

[Shri Ram Subhag Singh]

arrival of the medical relief train, the remaining 22 injured persons were treated by railway doctors and thereafter sent to Cuttack Medical College Hospital.

9. The Minister of State for Railways alongwith Member, Engineering, Railway Board visited the site of the accident and the injured in the hospitals.

10. The Additional Commissioner of Railway Safety, who proceeded to the site of the accident with General Manager and Heads of the Departments of the South Eastern Railway on 15.7.1969 is holding an inquiry into this accident.

11. Ex-gratia payments to the next of kin of the dead and to those injured have been made in some cases and are being arranged in other cases.

12. Claims for compensation for death and injuries in both these accident will be enquired into and determined by *Ad-hoc* Claims Commissioners who will be appointed shortly in consultation with the State Governments concerned.

SHRI SHEO NARAIN (Basti): If you call some Members from that side, you must call some from this side also.

MR. DEPUTY-SPEAKER: The question was a limited one. Most of the Members from this side had submitted some adjournment motions and they were disallowed. They wanted to make a plea for reconsideration and I gave them a hearing.

AN HON. MEMBER: What is your ruling now?

MR. DEPUTY-SPEAKER: They have been kept pending. We shall have a discussion and then decide the form in which it should be brought before the House.

SHRI CHENGALRAYA NAIDU: But you have to hear the point of order first before giving your ruling.

SHRI RANDHIR SINGH (Rohtak): You directed that the Minister should make a statement and within two minutes you change your ruling. He made his statement.

Mr. Madhu Limaye made certain remarks that it could be circulated.

MR. DEPUTY-SPEAKER: Regarding the adjournment motion, we had disallowed it. Then I called the hon. Minister to make a statement. There was again a plea for reconsideration of my ruling.

SHRI RANDHIR SINGH: Your ruling cannot be challenged.

MR. DEPUTY-SPEAKER: It is in the fitness of things that we should see in what form it should be brought before the House. We shall discuss it. I shall call Mr. Naidu also at that time.

SHRI J. M. BISWAS: I have not received a reply from the Prime Minister. Is she considering my suggestion?

12.44 Hrs.

STATEMENT RE. NATIONALISATION OF BANKS

श्री अटल बिहारी वाजपेयी (बलरामपुर):
उपाध्यक्ष महोदय, कार्य-सूची के अनुसार अब प्रधान मंत्री जी को बैंकों के राष्ट्रीयकरण के सम्बन्ध में एक वक्तव्य देना है। इससे पहले संसद-कार्य मंत्री ने सभा-पटल पर बैंकों के राष्ट्रीयकरण सम्बन्धी अध्यादेश की एक प्रति रखी है। मैं प्रातःकाल आपसे मिला था और मैंने निवेदन किया था कि जिस ढंग से यह अध्यादेश जारी किया गया है, उस के बारे में सदन को विचार करने का मौका मिलना चाहिए।

श्री जी० मो० बिस्वास (बांकुरा): बहुत ठीक किया है।

श्री अटल बिहारी वाजपेयी: मैं अध्यादेश के गुण और दोषों पर नहीं जा रहा हूँ। प्रश्न यह नहीं है कि बैंकों का राष्ट्रीयकरण ठीक है या गलत। इसके बारे में अलग-अलग रायें हो सकती हैं और जब वह अध्यादेश सदन के सामने पुष्टि के लिए रखा जायेगा, तब उस विषय पर माननीय सदस्यों को अपनी-अपनी बात कहने का

मौका मिलेगा। इस समय केवल औचित्य का प्रश्न है। संसद की बैठक 21 तारीख को बैठने जा रही है, यह घोषित कर दिया गया था। राष्ट्रपति महोदय संसद को बुला चुके थे। संसद की कार्यवाही की सूची प्रकाशित हो चुकी थी। लेकिन संसद की बैठक शुरू होने से चालीस घंटे पहले प्रधान मंत्री के परामर्श पर कार्यवाहक राष्ट्रपति ने एक अध्यादेश जारी कर दिया।

SEVERAL HON. MEMBERS: Shame, shame.

SHRI RANDHIR SINGH (Rohtak): That was a revolutionary step, Sir..... (Interruption)

MR. DEPUTY-SPEAKER: May I request hon. Members to be calm? He is only raising an issue of propriety. Beyond that, he is not supposed to go into the merits of it. It is only the question of propriety with regard to the promulgation an ordinance.

