रिया अदा करता हूं कि आपने बोलने के लिये बड़ा वक्त दिया।]

श्री आर० के० भुवालका (पश्चिमी बंगाल): उपसभाध्यक्ष महोदय, बैंकों का राष्ट्रीयकरण करने का जो प्रस्ताव हमारे सामने आया है और जिस पर बहुत से मेम्बरों ने अपने विचार प्रकट किये, उसके ऊपर मैं भी अपने अनुभव

के आधार पर, जो कि व्यापार और ट्रेड के संबंध में मुझको है, हाउस के सामने थोड़ा सा निवेदन करना चाहता हूं।

हमारे माननीय मित्र और माननीय सदस्य जानते होंगे कि बिना बैंकों की सहायता के व्यापार में, खास कर कपड़े के ट्रेड में, कितनी परेशानी होती है। ये जो प्राइवेट बैंक हैं, शिड्यूल्ड बैंक हैं। उनके द्वारा छोटे छोटे व्यापारियों को, ट्रेडरों को कितनी सहायता मिलती है, उसके बारे में वे जानते हैं कि नहीं यह मुझे नहीं मालूम। लेकिन मैं जानता हूं बैंक बहुत छोटे छोटे जो व्यापारी हैं उनको कपड़ के व्यापार में बैंकों से बहुत सहायता मिलती है और उससे वे लाभ उठाते हैं क्योंकि वे थोड़ा सा रुपया लेकर अपना काम चलाते हैं। लेकिन स्टेट बैंक में वे जा नहीं पाते। मुझे अपना भी अनुभव है। स्टेट बैंक के पास जाने में उनको बहुत समय चाहिये, बहुत सी सिफारिशें चाहियें, तब जाकर उनका काम होता है वरना नहीं होता है। इसलिए अगर इन बैंकों को नेशनलाइज कर दिया जायगा तो आजकी व्यवस्था में उससे बड़ी बाधा पड़ेगी।

अभी थोड़े दिन पहले जयपुर में हमारे प्राइम मिनिस्टर ने कहा था कि सांशलिज्म लाने के लिये हमको प्रोडक्शन बढ़ाना चाहिये और अच्छा टेक्नीक चाहिये, ये दो बातें उन्होंने कही थीं। तो हमारा प्रोडक्शन बिना इन्डस्ट्री के नहीं हो सकता और इन्डस्ट्री करने के लिये रुपया चाहिये। आपको शायद मालूम होगा कि सन् १९५० से भारतवर्ष में हमारी इन्डस्ट्रीज बढ़ने लगी और काम भी बढ़ा। जहाँ एक फर्म में पांच पार्टनर थे वहाँ पांचों के पांचों अलग हो गये और अपना अलग कारोबार शुरू कर दिया क्योंकि वे जानते हैं कि इन्डस्ट्रीज कैसे बढ़नी चाहियें और अगर एक ही जगह कान्सेन्ट्रेशन हो जायगा, एक ही जगह निर्यंत्रण हो जायगा, तो उनको काम करने में बहुत असुविधा होगी। तो इसके बारे में मेरे जैसा आदमी ही बता

सकता है कि व्यापारियों को क्या तकलीफें होती हैं। अभी हाल में व्यापार में, इन्डस्ट्री में बहुत सी तकलीफें हो रही हैं क्योंकि रिजर्व बैंक का इतना कन्ट्रोल होने के बाद से रुपया बहुत नहीं दिया जाता इस वास्ते उनका जितना भी काम है वह सब रुका हुआ है और अभी रिजर्व बैंक के साथ कोलेबोरेशन पूरा नहीं हो रहा है क्योंकि यहाँ पर बैंकों का भी दबाव बढ़ रहा है। इस वास्ते वे लोग इन्डस्ट्री बढ़ाने में राजी नहीं होते और अगर जो काम इस वक़्त हो रहा है उसको रोक देंगे तो हमारा देश जो आगे बढ़ने वाला है, उसकी तरक्की के रास्ते में रुकावट आयेगी।

अभी यहाँ एक माननीय सदस्य ने कहा कि रिच रिचर होते जा रहे हैं। मेरे पास ६ नवम्बर, १९६३ का हिन्दुस्तान स्टैंडर्ड है, उसमें यह समाचार है :

"Number of the Rich Dwindles.— Contrary to the popular belief that T.J. were becoming richer, their number in India was in fact dwindling fast as can be seen from the wealth-tax statistics published from time to time by the Central Board of Revenue, leading industrial sources in Calcutta said on November 8.

