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A Study About Thoughts Of Mrs. Indira Gandhi About Bank Nationalisation

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Abstract:
The Nationalisation of Banks were the important event which happened in the Post-Independence history of India, Mrs. Indira Gandhi the first and the only female Prime Minister should be given due credit for this. Nationalisation of Banks helped a lot in improving the Indian Economy before nationalisation only the elite and high-class people had access to the banking facilities and they were the one who were only benefited but after the nationalisation of banks the poor people got access to the banking facilities and they benefited a lot by saving their hard-earned money in banks. Credit facilities were equitably distributed not only the big industrialist but also the poor and new entrepreneur got access to the credit facilities. Banks stopped being the privilege of few. In this article let us study about thoughts of Mrs. Indira Gandhi about Bank Nationalisation.
Key Words: *Banks, Nationalisation, credit, equitable distribution, public savings etc.,*

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I. Introduction:

Indira Gandhi was a great leader in the political history of India[1]. She was the only daughter of a great visionary leader, freedom fighter and the first Prime Minister of Independent India Shri. Pandit Jawaharlal Nehru. She was the first and the only female in India to reach the position of Prime Minister which a great milestone in India's Political History. Indira Gandhi served as the Prime Minister of India for two terms 1966-1977 and 1980-1984, she was called as the "Iron Lady of India" and she played a very important role in shaping the modern India through her visionary policies like Green Revolution and the Nationalisation of Banks but she is also criticised for her controversial and undemocratic policy like the Emergency (1975-1977). It was very unfortunate that Indira Gandhi[2] was assassinated by her Body Guards because of her decision to sanction the Operation Blue Star which targeted the Khalistani militants who were hiding in Golden Temple. In this research article let us study about thoughts of Mrs. Indira Gandhi about Bank Nationalisation.

II. Milestone In Indian Economy:

Nationalization of Bank by Indira Gandhi government was a great milestone in Indian Economy. Government nationalised total 14 banks in 1969 which were under the private control[3]. This drastic step was very much necessary in order to establish the socialistic pattern of society and reduce inequalities among the different groups and regions in India because our country was still an young democracy so it was very much important to remain vigilant. During that time our Social, Political, Economic system were dominated by few elites.

Banks play a vital role in economy and are the custodians of Public Savings for which they give a reasonable return. Banks are the source of credit for small farmers, artisans, self employed persons. No trade can happen without bank credit. Banks provide opportunities to young educated men and women of employment. Banks touch the lives of larger people so a demand was put forward that major banks should be public, that's why banks are being nationalised. Nationalisation is not a new phenomenon in India already the State Bank and Life Insurance Corporation of India were nationalised decades ago so the step to nationalise the banks is just a continuation. Indira Gandhi government was hopeful that it would get all the necessary help from every stake holders in implementation of this policy.

Public ownership of banks would eliminate the use of credit for unproductive purpose and the legitimate needs of credit would be safeguarded. Purpose which we would achieve by the nationalisation of banks are as follows,

1. Nationalisation of Banks would remove the control of Banks from few influential people.
2. Adequate credit facilities would be created for agriculture, small industries and export.

3. Bank Management would become more professional
4. Steps would be taken to encourage new entrepreneurs by introducing credit facilities for them.
5. Bank staffs would be given adequate training, To achieve this nationalisation of banks was very necessary and this step will help us in achieving our goals and fulfilling our aspirations.

In every country even those which follow the Capitalist model, banks play a very important role. Ours is a developing economy so banks are very much important, they will also help in encouraging the Savings habit in all sections of society. Economic power should not be concentrated and it should be decentralised. Banking System should not become monopoly of few private business groups. Some people argue that Private Banks are very efficient but inspite of efficiency Private Banks have only 16% of the National deposits.

In many districts there are no private bank branches in rural areas all the branches are more or less located in the major metropolitan areas and these areas have bulk bank deposits and credit facilities but on the other hand Public Sector Banks like State Bank opened their 70% of branches in the rural areas and have performed well without govt interference. They have introduced schemes like travellers cheque, credit transfers, installment credit scheme etc., This shows that banks should emphasize credit worthiness of purpose. After nationalisation loans helping production and generating employment would be encouraged, existing industrial establishments will not be denied genuine credit for production purpose, the only difference is there would be the equitable distribution of credit throughout the country. Steps would be taken to encourage entrepreneurship especially in the backwards areas of country[4].

III. Conclusion:

Government has nationalised banks with greater vision and foresight. Every citizen of India would get access to the banking service. Big industrial houses would not be denied their credit but every citizen will get credit opportunity. People would get opportunity to save their hard earned money in banks and earn reasonable interest. Banking system would not become monopoly of few. These were thoughts of Mrs. Indira Gandhi about the Bank Nationalisation, in this article I have done a short study but in future a detailed study can be conducted in the for PhD thesis so that we get a broad picture.

References:

[1]. Publications Division. (1969). *Selected Speeches Of Indira Gandhi (Jan 1966–Aug 1969)*. New Delhi.
[2]. Ibid., P 128.
[3]. Ibid., P 130.
[4]. Ibid., P 131.