श्री अटल बिहारी वाजपेयी: उपाध्यक्ष महोदय, संविधान के अनुसार अगर संसद की बैठक न हो रही हो, (व्यवधान)

SHRI BAL RAJ MADHOK (South Delhi): Sir, I want to make one thing clear. If they do not allow him to speak, we will not allow the Prime Minister to speak. Let it be made very clear to them.

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar): Sir, I want to raise a point of order. (Interruption)

MR. DEPUTY-SPEAKER: Under the Rules of Procedure and Conduct of Business, and under the Constitution, he is within his rights to question the propriety of the promulgation of an ordinance. That is all.

SHRI CHINTAMANI PANIGRAHI: What is the rule?

MR. DEPUTY-SPEAKER: He is pointing out the rule.

श्री अटल बिहारी वाजपेयी: उपाध्यक्ष महोदय, हमारा संविधान इस बात का अधिकार

देता है कि अगर संसद की बैठक न हो रही हो,...

एक माननीय सदस्य: हम जानते हैं। (व्यवधान)

श्री अटल बिहारी वाजपेयी: अभी इनको बहुत कुछ जानना बाकी है। (व्यवधान) उपाध्यक्ष महोदय, इस वातावरण में कोई भी शान्त चर्चा नहीं चल सकती है और अगर काँग्रेस के सदस्य इस सदन में हंगामा करने पर तुले हैं, तो उन को मुँह-तोड़ जवाब दिया जायेगा। (व्यवधान) उपाध्यक्ष महोदय, आप इन्हें रोकिए। (व्यवधान)

श्री हुकम चन्द कछवाय (उज्जैन): बैठ जाओ। (व्यवधान)

MR. DEPUTY-SPEAKER: May I request hon. Members to resume their seats? As I said, the hon. Member is perfectly within his rights to raise the question of propriety. Beyond that, he cannot go. Please resume your seats.

श्री अटल बिहारी वाजपेयी: उपाध्यक्ष महोदय, मेरा निवेदन है कि यह प्रश्न पार्टी का नहीं है। इस प्रश्न का सम्बन्ध सारे सदन की गरिमा और महिमा से है। इस प्रश्न का सम्बन्ध संसदीय लोकतंत्र की प्रक्रियाओं से है। यह पहला ही मौका नहीं है, जब अध्यादेश जारी करने के सरकार के अधिकार पर संसद् में चर्चा हुई है। आप जानते हैं कि पहली लोक-सभा के अध्यक्ष, श्री मावलकर, जिन के प्रति सदन के सभी सदस्यों के हृदय में सम्मान का स्थान होगा, और हमारे पहले प्रधान मंत्री, श्री जवाहरलाल नेहरू, के बीच में अध्यादेश जारी करने के सरकार के अधिकार के बारे में पत्र-व्यवहार हुआ था। मैं उस पत्र-व्यवहार का एक अंश सदन के सामने उद्धृत करना चाहता हूँ। श्री कौल और श्री शकधर की लिखी हुई पुस्तक में उस पत्र-व्यवहार का कुछ अंश दिया गया है। मैं उस को उद्धृत कर रहा हूँ:

[श्री अटल बिहारी वाजपेयी]

Speaker Mavalankar, in his letter of July 17, 1954, to the Prime Minister, stated:

"The issue of an ordinance is undemocratic and cannot be justified except in cases of extreme urgency or emergency."

उपाध्यक्ष महोदय, श्री मावलंकर ने आगे कहा :

"He expressed that Lok Sabha carry a responsibility of laying down the tradition. It is not a question of present personnel in the Government but a question of precedent and if this ordinance-issuing is not limited by convention only to extreme and very urgent cases the result may be that in future the Government may go on issuing ordinances giving Lok Sabha no option but to rubberstamp the ordinances."

इस का उत्तर जो पंडित जी ने दिया उस का एक अंश भी सदन के सामने रखना चाहता हूँ। पंडित जी ने 19 जुलाई को उत्तर देते हुए कहा :

"We have issued in the past a very limited number of ordinances and we have always placed before Parliament the reasons for having issued each one of them."

और शायद प्रधान मंत्री, भी यही करने जा रही हैं। लेकिन पंडित जी ने आगे क्या कहा उस की तरफ भी ध्यान देना होगा :

"I am myself unable to see why this should be considered undemocratic. Of course, this power like any other power may be abused and Parliament will be the ultimate judge as to whether the use of this power has been right or wrong."

