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Currency ban done without any preparation, rues bank officers' body

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Lack of preparation before the withdrawal of popular currency from circulation has caused trouble and inconvenience for bank employees and the common man alike, Thomas Franco, Senior Vice-President, All India Bank Officers' Confederation, said.

Launching a scathing attack on the government and the RBI for lack of preparation, Franco said the situation was not comparable to the demonetisation of 1978. Then, the Janata Party coalition demonetised ₹ 1,000, ₹ 5,000 and ₹ 10,000 notes to curb black money.

The value of ₹ 1,000 was very high then and therefore, it affected only a small section of the people.

Had the government started printing ₹ 500 notes before the announcement of demonetisation, as it did in the case of ₹ 2,000 notes, the current currency crunch could have been avoided, he pointed out.

Nationalisation of banks

He compared the demonetisation decision unfavourably with the secrecy with which nationalisation of banks was implemented in 1969.

"That was also kept secret. But the Department of Finance, Finance Ministry, RBI and Law Ministry were involved. They discussed all that could happen and made preparations for a month," Franco said, citing details from a book written by DN Ghosh, former Chairman of SBI, titled *No regrets* .

He added, "At that time, they had anticipated resistance from political parties, Parliament and bank managements too, who would go to court and so on. That was during Mrs Gandhi's rule and Morarji Desai was Deputy Prime Minister. He was opposed to this... Still they planned it in such a way.. they waited for Desai to submit his resignation, he did it on July 18. On July 19, they passed the Ordinance. Just after signing the Ordinance, VV Giri resigned. They planned all this in total secrecy and executed it."

He said the current demonetisation too, could have been planned in a better way and executed in total secrecy. "They could have at least pumped in adequate number of ₹ 100 denomination notes. Instead, today they are bringing back soiled notes, which we had surrendered to the RBI," he said.

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