The top class of assessee having net wealth over Rs. 50 lakhs has dropped from 105 in 1960-61 to 91 in 1961-62. An interesting point was also revealed in the said report—the number of assessee in the lower slab has considerably increased. For instance, assessee in the slab 2 to 3 lakhs were 8,416 during the assessment year 1960-61 which has gone up to 9,588 in 1961-62.

Similarly in the slab 3 to 4 lakhs the figure has gone up to 5,116 in 1961-62 in place of 4,614 in 1960-61. The break-down figure of top classes of assessee shows an all round decline. In 75-100 lakhs group the number of assessee has come down

from 24 to 17, while the numerical strength of above 1 crore assessee is reduced to 28 from 82 during the period."

इससे आपको पता लग जायेगा कि रिच कितने रिचर होते जा रहे हैं। हम तो चाहते हैं कि हमारे देश के सब भाई ऊँचे हों, नीचा करने का सवाल आता ही नहीं। हम तो चाहते हैं सब ऊँचे हों। किसी को नीचा करना अच्छे आदमियों का काम नहीं समझा जाता है। दूसरी बात जो एक माननीय सदस्य द्वारा कही गई कि ये बहुत मुनाफा, बहुत प्राफिट, लेते हैं, इसके संबंध में मैं आपको एक समाचार के अंश से सुनाना चाहता हूँ जो आज की तारीख के हिन्दुस्तान, जो कि हिन्दी का है, में छपा है। वह इस प्रकार है :

"सेन्ट्रल कोऑपरेटिव स्टोर ने २५ प्रतिशत मुनाफे पर गुड़ बेचा चौ० ब्रह्मप्रकाश की स्वीकारोचित

नई दिल्ली, ५ दिसम्बर। सेन्टर कोऑपरेटिव स्टोर के चेयरमैन श्री ब्रह्मप्रकाश ने आज यहाँ एक प्रेस कॉन्फ्रेंस में यह स्वीकार किया कि कोऑपरेटिव ने करीब २५ प्रतिशत तक मुनाफा ले कर गुड़ बेचा है।

किन्तु, साथ ही उन्होंने यह भी कहा कि ऐसा किसी बुरी नियत से नहीं किया गया, बल्कि इस दृष्टि से किया गया है कि व्यापारी लोग कोऑपरेटिव का गुड़ खरीद कर अधिक मुनाफा न कमा सकें।

श्री ब्रह्मप्रकाश ने बताया कि कोऑपरेटिव ने दिल्ली प्रशासन द्वारा दिये गये कोटे के अनुसार मुजफ्फर नगर से बढ़िया किस्म का गुड़ मंगाया, जिसे स्टोर के भंडार तक लाने में ६६ रुपये १६ न० पैसा प्रति क्विन्टल लागत पड़ी। उस गुड़ को कोऑपरेटिव स्टोर ने ८० से ८५ रुपये तक प्रति क्विन्टल के भाव पर बेचा। . . ."

मेरे कहने का मतलब है कि मुनाफे का जब मौका आता है तो सब मुनाफा लेंते हैं। उस

[श्री आर० के० भुवालका]

बक्त क्या होता है क्या नहीं होता है यह बहुत सोचने की बात है। कोआपरेटिव वाले भी ऐसा ही करते हैं, प्राइेट वाले भी ऐसा ही करते हैं, व्यक्तिगत लोग भी ऐसा ही करते हैं। इस खयाल से यह सोचना गलत है कि प्राइवेट सेक्टर वाले या इन्डि-विजुल लोग ही बहुत लाभ उठाते हैं। और दूसरे लोग भी लाभ उठाते हैं इसकी एकजामल आपके सामने है। मेरे कहने का ऐसा मतलब नहीं है कि व्यापारी बहुत ज्यादा लाभ ले। बिना लाभ उठाये तो कोई व्यापारी काम नहीं कर सकता लेकिन वह नियमित होना चाहिये। कोई भी आदमी बहुत ज्यादा लाभ उठाये यह उसके लिये शोभा की बात नहीं है। फिर एक बात और है कि हजार आदमियों में अगर दो आदमी काम ठीक से नहीं करते तो ९९८ को दोषी नहीं हराना चाहिये, उनके ऊपर उसका असर नहीं पड़ना चाहिये। दो आदमियों को सजा दीजिये, आपके पास इतनी ज्यादा शक्ति है, इतनी ज्यादा पावर है। आपने जब देखा कि मूँडरा ने अच्छा काम नहीं किया तो उसको पनिसमेन्ट दिया, बालमिया जैन एन्ड कम्पनी वालों को पनिस-मेन्ट दिया। लेकिन एक बात मैं समझता हूँ कि जिन आदमियों के नाम इस हाउस में लिये गये, उनके बारे में आलोचना करना ठीक बात नहीं है क्योंकि वे अपनी बात यहाँ आकर कह नहीं सकते। मैं अपील करूँगा कि यह शोभा की बात नहीं है, इस हाउस की बड़ी इज्जत है और हमें उसकी इज्जत को रखना है। जो आदमी इस हाउस में नहीं है उसको हम अपनी आलोचना का विषय न बनायें क्योंकि वे जवाब नहीं दे सकते। इसलिये उनका नाम लिया जाना मेरी समझ में ठीक नहीं है।