इसलिए मैं इसे सदन के सामने रख रहा हूँ। ... (व्यवधान) उपाध्यक्ष महोदय, मुझे पूरी बात कहने दीजिये। यह बात स्पष्ट है संकट काल में जब सदन की बैठक न चल रही हो अध्यादेश जारी किया जा सकता है लेकिन यह

कहीं भी नहीं कहा गया और आज तक ऐसा कभी नहीं हुआ कि संसद की बैठक बुला ली गई हो, 40 घंटे के भीतर संसद की कार्यवाही जारी होने वाली हो और अध्यादेश जारी कर दिया गया हो।

अब मैं पूछना चाहता हूँ कि बैंकों के राष्ट्रीयकरण के बारे में एमजेंसी क्या थी? क्या बैंकिंग उद्योग संकट में था? या देश की अर्थ-व्यवस्था संकट में थी? कौन सा संकट था? अगर संकट था तो कांग्रेस पार्टी का संकट था। अगर संकट था तो प्रधान मंत्री का संकट था...

MR. DEPUTY-SPEAKER: The hon. Member is going beyond the scope of the discussion. He cannot question the propriety of a decision; I have permitted him only to question the propriety of the promulgation.

SHRI ATAL BIHARI VAJPAYEE: I am challenging the timing of the decision.

डिसेशन अलग है। इस बाद-विवाद में यह कहा गया है, स्पीकर मावलंकर ने भी यह माना है और आप स्वीकार करेंगे कि अगर कोई संकट है तो अध्यादेश जारी किया जा सकता है। प्रधान मंत्री को स्पष्ट करना होगा कि कौन सा संकट था? जहाँ तक हम समझते हैं, हमारी दृष्टि में एक राजनैतिक संकट था, पार्टी का संकट था।

उपाध्यक्ष महोदय, मैं अपनी बात समाप्त करना चाहता हूँ और मुझे यह कहना है कि अब इस सदन के अधिकारों का संरक्षण आप को करना है। इस सदन की मर्यादा अब आप के हाथ में है। संसद की बैठक के 40 घंटे पहले यह अध्यादेश जारी करना क्या यह उचित है? क्या यह लोकतांत्रिक है? क्या यह संसद की परम्परा के अनुकूल है? इस विषय पर संसद को चर्चा करने का आप मौका दीजिए।

MR DEPUTY-SPEAKER: I permitted him to raise only a question of propriety.

But propriety does not relate to the wisdom or otherwise of a decision; no, not at all. I have seen all the correspondence. There also it is made very clear that in certain circumstances, where there is urgency or emergency, an exception can be made. So, only the question of propriety can be raised..... (interruptions) Do you want a debate on this ?

SHRI ATAL BIHARI VAJPAYEE: In less than 48 hours Parliament was to meet.

MR. DEPUTY-SPEAKER: The question is whether there was urgency or not.

SHRI N. DANDEKER (Jamnagar): May I speak on the same point ?

MR. DEPUTY-SPEAKER: What I would suggest is this. Let the Prime Minister make the statement.....(interruptions) Does he want to speak on the same point ?

SHRI N. DANDEKER: There are two aspects of this matter, one of which has been greatly expounded by the hon. Member who preceded them.

SHRI J. M. BISWAS : Sir, under what rule have you permitted him to speak ? (interruptions).

MR. DEPUTY-SPEAKER : I have gone through the correspondence carefully. The power to promulgate an Ordinance is there under the Constitution. But under the practice that we have followed they are issued in the inter-session period and not on the eve of the session. But, as I pointed out, Shri Vajpayee wrote to me in the matter..... (interruptions). I am not giving any ruling. At the same time, I will not allow any hon. Member to speak on the merits of the Ordinance.

श्री मधु लिमये (मुंबेर): मेरा व्यवस्था का प्रश्न है कि आप किस प्रक्रिया को अपना रहे हैं ? यह ठीक है 377 के तहत उन्होंने एक बयान दिया । यह मैं समझ रहा हूँ लेकिन अगर आप और किसी को मौका देंगे तो आप को एक एक व्यक्ति को मौका यहां पर देना होगा ।..... (व्यवधान)साधारण तौर पर यही होता

है, इन्होंने पहले लिख कर नोटिस दिया तो इन्होंने अपनी बात यहां रख दी । अब अगर आप और किसी को मौका देना चाहते हैं तो मैं उस के कभी खिलाफ नहीं रहा । दंडेकर जी जरूर बोलें, इन को आप मौका दें लेकिन दंडेकर जी को सुनते हैं तो हमको भी सुनना चाहिये ।

MR. DEPUTY-SPEAKER: I am not giving any ruling on the point raised.

