

SHRI SURAJ BHAN (Ambala):
Sir, I have given an amendment.

MR. SPEAKER: Please sit down.
How can you do it? Why should
you do it? You are a part and par-
cel of the Committee. The question
is:

"That this House do agree with
the Fourteenth Report of the Busi-
ness Advisory Committee present-
ed to the House on the 17th March,
1981."

The motion was adopted.

12.08 hrs.

STATEMENT RE. INCREASE IN
RATE OF ROYALTY ON CRUDE
OIL

THE MINISTER OF PETRO-
LEUM, CHEMICALS AND FERTI-
LIZERS (SHRI P. C. SETHI): Mr
Speaker Sir, with your permission
I would like to make a statement
about the enhancement of royalty
payable to the States where crude
oil is produced.

The rate of royalty on crude oil is
fixed under the Oil Fields (Regula-
tion and Development) Act, 1948.
Royalty is payable on onshore crude
oil to the States of Gujarat and
Assam and Arunachal Pradesh where
it is being produced. The rate of
royalty on crude oil was increased
from Rs. 15/- to Rs. 42/- per tonne
with effect from September 8, 1976
and has continued to be paid to these
State Governments at that rate.

The Government of Gujarat and
Assam submitted detailed Memo-
randa requesting for further en-
hancement of the rate of royalty. At
present, the price payable for on-
shore crude oil as fixed by Govern-
ment is about Rs. 305 per tonne.
After due consideration of the views
of the two State Governments and
other factors, Government have de-
cided to increase the rate of royalty
payable on crude oil from Rs. 42

per tonne to Rs. 61 per tonne with
effect from 1st April, 1981. Royalty
of Rs. 61/- per tonne is the maxi-
mum that can be paid on the basis
of the present sale price of crude.
Extra income to the States in terms
of royalty and sales tax for the year
1981-82 is estimated at about Rs. 632
crores for Gujarat and about Rs. 10.08
crores for Assam.

SHRI NIREN GHOSH (Dum
Dum): Mr. Speaker, we should get
an opportunity to discuss this state-
ment.

AN HON. MEMBER: What hap-
pened to item no. 3(a)?

MR. SPEAKER: He has already
done it. Now the Statutory Resolu-
tion—Mr. Jyotirmoy Bosu.

SHRI KRISHNA CHANDRA
HALDER (Durgapur): In the List
of Business it has been mentioned
that at 4 p.m. Rao Birendra Singh
will make a statement. But in the
revised List of Business, at 4 p.m. it
is said that a motion by Shri Ram
Vilas Paswan will be taken up.

MR. SPEAKER: Supplementary;
List of business is there.

SHRI JYOTIRMOY BOSU (Dia-
mond Harbour): Both will be taken
up at the same time. (Interruptions)

MR. SPEAKER: Within 4-5
minutes, we will do it.

MR. SPEAKER: He will make it.

12.10 hrs.

STATUTORY RESOLUTION RE.
DISAPPROVAL OF SPECIAL BEAR-
ER BONDS (IMMUNITIES AND
EXEMPTIONS) ORDINANCE 1981,
AND SPECIAL BEARER BONDS
(IMMUNITIES AND EXEMPTIONS)
BILL

SHRI JYOTIRMOY BOSU (Dia-
mond Harbour): I beg to move:

"This House disapproves of the
Special Bearer Bonds (Immunities
and Exemptions) Ordinance, 1981

[Shri Jyotirmoy Bosu]

(Ordinance No. 1 of 1981) promulgated by the President on the 12th January, 1981."

Sir, this bearer bond which I am inclined to call as a bail bond, because it is a bond which is bailing out the economic criminals of this country, is unparalleled in the history; and it has come out of the brain of one whom I have always described as the queen of blackmoney and fountain of corruption in this country.

MR. SPEAKER: Why have you opted for a queen?

SHRI JYOTIRMOY BOSU: It carries favour with the rich who keep them in power. In the Cabinet meeting one thoughtless Minister like Patil had sought a clarification, but the Minister was pushed aside at once, and since it was an idea from the Supreme Commander, Cabinet was simply informed as was done in the devaluation case where none but the Prime Minister had gone to the United States of America and agreed with President Johanson and the World Bank Chief in 1966 to devalue the Indian rupee. (Inter-
rptions)

MR. SPEAKER: Order please.

SHRI JYOTIRMOY BOSU: The bearer black bond has not surprised me at all.

SHRI EDUARDO FALEIRO (Mormugao): I am on a point of order. We are going to discuss the Bearer Bonds legislation, etc. which we will discuss, we will not allow and I submit respectfully that you will not allow personal allegations to be made here against anybody; whether it is Prime Minister or anybody else unless he has given to you evidence of his allegations. I want to draw your attention to your ruling and the ruling of your predecessors.

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): May

I request you to please sit down and allow this Bill to be passed quickly? This will only delay the passing of the Bill.

MR. SPEAKER: What I said, we always adhere to. We have given certain rules and regulations and they are also enshrined in this book. Whatever is said, that goes according to them. Otherwise, we take exception. It is so simple. He knows the rules.

SHRI EDUARDO FALEIRO: I just want to say this. I will not take any time.

MR. SPEAKER: He will not name anybody.

SHRI EDUARDO FALEIRO: I just want to say that there are rulings of your predecessor in 1967. You protect me.

MR. SPEAKER: These are standing orders to be followed. We have certain things, certain decorum, certain tradition and certain rules and regulations. Nobody, who is not present in the House or anybody else also, if he is a member or a Minister,—he has to give prior information....

SHRI EDUARDO FALEIRO: Notice and submit evidence.

MR. SPEAKER: He has to give prior information and proof. He has already done. He will do whatever is required of him. Otherwise, it will not go on record.

SHRI JYOTIRMOY BOSU: This bearer bond or black bond has not surprised me. This is the first gift for the year 1981 (Ordinance No. 1 of 1981) because this is the Government which can only survive on blackmoney, this is the Party which can survive only on blackmoney and the beginning has been made

with the induction of L. K. Jha and Tandon and their report. This is a naked and unabashed surrender and is quite consistent with their character and class character. Blackmoney is the life line of the ruling class. Here I have already produced before you the photostat copy of the file in which....(Interruptions)

MR. SPEAKER: I do not know what are these files?
(Interruptions).

SHRI JYOTIRMOY BOSU: Photostat copy of AICC File of Collection (Interruptions) and the collections and receipts nos.....

MR. SPEAKER: How do we determine?

SHRI JYOTIRMOY BOSU: I will authenticate it. (Interruptions) I take full responsibility for this. I will take full responsibility for this. The collections are like this: Asian Cables—Ramnath Goenka caught on criminal charges—Rs. 3 lakhs; Associated Cement—Rs. 7 lakhs; Ballarpur Industries Limited (Thapard)—Rs. 10 lakhs; Bennet Coleman Ltd., Jains—Rs. 5 lakhs; Bombay Dyeing—Rs. 5 lakhs, Baroda Rayon—Rs. 4,75,000; Century Spinning (Birlas)—Rs. 6,50,000; Chowguls Limited—Rs. 5 lakhs; Chowgule Steamship—Rs. 7 lakhs; Coramandal Fertilisers—Rs. 10 lakhs; Delhi Cloth Mills—Rs. 30,50,000; Dempo Mining—Rs. 5 lakhs; Dempo Company—Rs. 6 lakhs; etc. I will take two hours to read the list. The total amount collected comes to Rs. 12 crores and what is the colour of that money and how could they give? Where are the souvenirs? Was a letter written to the Home Minister and the Finance Minister to inquire into these cases? If so, the Finance Minister must give a reply because we have given him advance intimation in this regard.

It is a disgraceful thing that the Indian Tobacco Company one of the major beneficiaries of tobacco export and duty was exempted and a sum

of about Rs. 90 lakhs was given just before the Janata Party came to the office. The dates of the notings on the file reveal that it was done in a matter of hours so that they could take money, because they know they were going out of power. That is why, I say this black bond is a big hogwash and nothing but that. I can say, I remember that famous cartoon by Abu Abraham in which he said, "Black money wrapped in Khadi becomes white". (Interruptions) He is not trying to do anything. They are trying. They are involved. I tell you one thing. Precisely, that is why the then Prime Minister in 1970 suppressed the Wanchoo Committee's interim report. Mr. Wanchoo was the Chief Justice of India and in the interim report they stated that demonetisation was...(Interruptions)

MR. SPEAKER: Is this a conjecture?

SHRI JYOTIRMOY BOSU: No. I have every document. She tried to pressurise them not to submit the interim report and also to make no mention of it in the final report that such a report about demonetisation was sent. This report was laid on the Table of the House. by this humble self on the 18th August, 1972. Hats off to Patils and others. (Interruptions)

AN HON. MEMBER: When? (Interruptions)

SHRI JYOTIRMOY BOSU: On the 18th of August, 1972. (Interruptions.) Mr. Finance Minister, you have a large Secretariat, you must work. (Interruptions)

PROF. MADHU DANDAVATE (Rajapur): I was a witness to it. (Interruptions)

SHRI R. VENKATARAMAN: I cannot work as fast as you do.

SHRI JYOTIRMOY BOSU: She failed to pressurise the Committee as they were non-official members. Do you know, Sir? The Cabinet Ministers did not know. I might take the names of many Ministers. I would

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not mention all the names. Some of them are still sitting here not with the Treasury Benches but with the ruling party, including a famous economist like Dr. V. K. R. V. Rao. He told me: "Please give me a copy of the report. I have not seen it." He was the most eminent economist of that time, in the Cabinet. He was not consulted and that is how embarrassing it was to the then Prime Minister—the proposal about demonetisation—because of her radical pretences she was talking about socialism. And what was the recommendation? I am quoting from the report;

'On November 12, 1970 the Directors' Enquiry Committee, popularly known as the Wanchoo Committee, submitted an interim report to the Government of India. While submitting the report the Committee reported: "We decided therefore to address ourselves to the task of making an interim report on matters which called for urgent remedial action and could not wait until our final report—the Committee report said—one subject which needs immediate attention was black money had been cutting into the vitals of the economy." They further went to recommend the following:

'After careful consideration we have come to the conclusion that some remedial measures should have been taken immediately if the problem is to be tackled effectively'.

In their interim report they recommended three measures.

1. Demonetisation, 2. Ceiling on cash holdings and 3. Acquisition of immovable property. These are the things they have recommended. It was impossible for them to do so, because if they did it, they would have committed harakiri. In May, 1971 she had an election. She knew

for 1971 elections a lot of money was needed. And, what was the money? It was to be only black money and nothing but black money. Therefore, I say, they are the product of black money. When they talk of curbing black money it is nothing but bluff, the biggest fraud they are committing on the people.

The Santhanam Committee Report had pointedly revealed this earlier in clear language. But they did not take notice about this. This is the person now at the helm of affairs, Mr. Venkataraman....

SHRI R. VENKATARAMAN: Be sure of your dates, because you will be caught!

SHRI JYOTIRMOY BOSU: Ex—and now—this is the person now at the helm of affairs. Mr. Venkataraman, I take it, carries out her wishes only. Mr. Venkataraman has got a new boss, Mr. L. K. Jha. We know his antecedents. We know his connections in the big business and jute tycoons—the story of diamond necklace and Scotch whisky cases; we would not elaborate on that here.