हमने आज के अखबार में पढ़ा है कि अमरीका में जानसन ने जो वहाँ के प्रेजिडेंट हैं लोगों को यह आश्वासन दिया है कि उन्हें ज्यादा से ज्यादा रोजगार दिया जायेगा। आज के अखबार में यह लिखा हुआ है "Jhonson promises more jobs and

supports tax-cut जिस देश में प्रास-पेरिटी बढ़ती है उसका क्या कारण है? इसका कारण यह है कि जिस देश में व्यापार बढ़ता है, जिस देश में इन्डस्ट्री बढ़ती है, जहाँ लोगों को काम मिलता है वहाँ पर चीजें बढ़ती हैं, प्रासपेरिटी बढ़ती है और लोगों की वेल्थ भी बढ़ती है। जब लोगों की वेल्थ ठोक होगी तो वे हर काम करने को तैयार होंगे। अगर हम सब चीजों का नेशनलाइजेशन कर देंगे तो इस तरह से काम एक ही के हाथ आ जायेगा और इसका परिणाम क्या होगा? इसका परिणाम यह होगा कि एक ही आदमी के पास काम चला जायेगा और वह काम नहीं कर सकेगा जिसको वजह से देश की वेल्थ भी नहीं बढ़ेगी। इस वास्ते मेरा अनुभव यह है कि अगर एक फर्म के पाँच पार्टनर हैं, अगर वे अलग हो जाते हैं, तो वे अलग अलग से अपना व्यापार करेंगे और हजारों आदमियों को उनके यहाँ काम मिलेगा। मैं आप से कहना चाहता हूँ कि हमारे यहाँ जो बिरला, टाटा, बालमिया जैन तथा दूसरे लोग हैं, वे भी किसी एक आदमी के बराबर खाना खाते हैं, वे लोग ज्यादा कपड़ा नहीं पहिनते हैं, वे एक कपड़े के ऊपर दूसरा कपड़ा नहीं पहिनते हैं, जितनी जगह पर एक आदमी सोता है उतनी ही जगह पर वे भी सोते हैं। उनमें और दूसरे आदमियों में कोई फर्क नहीं है और न वे किसी तरह से बड़े ही कहे जा सकते हैं। उनके फर्म्स में हजारों लाखों आदमी काम करते हैं और हमारे देश के ही आदमी काम में लगे हुए हैं। हमारी इच्छा भी यही है कि हम अपने देश के आदमियों को काम दें। यह इच्छा हमारी कैसे पूरी होगी? जबतक हम उन्हें काम नहीं देंगे जब तक हम अपना काम नहीं बढ़ायेंगे, तब तक हम उन्हें काम नहीं दे सकते हैं। आज हमारे देश की ऐसी अवस्था है कि बहुत से हमारे भाई बिना काम के बैठे हुए हैं। अगर हम अपने देश की प्रासपेरिटी चाहते हैं, यह चाहते हैं कि हमारा देश हर दिशा में तरक्की करे तो हमें अपने भाइयों को काम-धन्दा देना चाहिये। हमारे बंगाल में करीब