SHRI ABDUL GHANI DAR (Gurgaon): Sir, on a point of order.

MR. DEPUTY-SPEAKER: I am already on one. After it is over, I will hear the other one. Please resume your seat.

SHRI SURENDRANATH DWIVEDY (Kendrapara): Am I to understand that the Prime Minister cannot make a statement unless a full discussion on the point of order raised by Shri Vajpayee takes place.

MR. DEPUTY-SPEAKER: No. that is not so.

SHRI ABDUL GHANI DAR: Sir, I am rising on a point of order.

MR. DEPUTY-SPEAKER: I am already on a point of order. Until I dispose of it he cannot raise another one. Let him resume his seat.

SHRI ABDUL GHANI DAR: My point of order is on the point of order raised by Shri Vajpayee.

MR. DEPUTY-SPEAKER: A point of order is not permissible on another one. Please resume your seat.

SHRI ABDUL GHANI DAR: I want to raise a point of order on the point of order of Shri Vajpayee.

MR. DEPUTY-SPEAKER : I will not allow it. Let him resume his seat.

SHRI ABDUL GHANI DAR : Sir, I want to raise it.

MR. DEPUTY-SPEAKER: I have requested him several times to resume his seat. But he is not heeding to my advice. So, nothing will go on record.

13.00 hrs.

SHRI ABDUL GHANI DAR: **

MR. DEPUTY-SPEAKER: When Shri Vajpayee approached me about raising the limited issue of propriety of issuing an Ordinance just on the eve of the session, I told him that I have seen the correspondence that took place and there is an exception. I also pointed out that certain urgency is there. But I said, I will allow him to raise it. The only proper course, if you are not satisfied, is that she may reply to the question of propriety.

SHRI N. DANDEKER: The issue of the Ordinance was wrong.

MR. DEPUTY-SPEAKER: I have already made it clear that nobody can question the issue of the Ordinance. The only limited question is that of propriety. At this stage judgment regarding the Ordinance is out of order. On this I have overruled Shri Vajpayee and I overrule you also. I will not permit that question to be raised. Now let the Prime Minister reply.

THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF PLANNING AND MINISTER OF FINANCE (SHRIMATI INDIRA GANDHI)
rose—

SHRI SURENDRANATH DWIVEDY: It is 10 o'clock. Let us adjourn for lunch.

MR. DEPUTY-SPEAKER: We adjourn now to meet again at 2 o'clock.

13.03 hrs.

The Lok Sabha Adjourned for Lunch Till Fourteen of the Clock

The Lok Sabha re-assembled after Lunch at two minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER in the Chair]

STATEMENT RE-NATIONALISATION OF BANKS (Contd.)

MR. DEPUTY-SPEAKER: The Prime Minister to reply.

SHRI PILOO MODY (Godhra): You had called Mr. Dandeker.

SHRI KANWAR LAL GUPTA (Delhi Sadar): The Supreme Court has admitted the writ petition.

SHRI N. DANDEKER: Am I not permitted to make a submission?

MR. DEPUTY-SPEAKER: Not on this occasion.

SHRI PILOO MODY: Only members who make noise are heard.

SHRI N. DANDEKER: The matter is *sub-judice*.

MR. DEPUTY-SPEAKER: I have called the Prime Minister.

SHRI N. DANDEKER: It is in the Supreme Court. The Prime Minister cannot make a statement.

MR. DEPUTY-SPEAKER: I am not concerned with the Supreme Court now. Here we have the limited point of propriety. (Interruptions)

SHRI RANGA (Sriakulam): On the question of propriety, what have you done?

SHRI KANWAR LAL GUPTA: It is the concern of the Court to say something about this. She cannot make a statement.

SHRI PILOO MODY: The matter is *sub-judice*. (Interruptions)

MR. DEPUTY-SPEAKER: You have the other remedies. You can move a motion of disapproval. But on this occasion I do not want to widen the scope of the point that was raised.

