



ALL INDIA BANK EMPLOYEES' ASSOCIATION

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**TO ALL OFFICE BEARERS, STATE FEDERATIONS
AND ALL INDIA BANKWISE ORGANISATIONS
(FOR CIRCULATION TO ALL MEMBERS)**

**52nd Anniversary of Bank Nationalisation
AIBEA's National Campaign - Webinar Lecture 19
By Com. D. Raja, General Secretary, CPI**

We stand for politics that aims at a welfare State – D. Raja, CPI

All India Bank Employees' Association has been holding month-long webinar programmes to commemorate the 52nd Anniversary of Bank Nationalisation. AIBEA invited Com. D. Raja, former Member of Parliament, and General Secretary of Communist Party of India to speak on whether banking and economics can be separated from politics.

Speaking on the occasion, Com. D Raja explained the present scenario, both economic and political, as obtaining in our country. He pointed out that the webinar is taking place at a time when our country is passing through deep economic crisis due to the pandemic. Despite the fact that we cannot meet in a convention or a conference, AIBEA has taken the task of organizing the seminars when attempts are made to privatise the public sector banks, he said. He began his lecture by pointing out that AIBEA has given the call in defence of public sector banks and this is not an economic issue of wage revision or pension or bonus for bank employees but it is an issue of national importance and it is for all sections of people of the country.

Gist of his lecture : The nationalisation of banks was not given on a platter and behind that move, there were struggles, great organizational actions, demands both inside and outside the Parliament. He recalled the efforts of Com. Prabhat Kar, Com. Parvana, Com. Chadha, Com. Tarakeswar Chakraborty, Com. Sampath, Com. C.S. Subramaniam and other leaders. AIBEA was founded even before independence of the country. The great leader of bankmen, Com. Prabhat Kar, who was the Member of Parliament between 1957 and 1967, representing Communist Party of India, moved a private member bill to nationalise the banks, which was supported by great leaders like Com. Indrajit Gupta, Com. Hiren Mukherjee, Com S.M Banerjee and others.

That was the time when the issue of nationalisation of banks was taken up by the Communists. When the single party rule was broken in the 1960s and Congress lost power in many States, Mrs. Indira Gandhi, approached the Left for support to remain in power. We agreed to support her provided she would nationalise banks, abolish privy purse, etc. Thus, she decided and nationalised 14 major public sector banks in 1969.

The Communist Party of India has always been supporting the public sector banks. Com. Gurudas Dasgupta, when he was a Member of Parliament used to speak eloquently in the Parliament about the role of public sector banks in the

overall development of the country. He added that when he was in the Rajya Sabha, he supported public sector banks and discussed about the issues concerning the public sector banks.

He recalled that way back in 2008, when the entire world was facing the financial sector meltdown elsewhere, Dr. Manmohan Singh, the then Prime Minister, openly agreed and acknowledged that it was due to the public sector banks, the debacle of the financial sector that rocked other countries was avoided in our country. He further stated that when Late Mr. Arun Jaitley was the Finance Minister, he took up the issue of disclosing the names of the willful corporate defaulters. But, the then Finance Minister avoided the questions by stating that secrecy clause prevents the government from disclosing the names of the willful corporate defaulters.

Even now, the Communist Party of India wrote to Ms. Nirmala Sitharaman, Finance Minister, to rescind the proposal of the government to privatise public sector banks. The Communist Party of India has always been a staunch supporter of the public sector banks and shall continue to do so.

The greatness of AIBEA has been that it has been playing an important role in defending the public sector banks. AIBEA took initiative and unified all the organisations under the umbrella of United Forum of Bank Unions.

He then dealt with the issue of what was politics and what was economics? Economics is the best politics and politics is the concentrated form of economics and they cannot be separated. He pointed out that one always talks of political economy when you talk of economics. How banks play a role in shaping the policies with regard to the economy, with regard to the political course of the country. That is what we should try to understand. Banks have always been playing a role in its own way. Karl Marx, in his work 'Das Capital', deals how the commodity exchange grew and in the process of commodity exchange, how money becomes a commodity and in the process, surplus value is created and how it becomes accumulation of capital. These issues Marx himself analysed and how it leads to accumulation of capital and growth of monopoly capitalism.

Com. Lenin, analysed imperialist economy and described it as the highest stage of capitalism. Com. Lenin said that the banks are the central nerve system of the economy. When Washington Consensus was mooted, neo-liberal policies were introduced, we should understand the diabolical role of the International Monetary Fund and World Bank and their consensus to support the rich economies, the Multinational Corporates and International Finance Capital. IMF and World Bank imposed their policies to corner the developing and under-developed economies to pave way for opening up their country for investment and making profit from the international finance capital.

Industrial Capital and Bank Capital merge and emerge as Finance Capital. Finance Capital leads to growth of monopoly and concentration of production and capital in a few elite hands. Karl Marx directly spoke about India and the East India Company and how the commodity exchange enslaved our country. He also explained as to how the finance and monopoly capital are trying to capture the Banks through holding companies. Monopoly has sprung from the banks, as told by Com. Lenin. The Banks have developed into monopolies of finance capital. Three to five of the biggest banks in capitalist countries have taken the grip of the bank capital and through them controls the income and money of the millions of people of those countries.