१॥ लाख लड़के सालाना मैट्रिक पास करते हैं मगर सबको रोजगार नहीं मिल पाता है । हमारे स्वर्गीय डा० बी० सी० राय ने इन लोगों को काम दिलाने की भरसक कोशिश की मगर वे इस चीज में कामयाब नहीं हो सके । हमारे कलकत्ता, हावड़ा, चौबीस परगना और मिदनापुर का जो एरिया है उसकी पापुलेशन १९६१ सेन्सस के मुताबिक १,५५,६०,५२६ है । क्या हमारे पास इतने लोगों को काम देने की व्यवस्था है जबकि पापुलेशन बढ़ती ही चली जा रही है ? अगर हम लोगों को काम नहीं देते हैं तो हमारा काम किस तरह से चल सकता है । हमारे सामने कई समस्याएँ हैं और किस तरह से हम उनका सामना कर सकते हैं ? इस वास्ते मेरा हाउस से निवेदन है कि आप लोग इस बात को गौर से देखें और विचार करें कि अगर हम बैंकों का नेशनलाइजेशन कर देंगे तो क्या स्थिति हो जायेगी । नेशनलाइजेशन तो बैंक्स का पहले ही हो चुका है क्योंकि वे लोग बिना रिजर्व बैंक की आज्ञा के कोई भी काम नहीं कर सकते हैं । जितने भी बैंक्स हैं अगर वे कोई काम करना चाहते हैं या करते हैं तो उसकी खबर उन्हें रिजर्व बैंक को देनी होती है । यह बात मानी जा सकती है कि कुछ बैंकों का कारोबार खराब हो मगर जहाँ तक और बैंकों का सम्बन्ध है उनका काम बहुत अच्छा है और उनकी वजह से देश में काफी व्यापार बढ़ा है । इस वास्ते अगर हमें अपने देश में व्यापार बढ़ाना है, प्रासपेरिटी बढ़ानी है तो हमें बैंकों को काम करने की सुविधा देनी होगी । जब हमारे देश में काम बढ़ेगा, लोगों को ज्यादा से ज्यादा रोजगार मिलेगा तो देश की प्रासपेरिटी भी बढ़ेगी । आपने देखा होगा कि यू० पी० में मिर्जापुर एक शहर है जो पहले एक बहुत बड़ा अनाज की मण्डी था, सारे आसपास के एरिया के लोग अपना अनाज वहाँ पर लाते थे और इस तरह से वह एक बड़ा व्यापार का अड्डा था मगर आज वह खंडहर बन गया है । वहाँ पर किसी तरह का कोई व्यापार नहीं है । क्यों हो गया ? क्योंकि वहाँ के लोगों को रोजगार नहीं

मिलता है और वे भूखे मरते हैं । उसी के पास बनारस का शहर है जो तीर्थ स्थान होने की वजह से बहुत बड़ा व्यापार का केन्द्र बन गया है । वहाँ पर हजारों लोग हर साल आते हैं और एक काफी बड़ी मण्डी बन गया है । वहाँ के बाजारों में चलने के लिए रास्ता तक नहीं मिलता है । ऐसी अवस्था में हमको सोचना चाहिए कि हमारे देश का स्तर किस तरह से ऊँचा हो सकता है ।

मैं आपका ज्यादा समय नहीं लेना चाहता हूँ क्योंकि कुछ भाई और बोलने वाले हैं । लेकिन एक बात मैं और कह देना चाहता हूँ और वह यह है कि हमें नेशनलाइजेशन के सवाल को इस दृष्टि से देखना चाहिये कि समय आने पर यह अपने आप हो जायेगा । इस समय हमारे सामने रास्ता इस तरह का है कि पहले हमारे देश की इन्डस्ट्रीज को बढ़ाया जाना चाहिये ताकि हमारी प्रासपेरिटी बढ़े । इसी चीज को दृष्टि में रखकर हमें आगे ध्यान देना चाहिये ।

SHRI M. N. GOVTNDAN NAIR: Mr. Vice-Chairman, I was also one of those who thought that we would only hear the discussion that is taking place here instead of participating in it, but unfortunately some 'of the speeches especially coming from the side of the ruling party were so provocative that I thought that I should speak a few words.