Just a month before the session, they brought this ordinance. Couldn't they wait for this session to start? Could they not bring a full-fledged Bill? What was the hurry? Because her part of the deal with the big business and her policy and philosophy in life had been to run with the hare and hunt with the hound. And, this is the hog-wash and nothing but that. The mighty financial tycoons and godfathers—they must get a share of the loot, money out of sugar, money out of edible oil, money out of kerosene. All the money must come to their hearth. Otherwise, how can this dynastic democracy survive? Sir, a floodgate of pernicious concessions were given. The bearer bond totally is a self-defeating exercise. If you have gone through the papers, you will notice—Mr. Venkata-

raman will kindly agree, I am sure he will agree—that it is a super-protected international currency, a super-protected international currency which took its birth from dirty money, pernicious money, the blood and sweat of the working class and the poor people's money. Thousand rupee currency is legal tender. You need to record your name in the bank, although I know there was a secret directive that if a Minister's private secretary wanted to cash thousand rupee notes, the banks will not note the name. If you want, I can try to get a copy of that also! But outside, what are the stipulations? The bearer bond system is outside the very taxation system. They have said clearly it is outside the very taxation system. What are the things? No questions asked. No tax on interest. No wealth-tax. No gift tax. No estate duty. Bank overdraft as collateral security, as usual. If you give dowry, it cannot be touched. No ban on taking it out—Mr. Venkataraman, that is the most dangerous concession that you are giving—no ban on taking it out of the country. Can you take out legal tender? Can you take out a bundle of currency, showing it to the customs officer? No. If you take out and then you are caught in the aircraft, you can be hauled up, prosecuted and punished. But if you take out a bundle of bearer bonds worth Rs. 10 crores and show it to the customs officer saying, "I am taking out the bundle", he has no law till today which can authorise him to prevent you. Therefore, Sir, it enjoys diplomatic immunity also. These black bonds or bearer bonds—that I call black bond, not deliberately but it comes out of my mouth—are purchasable by any currency in the world. Do you know that you are putting your neck and hand in the fire together? This black bond will gather wool as it changes hands. That provision is clearly indicated in the Bill. It will generate more black money. That is the provision in the Bill. After years, 10 years, Rs. 10,000/-

will become Rs. 50,000/- for her. This year's inflation we are apprehending will be 25 per cent. And what about the poor white moneyed man—man with limited shown, visible income? He loses everyday a percentage of the money. Here are the criminals, economic offenders and looters prospering on the sweat and blood of the people. They are flourishing with the help of Mrs. Gandhi, Venkataraman and Company Limited.

SHRI SOMNATH CHATTERJEE
(Jadavpur): Unlimited!

SHRI JYOTIRMOY BOSU: Yes, unlimited.

THE MINISTER OF COMMUNICATIONS (SHRI C. M. STEPHEN): Your ways are unlimited.

SHRI JYOTIRMOY BOSU: I wish Mr. Stephen was adequately rewarded for the services rendered.

SHRI C. M. STEPHEN: That is the basis on which you are working with your party.

SHRI JYOTIRMOY BOSU: I try to make the House understand the simple thing. Would it not be the most convenient paper or document or asset or exchange or exchange order or legal tender, whatever you call it, for any power who would be wanting to subvert our democracy in the country? Would not the CIA buy these bearer bonds, buy crores once the Supreme Court judgment comes out?

DR. SUBRAMANIAM SWAMY
(Bombay North East): KGB also.

SHRI JYOTIRMOY BOSU: I do not know about KGB. But I know CIA's activities.

Then, Sir, just before the last election how did the price of Indian rupee appreciate in the international market? And that has to be done in a clandestine manner. How many countries have financed elections in

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this country for various reasons and interests of their own? Sir, today they have no difficulty at all—buy bearer bonds and dump it. When time comes, send the bearer bonds which are the second super-protected diplomatic immunity—Indian currency. This is the creation and contribution of this wretched Government that claims to have the popped up support.

SHRI R. R. BHOLE (Bombay South Central): Wretched language also!

SHRI JYOTIRMOY BOSU: Yes, wretched language. It will protect the corrupt Ministers. Therefore, the irritation I agree. (Interruptions) But sugar Reddy you do not get into this. He is neither a Minister nor an official. Corrupt Ministers and officials will buy bearer bonds and keep them with their mother-in-laws—lawful or unlawful it does not matter. And if a raid is conducted by the anti-corruption department or by the vigilance all that they will be required to say is that these bearer bonds belong to my mother-in-law. They do not ask what sort of mother-of mother-in-law because that is not within their jurisdiction. Wonderful arrangement to protect all and sundry with one object—to remain perpetually in power at the cost of everything they like of the country.

Sir, for multi-directional trade operations, every Indian buying foreign assets in the country in industry, plantation, of collaboration agreement, there is a black deal. There is a deal which is below the table. Now they will have no problem. They would not have to take trouble in paying premium to Hong-kong and Tangiers dealers. They will be able to do it sitting here. Parcels of black bonds will go out. It will change hands. It will be

treated as Indian currency enjoying diplomatic immunity.

As far as control of economy is concerned, this will add fuel to the fire through generation of additional credit and proliferation of black money. Honest tax-payers keep their savings in cash at home. There are income-tax raids because I have seen as Chairman of PAC that in many cases, raids are conducted without any rhyme or reason—vendetta, just to pressurise the man, humiliate the man. It is the practice in this country. If this man has cash, if over the years, he has saved the money, he would not be able to get out of the income-tax officer. But if this man has a pile of black bonds in his locker—marked “for custody of black Bonds; how much? Rs. 5 crores—the income-tax officer cannot even ask a question. So, I would like Shri Venkataraman to give a direction to the General Insurance Company to insure even its coverage free of charge, even against theft, fire, burglary and loss in transit! I do not know why this has been left out.

Let us see what the ex-Chief Justice of India, Shri Wanchoo, had stated:

“According to the Wanchoo Committee, the bearer bond scheme”

—it was said years ago, Mr. Venkataraman, years ago—

“the bearer bond scheme is a poor substitute for a disclosure scheme.”

MR. SPEAKER: One minute, Mr. Bosu, I would like to point out to the House that we have got four hours time.

SHRI JYOTIRMOY BOSU: Five hours.

DR. SUBRAMANIAM SWAMY: Four hours.

SHRI JYOTIRMOY BOSU: Five hours. Who told you four hours?

(Interruptions) No, no. At 4 O'Clock we adjourn.

MR. SPEAKER: Even then we have to allocate....

SHRI JYOTIRMOY BOSU: I am the Mover of the Motion. I can take time.

MR. SPEAKER: But we have to decide.

SHRI JYOTIRMOY BOSU: But no unnecessary interruption.

MR. SPEAKER: Do you think it is an unnecessary interruption?

SHRI JYOTIRMOY BOSU: That would not make them Ministers, and that is the only thing that I wanted to say.

"According to the Wanchoo Committee, the Bearer Bond Scheme is a poor substitute for a disclosure scheme, as it can cover only the black money, which is not invested and is lying in cash. Further, the investment of black money in such bonds will not connect it up with any particular source of income and, as such, it does not offer to the investor immunity from investigation and proper assessment of the income from that source and penal consequences."

This is what is stated by the Wanchoo Committee, headed by a former Chief Justice of India.

As it is, the currency in circulation, the latest figure as on 31st March 1980 is Rs. 11,821.14 crores. I have the break-up, according to the Reserve Bank of India Bulletin, but it is difficult to analyse it. There you have got hundred rupee notes and ten rupee notes, which are predominant figures, and fifty rupee notes also. I do not know why you are deliberately omitting the figures of demonetised one thousand, five thousand and ten thousand rupee notes and why they are not taken into account.

SHRI R. VENKATARAMAN : Because, they are not in circulation.

SHRI JYOTIRMOY BOSU: I am not saying that you have to include that in the currency in circulation but there should have been a foot note, giving the details. I do not understand why this is not being given.

Mr. Venkataraman, you kindly hear me, the national income statistics of Government and private income will throw light on this more clearly and only it can reveal how much of the currency is in black today. The total black wealth, not black currency but black wealth through GNP etc. is round about Rs. 30,000 crores, and that is the modest estimate. I can assure you that nobody can calculate it. The correlation of household income and wealth surveys—I have got the latest, and the source is the Central Statistical Organisation and the Planning Commission, 1976-77—shows the figure at Rs. 1,42,000 crores and ten top families own 56 per cent of the wealth, according to the National Council of Applied Economic Research. Black wealth means gold jewellery, commodities, trading assets, movable and immovable property, productive and sick units. Therefore, the volume of black wealth is anybody's guess. They are only doing an exercise to protect those that landed with cash and allow them to go out and come in as they like, to help themselves.

Sir, in reply to Unstarred Question No. 139 dated 26th July 1977, it was stated:

"Birla Group: During the financial year 1976-77, total additions to the income declared and proposed under Section 144B of the Income-tax Act in the various cases amount to Rs. 27.59 crores"—Birla Group alone—"152 penalty proceedings under Section 271/272 of the Income-Tax Act have been initiated. In 6 cases penalties totalling Rs. 15.42 lakhs have been levied."

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"Bajoria-Jalan Group:157 penalty proceedings for tax evasion have been initiated. In 40 cases penalties have been levied. 17 prosecutions...."

"Shriyans Prasad Jain Group : Total additions to income declared and proposed under Section 144B of the Income-tax Act amount to Rs. 5.66 crores in 8 cases. 13 income-tax/wealth tax proceedings have been reopened. 5 penalty proceedings for concealment of income have been initiated."

Then J. Dalmia Group. It is a long list. I would not like to go into details.

MR. SPEAKER: Please conclude.

SHRI JYOTIRMOY BOSU: I will take a little more time.

MR. SPEAKER: But I have to give time to others.

SHRI JYOTIRMOY BOSU: I will take a little more time because I am the mover of the motion.

MR. SPEAKER: I have given enough already.

SHRI JYOTIRMOY BOSU: No, Sir, It is always given.

He has not said how the bearer bonds will mop up the rural rich and how the rural rich will be touched by the bearer bonds. It is a huge sum. The 1971 Reserve Bank of India 10-yearly Debt and Investment Survey shows Rs. 82,000 crores only. The 1981 figure will come out again. The urban black money converted into the rural agriculture-oriented wealth is a flourishing scheme nowadays. Sir, they are only beating about the bush and at the periphery—a drama where a rogue elephant is being tried to be controlled by its tail. How will you repay after 10 years—you are silent over that—to those who are buying black bonds in foreign currency? How will you tackle the balance of payments problem at that particular year and at that particular

point of time? Sir, it is a great fraternity, you can even protect black money owners abroad. Explain why you have extended it outside the country. Why is it that you have extended it outside the country? The laws of the country may not exempt. Their countries' own laws may not exempt. This will make financing or espionage etc. easier. Why the penal provisions are not there clearly? The whole operation is done surreptitiously in a clandestine manner. The Auditor General's Report is there and there are many other things. I would only like to say that in the earlier fiasco, three schemes yielded only Rs. 90 crores and the figure of Rs. 1600 crores given in 1976 is a total fraud by the Ministry's Board of Direct Taxes. The amount of Rs. 840 crores was not concealed income, but it was concealed wealth. Rs. 746 crores was mainly out of raids, not voluntary disclosures. How much of black money, Mr. Venkataraman, you have allowed the cement, sugar, paper and edible oil manufacturers or dealers to generate? Mr. Venkataraman, kindly tell us one thing that you have heard the name of National Herald Associated Journals Limited. Now, we have got documentary evidence to prove that that National Herald has, in the books of accounts, got Rs. 82,67,476 in black money.