** Not recorded.

SHRI RANGA : We are sure that that must be your information also that the writ has been accepted. Somebody on behalf of the Government is going to make a statement there. On behalf of the opposition also—who are opposed to this Ordinance—some statement would be made there. Thereafter the Court would be coming to its own decision. (*Interruption*) In the meanwhile, constituted as you are in the Chair, you have to look at it from the Constitutional and legal point of view. While the Supreme Court is seized of the matter and it is being discussed there, would it be proper for you first of all, on the question of propriety also, and later on for the Prime Minister also to make a statement? Would that not unnecessarily bring us into a conflict with them? While the Supreme Court is seized of the matter, would it be right, would it be proper, for us to discuss it in the House?

SHRI KANWAR LAL GUPTA : Sir, I want to raise a point of order.

MR. DEPUTY-SPEAKER : Prof. Ranga has raised a relevant point, namely, about *sub-judice*. The question of *sub-judice* does not arise at this stage. We have gone through it very thoroughly. A Committee was appointed and we have discussed this matter and we have made the rules also. Therefore, at this stage, you cannot shut out the statement by the Prime Minister now. I am calling her now... (*Interruptions*).

SHRI KANWAR LAL GUPTA : I am raising a point of order.

MR. DEPUTY-SPEAKER : Not at this stage.

SHRI KANWAR LAL GUPTA : How can you stop me from raising a point of order? मुझे प्वाइन्ट आफ आर्डर उठाने दीजिए ।

MR. DEPUTY SPEAKER : The Prime Minister is about to make a statement..... (*Interruptions*). I have already given my ruling on *sub-judice*.

SHRI N. DANDEKER : I would like to speak on the question of propriety.

MR. DEPUTY-SPEAKER : I will permit the Hon. Member who writes to me to raise

this point. I cannot widen the scope of debate on this issue.

श्री कंबर लाल गुप्त : मेरा प्वाइन्ट आफ आर्डर यह है कि जब आर्डिनेन्स इश्यु हो गया...
... (व्यवधान)

SHRI JYOTIRMOY BASU (Diamond Harbour) : Are you allowing me to speak after he has finished ?..... (*Interruptions*).

SHRI BHOGENDRA JHA: (Jainagar): This is not the bankers' lobby. There should be some procedure which we all should follow.

MR. DEPUTY-SPEAKER : How can you shut out a member if he wants to raise a point of order?

श्री रवि राय (पुरी) : पहले आप इनका प्वाइन्ट आफ आर्डर सुन लीजिए ।
(व्यवधान)

श्री कंबर लाल गुप्त : मेरा प्वाइन्ट आफ आर्डर यह है कि... (व्यवधान) ..

SHRI JYOTIRMOY BASU : Are you going to allow us to say what we want to say after he has finished?

MR. DEPUTY-SPEAKER : I am not permitting a debate on his point of order. But I cannot shut him out when he says: "I have a specific point of order". To that extent, I will listen to him.

श्री कंबर लाल गुप्त : मेरा प्वाइन्ट आफ आर्डर यह है कि जब आर्डिनेन्स इश्यु हो गया तो उस आर्डिनेन्स को रेगुलेराइज करने के लिए प्राइम मिनिस्टर को इस सदन के सामने आना होगा और उस समय उन्हें स्टेटमेंट देना होगा । दूसरी बात यह है कि पहले ही आल इंडिया रेडियो पर इनका स्टेटमेंट हो चुका है और अब दोबारा स्टेटमेंट देने का मतलब होगा रेपिटिशन और वेस्ट आफ टाइम ।

तीसरी चीज यह है कि जो मामला सब-जुडिस होता है उसको हम यहां पर डिस्कस नहीं कर सकते हैं ।

MR. DEPUTY-SPEAKER : There is no point of order. I will call the Prime Minister now (*Interruptions*).

SHRI PILOO MODY : Only members who raise their voice are being heard here... (*Interruptions*). Every time I rise to speak, Hon. Members are thumping their desks.....

MR. DEPUTY-SPEAKER : Because of your popularity, they are applauding you, The Prime Minister.

THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF PLANNING AND MINISTER OF FINANCE (SHRIMATI INDIRA GANDHI): Mr. Deputy Speaker Sir, an Ordinance was promulgated the day-before-yesterday, nationalising fourteen of the major commercial banks incorporated in India. With your permission, I should like to share with the House the considerations which weighed with Government in taking this momentous decision and the spirit in which they propose to implement it.