Sir, whenever a motion is moved from this side, there is a stale argument from some of the hon. Members on the other side that these people are moving these things on the basis of an ideology, that they have got dogmatic views, and that in place and out of place they come forward with the idea of nationalisation. But, Sir, this motion should be viewed from the point of view of whether the needs of the hour demand the Government to take the necessary steps to nationalise this industry or not. I believe that there will be no difference

[Shri M. N. Govinda Nair.]

of opinion among any section of the people that today after making an appraisal of the developments during the last decade or more every one has come to the conclusion that in this country concentration of wealth is taking place in a big way and monopolies are growing. It is not only the view of those who hold a leftist view but it is the view of even the most conservative economists and even the ruling party, whether they unanimously accept democracy and socialism or not. From the discussions which we were able to follow at Jaipur we came to this conclusion that everybody was agreed that monopoly has grown enormously in this country. In the context of the growth of our economy I believe every one will agree that this is a dangerous trend which must be curbed.

Sir, I was closely following the arguments put forward by my friends who opposed this motion. I do not want to quote facts and figures because it was abundantly done both by the Mover of the resolution and my friend and comrade, Mr. Bhupesh Gupta. So I do not want to go into those things. But did any of the speakers who opposed this motion contradict the facts which have been so well placed before this House?

SHRI N. SRI RAMA REDDY (Mysore): What is your inference?

SHRI M. N. GOVINDAN NAIR: I am coming to that. If you agree with these facts and if you agree that this growth of concentration of wealth in the hands of a few is a dangerous trend, then you have to face the question whether the nationalisation of banks will be an effective curb on the growth of monopoly capital or not. That is the problem. I believe that none of the arguments put forward by those friends who opposed it contradicted this fact.

Now, Sir, what were the arguments put forward by some of our friends?

Well, I was rather shocked to hear the learned advocate, the hon. Shri Pathak, saying that there might even be constitutional difficulties in the way of nationalisation of banks. We had nationalised the life insurance business, we had nationalised the Imperial Bank, and the Constitution did not stand in the way. And such, I do not understand why the Constitution should stand in the way in the matter of nationalisation of the banks. And if the House feels that this is a step which is urgently needed in the interests of the country—we are discussing about so many amendments to the Constitution—why cannot we move another amendment to the Constitution to get out of the difficulty? So, in the first place, I do not agree that there is any constitutional difficulty.

SHRI SHEEL BHADRA YAJEE: There is no constitutional difficulty.

SHRI M. N. GOVINDAN NAIR: Secondly, even if there is any constitutional difficulty, if the needs of the situation are to be met, we have to amend it, we should not hesitate to do it.

Then, another argument has been rather effectively put forward by some hon. Members, especially by my hon. friend, Shri Pande, and I have to say a few words.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI TARKESHWARI SINHA): Is he the cause of the radiant smile, Mr. Pande?

SHRI C. D. PANDE: Anything you say is complimentary.

SHRI M. N. GOVINDAN NAIR: Now, he utilises this opportunity to give vent to his feelings against the entire public sector. That is what it has come to. I do not deny that there is inefficiency in the management of many of these public sector undertakings. I also agree that the standard of management must improve it»

a big way. All that I agree, but the way in which he was dealing with the public sector, to hear it from the Deputy Leader of a party which has already accepted the socialist pattern of society as its perspective . . .

SHRI LOKANATH MISRA: But lie wants to stop the infiltration of the Communists into the Congress.

SHRI M. N. GOVINDAN NAIR: I am coming to that.

SHRI CHANDRA SHEKHAR: And also moving towards Shri Misra.

SHRI M. N. GOVINDAN NAIR: They are very heatedly discussing that the socialist pattern of society should be their perspective, that is their way of thinking. And this attack on the entire public sector coming from one of the leaders of the Congress Party has given me the clue that those people who have no faith in the public sector, those people who speak about socialism, those who speak about the common man, in their heart of hearts are 100 per cent, with the private sector. *(Interruptions.)*

SHRI SHEEL BHADRA YAJEE: No, no.

SHRI M. N. GOVINDAN NAIR: And when such people handle the problems of nationalisation, naturally it will lead to failures. It is not only one Shri Pande, it is not only one Shri Anwar. Not only among Members of Parliament but look at these bureaucrats who are put in charge of the public sector undertakings.

SHRI C. D. PANDE: Do you want to give more work to those bureaucrats whom you dislike?

SHRI M. N. GOVINDAN NAIR: I will come to that. If you choose people who have n'o faith in the public sector, if you recruit members from your Government Secretariat to run these industries, those who have

only dealt with people and not with anything else, if such people are put in charge of these things, then failures will happen. But that is n'o reason why certain private concerns should not be taken under the public sector. You have to find ways and means by which these public sector undertakings are properly run.