In reply to Rajya Sabha Short Notice Question No. 2 dated 12th of March 1979, it was also disclosed:

"Miscellaneous receipts to the tune of Rs. 35.15 lakhs between 1974-75 to 1976-77."

Only in two years' time it was Rs. 13.15,000. So, a person who is generator of black money is heading the Government. A person who lives on black money possesses black money. I have got the Annual Report of the National Herald Associated Journals Limited which shows how they got miscellaneous receipts of Rs. 14,08,000 for the period ending

31st March 1977. Wonderful system. Do you know what they do? They create phony agents all over the country. In Ranchi their circulation is 2,000 copies, in Maharashtra, in one day there is a circulation of 2,000 copies. Money comes pouring in and goes into miscellaneous receipts. Sources have got to be disclosed. That is Prime Minister Indira Gandhi's paper and you expect us to swallow that they want to curb black money? So, I oppose this Bill lock, stock and barrel.

MR. SPEAKER: Resolution moved:

"This House disapproves of the Special Bearer Bonds (Immunities and Exemptions) Ordinance, 1981, (Ordinance No. 1 of 1981) promulgated by the President on the 12th January, 1981."

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): I beg to move:

"That the Bill to provide for certain immunities to holders of Special Bearer Bonds, 1991 and for certain exemptions from direct taxes in relation to such bonds and for matters connected therewith, be taken into consideration."

This Bill seeks to replace, with some minor modifications of a clarificatory nature, the Special Bearer Bonds (Immunities and Exemptions) Ordinance, 1981 which was promulgated by the President on 12-1-1981.

The circumstances which necessitated recourse to legislation by an Ordinance have been explained in a Statement placed on the Table of the House.

SHRI JYOTIRMOY BOSU: I am on a point of order.

SHRI R. VENKATARAMAN: Let us share the point of order.

MR. SPEAKER: Order, please.

AN HON. MEMBER: He is perspiring.

SHRI JYOTIRMOY BOSU: There are ignorant fellows in this House. Little knowledge is dangerous. They think they know too much.

SHRI R. VENKATARAMAN: The very fact that the Bonds were put on sale on 2nd February, 1981 so as to realise a significant amount through their sale before the close of the financial year provides ample justification for promulgation of the Ordinance. Further any measures for mopping up black money or dealing with it in any other manner can be taken only in a sudden and surprise move. This surprise element could have been ensured only through an Ordinance.

I am sure that all sections of the House will agree with me that the problem of black money has assumed serious proportions and poses a threat to the national economy. The causes for generation and proliferation of black money are complex and varied. A comprehensive analysis of the genesis and growth of black money and the related problem of tax evasion will be found in the Report of the Direct Taxes Enquiry Committee referred to by my friend repeatedly i.e. Wanchoo Committee Report. It has been argued that high rates of taxation have provided a powerful urge for suppression of income and the consequential generation of black money. Government have taken note of this aspect and have come forward with progressive measures in this direction. Last year the maximum marginal rate of tax was brought down from 72 per cent to 66 per cent i.e. by reduction of 10 per cent surcharge. Mr. Bosu did not hear and, therefore, laughed out of turn. And this year the surcharge on companies has been reduced from 7.5 per cent to 2.5 per cent. At the same time, we have removed 14 lakh assesses from the purview of income tax so that the Department can now concentrate on bigger cases. Further steps in this direction would depend on the response Government gets from

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the community to the steps which I have already initiated.

The fact that there is unaccounted money circulating outside the banking system is not denied and that it exerts an unhealthy pressure on the economy is also evident. In order to mitigate these pressures, it would be necessary to mop up the liquidity in the economy which is done through open market borrowings. Government floats loans of various kinds or securities from time to time and thus reduce liquidity in the system. Variation in the interest rates is another device that is often used. In order, however, to immobilize the unaccounted money circulating outside the banking system some other measures are necessary and the scheme of Bearer Bonds is one such measure.

The suggestion that black money can be flushed out by granting immunity to the offender is nothing new and has been tried out at various times in our country as also a number of other countries. As early as in 1951, a scheme popularly known as 'Tyagi Scheme', was tried out. Under this scheme, assessee who made a true disclosure of past concealments and allowed the Income Tax Department to verify the same were assured that no prosecutions would be launched against them and that penalties would be mitigated.

The next Voluntary Disclosure Scheme was introduced by the Finance Act, 1965, under which persons could bring unaccounted money into their books by paying 60 per cent of the amount as tax. No questions were asked regarding the nature and source of the income. Another scheme introduced in 1965 was what came to be known as the 'Block Scheme'. Under this scheme, people were allowed to disclose such concealed income which had not already been detected by the authorities and the persons were given immunity from imposition of penalty or prosecution in respect of the disclosed amount. Immunity from prosecution and exemption from taxation

was also given in certain cases of undisclosed income invested in National Defence Gold Bonds, 1980. The last voluntary disclosure scheme was introduced in 1975 under which the disclosed income was taxed at graduated rates varying from 25 per cent to 60 per cent.

Even in this House, some hon. Members of the Opposition have suggested that black money holders may be allowed to invest this money in industrial and housing schemes. This suggestion, however, suffers from the drawback that no penalty would be levied on the persons holding black money and further this would accentuate pressures on the prices of scarce and essential commodities like, steel, cement, coal, etc. Under the Bearer Bonds Scheme a measure of sacrifice is being extracted and at the same time this money will be immobilised from circulation through unauthorised channels in a manner detrimental to the interests of the community.

Similar schemes of tax amnesties have also been offered in several countries from time to time. The terms offered in such amnesties usually contain an immunity from prosecution and penalties and the application of a compound or composite rate of tax to amounts of income or assets not reported in tax returns earlier. Apart from India, Pakistan and Sri Lanka, it is understood that tax amnesties in some form or other have been offered in the last 30 years in some other countries too as, for example, France, Malaysia, Argentina, Israel, Philippines, Indonesia, Brazil and Italy.

These Bonds of the face value of Rs. 10,000/- have been issued at par with a maturity period of 10 years. On maturity, the holders of the bonds will be entitled to receive Rs. 12000/- for every bond. To enable persons to subscribe or these bonds, an original subscriber or the possessor of these Bonds will not be required to disclose the source of acquisition of such Bonds. The mere fact of being in possession of the Bonds will not make the possessor

liable to tax, penalty or prosecution under the Direct Tax Laws.

May I stop here? I thought Mr. Jyotirmoy Bosu is really one of the persons who is sure of his facts and always prepares very well. He put a Question for Answer on 20th February, 1981, in which he asked about this very question:

"(a) total sale of Special Bearer Bonds..."

"(b) whether any restrictions have been imposed by law prohibiting taking Special Bearer Bonds outside the country."

The Answer which I have given is this.

SHRI JYOTIRMOY BOSU: I do not accept that.

SHRI R. VENKATARAMAN: You saw that and yet you repeated the argument? I have better appreciation of your abilities.

SHRI JYOTIRMOY BOSU: That is your observation. I would not like to counter you because of your age.

SHRI R. VENKATARAMAN: Thank you. At least you respect something in the world.

The Answer given is:

"In view of the provisions in section 19 of the Foreign Exchange Regulation Act, 1973, no person can take the Bonds out of India except with the general or special permission of the Reserve Bank of India."

You put questions but you never care to read answers.

SHRI JYOTIRMOY BOSU: I did. Your Bill does not provide anything, your Special Bearer Bonds Bill does not say anything at all.

SHRI R. VENKATARAMAN: I am reminded of Goldsmith's poetry about 'Village School Master':

"Growing rich on 40 pounds a year, Though vanquished will argue still."

The premium payable on the redemption of the Bonds will be free from income-tax and the value of the Bonds will be exempt from wealth tax. Transfer of the bonds on resale will not attract liability towards capital gains tax. Similarly, transfer of the bonds by way of gift will be free from gift tax.

I would like to stress that the Special Bearer Bonds Scheme will be completely independent of the Tax System. No holder of the Bonds will be entitled to claim any set-off or relief in any proceeding under the Direct Tax Laws on the ground that he had subscribed to or otherwise acquired the bonds. It will not also be possible for any tax payer to claim in his wealth-tax assessment proceedings that any asset owned by him has been converted into bonds.

I want to make it clear that, if a person has Rs. 10 lakhs of declared wealth and if he goes and says that he has bought Rs. 5 lakhs or Rs. 2 lakhs worth of these Bonds, then he will still be assessed to the original wealth of Rs. 10 lakhs and the fact that he has bought these Bonds will not be taken into account. That is the meaning of the fact that this will be outside the tax system and will not be taken into account for tax purposes.

SHRI JYOTIRMOY BOSU: I have patiently listened to whatever you said, Mr. Venkataraman, about no derogatory....

SHRI R. VENKATARAMAN: No; please excuse me; that was not what I meant. After all, you must take something when you give so much.

SHRI JYOTIRMOY BOSU: Kindly answer this question. When you are allowing the people residing in foreign countries, foreign nationals and nationals of Indian origin, to buy these Bonds in foreign exchange, how do you propose to regulate the inflow and outflow of this?

SHRI R. VENKATARAMAN: I will expose that ignorance also later as and when I come to it.

SHRI JYOTIRMOY BOSU: Physically 'no'; theoretically 'yes'.

SHRI R. VENKATARAMAN: I will come to that. I am not going to leave any one point unanswered. I have never done it.

SHRI JYOTIRMOY BOSU: Excellent. I am very glad that you are here.

DR. SUBRAMANIAM SWAMY (Bombay North East): What about Cessna aircraft?

SHRI R. VENKATARAMAN: You are like a leap-frog. You jump from the subject which you are dealing with.

DR. SUBRAMANIAM SWAMY: Mental agility. I come from the same part of the country as you do.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): What a contract!

SHRI R. VENKATARAMAN: Further, it will not be possible for any person to claim in respect of any period upto its maturity that any sum credited in his books of account or otherwise held by him represents the amount received by him on the transfer of these bonds. It will, however, be open to investors to bring the money received on redemption of bonds in their books of account without attracting any tax liability.

I would like to submit that the Special Bearer Bonds Scheme is only one of the measures which the Government is taking for dealing with the evil of black money. You cannot expect the Government to disclose all their schemes.

We expect to raise about Rs. 1,000 crores from the sale of these Bonds—Rs. 200 crores in 1980-81 and Rs. 800 crores in 1981-82. Subject to the usual small marginal error of estimation in

all such matters, we have no doubt that this amount will materialise. I would like to remind the House that, under the Voluntary Disclosure Scheme implemented in 1975-76, about Rs. 700 crores of undisclosed income was declared for purposes of taxation under the scheme.

