



STATE BANK OF HYDERABAD STAFF ASSOCIATION

CENTRAL OFFICE: GUNFOUNDRY, HYDERABAD-5001 Regn. No.269
Phone: 040-23387262, 300, 396, 217, 23387696 040-66661941 Fax: 040-66661941
e mail sbhshyd@gmail.com – website – www.sbhhsa.org

CIRCULAR NO. SA-CO/32/2015

Dated: 20TH July 2015

ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the **CIRCULAR 27/119/2015/30, dated: 18th July, 2015**, issued by our National Organization – AIBEA, for your information.

With Greetings,

Yours Comradely,

(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

CIRCULAR NO. 27/119/2015/30

18th July, 2015

To ALL UNITS AND MEMBERS :

Dear Comrades,

46th Anniversary of Bank nationalisation – 19-7-2015

- ◇ **Defend Public Sector Banking**
- ◇ **Defeat privatisation moves**
- ◇ **Denounce banking sector reforms**
- ◇ **Device struggles to repulse these offensives**
- ◇ **Decry velvet treatment to wilful defaulters**
- ◇ **Demand stringent measures to recover bad loans**

Banking in yester years – down the memory lane: Modern Banks, as we see them today, came into being in the beginning of the 19th century and they were all in private hands. Alongside the freedom struggle, some swadeshi type banks were started but they were also in private hands. When India became independent in 1947, at that time also, all the Banks were privately owned. In 1950s, when the process of planned economic development was initiated, it was observed that development needed resources. Though the Banks had with them huge resources by mobilising the savings of the people, they refused to make the same available for development as they were more interested in making profits than helping the country's progress. Hence the Government decided to convert Imperial Bank of India as State Bank of India under public sector in 1955. This was a good beginning and some rural branches were opened and credit was extended to the agriculture sector.

AIBEA – the crusader for nationalisation of Banks: But this was found to be inadequate compared to the huge requirement. SBI could open branches in rural areas only to some extent. The major Banks were still in private hands and refused to be part of the Government's process of economic development. Hence AIBEA demanded that all the

private Banks in the country should be nationalised. There were people who ridiculed AIBEA for this demand and wondered as to how the Banks which were owned by powerful capitalists and business houses can be nationalised. But AIBEA was not deterred by these criticisms. AIBEA unleashed a bitter struggle on this patriotic demand. Bank employees under the banner of AIBEA fought a tough battle in the streets through powerful demonstrations, rallies, processions, campaigns, strike actions, etc. AIBEA's demand became a political issue. It became a serious demand from the political parties led by CPI. The issue rocked the Parliament. Thus, it became a national issue.

19th July, 1969, a watershed: In this background, political compulsions arose and in a bold step, 14 major private Banks were nationalised by Smt Indira Gandhi through an Ordinance. The capitalists challenged the Ordinance and when it was struck down by Supreme Court on 10th February, 1970, AIBEA instantly went on protest strike action throughout the country and the Government again brought another Ordinance on 14-2-1970 re-nationalising the Banks. This Ordinance was replaced by a Bill and on 24-3-1970 and the Bill was passed by the Lok Sabha sitting late upto 10-30 PM. The decade-long struggles by AIBEA to achieve nationalisation of banks are a golden part of our glorious history. Major Banks were freed from the clutches of the powerful capitalists who were the owners of these Banks.

What an achievement—Total Deposits & Advances crosses Rs. 150 lac crore (Rs. 15457871,00,00,000). Today when we celebrate the 46th Anniversary of Bank Nationalisation, we can proudly recall the impressive contributions of Public Sector Banks.

| | Deposits | Advances |
|-------------------------------|-------------------|-------------------|
| 15 th August, 1947 | Rs. 1019 crores | Rs. 434 crores |
| 19 th July, 1969 | Rs. 4646 crores | Rs. 3593 crores |
| Today | Rs. 88 lac crores | Rs. 66 lac crores |

| | 1969 | 2015 |
|-------------------------------|---------------|----------------|
| Bank Branches | 8268 | 125863 |
| Rural / Semi urban Branches | 1833 | 81556 |
| Deposits | Rs. 4,646 Cr | 87.98 Lac Cr |
| Advances | Rs. 3,599 Cr | 66.50 Lac Cr |
| No. of customers | Not available | 65 crores |
| Loans to Agriculture | Rs. 162 cr | Rs. 7.7 lac cr |
| Average population per Branch | 65,000 : 1 | 15,000 : 1 |

To a great extent, banking has been transformed from class banking to mass banking. Banking services are today available to larger number of common people. Banking credit has been made available to agriculture and other priority sectors which were neglected earlier. Bank nationalisation also resulted in the entry of more than one million young and educated persons as employees of the Banks.