Now, in his over-enthusiasm for the attack on the public sector, he came out against the State Trading Corporation, blaming them that they did not make enough profits. It is true that they did not make enough profits. It may also be true that it is not properly run. But at the same time, there is another factor also. When the jute prices were going down and hundreds and thousands of jute producers were in difficulties, the State Trading Corporation came to their rescue and bought it at a higher price—So, the State Trading Corporation, since it is in the public sector, has sometimes to intervene s'o that certain sectors of our economy may not collapse. And in such a case, they may not make any profit, instead they may have to suffer a loss. So, the criterion 'of a public concern should not be on the basis of only one question— how much profit it makes. And he says that he wants a guarantee. I can give him more than Rs. 30 crores by one single item. Now, many times in this House the question of under-invoicing and overinvoicing was discussed and you know the huge amount involved. Recently, some industrial association which makes a study of the subject has come to the conclusion that the yearly loss due to underinvoicing and 'overinvoicing la Rs. 100 crores from 1947. If the banks were under your control, you could guarantee this at least.

I think my friend, Shri Kureel, spoke about one particular bank. In the recent underinvoicing case in which an amount of Rs. 1J crores was involved, the Grindlays Bank was involved. Were not some banks involved in the Mundhra affair? So, it is

[Shri M. N. Govinda Nair.]

not only a question of how much m'oney you make by way of interest or profit by the direct banking business. One of the biggest savings of our nation, if all these banks are nationalised, will be that much of the loss to the nation due to this under-invoicing and overinvoicing can be overcome.

SHRI LOKANATH MISRA: In the Mundhra affair, the LIC was also involved. Why accuse the private sector banks alone?

SHRI M. N. GOVINDAN NAIR: I can understand your feeling. I know. *(Interruptions.)* When we are dealing with banks and with nationalisation of banks, I do not want to go into other extraneous matters.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Your time is up. One minute more.

SHRI M. N. GOVINDAN NAIR: You will kindly give me the time taken by hon. friends. These foreign banks, more than Rs. 230 crores is the deposit that they received. And what is their investment here? Nothing. And a lot of under-invoicing and over-invoicing is carried on through these banks. So if all these foreign banks are nationalised, for which there is no justification to continue, I do not understand why the apprehensions of my friend, Mr. Pande, cannot be set aside because it is not only Rs. 20 crores or Rs. 30 crores, you will save an amount which is much more than that.

Then my friend, Mr. Anwar, he was very eloquent about the increase in the number of depositors, etc. He wanted to give credit to the bankers for their ability and all that. I do not agree with that proposition. I know of a bank which had a large number of depositors. If people rush to these banks, it only shows that they are in need of banking facilities. Even when secure banking facilities

are not there, they will naturally go where they can get some facility. The Palai Central Bank was one of those banks which had a huge number of depositors. And just before its liquidation, if vote was taken, I am sure a vast majority of shareholders would not have voted for it. Some of the directors who were immediately promoted to directorship, even they did not know in what condition this bank was. So the criterion which my friend, Mr. Anwar, wanted to use and another hon. Member, I think it was Mr. Pande, also wanted that criterion to be used, that is a wrong criterion. The fact of the matter is that in a given condition there is need for expanded banking facilities for the nation and that should be provided. That can be done by the State taking the responsibility. If you want to curb the growth of the monopoly interest in this country, if you are against the concentration of capital, this nationalisation of banks has become an immediate and important matter. By doing this you will not become a socialist State or a Communist State because countries like the U.A.R., Burma, Indonesia, all these countries have nationalised their banks. And for that reason the private enterprise there does not suffer. So all this fear that private enterprise will suffer is wrong. The only thing is that they will not be able to take undue advantage of the situation. *(Time Bell rings.)* I maintain that even with the help of public banks the private enterprise can also prosper. So if you want a planned economy in this country, you have to take to nationalisation of banks.

SHRI N. SRI RAMA REDDY: Mr. Vice-Chairman, Sir, I have heard the speech made by my hon. friend, Mr. Govindan Nair, carefully and also the speeches made by some of the friends who wanted nationalisation of banks to take place almost immediately. Sir, after hearing them I have broadly analysed the position. Their viewpoint is: It is the need of the hour

that private banks should be nationalised immediately. The second point is that the dangerous trend, the increase of monopoly capital should be arrested immediately. These are the two points on which the hon. Members who spoke for nationalisation based their arguments.