SHRI JYOTIRMOY BOSU: What was the PAC Report under the chairmanship of Mr. Narasimha Rao?

SHRI CHITTA BASU (Barasat): What about the PAC Report?

SHRI R. VENKATARAMAN: You do not understand....

SHRI JYOTIRMOY BOSU: That was a hoax.

SHRI R. VENKATARAMAN: Please hear me fully. Under the Voluntary Disclosure Scheme which was implemented in 1957-76, the amount disclosed was about Rs. 700 crores; I did not say that the tax realised was Rs. 700 crores. What is this? You do not hear me even! I am very careful about my words Mr. Jyotirmoy Bosu.

SHRI JYOTIRMOY BOSU: Mr. Venkataraman, Rs. 746 crores were mainly out of raids and not out of Voluntary Disclosure Scheme. If you read the Comptroller & Auditor General's Report on this, you will see this. If you read the PAC's Report under the chairmanship of Mr. Narasimha Rao, your colleague in the Cabinet, and with members like Mr. Vasant Sathe, you will see this. You think that you know everything and that the others do not know anything. I am very sorry.

SHRI R. VENKATARAMAN: That now buy for Rs. 1,000 crores. That is There is a difference between 'amount disclosed' and 'tax realised'. I have said that the amount disclosed is Rs. 700 crores, and if they had disclosed Rs. 700 crores at that time, they can now buy for Rs. 1,000 crores. That is my point.

SHRI JYOTIRMOY BOSU: Again you are misleading the House. It was out of raids to a great extent.

SHRI R. VENKATARAMAN: That is all right. I will proceed. I can never satisfy Mr. Jyotirmoy Bosu.

MR. SPEAKER: Do not try.

SHRI JYOTIRMOY BOSU: I did not tell, Mr. Barot, about Free Press journal. Why are you getting agitated?

SHRI MAGANBHAI BAROT: Don't worry. Don't threaten.

SHRI JYOTIRMOY BOSU: What is the threat?

SHRI R. VENKATARAMAN: The anticipated mobilisation of Rs. 1,000 crores from these Bonds has enabled me to maintain developmental outlays at a reasonable level without having to resort to additional taxation of consumer goods or larger deficit financing.

Either of these courses—larger taxation or deficit financing—would have hurt the middle and poorer sections of the society apart from defeating our central objective of promoting economic growth with stability. In considering the present Bill, I would like to request the House to keep this perspective in view.

The low rate of return on the bonds ensures that a sacrifice is made by the purchaser. Discounted even at the relatively low rate of 7 per cent per annum, the present value of Rs. 12,000 receivable after ten years would be only Rs. 6100. Therefore, a person purchasing the bonds is actually parting with Rs. 3,900. If regard is had to the fact that in trading and other activities in which black money is generally deployed, the return is far higher than 7 per cent, it will be appreciated that we are in fact realising what amounts to an effective rate of tax on evaded income which is not altogether unreasonable. Now, if I buy Bonds for Rs. 10,000, actually what they will get at the rate of 7 per cent will only be that on Rs. 6,100, they will get Rs. 12,000. Therefore, I said that I

have really collected indirectly from that person Rs. 3,900 by way of tax.

The scheme has been criticised in terms of equity. But the question of equity has to be viewed from a wider angle. In a situation where black money poses a grave threat to national economy, any measure which serves to abridge the scope for its harmful deployment must be considered beneficial to the community as a whole. To the extent it helps the Government in filling the gap between its revenue and inescapable expenditure, the scheme obviates the need for further taxation and deficit financing which will hit the economically weaker sections of the society. Equity has, therefore, to be viewed from the angle of net social gain.

So far as the honest tax-payer is concerned, I don't think that any Government have done as much as I have done in the last two Budgets that I have presented. Reduction in the rates of income tax from the levels of 1979-80, enhancement of exemption limit, larger incentives for savings and raising of the limits of standard deduction—these are some of the measures which highlight our concern for the honest tax-payer. It shall also be my endeavour to minimise the inconvenience to the honest tax-payer through simplification of the tax laws.

The only other valid point which requires answer in the half an-hour speech of Mr. Jyotirmoy Bosu is: how will you repay the foreign subscribers? If he has read the Bill, he will note that we are repaying only in rupees and we are not bound to repay in foreign exchange. Therefore, the question does not arise.

Sir, I hope therefore the Bill will receive the support of all sections of the House as representing a realistic and imaginative measure for mobilising resources for economic development and rendering innocuous a part at least of the black money which is now being utilised for socially harmful purposes.

[Shri R. Venkataraman]

Sir, I move.

MR. SPEAKER: Motion moved:

That the Bill to provide for certain immunities to holders of Special Bearer Bonds, 1991 and for certain exemptions from direct taxes in relation to such bonds and for matters connected therewith, be taken into consideration."

SHRI T. R. SHAMANNA (Bangalore South): I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th April, 1981."
(1)

MR. SPEAKER: Now, Mr. Ram Jethmalani.

SHRI RAM JETHMALANI (Bombay North West): My friend, Mr. Bosu suggested an alternative definition for the Special Bearer Bonds, 1991 which the Government proposes to issue. I have been wondering whether the suggested alternative itself is adequate.

Mr. Venkataraman, the Finance Minister, for whom I have great respect is a very honest and good man.

MR. SPEAKER: Before you proceed further, I would request the hon. Members to be brief.

SHRI RAM JETHMALANI: Can you tell me as to how much time you propose to give?

(Interruptions).

SHRI JYOTIRMOY BOSU: It was decided in the Business Advisory Committee that we shall give a minimum of five hours for the Bearer Bonds Bill? But because you made room for the Gujarat debate, with great anxiety we said that we will stop at 4 p.m.

MR. SPEAKER: We did it last night but you circumvented it otherwise ... (Interruptions). Now, there can be a way out. After the debate, we can sit for one hour. Yesterday we agreed because the House was consuming time in that. We can

accommodate everybody. Don't worry. We will take five hours. You will be having dinner here. Don't worry.

SHRI RAM JETHMALANI: I take it you are serious.

AN HON. MEMBER: Is that an assurance?

श्री राम विलास पासवान (हार्जीपुर) :

सात बजे के बाद न बिठाइयेगा ।

MR. SPEAKER: I have been assured. On behalf of the Minister, I am conveying the assurance to hon. Members. Everything is taken care of.

SHRI RAM JETHMALANI: I have just said that the Finance Minister was an honest and a good gentleman. (Interruptions) I suggest that consistent with the honesty which he has always displayed the definition of the Special Bearer Bond in the Bill must be substituted by another definition which I very respectfully suggest and commend for his consideration.

"The Special Bearer Bond is a document evidencing the indissoluble relationship of special affection common enterprise and remunerative cooperation that has existed and will continue to exist between the tribe of highbracket tax dodgers, high-powered foreign exchange racketeers, international smugglers and trained practitioners of graft and corruption on the one hand and successive Congress Governments on the other."

Sir, in this condition which I recommend and commend heartily there are some key elements—one is the concept of indissoluble relationship and the other is the tribe that we have described; the third is the purposes of the successive deals that have been struck between the Government and this tribe.

Sir, in this country, we rarely blame our own faults we have developed the habit to blame our destiny and, in tune with this habit, this national habit. Mr. Venkataraman or Mrs. Gandhi's Government has adopt-

ed the technique that whatever be the misfortune of the country it is a misfortune brought about by the previous Janata Government. But, Sir, fortunately, so far back as generation, existence or circulation of black money is concerned, even this Government which has very scant regard for truth and history has not been able to blame the Janata Government as the source.

Sir, it is worth recalling that even as far back as 1946, black money was detected to be in circulation in this country and the volume of that money at that time was estimated to be Rs. 48 crores. But, Sir, after the Congress Government came into power in 1951, they started with the first voluntary disclosure scheme. Here, I have a bone to pick up with Mr. Venkataraman. He said that he would use four methods of dealing with these people—*samae*, *dama*, *bhed* and *danda*. I went to ask the hon. Minister in which order he would use these methods—right from the top to bottom or from the bottom to the top. *Sama* means persuasion. Has he tried this? *Bhed* means creating dissension by diplomacy among the ranks. Has he ever tried the method—*danda*, that is, punishment. I would deal with the methods of which he talks so glibly. (*Interruptions*).

SHRI R. VENKATARAMAN: The last two are kept in reserve—*bhed* and *danda*.

SHRI RAM JETHMALANI: What about the third?

SHRI R. VENKATARAMAN: *Sama*, *Dama*, *Bhed* and *Danda*—third and fourth are reserved.

SHRI RAM JETHMALANI: Out of the four which one you have tried so far. I want to suggest that the law of this country permits only one method and one method alone and that method is the method of investigation, trial and punishment and condign punishment at that. Method of 'Danda' is the only one known to law. Mr. Venkataraman with his usual honesty has made an admission that

so far as law enforcement machinery is concerned, law has never been enforced against this tribe of people and the only method they have adopted from the very beginning of the Congress governments is to try the method of 'Dama'. The first scheme of voluntary disclosure came in 1951. Voluntary disclosure schemes have been acknowledged by all experts including the appointed authorities and investigation commission not to be a method of solving this problem, Sir, a Voluntary Disclosers Scheme is a venereal disease of the economic body and the Congressmen have time and again opted for this and the and the disease has flourished and grown.

Sir, the Public Accounts Committee of 1978-79—I believe either Mr. Stephen or Mr. Venkataraman should be at least associated with this document on page 157 says:

"The Committee do not think that, in their effort to raise adequate resources for developmental purposes, Government are justified in creating a situation where partly, as a result of excessive rates of taxation large amounts of unaccounted money are found floating and the entire economic atmosphere gets vitiated and in the process the growth in the rate of collection of Direct Taxes is adversely affected." The Committee had also expressed the feeling that the present system of levy of taxes was "onrous and complicated" and that the collection of taxes has not been efficient. Otherwise there would, the Committee had pointed out, be no need to introduce Voluntary Disclosure Schemes."

Therefore, Sir, I thought that instead of adopting this kind of illegitimate remedy. Government should have tightened its enforcement machinery, should have made its officers a little more honest, should have prevented the coming into force and introduction of these voluntary disclosure schemes.

Then, Sir, at page 159 Committee very forthrightly said:

[Shri Ram Jethmalane]

"...the three Voluntary Disclosure Schemes put together was a more Rs. 267 crores. Total tax yield thereon was stated to be Rs. 61.23 crores....Committee had strongly opposed the idea of the introduction of any general scheme of disclosure of concealed income 'either now or in the future' because they were convinced that 'any more disclosure schemes would not only fail to achieve the intended purpose of unearthing black money but would have deleterious effect on the level of compliance among the tax paying public and on the morale of the administration. Government decided to accept this recommendation.'"