Nearly fifteen years ago, Parliament approved that we should set before ourselves the goal of a socialist pattern of society. Since then, Government have taken several measures towards the achievement of this goal. Public ownership and the control of the commanding heights of national economy and of its strategic sectors, are essential and important aspects of the new social order which we are trying to build in the country. We regard this as particularly necessary in a poor country which seeks to achieve speedy economic progress, consistent with social justice, in a democratic political system—one which is free from the domination of a few, and in which opportunities are open to all.

Financial institutions are among the most important levers that any society has at its command, for the achievement of its social and economic objectives. It is in recognition of this fact that we nationalised life insurance business and the then Imperial Bank of India over a decade ago. Since then, we have also set up in the public sector, other institutions for the provision of medium or long-term finance to industry and agriculture. The nationalisation of major banks is a significant step in this

process of public control over the principal institutions for the mobilisation of people's savings and canalising them towards productive purposes.

After the serious difficulties which we have had to encounter in recent years, our economy is once again poised for fresh growth and development. There has been a notable breakthrough on the agricultural front, technologically and otherwise. The increase in our exports has been impressive. There has been substantial progress in power supply and the development of transport, as also the availability of trained manpower. Our industrial base has been strengthened and diversified. It is in this context that we launched the Fourth Plan earlier this year with confidence and determination.

The question which has been engaging our attention for some time is how best to impart an element of dynamism and new vigour into the process of our development so that the targets of the Fourth Plan, in the public and private sectors, cannot only be fulfilled but if possible, exceeded. Our major concern has been to accelerate the tempo of investment and production, so as to improve living standards and increase employment opportunities, consistent with our determination to achieve self-reliance. It is necessary to mobilise the savings of the people to the largest possible extent, and to utilise them for productive purposes in accordance with our plans and priorities. Government believe that public ownership of the major banks, for which there has been widespread public support, will help in the most effective mobilisation and deployment of national resources, so that our objectives can be realised with a greater degree of assurance. (SHRI PILOO MODY: why not all ? why only 14 ?)

The Ordinance promulgated by Government provides for the nationalisation of all scheduled banks, incorporated in India, which had minimum deposits of not less than Rs. 50 crores at the end of June last. The fourteen banks in this category, together with the State Bank of India and its subsidiaries which already operate under public ownership, account for more than 85% of bank deposits in this country. The House will appreciate that in view of the very

nature of the measure, and also to forestall any possibility of manipulations which may not be in the public interest; it was essential to make a swift and sudden move which could only be achieved through an ordinance. The fact that speculation about Government's intentions had assumed an acute phase in the last few days rendered it all the more necessary to act without any further loss of time, and in anticipation of the approval of Parliament, which will be sought through a Bill which Government propose to bring during the current session.

So far as foreign banks are concerned, they provide, by and large, business of a specialised nature such as facilitating foreign trade and tourism. The operation of banks of one country in another, subject to the laws of the land, is mainly for such purposes and is part of an international facility. Our Indian banks also maintain their branches in many countries. It has been Government's general policy to confine the opening of new branches of foreign banks to major port towns, where their specialised services are needed. Having regard to all these factors, Government have decided to exclude branches of foreign banks incorporated outside India from the purview of the Ordinance. (SHRI PILO MODY: This is discrimination against the natures.)

As I stated the other day, this is not the beginning of a new era of nationalisation. Whatever the pattern of the economy, it is widely recognised that the operations of the banking system should be informed (SHRI PILOO MODY.) who is going to inform it?) by a larger social purpose, and should be subject to close public regulation. Government have come to the conclusion that the desired regulation and rate of progress consistent with the urgency of our problems could be secured only through nationalisation.

I should like to reiterate my assurance that even after nationalisation, the legitimate credit needs of private industry and trade, big or small, will be met. Indeed, it shall be our endeavour to ensure that the needs of productive sectors of the economy, and in particular those of farmers, small-scale industrialists and self-employed professional group are met in an increasing measure. It

will be one of the positive objectives of nationalised banks to actively foster the growth of new and progressive entrepreneurs, and to create fresh opportunities for hitherto neglected and backward areas in different parts of the country. The banks will now be better placed to serve the farmer and to promote agricultural production and rural development generally. Public ownership will also help to curb the use of bank credit for speculative and other unproductive purpose. By severing the link between the major banks and the bigger industrial groups which have so far controlled them, government believe that the step they have taken will also bring about the right atmosphere for the development of adequate professional management in the banking field. Government attach the utmost importance to modern managerial techniques and practices.