Sir, the hon. Members, in support of their contention, quoted certain figures. Of course, the figures are all right; nobody can question them. Only their inferences were wrong according to me. Anyway, if I could show that *the* need of the hour is not to nationalise, if I could also show that the dangerous monopolistic tendency of increase of this monopoly capital is not taking place, and if I could also show from the figures that the inference that they have drawn is wrong, I think I will have done my business.

Now, Sir, first of all, I would like to bring to the notice of this honourable House the opinion of our illustrious Finance Minister who, I think, during the last Session when the same Resolution came up for discussion had said . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN) : Which one, the present one or the previous one?

SHRI N. SRI RAMA REDDY: Not the present one. Well, I am not able to say exactly which one. But I have got the quotation here on the same subject: —

"Recently replying to the debate on a Congress member's resolution calling for the nationalisation of commercial banks, Finance Minister Krishnamachari asserted that 'there was no need for nationalising the banking industry since the direct or immediate gain to the Government in the form of additional income after the payment of compensation, could not be very great.'"

This is a very authoritative and very recently made statement from a very able and merited Finance Minister, Mr. Krishnamachari. This must speak for itself whether he felt that the need has come for nationalisation or not. Of course, nationalisation may take its own course which nobody can predict at the present moment. In any case, the need of the hour is that nationalisation should not be taken recourse to.

Also in the course of a discussion on the Third Five Year Plan the honourable Mr. Nanda, who was then the Minister of Planning, has passed these remarks. I would like to read them for the benefit of this House. He says :

"About the nationalisation of the banking industry, it was not simply the physical control or ownership that was required. In view of the predominant importance of financial control, it was necessary to see how the credit institutions functioned. From that angle the importance that was attached to banking was there. It could not be ignored. But it was not the question of Government 'owning the banks _____' "

This is a very pertinent sentence—"it was not the question of Government owning the banks." He has definitely said "no" to this nationalisation business.

He goes on to say: —

"The point was whether it was possible to control the banking system effectively. There was the State Bank with a large number of branches. So even in the banking sector the public sector had a considerable place. Then the powers of the Reserve Bank were there. But it was not that nothing more was to be done. It might have to be considered. More had to be done

[Shri N. Sri Rama Reddy.]

in order that the community had full control of the financing institutions in the sense that it could direct the productive resources properly and could avoid any abuses, misuse or exploitation that were occurring."

That is all that he refers to. So it is not in the mind of the planners that nationalisation is a great desideratum at the present moment.

SHRI M. N. GOVINDAN NAIR: When he speaks about planners . . .

TOT VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Let him go on.

SHRI M. N. GOVINDAN NAIR: The Chairman of the Economic Panel . . .

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): Are you yielding, Mr. Sri Rama Reddy*

SHRI N. SRI RAMA REDDY: Yes, I am yielding.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): If you yield, then please sit down.

SHRI N. SRI RAMA REDDY: No. I am not yielding.

THE VICE-CHAIRMAN (SHRI AKBAR ALI KHAN): He is not yielding.

SHRI N. SRI RAMA REDDY: Sir . . .

SHRI M. N. GOVINDAN NAIR: What is the opinion of Prof. Gadgil who was the Chairman of the Economic Panel set up by the Planning Commission?

SHRI N. SRI RAMA REDDY: I am quoting the people in authority and the people who matter very much so far as the Government is concerned.

SHRI CHANDRA SHEKHAR: If you take the society into consideration, Mr. Birla and Mr. Tata are concerned . . .

SHRI N. SRI RAMA REDDY: The problem has to be considered very dispassionately, nonetheless scientifically. Emotion does not matter. If ideologies are taken into consideration, ever so many things have to be done. Probably tomorrow if the entire country is handed over to Mr. Govindan Nair or Mr. Bhupesh Gupta, they will be too happy but just it cannot be done. There is such a thing as the country or the people, there is such a thing as democracy in our country.

SHRI SHEEL BHADRA YAJEE: Why should it be given to Mr. Gupta?