Before these Committees the Government itself gave evidence that what has been disclosed is only a tip of the iceberg and, therefore, you see that from 46 crores which was the estimated amount in 1946, the amount has now become enormous and this Scheme expects only Rs. 800 crores to be unearthed. It is still supposed to be a tip of the iceberg. Thousands of crores of black-money are in circulation in this country and there have been four voluntary disclosure schemes so far and this is the fifth voluntary disclosure scheme which has been brought in. Therefore, am I or am I not justified in complaining that instead of effectively eliminating this menace and prosecuting and punishing people you have all the time indulged in paying them 'Dama' and you have been paying them 'Dama' since 1951. And you are giving them *Dana*. You are being asked now in the year 1981 after 30 years of experiencing, what this *Dana* has achieved. Therefore, Sir, my first submission is this, that you must trace the source of this black money. The sources of black money are described in the definition. You must try to deal with these persons and unless you deal with these persons you are not going to achieve any purpose at all. I said that this is a case of

special solicitude towards this tribe, Is it not a case of special solicitude for this tribe? Take one example. Look at things from the point of view of a person who has worked himself to death. 9 person has worked from morning to night; he has burnt the midnight oil, the midnight lamp. After getting hard-earned money he has gone and paid the Government 70 to 80 per cent

Look at it from that point of view, from the point of view of that man. Why does he not say 'I have been a fool all my life; I am a complete fool. Now I must stop foolery hereafter and I must now look forward to the next Disclosure Scheme; during that time I am going to earn tonnes of money. I have only to earn the special solicitude which is forthcoming from the Finance Minister and this Government. Should I not do this? So, this scheme is not only going to have the negative effect of not producing the money which my learned friend thinks it will produce, but it will have the contrary effect that honest tax-payers hereafter will not pay the money which they otherwise would have paid. Therefore, Sir, this unholy conspiracy must come to an end. And when it comes to an end you will realise that your economy is beginning to improve.

Lastly I want to put one question for reply from the hon. Minister. The previous Voluntary Disclosure Schemes produced little. Three schemes upto 1971 produced only about 200 crores. The 1975 scheme was during the course of the emergency. Along with inducement there was the element of intimidation as well from that great city of Bombay you secured only about 2.75 crores and Sir, it was a damp squib, a mountain in labour, giving birth to a mouse. And I want to ask with this previous experience how did the Finance Minister arrive at the conclusion that this scheme now is going to produce Rs. 800 crores and reduce the budgetary deficit? This estimate means two things. There are two

inferences. Sir, I will stop with this. The first inference is that it is a guesswork; he is living in a fool's paradise and wants to make himself happy in the thought that Rs. 800 crores is going to come from somewhere. But, Sir, I believe that Mr. Venkataraman is too wise to live in a fool's paradise; I have much greater respect for him. I believe, Sir, that this Rs. 800 crores is a figure arrived at after striking a deal with known and identifiable holders of black money and they know how much money is available and those persons alone are going to purchase and buy these bearer bonds. This is conclusive circumstantial evidence, in the light of previous experience. This is only to benefit your friends, your patrons, your election supporters, all those people connected with you and who have black money. Now they will come forward and produce this Rs. 800 crore. The Government will now become a custodian of black money. Now the Government will be in the employ of these smugglers and racketeers; it will hold their money and also pay them some reward at the end of ten years. The bond I spoke of will remain indissoluble as it has remained indissoluble since 1951 and you have made it sure that it will last for the next two Elections.

SHRI ARIF MOHAMMAD KHAN (Kanpur): I rise to support the Special Bearer Bonds (Immunities and Exemptions) Bill, 1981. But before I deal with my points, I would like to thank you for giving me the opportunity of hearing two distinguished speakers. One used the word 'wretched'. Mr. Jyotirmoy Bosu used that word. After hearing these two distinguished speakers I was wondering about one thing, judging things from their performance. Mr. Jethmalani was himself part of a Government for nearly three years. Mr. Jyotirmoy Bosu, has his Government in West Bengal today also.

13.10 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Judging from their performance, one can come to the conclusion that politics in India is not too bad a profession. If they win, it has many rewards and if they lose they can always assume this holier than thou attitude, start giving sermons, engineer agitations and indulge in the game of de-stabilisation. As I said in the beginning, I do not wish to emphasise the reasons for this. (Interruption). The reasons are very obvious. The circulation of black money is in dangerous proportions. This is an accepted fact. Many questions are asked in every session of Parliament. The Government is criticised on this account and this is also a fact that though this huge amount is in circulation, we do not have any evidence of it. Since this is the situation, the black money like the proverbial sword of Damocles is hanging over the nation's economy. I think that the situation demanded some special efforts and I congratulate the Finance Minister on coming out with this scheme. Sir, I think it is very realistic because we cannot take an ostrich-like approach and refuse to face realities. As I said earlier, the reasons are very obvious. The objectives have also been stated in the Statement of Objects and Reasons. The objects are to control the liquidity of the economy, curb prices, curb inflation and mop up black-money for productive purposes.

After going through the objects and Reasons of this Scheme, I do not find that there is any scope for any valid ground to oppose this scheme. In this connection, I would like to quote here the famous words of Thomas Jefferson:

"If no action is to be deemed virtuous since malice can imagine a sinister motive for it, then there never was a virtuous action".

I welcome this scheme and as the hon. Finance Minister, himself had

[Shri Arif Mohammad Khan]

said, this is a necessary evil. Unfortunately the situation demanded that some such type of action should be taken by the Government. This scheme is being criticised on moral grounds, on ethical grounds and on various other grounds by the people who have no morals themselves. I may also tend to agree that there may not be much moral virtue in this scheme since like any other plan of amnesty, it suffers from inequity. It may be described as a concession to blackmarketeers, it can be described as a surrender to black-marketeers. They can say it is a gift to the tax evaders. But in a larger perspective, when the overall well-being of the economy is considered, can anyone deny the fact that the prevailing situation demands some hitherto untried and extraordinary special effort of the hon. Finance Minister for which he deserves congratulations?

I am sure that the objects which he has outlined are for reducing the magnitude of the finances flowing to the parallel economy, to mop up the black money for the productive purposes and to curb the inflation. At the introduction stage, the hon. Minister referred to *sama*, *dana*, *bheda* and *danda*. Shri Ram Jethmalani also referred to that in his speech. If the hon. Finance Minister uses the carrot and the stick with discretion, I am sure, it will definitely yield the desired results. It is not only the carrot, but the stick is also needed. It should be possible for the Government to ferret out the large chunks of black money through this scheme.

In this connection, I would like to draw the attention of the House to a letter which has appeared in the *Economic Times* of 18th February, 1981, in which it has been pointed out that the Bearer Bonds are not freely available in Calcutta. People are going to purchase the Bearer Bonds but specially in Calcutta these are not freely available. This is not my insinuation, but this is as per the letter

which has appeared in the *Economic Times* of 18th February. I would like the Finance Minister to ensure that the forces which are out to subvert this scheme and create destabilization do not succeed in their design. No must also ensure that these forces do not enter into a conspiracy with a small section of public officers, otherwise why in Calcutta alone, are the Bearer Bonds not available? It must be ensured that people who want to cooperate and are ready to buy these Bearer Bonds are able to purchase these freely.

SHRI SOMNATH CHATTERJEE (Jadavpur): Is it the reason why they want to topple the West Bengal Government? ... (Interruptions).

SHRI R. VENKATARAMAN: I thought, they will be very eager about this because Ashok Mitra wants a share in it.

SHRI ARIF MOHAMMAD KHAN: It was said at the introduction stage and I heard today again Shri Jyotirmoy Bosu suggesting demonetization. I am glad that the Finance Minister has not ruled out the possibility of it, but I agree that today the situation does not call for it. This extraordinary device should be reserved for extraordinary times. This suggestion, if accepted, would disrupt the economy for months and that is precisely the purpose and object of Shri Jyotirmoy Bosu in suggesting demonetisation. We must control the forces whose aim is not to curb the inflation or check this blackmoney, but whose purpose is only to create disruption... (Interruptions) and de-stabilisation also, if I may say so.

The objectives, the merits and the reasons concerning this scheme are very obvious and I need not emphasise them in detail, but I would only like to make certain suggestions. In the first place, the Government should step up pressure on the big black money barons with a series of punitive measures to compel them to avail themselves of the immunities offered by this scheme. They should intensify

incometax raids. The hoarded stock of scarce commodities must be seized, the known blackmarketeers and hoarders must be detained under laws which we have recently enacted to deal with them, and strict vigilance must be observed on banking operations to contain Benami transactions. Sir, I am saying it because news is appearing that in some States the grain merchants are competing with the Food Corporation of India in stocking foodgrains, specially wheat and pulses, and storing them at strategic points with the intention of releasing them after creating artificial scarcity. Surely the Government must have got complaints that in many warehouses these hoarders have cornered grains in the name of small farmers. So, Government should give necessary instructions to the officials to deal with the situation.

Secondly banks. Benami transaction is something of which, after the bearer bonds, people are trying to take advantage. Government must also take note of these complaints that some unscrupulous employees of even nationalised banks are helping big money-lenders and tax consultants to conduct Benami transactions on behalf of their tax-evading clients. Sir, I would also urge the Government to tighten supervision of such dubious banking operations and exercise greater check on import-export trade and foreign exchange transactions.

Sir, the Revenue Intelligence Enforcement Directorate and other Government agencies should also be asked to keep a close eye on how the promoters of new industry are obtaining big loans from public financial institutions and making these enterprises generate black money even before going into production. I think this is an effective exercise to mop up black money, but we should also make efforts to check it at the stage of generation and see that it is not accumulated. There are many instances where in the company floated by big houses, they make one unit

sick. The same management then floats another company and secures loans from some public institutions and again indulges in corrupt practices. I would suggest that if necessary the law must be amended and the names of such defaulters must be published and there must be a legal check on their getting further assistance from public financial institutions because these private limited companies have a sort of ingenious device for obtaining individual profit with out individual responsibility.

I am sure that these steps will have a salutary effect and will be able to prevent black money generation, especially when this Government under the dynamic leadership of Smt. Gandhi is determined and is doing its best to get rid of the atmosphere of stagnation and the scarcity created by three preceding years of gold auctions and drift in national banks.

Finally I would submit that this tax evasion leads to the menace of black money. I am sure that this is not the only and final step in the armoury of the Finance Minister for fighting the menace of black money. I am sure he will consider other proposals also proposals which can help tackle the generation and accumulation of black money, besides checking and controlling it. I would like to congratulate him on coupling this special Bearer Bond with his budget proposals for revising the direct tax rate. I would urge him to give it more thought and come out with certain other measures. As I said earlier carrot and stick both are needed to deal with tax evaders and black money barons.

I support this Bill in the strong belief that this Government will succeed in checking and mopping up black money, and will also come out with other measures to check the generation and accumulation of black money. Thank you very much.

MR. DEPUTY-SPEAKER: Now Dr. Subramaniam Swamy. Your party

[Mr. Deputy-Speaker]

has been allotted very little time. I don't want to mention the time.

DR. SUBRAMANIAM SWAMY (Bombay North East): Sir, with you in the Chair, I expect always generosity.

Here is a photostat copy of the Bond Certificate—a black bond in a white paper. I am not required, under the law, to disclose the source of this. And it is made out in a form as if it will be framed in a glass and hung in the drawing room of Mr. Venkataraman.