This is the reason why the banks should be in public sector. The deposits of the common people should be used to serve the poor, farmers, rural sector etc. Only after the nationalisation of banks in India, they started giving loans to farmers, self-employed, professionals, small business and even to students. But, the big monopoly houses have taken huge loans from the banks and pressurizing the banks, when they did not repay, to write-off those loans. These kinds of transactions were due to the pressure and indirect support from the powers that be. Mehul Choksi, Nirav Modi, Vijay Mallya have taken loans from our banks and fled our country. They are fugitives now and Indian Government so far could not bring them back to India to face trial as per our law. The promise of the Prime Minister was that he will unearth the black money and bring them back to India and deposit Rs.15 lakhs in each and every citizen's account. What happened to that promise? On the contrary, we find that students taking education loan of few lacs of rupees and who could not repay, some of them have committed suicide.

The Directive Principles of State Policy as enunciated in the Constitution of India is a Welfare State and it should be a Welfare State. State must ensure all means of livelihood to our citizens, men, women and children. State must ensure the right to live with dignity. State should ensure that concentration of wealth and means of production are not allowed to be held in the hands of the few. State should strive to engage the operation of economic system does not result in the concentration of wealth and means of production to the common detriment. That is why the public sector should be protected and allowed to function as nationalised entities.

That is why we are opposed to privatisation of public sector units and public sector banks. The Planning Commission is abolished and, in its place, NITI Aayog is created. The role of NITI Aayog is recommending for privatisation of the public sector units and banks.

Whether with the present situation in the country, whether India can be stated as a "Welfare State"? In the pandemic times also, the government is supporting the Corporate sector, privatisation of public sector units are continuing unabated, attempts are made to marginalize public sector.

Even during UPA-I regime, when the then government tried to privatise public sector units, it was because of the Left parties and their pressure, the privatisation could not be done in public sector units. When BJP came to power, things started to change. The Prime Minister in the last Independence Day speech and the Finance Minister inside the Parliament spoke that we should respect the wealth creators. But, who are the wealth creators? It is the workers, who work to support an industry, factory and earn the profits for the employers and to make them rich, they are the wealth creators.

The present BJP-led NDA government never cared about strategic and non-strategic sectors and foreign direct investment is allowed in all sectors including defence. Now, the public sector banks are under attack. LIC is slated for disinvestment. One of the general insurance companies is to be privatised. Hence, we are in a crucial juncture. The nation is to be saved. If the economy is handed over to private hands, what will happen to people, what will happen to our economy. But, this government is moving in that direction. In order to stop the protest from the trade unions and organized sector, the labour laws have been made into 4-labour codes. The right to strike, the right to organize etc., are being marginalized. Trade Unions, Working Class and their organizational actions are sought to be suppressed.

The public sector is not the property of the individuals. It is the property of the nation. But, the government does not think in the same line. For example, for the past 7 months, farmers are protesting in the capital. But, farm laws have been passed in the Parliament much to the detriment of the peasants and farmers. But, their agitation goes on.

In the same way, there are attacks on the financial sector especially to the Banking Sector in trying to privatise the public sector banks. One silver-lining is that because of the efforts of AIBEA, United Forum of Bank Unions is formed and are fighting against the attacks on banking industry.

We have to fight the government against these anti-people moves. This fight is political, ideological alongside your economic demands. The wealth of the nation is created by the toiling masses. With the sweat and blood of the workers, the modern economy is created. That is why, the public sector units should be in the hands of the government and especially the public sector banks.

That is why, the stand of AIBEA in defending the public sector banks is essential at this juncture.

Now, the Ministry of Cooperation is separated and handed over to the Home Ministry. Cooperative Sector is in the domain of the State Governments and by separately making a Ministry and given to Home Ministry is nothing but an attack on the Federal Structure of our country. Our democracy is plural and the actions of this government is trying to introduce fascist dictatorial rule and it should be fought against.

The banking sector cannot be separated from economy and the politics. It cannot be avoided. When the government is trying to privatise the public sector banks, we should reach the people, customers and enlist their support. Like farmers made it as a popular action, our campaign should be more visible and energetic so that the policy makers are compelled to listen to our voice and it will be supported by the people of the country. AIBEA has made in the past and fought against the ill-advised policies of the government and emerged victorious.

This is not the issue of our wages and economic demands of the members. This is a fight to save the economy of the nation. We should try to understand the politics around the banking industry, which has the deposits of the common public. It should be in the hands of the Government and it should not be handed over to the private hands to use it for their greed and profits.

Com. B S Rambabu, Secretary of AIBEA who coordinated the webinar, proposed the vote of thanks.

Yours comradely,



C.H. VENKATACHALAM
GENERAL SECRETARY