SHRI N. SRI RAMA REDDY: I have given a patient hearing to Members and I expect them to give a patient hearing. Of course if my arguments are wrong, if I have not got the same capacity as the other side, you cannot blame me but I would like to put forth my views in the matter. What is the essential function of a bank? It has to mobilise the national resources for the purpose of industry, commerce, trade, etc., so that the economic growth of the country may be helped, may be accelerated. That is the function of the banks. Apart from this, the banking system has no other thing to perform in this country. Let us examine the private banking system in this country from the viewpoint of economic activity they have undertaken in the country, from the viewpoint of social significance, political justification and psychological urges and what controls have been effectively put by the authorities, by the Government, on the functioning of these private banks. Let us examine under these heads. Let us see whether each one of them is justified on its merits or not justified. If they are not justified, I am

prepared to say, let us go ahead. Now the number of banks—Scheduled Banks—in this country is 67 Indian, out of which the public sector banks are 9 and private sector banks are 58. There are 14 foreign banks functioning. In all there are 4,644 offices out of which the public sector offices are 1,522 or 32·7 per cent, whereas the private sector has 3,122 offices or 67·8 per cent.

Let us see the deposit position. The crux of the problem is how far they have been able to mobilise the country's resources by way of deposits, by way of savings banks, or by way of current accounts, etc. These are the various ways in which the banks attract the country's resources. Now by the end of 1962 the total deposits in banks were Rs. 2,038·9 crores out of which the public sector held Rs. 710 crores, that is 34·8 per cent. The private sector banks held the remaining Rs. 1,328·9 crores which worked out to 67·2 per cent, of the entire deposits. The point may be raised that the deposits are not quite safe. The instances of the Palai Bank and the Luxmi Bank were quoted here. Certainly there will be failures. Human nature being what it is, failures will certainly be there but because there has been a solitary failure, we cannot condemn the entire system. They have grown entirely from out of the soil, with roots in the soil, *some* of them have grown but if on account of extraneous circumstances or bad management, anything has gone wrong, that should not give us cause to condemn outright the entire system. After all we swear by democratic socialism. If the people's institutions are killed, what else will remain 'of democracy'? Certainly it is our duty to guide them properly—that is what Mr. Gulzarilal Nanda was saying. Of these private banks, there are five called the big banks—the Punjab National Bank, the Central Bank of India, the Bank of India, the Bank of Baroda and the United Commercial Bank. These, between themselves, hold Rs. 780 crores of depo-

sits, about 38·3 per cent. Eight medium banks hold Rs. 380 crores or 18·9 per cent. Thus the deposits of public sector and of these banks put together come to 92 per cent, of the entire deposits and these are held by very safe banks or what has been going on in history and in the country as safe banks. The deposits of the people are never jeopardised and are never risky. There is no doubt whatsoever in the mind of anyone of us, in the mind of the Government or of the public. They have complete confidence in the public sector banks as well as in these five banks and they hold among themselves 92 per cent, of the deposits. So the question of security of the deposit is there. There is absolutely no doubt about it. This 92 per cent, of the deposit is quite safe. Let us compare how, with regard to the rising deposits, the public sector banks have been faring as against the private banks. It is very important. The rate of increase of deposits was this. In 1962 the deposits in the five big banks rose by 15 per cent., in the medium banks by 18 per cent, and in the public sector banks by 7 per cent. What I mean is, if the public sector banks have been able to increase their deposits only by 7 per cent, as against 13 per cent, increase of deposits in these five big banks, what does it show? If the people have got faith in a particular direction, who are we to interfere with them? Let them grow that way but certainly I am one with them and I would go to any extent, the whole hog with the Members who supported the Resolution in saying that proper controls, proper supervision, proper guidance, proper direction must be given by a Central Bank like the Reserve Bank of India. That is exactly the purpose for which the Reserve Bank has been made a public sector bank. It is now completely a public sector bank. Any number of circulars are pouring forth everyday from the Reserve Bank of India. In order to see that the functions of the private sector banks go on properly and well. If there was any failure here and there, if as my friend says,

[Shri N. Sri Rama Reddy.] there was over-invoicing or under-invoicing and there were losses, it only shows the ineffective way the Reserve Bank has functioned. The fault lies somewhere else. We must particularly point out that it is the failure of the Reserve Bank of India that has been responsible for whatever lapses that we have been able to /notice in the banking system of the

country. Shall I continue on the next day?

THE VICE-CHAIRMAN (SHRI AKBAB ALI KHAN): The House stands adjourned till 11 A.M. on Monday.

The House then adjourned at five of the clock till eleven of the clock on Monday, 18th December 1963.