Mr. Jethmalani and the speaker earlier. Mr. Jyotirmoy Bosu have made mince-meat of most of the arguments put out by the Finance Minister. So, it is going to be much easier for me to continue the mince-meat process. I agree with the Finance Minister that black money is a serious problem. It is there not only in this country; but I would say that even countries like Russia and China are today having problems of black money. The Chinese themselves have published in the Beijing Review that they are having problems of black money. So are the Russian. Anybody knows it. There is no country in the world which does not have the black money problem. The real question is how to tackle it. This is the fourth attempt. The previous three attempts have been failures, by all independent accounts. Not only that. We consider them amoral and infructuous.

What we find by examining the names is that those who disclosed in 1951, also disclosed in 1965, and also in 1975. The purpose of the voluntary disclosure scheme is; once you disclose, you are not going to do it again. That is the implication. But here, we find that Ganga Shan has been administered three times; and I am sure in the Special Bearer Bonds also, the same people are going to be involved.

He talked about amnesty. It is wrong. Amnesty is given once. It cannot be given over and over again.

And that is the key part of it. That is why the Public Accounts Committee said that this should never be resorted to again.

The Finance Minister has introduced a new terminology into the profession of economics. We know that when we discuss Indian economy, we always talk about poverty line: people living below the poverty line. Now I find in the class room there is a new terminology. People living below the poverty line, and people living above the Bearer Bond line. And so—of course, all the people who are above the Bearer Bond line are absent today I would not say too much about that part of the society. Our society has been divided into three parts: those above Bearer Bond line, those below the poverty line, and those who have been squeezed every day by the Finance Minister in between; and that is the poor middle class.

SHRI JYOTIRMOY BOSU: He belongs to the Youth Congress...
(Interruptions)

DR. SUBRAMANIAM SWAMY: Therefore, what is the provocation for this? What brought it about? Who suggested it to you? Why this excitement? Why this hurry? And by your own admission, since February 2nd upto now how many crores of rupees have you collected? Rs. 50 crores, of which Rs. 35 crores are from Delhi alone. The city of Bombay is totally obvious that there is something like this. It may be Rs. 65 crores, but it is not going to be near Rs. 200 crores by the end of this month, nor is it going to be an extra Rs. 800 crores after the beginning of this financial year. So, what is the provocation? He was in such a hurry. I want to know how it is possible that people will buy this ridiculous thing when the probability of detection is so small.

I did a scientific analysis and calculation using the probability theory which unfortunately our Finance Minister does not know because he is educated in the Keynesian economy

which is of graphs and verbal prose, whereas I am a mathematical economist who has been trained in the modern method of the probability theory and so on. (Interruptions) According to the probability theory, unless the probability of detection is over 75 per cent, nobody would buy the bearer bonds unless he has some ulterior motive; the ulterior motive being that these people have got his name in advance and tell him, "Buy so many bearer bonds and put 10 per cent in my pocket". I do not know if this is the approach, a threatening approach, "either you pay or there will be a raid on your house"; But if it is purely a voluntary approach, this can never succeed because the probability of detection in India today is not even 10 per cent. How many blackmoney people today are afraid that they will be caught? There are none. I know Bombay. Bombay is a great Capital for many things including generation of blackmoney. I am not doubting it. In fact, it is much better than Calcutta. Calcutta is a black hole; there is nothing much there. (Interruptions) I do not blame Calcutta for it alone, but, nevertheless, the fact of the matter is that there the probability of detection to day is so low that no one is going to crop up unless there is something behind it. I would like to know, first of all, what provoked him. We must have an idea how much blackmoney there is in the country.

Now the United States is also having the problem of blackmoney. So, their Parliament unlike our Parliament has brought out an excellent publication called "**The Underground Economy**" after the hearing before the Joint Economic Committee of the Congress of the United States, not your Congress. (Interruptions) Some people are new; they may not know the difference between your Congress and the

Congress there. This report dated 15th November is an excellent report which I urge the Finance Minister to read, not the **Change in Economy of 1930** but the publication, which will give you a precise method for calculating blackmoney. If you use that method in relation to the Indian economy, it turns out that there is Rs. 18,000 crores of blackmoney in this economy. The Finance Minister is quite content with taking out Rs. 1000 crores and that too on paper. He has not got more than Rs. 60 crores. So, where is the provocation? Therefore, what is the basis?

This is a wonderful piece that they have circulated. The reasons given for immediate legislation in the Statement of Objects and Reasons are: the budgetary deficit the need to improve the Government's financial position and canalising money into productive purposes. I am concluding. I know you are looking very impatient.

MR. DEPUTY SPEAKER: I will give you some time.

DR. SUBRAMANIAM SWAMY: I will remember it when I become the Deputy Speaker next (Interruptions) If this is the objective, I would say, this shows complete bankruptcy; this is total financial prostitution. Is this the method to improve the financial position of the Government? Is this the method to reduce the budget deficit? Can anybody say that with a straight face, specially a religious minded person like him. (Interruptions) An Ayyangar Brahim on top or that! (Interruptions)

MR. DEPUTY SPEAKER: He has not said that.

SHRI JYOTIRMOY BOSU: It should not be said. (Interruptions)

DR. SUBRAMANIAM SWAMY: Mr. Arun Shourie has written an excellent article in the Indian Express about the CIA and KGB. I do not know why he has not been giving a

[Dr. Subramaniam Swamy]

certificate to the KGB, not a bond certificate, but a general certificate that they are not indulging in it. I do not know; maybe a new party policy, but the fact of the matter is that both of them are likely to purchase a huge quantity; that is what he says. He is a reputed economist. He is a very knowledgeable person, he has been writing in a good newspaper like the Indian Express. Therefore, the Finance Minister must come forward and assure this House that there is no danger of foreigners getting hold of this. Therefore, I conclude by saying that there are many better ways of obtaining black money without this financial prostitution and open admission of bankruptcy. So, I clearly am not in favour of demonetisation. I was not even in favour of demonetisation of the thousand rupee notes. That took place during the Janata rule. But, unfortunately one member of Mr. Jethmalani's party came running to Finance saying that there was a certain lady in the then Opposition who was salting away huge amounts of money in thousand rupee notes in Nepal and therefore, it was done. Nor am I in favour of demonetisation of hundred rupee notes. That will create chaos in the country. What I am in favour of is, honestly. First of all, tax reform. Every time you lower the tax the revenue has gone up. It is an important thing. It never happens in any other country. It is only in this country that every time you lower the taxes the revenue goes up. You read the Chokshi Committee Report, not Keynesian economics. You read the Chokshi Committee Report or the Wadilal Dagli Committee on licences and subsidies. And most of all, the legitimisers of black money are our political parties during the time of elections. Let him remove the ban on company donations to political parties. Let us find out which company is giving how much money to which political party. You will be surprised that the country's capita-

lists give donations not only to parties like his, but also to other parties also, and all of them are taking I am telling this. I know that for a fact. It is a pious non-sense. How much money have the capitalists given to his party? I know that companies give donations. And that is why I say, 'Remove the ban.' Let the money given by companies to political parties be published. Let us find out who is giving. (Interruptions)

SHRI JYOTIRMOY BOSU: Will that prevent anybody?

DR. SUBRAMANIAM SWAMY: At least, we will know where you stand.

Therefore, that is the way. We political parties, put pressure on them. Remove that. Remove the anomalies in the tax system. This quibbling will disappear. This is a wrong approach; not by these quibbling ways. This is a wrong approach. This is an open admission of bankruptcy and therefore, I totally oppose this Bearer Bonds Scheme of the Government.

(Interruptions)

MR. DEPUTY-SPEAKER: Shri R. L. Bhatia.

MR. DEPUTY-SPEAKER: Shri Shiv Kumar Singh. (Interruptions)

AN HON. MEMBER: I wanted to show how popular it is (Interruptions).

SHRI JYOTIRMOY BOSU: I have sought to find out. (Interruptions) We parted company. That is all now there. (Interruptions)

SHRI RAM JETHMALANI: It has found its last resting place.

श्री शिव कुमार सिंह ठाकुर (बंडवा) ने माननीय उपाध्यक्ष महोदय, मैं स्पेशल ब्योरर बॉन्ड्स बिल, 1981 के समर्थन में कहा हुआ है।

आज कई तरह की कहानियां हमें दिन प्रति दिन के समाचारपत्रों में सुनने को मिलती हैं और जलज से भी हमें यह सुनने

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उपाध्यक्ष महोदय, नम्बर दो के बहीखतों को रखने का एक फेशन सा हो गया है। करों की ऊँची दरों के कारण यह स्वाभाविक है कि मनुष्य करों की चोरी की ओर प्रवृत्त होता है। वांचू कमेटी ने 1970 में कहा था कि करों की ऊँची दरों को अवर नहीं रखा गया, अवर अवांछित कर लगाये जाते रहे तो यह स्वाभाविक

है कि मनुष्य करों की चोरी की ओर प्रवृत्त होगा और उस से देश में काला धन बढ़ेगा। 1970 में वांचू कमेटी ने कहा था कि उस समय देश में 14 सौ करोड़ रुपये का काला धन है और उसने यह रिकॉर्ड किया था कि करों की दरों को नीचे लाया जाना चाहिए। मुझे खुशी है कि हमारे लायब फाइनेंस मिनिस्टर ने पिछले साल के बजट में भी और इस साल के बजट में भी करों की दरों को नीचे लाने की ओर प्रयास किया है। मुझे आशा है कि वे आने वाले दिनों में इस बीमारी का निदान करने के लिए करों की दरों को और भी युक्तियुक्त बनायेंगे।

आज हमारे देश में काले धन के बारे में कई तरह के अफेसमेंट हैं। कई लोगों का ख्याल है कि देश में दस हजार करोड़ रुपये का काला धन है, कुछ का विचार है कि बीस हजार करोड़ रुपये का काला धन है और कुछ का तो 25 हजार करोड़ रुपये का काला धन होने का अफेसमेंट है। मुझे भी कभी कभी शंका होती है कि हम जो स्पीड ब्राजिल देश में देख रहे हैं, हमारे यहाँ काले धन को निकालने के लिए या वोलेंट्री डिसक्लोजर का पहला प्रयत्न 1950 में हुआ था, फिर 1975 में हुआ, एक प्रयत्न जनता पार्टी के शासन में भी नोटों के विमुद्रीकरण के रूप में हुआ और अभी ये बिस्तर बोंड आये हैं, उन सब में हमारा अनुभव यह रहा है कि उसी तेजी से काला धन रखने वालों की हिम्मत बढ़ती जा रही है। एक ओर तो कई मामलों में यह बहुत अच्छा है परन्तु उसके साथ साथ आपको दूसरे प्रयत्न भी करने होंगे जिनसे कि इन काला धन रखने वालों को निर्यत्ता किया जा सके।

का धन केवल नकदी के रूप में ही नहीं है। बहुत-सी स्थाई सम्पत्ति के रूप में भी यह है, चाहे वह र्जनिधियों द्वारा खरीदी गई कृषि की जमीन हो, चाहे वह बड़ी बड़ी प्रायद्वीप हो जो कि प्लाटों के रूप में खरीदी जाती है और जिसकी बहुत कम कीमत की रजिस्ट्री करायी जाती है, चाहे वह हीरे जवाहरात की शक्ल में

[श्री शिव कुमार सिंह ठाकुर]

