

Sir, I rise to support the Bill brought forward by the Hon'ble Deputy Minister of the Ministry of Finance. Banking is a service of vital importance to industry, commerce and agriculture. It is concerned with the creation of credit money and its distribution between various users such as industry and agriculture or between institution and individuals. In fact the smooth, working of a modern economy depends on the proper regulation of credit with which the banks are concerned. The question, <sup>80</sup>therefore, of recruitment of the personnel of banking institutions assumes great importance. The Banking Commission had recommended the establishment of such a Commission in its Report in 1985. In fact, Government have been rather late in bringing forward this very important and necessary piece of legislation. Before nationalization, some of the big commercial banks had made some arrangements of their own for recruitment of their staff. The Institute of Bank Management and the Reserve Bank of India through the Banker's <sup>160</sup>Training College run some short-term and long-term courses for recruitment and training of bank staff. But these arrangements are not adequate even to meet the requirements for recruitment of higher cadres. The largest proportion of banks staff consists of clerks and cashiers. The recruitment policies followed by most of the Indian Banks before nationalization were not based on either scientific lines.

In several cases even minimum qualifications were not insisted upon. The Banking Commission has reported that in many cases <sup>240</sup> people who had not even passed matriculation examination were recruited as clerks. There was no proper evaluation of the aptitude or capacity and very often caste and relationship determined the choice of candidates. Lack of training facilities, however, aggravated the problem and banks found themselves with staff which had neither aptitude nor ability to carry out the jobs assigned to them. The Bill, therefore, is welcome. It seeks to provide for proper methods of selection for recruitment. It provides for <sup>320</sup> the establishment of a body corporate to be called the Banking Service Commission. It shall be the duty of the Commission to hold competitive examinations to recruit people for clerical and allied cadres, junior officers' cadres and such other officers' cadre as the Central Government may by notification specify. It shall consist of a Chairman and eight persons who in the view of the Government are men of integrity, ability and have experience of finance and business administration. The Bill <sup>400</sup>rightly attaches great importance to selection of people for the clerical cadre because the clerical staff constitute the largest proportion of the total manpower and it is they who render the banking service to the people. Rapid expansion of banking ensures further that many of them will soon get promotion to the officers' cadre. It has been emanated that every clerk can hope to reach the officer's level in 10 or 12 years' time. Every clerk is, therefore, a potential officer. <sup>480</sup>