But we have to grow much faster : While the achievements and performances of the nationalised Banks are no doubt laudable, impressive, commendable and appreciable, there is still a long way to go. More than 50 crores of people still do not have a bank account. More than five lacs of villages still do not have bank branches. Large part of savings of the

people is still to be tapped and mobilised into the banking system. Bank credit is still not easily available to many common and needy people. Bulk of the bank credit is still cornered by the corporates and industries. Priority segments are still not getting their due share in bank credit. Bank credit-GDP ratio is still low in our country. Non-Performing Loans have assumed alarming proportions. Corporates are able to loot public money by deliberately not repaying the loans. In short, there is a long way to go to realise and achieve the objectives for which banks were nationalized.

Banking reforms - Cure is worse than the disease: In the name of remedy and improving the banking system, the successive Governments have been trying to pursue banking reforms measures. All of us know what they want in the name of banking reforms. They want to privatise the Banks and hand them over back to the private sector. They want to merge the Banks in the name of global competition. They are eager to grant banking license to big corporates and business houses. They want to give banking license to start Small Private Banks and Private Payment Banks. They want to phase out the priority sector lending and dilute the social banking orientation. They want to make the Banks more urban and elite oriented and profit-based. They are willing to write-off huge loans of the corporates from the hard-earned profits of the Banks but want to improve profitability by outsourcing banking jobs on contract basis. In short, they want to reverse the clock back to the pre-1969 days.

What is to be done: Instead of these retrograde banking reforms, what is needed is to adopt pro-people banking policies. People's money should be utilised for people's welfare. National savings should be made available for national development and not allowed for private corporate loot. Banking credit should be for empowerment of the people and not for embezzlement by private corporates. Right to banking should be made a fundamental right of the people. Public Sector Banks should be further strengthened and expanded to become vibrant engines for equitable economic growth and broad-based development. More and more branches should be opened in the unbanked rural villages. Associate Banks should be freed from SBI and made independent Banks. More and more credit should be given to agriculture and other priority sectors to help self-reliance, employment generation, poverty alleviation, rural development, women empowerment, better infrastructure development, etc. Stringent measures should be taken to recover the huge bad loans in the Banks. Wilful default should be termed as criminal offense and stern action taken on such deliberate defaulters. Public sector Banks are nation-building institutions and they must remain so. We want vibrant banking for a vibrant India.

Let us make public sector Banks more vibrant. Let us improve customer service. Let us win the confidence of the masses. Let us fight against retrograde banking reforms. Let us pledge to carry forward our campaign and struggle.

With greetings,

Yours comradely,



C.H. VENKATCHALAM
GENERAL SECRETARY



ALL INDIA BANK EMPLOYEES' ASSOCIATION

(Premier Trade Union of Bank Employees since 1946)

Cordially invites you for the

SYMPOSIUM

on

“BANKING FOR ALL – CHALLENGES & TASKS”

being held

to commemorate the 70th year of AIBEA

and

46th Anniversary of Bank nationalisation

Guest Speakers:

Shri Jairam Ramesh

Member of Parliament and former Union Minister

Com Gurudas Dasgupta

Former MP and General Secretary, AITUC

Com. Tapan Sen

Member of Parliament & General Secretary, CITU

Venue: Mavlankar Hall, Rafi Marg, New Delhi

Time: 5-30 PM on 29th July, 2015

All are welcome

**C.H. VENKATACHALAM
GEN. SECRETARY**

**RAJEN NAGAR
PRESIDENT**

Hosts : Delhi State Bank Employees Federation