हो। लगभग 11 से 14 से करोड़ रुपये तक नेपाल बांडर से अफ्रीका, गंगा और चरस लाया जाता है। दुबई से घड़िया, टेप रिकार्डर, सोने की छड़ों की शक्ल में तस्कारी में भी हमारा काला धन प्रयोग में आता है और इसके द्वारा भी हमारा काला धन बढ़ता जाता है। ये सभी कारण हैं जिन पर हमें बहुत ही गंभीरता से विचार करके इन पर नियंत्रण करना पड़गा।

हमारे देश में इन्फ्लेशन भी है। इस बिल के उद्देश्य में भी यह कहा गया है कि हमारे देश में बिबर बांड के द्वारा जो धन बिना हिताब-विताब का पड़ा हुआ है, वह उत्पादक कार्यों में लग सकेगा। इस में मुद्रास्फीति पर नियंत्रण होगा, कीमतों में स्थिरता आयेगी और जो घाटे का बजट बढ़ रहा है उस पर भी रोक लगेगी। मुझे पूरी आशा है कि बिबर बांड से ये जो उद्देश्य रखे गये हैं इनकी अवश्य प्राप्ति होगी।

मैं माननीय फाइनेंस मिनिस्टर से यह कहना चाहता हूँ कि आपने इन बिबर बांड्स के माध्यम से बहुत सारी सुविधाएँ कालाधन रखने वालों को दी हैं, आप बहुत ही खुले हृदय से ये बिबर बांड्स लाये हैं। उनसे न यह पूछा जायेगा कि आपकी आय का क्या खेत है, न यह पूछा जायेगा कि किस आदमी ने बिबर बांड खरीदे है, न यह पूछा जायेगा कि आपकी आय किस खाते में हुई है। इन पर सम्पत्ति कर, उपहार कर और केपिटल गेन टैक्स भी नहीं लगेगा। दस वर्ष बाद दस हजार रुपये के बांड के ऊँचे 12 हजार रुपये मिलेंगे। आपके इतनी सारी सहूलियत देने के बाद भी जो व्यक्ति कालाधन रखने की ओर निजी स्वार्थ के कारण इस देश की अर्थव्यवस्था नष्ट-भ्रष्ट करने की हिम्मत करता है उसकी नियंत्रित करने के लिए आपको बहुत ही सख्त कदम उठाने पड़ेंगे। माननीय मंत्री महोदय से मैं कहना चाहता हूँ जैसा कि अभी राम जेठमलानी जी ने और ज्योतिर्मय बसु जी ने कहा कि इनको

बहुत सारी छूटें दी गई हैं, मैं कहना चाहता हूँ कि हमारे मंत्री जी ने गणिता में कोई गलती नहीं की है, क्योंकि जो 10000 वह आज जमा करेगा वह उसे 10 साल बाद मिलेगा, जब इन्फ्लेशन के कारण उसकी कीमत सिर्फ 6000 रुपए हो जाएगी। इस प्रकार इन्डायरेक्ट रूप से हमारे मिनिस्टर महोदय ने 4000 रुपए का टैक्स लगा दिया है।

उपाध्यक्ष महोदय, मैं कामना करता हूँ कि बिबर बांड में हमारे देश की अर्थव्यवस्था में सुधार हो, मैं कामना करता हूँ कि इस देश में मुद्रास्फीति में कामी आए, मैं कामना करता हूँ कि कीमतों में जो वृद्धि हो रही है उस पर रोक लगे और इन शब्दों के साथ मैं इस बिबर बांड की सफलता की कामना करता हूँ और मंत्री जी का आभार मानता हूँ कि उन्होंने यह स्कीम लागू की।

SHRI SOMNATH CHATTERJEE (Jadavpur): Mr. Deputy-Speaker, Sir, so far as this Bill is concerned, we have heard the hon. Finance Minister justifying this measure as necessary in the context of the budgetary deficit. Sir, he said that to avoid imposing fresh taxation on the common people it was thought necessary that some black money that is openly circulating in this country be brought into the coffers of the Government. It is not so much for the purpose of containing inflation in this country nor for the purpose of bringing to book the vilest perpetrators of economic crimes in this country. This Government knows that a huge amount of black money is circulating which is owned, self-confessed and within the knowledge of modern economists, as Dr. Subramaniam Swamy says. But his views are so distorted and he is congenitally so anti-people so far as left parties are concerned. He cannot see things in the proper perspective.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): What a compliment to his own colleague! (Interruptions).

SHRI SOMNATH CHATTERJEE: He for whom it is meant does not object. Why do you object?

The position is this. He says that it is Rs. 18000 crores. Nobody knows. Mr. Jyotirmoy Bosu says that it is Rs. 30,000 crores. The Minister ought to have better information. If they are candid enough they should share that with us.

SHRI JYOTIRMOY BOSU. I will repeat the Finance Minister's point on the customs and taking it out. (*Interruptions*).

SHRI SOMNATH CHATTERJEE: Let us take it that we do not have personal knowledge about the quantum.

SHRI MAGANBHAIR BAROT: I do not know as much about black money as my friend knows. (*Interruptions*)

SHRI SOMNATH CHATTERJEE: They do not know the quantum of it. They know, how much they get. The position is that even if we take the lowest figure—Dr. Swamy was, it seems to me, doing some sort of tight rope walking today—of Rs. 18,000 crores, what I am objecting to is that you evolve a scheme with the object of getting not even a pittance of it. Rs. 1000 crores in two years—I mean in the rest of this year and next year—you expect to get with what object? And what impact will it have on the parallel economy in this country? Our young friend here—he was making a gallant attempt to support a bad cause, doing a difficult job—after the initial hesitant support which he gave to this Bill, also felt that certain basic actions should be taken to stop this menace. Do you not know who are the persons from whom you are expecting this money? Do you not know who are the persons who have kept their taxes outstanding? Is it believable in this country that taxes cannot be realised from those monopolists, big business houses like Tatas and Birlas—the lists are almost ceremoniously given to us every year because questions are put—who have got crores of rupees worth of assets which are known and unknown? Can this Government not

even realise the assessed tax forgetting the black money? What is the outstanding income-tax and wealth tax? We would like to know that from this Government. Out of that, can they not realise this, that they must take recourse to this pernicious scheme to meet their budget deficit and pat themselves on their back that they have evolved a scheme by which they have avoided new taxes on the common people?

I was astounded when the hon. Minister, Shri Venkataraman, for whom I have the highest regard, as all of us have, said that this is a measure of sacrifice. This is the attitude of Government of India to black money holders, tax dodgers, tax evaders that they are supposed to be making a sacrifice by purchasing these bonds and with this attitude you are approaching this problem of solving the black money economy in this country. Therefore, I would like to know from this Government whether the Finance Minister will follow up this measure with danda or danda, whatever it may be. If at all he follows that, has he not got the powers in his hands even now? Even today he can say "Please behave; if you do not behave, then we shall take punitive measures". Does the Government not possess all these powers? Then why did it not act upon those powers? Now the taxes outstanding are of the order of Rs. 1,000 crores, and these are not from very ordinary people but from a handful of people. In this context, if people say that this is an opportunity given, on the basis of an understanding, to a section of the people who are holding the country to ransom, on the basis of a secret arrangement between the ruling party and those people, how can you blame them?

Today is the 18th of March and within the next 13 days the Finance Minister expects to get another Rs. 140 crores or Rs. 150 crores and, on the basis of that hope, he has prepared the budget, when the matter is before the Supreme Court and so many serious questions of law have been raised. Is this the way the budget of this coun-

[Shri Somnath Chatterjee]

try has to be prepared? Now, if these Rs. 200 crores do not come, then they will have to initiate new taxation for the common people to bear. Sir, we do not understand it.

They are creating division among the people, between those who pay tax and those who do not pay tax, and this Government is asking for massive blessings from those people who have been openly and with impunity violating the laws. I do not know in what paradox or fool's paradise they live and I do not know what sort of situation they expect to evolve out of the generous gesture of this Government to these people in this country. So many particulars have given by Shri Jyotirmoy Bosu and by other hon. Members. I do not wish to quote them now, but there are certain very basic questions involved. Today he is giving total exemption from future liability, immunity not for present disclosure but for past misconduct, saying "we shall not put any questions". The income will be not taxable under the Income-tax Act, if it gets routed through the bearer bonds, there will be no gift tax and it will not be included in the wealth tax. Not only the past sins have been washed away but also for the future and new class of citizens is being created in this country.

Somebody generated black money by avoiding taxes, by getting recourse to all sorts of dubious financial transactions. Now the Government says if you invest it in these bonds I shall not ask any questions as to the source, where you got it from. Though we do not agree with him and we wholly dissociate ourselves from that concept, we can understand it. But if it becomes a white commodity, then in the future it is immune from all taxation laws under the sun, so far as Indian laws are concerned—no income-tax, no wealth tax, no gift tax and no estate duty.

I do not know whether in this country anybody has got spare idle white

money. But if one has and he purchases with that white money, he has to pay wealth-tax; if he makes a gift out of his money, disclosed money, he has to pay gift-tax; if he dies and keeps white money, his estate has to pay estate duty. But if, with the same white money, idle white money, you purchase the bearer bonds, they will become immune from all taxation in this country. A wonderful class of citizens is created, who are not subjected to any laws.

There is no limit to investment in these bonds. Therefore, economically it is an obnoxious thing, a monstrosity financially and it is impossible to be regarded as a means of bringing about budgetary control, be it the Keynesian economy, or the modern economy, or whatever it is. Speaking for myself, I have no doubt in my mind that this is being perpetrated as something by way of return to some friends of theirs. Otherwise, they cannot have any impact on the economy of the country, when you are nibbling at it, hoping to get Rs. 1,000 crores in one year, when the money in circulation is to the tune of Rs. 20,000 crores. It is not even nibbling at a problem.

Then, what will happen to the Rs. 19,000 crores out of the Rs. 20,000 crores of estimated black money and what will be its effect on the common people, who are at the receiving end? You are patting on your back yourself that you have exonerated 15 lakhs of people from taxation. Rs. 90 to 120 is the maximum saving which they have got. Now these black money-wallas are increasing the prices, inflation is raging and this saving of Rs. 90 by the middle class people will be eaten up in no time.

Therefore, we are opposed to this on principle: we are opposed to it as a mechanism which any Government can think of. We are saying that if it is believed by the ruling party that by giving concessions to a section of the people who are holding the country to ransom, who have fattened themselves on the blood and sweat of the ordinary people of this country, who have

not the slightest respect for the laws of this country, the economic laws of this country, if you think that by making concessions to them you will bring about a change of heart or you will bring about a difference in their method of functioning, you are completely wrong, you are not only fooling yourself, but you are fooling the country. Therefore, we believe that the real intention is, the real basis is that there is some *quid pro quo* in this matter and that is being returned. And therefore, I want to say before I conclude that political parties who have to run their elections on the basis of money will go to them and there, Dr. Subramaniam Swamy does not know that there are political parties who do not go to such type of people, they fight the elections with the contributions of the people, with their participation.

14 hrs.

SHRI RAM PYARE PANIKA (Robertsganj): Dr. Subramaniam Swamy knows you well and your party. (Interruptions)

SHRI SOMNATH CHATTERJEE: You know me well, you know my friends well. (Interruptions). You make friends with Dr. Swamy, I do not mind.