The moneys which depositors entrust to the banks are in the nature of a sacred trust. The interests of the depositors of the banks which have been nationalised, will not only continue to be fully safeguarded but will now have the backing of the State itself. I should also make it clear that the emphasis on priority areas, new entrepreneurs (SHRI PILOO MODY: for the benefit of Congressmen, new entrepreneur and backward people.) and relatively backward areas, will not be at the expense of considerations of economic viability. Only thus can we fulfil our obligations to those who have entrusted their savings to us for the benefit of the community. But economic viability can still admit of much greater resourcefulness in lending to priority areas than has been the case so far. The general public already has the experience of the State Bank to show how public purpose and security, as well as good return to depositors, can be combined.

The Ordinance has also provided for the adequate protection of the interests of employees of the banks concerned. They have now become employees of a publicly owned and socially responsible banking system. This also places on them special responsibility towards the community. The success of the programme of nationalisation will, in a large measure, depend upon the efficiency, the devotion and the dedication with which they perform their daily tasks, and the courtesy and consideration with which they

[Shrimati Indira Gandhi]

treat the constituents of the bank. I hope that all individual employees of these banks and their associations will now help in the successful implementation of the step which has been taken. (SHRI N. DANDEKER: And go on strike.)

The Ordinance provides for a scheme of fair compensation for the take-over in accordance with a formula which Parliament approved recently, while enacting the Banking Laws (Amendment) Act, 1968. The Ordinance provides that compensation will be payable in the form of Government securities.

In order to cause the least possible dislocation in the working of the banks covered by the Ordinance, and to avoid inconvenience to the public, it is proposed, for the present, to retain the identity of each bank in the form of a new corporation. The Chief Executive of each bank is now the custodian of the unit concerned on behalf of the Central Government, and will be subject to its control and direction. The old Board of Directors in each case stands dissolved, and the Ordinance vests the Government with the power to set up Advisory Boards in their place. These are interim measures. Changes in the structure of management may also be necessary; these will be undertaken after the most careful consideration. The Ordinance provides for such changes to be made.

As in other matters of policy, Government have been guided in taking the present decision entirely by national interests, and the needs and aspirations of our people. The establishment of a socialist society is one of our declared goals, but we have not been guided by any doctrinaire considerations. Our sole concern has been to accelerate development and thus make a significant impact on the problems of poverty and unemployment, and to bring about progressive reduction of disparities between the rich and the poor sections of our people, and between the relatively advanced and backward areas of our country.

I realise that the test of the decision is in its effective implementation. Government are determined to take all possible step to make this measure a success.

I should like to take this opportunity, Sir, to appeal to all sections of this House to extend their valuable cooperation in the purposeful implementation of this important measure.

SHRI KANWAR LAL GUPTA: *rose*—

SHRI PILOO MODY: I have some questions.

MR. DEPUTY-SPEAKER: No, not at this stage.

14.25 hrs.

✓ STATEMENTS RE RESIGNATION OF THE DEPUTY PRIME MINISTER

SHRI MORARJI DESAI (Surat): Mr. Deputy Speaker, Sir, I am grateful for the opportunity that you have given me to make a statement on my resignation from the Council of Ministers.

SHRI S. A. DANGE (Bombay central south): Is such a statement necessary? Why should it be made? We know it.

MR. DEPUTY SPEAKER: It is permitted under the rules.

✓ SHRI MORARJI DESAI: I consider it rather unfortunate that I should have to appear before this House to explain why I resigned as it involves the question of relationship between me and the Prime Minister.

✓ I came to the conclusion that I can no longer serve in the present Council of Ministers except at the cost of my self-respect and except as a silent spectator to methods that may endanger the basic principles of democracy on which our parliamentary system is established. I came to this conclusion because I was summarily relieved of the Finance portfolio without even the ordinary courtesy of a prior discussion on this matter being shown to me by the Prime Minister. ✓

After the Fourth General Election, the Congress Party chose its leader. She then asked me to join her Cabinet as Deputy Prime Minister and Finance Minister. Even