Therefore, that is not the whole thing. About those who are monopolising, Mr. Bosu has made out a list. . .

MR. DEPUTY-SPEAKER: Nobody spends more than Rs. 1 lakh during the elections. Why this discussion?

SHRI SOMNATH CHATTERJEE: Sir, I find here also he was hopelessly out of the mark, he was off the mark. Then you have no knowledge of the expenses incurred by a candidate, by a Left party candidate.

MR. DEPUTY-SPEAKER: But this is the account we are giving.

SHRI SOMNATH CHATTERJEE: I am not, at the moment, crossing swords with you. You are now in the exalted position.

Therefore, what we are submitting is that this Government should not have surrendered in this shameless manner to a handful of people in this country who are holding the country to ransom.

Sir, I oppose this Bill on principle and I do sincerely hope and believe

that this will be struck down by the Supreme Court of India and this Government will realise that they have been trying to fool the people of this country and probably they will give them some other incentive, some other prizes when this Bill goes or when this law goes. For this return or their contribution to the election fund, they should not play with the people of the country.

श्री राम प्यारे पनिका (रावर्टसगंज)

उपाध्यक्ष महोदय, माननीय वित्त मंत्री जी द्वारा जो बिल पेश किया गया है, मैं उसका पुरजोर समर्थन करने के लिये खड़ा हुआ हूँ। आप जानते हैं कि अभी जो बजट प्रस्तुत हुआ, और माननीय वित्त मंत्री ने इस अर्थ-व्यवस्था में विभिन्न लोगों को जो छूट दी, उसके परिप्रेक्ष्य में रुदन जानता है कि इन लोगों ने करों में छूट दी है, करों में ही नहीं, जो उत्पादन शुल्क या उसमें भी कमी की है या समाप्त किया है। यही नहीं बल्कि उत्पादन बढ़ाने के लिये कुछ कम्पनियों और उद्योगपतियों को भी छूट दी है।

इन सब के परिप्रेक्ष्य में हमारे सामने जो देश में ब्लैक-मनी है, उसको बाहर निकालने का कोई रास्ता नहीं था। मैं कहना चाहता हूँ कि जो यह बिल आया है, अगर इसके उद्देश्यों को देखे तो उससे यह स्पष्ट है, अभी हमारे विरोधी दल के लोग माननीय श्री ज्योतिर्मय बसु, जेट्मलानी और सुब्रह्मण्यम स्वामी कह रहे थे।

DR. SUBRAMANIAM SWAMY: There is no quorum in the House. It is very important Bill. I do not think the House should take it so lightly.

MR. DEPUTY-SPEAKER: Let the quorum bell be rung.

Now there is quorum. Let Shri Panika resume his speech.

श्री राम प्यारे पनिका : जैसा कि मैं कह रहा था, इस बिल का उद्देश्य है बजट के घाटे को पूरा करना, प्रशिक्षण को कंट्रोल करना और इसके फलस्वरूप

[श्री राम प्यारे पनिका]

बढ़ते हुए इनफ्लेशन, मुद्रा-स्फीति, को भी कंट्रोल करना। उधर से जिन माननीय सदस्यों ने अपने विचार प्रकट किये हैं, उनमें से किसी ने इस बिल के मुत्तासिलक बात नहीं की है। वे दूसरे विषयों पर बहस करते रहे।

मैं कहना चाहता हूँ कि पिछले वर्ष माननीय फिनांस मिनिस्टर ने जो अच्छा बजट रखा था, उससे कारण इनफ्लेशन का दर 21 परसेंट से 13 परसेंट हो गया। हमारी सरकार लगानार इस बात का प्रयास कर रही है कि मुद्रा-स्फीति को कैसे कंट्रोल किया जाये। इसी लिए यह विधेयक लाया गया है। इसमें कोई नई बात नहीं है। देश में पहले भी कई बार—1951, 1965 और 1975 में—इस तरह की व्यवस्था की गई है। बांबू कोटी ने रिपोर्ट दी थी कि देश में 1400 करोड़ रुपये ब्लैक मनी के रूप में हैं, यदि उसको उत्पादन बढ़ाने के लिए देश की अर्थ-व्यवस्था में वापस लाना है, तो कुछ सुविधायें देनी पड़ेंगी।

इस बजट में वित्त मंत्री ने कर-दाताओं को जो सुविधायें दी हैं, इनकम टैक्स और उत्पादन शुल्क में जो छूट दी है, उद्योग-धंधे चलाने वाली कंपनियों और उद्योगपतियों को जो छूट दी है, क्या वह यह नहीं बताता है कि हम मुद्रा-स्फीति को कंट्रोल करने के डायरेक्शन में आगे बढ़ रहे हैं? यह विधेयक उन्हीं प्रयासों की एक कड़ी है। हमारे वित्त मंत्री ने इस बारे में बहुत महत्वाकांक्षा जाहिर नहीं की है कि इससे सारा ब्लैक मनी वापस हो जायेगा। उन्होंने एक व्यावहारिक दृष्टिकोण अपनाते हुए कहा है कि 200 करोड़ रुपये इस वर्ष और 800 करोड़ रुपये 1981-82 में आयेंगे।

अगर श्री जार्ज फर्नान्डीस ने यह वक्तव्य न दिया होता कि जो लोग बांडस लेने जाये, उनका धन लूट लो, और अगर सुप्रीम कोर्ट में इस सम्बन्ध में याचिका विचार के लिए स्वीकार न हुई होती, तो मैं मनसना हूँ कि हम 200 करोड़ रुपये से आगे पहुंच गये होते। 1975 का उदाहरण हमारे सामने है, जबकि वालन्टरी डिस्नेशन, स्वेच्छिक घोषणा, की व्यवस्था की गई थी। क्या हमें उसमें उपलब्धि नहीं मिली? वर्तमान स्थिति के लिए विरोधी दल के नेता जिम्मेदार हैं। मैं सुप्रीम कोर्ट के बारे में कोई प्रतिक्रिया व्यक्त नहीं करना चाहता हूँ, क्योंकि यह मामला वहां विचारधीन है। ब्लैक मार्केटियर्स, होर्डर्स और प्राफिटियर्स के दिमाग में यह शंका बनी हुई है कि अगर सुप्रीम कोर्ट का फैसला इन विधेयक के विपरीत होगा तो हम लोगों का क्या होगा। इन दो महत्वपूर्ण तारों ने अमेजित रिजल्ट हमें प्राप्त नहीं हो रहा है।

यह बिल राष्ट्र के हित में है और देश की इकानोमी के लिए लाभदायक है। राष्ट्रीय इकानोमी का ब्लैक मनी से जो खतरा है, वह इससे दूर होगा। इस बिल में और कोई बात नहीं है। हम इसमें नहीं जाना चाहते हैं कि देश में कितना ब्लैक मनी है। लेकिन हम एक रास्ते पर चर रहे हैं जिस रास्ते पर चल कर निश्चित रूप से हम ब्लैक मनी पर काबू पा लेंगे। (बयान) . . . यह एक माना हुआ सत्य है कि कर-दाताओं को हम जितनी ही सुविधाएं दें, निश्चित तौर से टैक्सों की चोरी उतनी ही कम होगी। अभी कई माननीय सदस्यों ने यह बात कही है। मैं यह कहना चाहता हूँ कि जनता राज में जो गोलबंद बंधने का कार्यक्रम चला था उससे हजार गुना यह उचित है और निश्चित

तौर से हमारे देश की अर्थ-व्यवस्था में सुधार लाने वाला है ।

अब वृत्ति समय कम है इसलिए इन चन्द शब्दों के साथ मैं इस का समर्थन करता हूँ और विश्वास करता हूँ कि निश्चित तौर से इस से मुद्रा-स्फीति पर कंट्रोल होगा ।

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Deputy-Speaker, Sir, my young friend, Mr. Arif Mohammad Khan, was to quote Jafferson and watch his action. I think, we have a Finance Minister who is trying to make thieving and tax-evading a virtuous action.

I heard his speech and, in the course of his speech, as kind of impression that he tried to convey to us was that this particular Ordinance and the Bill are contributing or are producing a net social gain to the community. In other words, those who provide him with an opportunity to produce this measure, first as an Ordinance and then as a Bill, are people who are contributing to creating more wealth and providing the Government with an opportunity to get a lot of money and use that money, as he of course would like to put it, for greater national wealth.

I am aware that Mr. Venkataraman is always very correct in the things that he says. I must also confess that it is very often a pleasure to listen to him. But today, I was surprised at some of the statements that he made. For instance, he started by saying, "We had to come with an Ordinance—you are all attacking the Ordinance—

because we had to do something sudden and with surprise." I would honestly like to ask the Finance Minister, saying Rs. 200 crores in the course of the financial year ending 31st March, 1981 and Rs. 800 crores in the next financial year, that is, another twelve months, what is sudden and what is the surprise? Where is the suddenness? Suddenness of what? And surprise to whom? To those who have accumulated money which they were waiting to convert into white? What kind of a surprise? What surprise did he spring? I am really amazed at the way Mr. Venkataraman has today tried to explain away an Ordinance that is not satisfiable in any circumstances. It is particularly not justifiable when the House was about to meet. If he had any ideas of mopping up of black money, he could have come before the House, had a fullfledged debate on that. Since they keep on talking how the Opposition over the last three decades in this House and outside made a lot of constructive suggestions which they would like to accept, to convert black money into white, he could have a discussion on that. Then the Finance Minister went on to say something which rather amused me. The Finance Minister said and I quote him:

"I have in the course of the Budget on which we are still going to have discussions on the grants in the Finance Bill, exempted 11 lakh tax assesses so that the Department may concentrate on other cases."

This is a revelation to us! I thought that you are giving relief to the people. Or is it that you are trying to kill two birds at one stroke? But here you have a Finance Minister who then said that he was giving relief to 11 lakhs of tax assesses and today he gets up in this House and says that he did this because he wanted to spare the staff in the Income-tax Department to have to go after the big fish.

I am sure you don't believe Mr. Venkataraman, with all the sincerity and with all the genuineness at your command, in any case I am sure you

[Shri George Fernandes] don't believe, that there are reports that some of your own VIPs have been fraternising with people who are not only evading taxes but are also indulging in importing or exporting contraband. But that is not the issue just now.

The Finance Minister also justified this measure by saying that a lot of liquidity will be mopped up. Are you trying to mislead the House, Mr. Finance Minister, when you make that statement? Because you have said that these bonds can act as collateral. You have said that 60 per cent borrowing is possible against these bonds.

Now, let us understand this. Who are the people that are coming to surrender this money? They are the people who over a period of time have generated black-money. They are not people who do not know how to handle money or how to use money to create more money. And now you have the Finance Minister telling us that any person who goes and surrenders his black-money will then be able to go to the bank, use that as security and get 60 per cent money, with which he can carry on his trade. In other words, you are enabling people who have used their intelligence, who have used their talents, to generate black-money. The fact that they are intelligent people, that they are talented people, that they are paid people who are capable of taking the entire Government and the entire law enforcing machinery for a ride, is not disputed by you and you come forward with a measure like this. So, in effect, the sole argument that you are trying to mop up liquidity does not really hold water because there will be more money coming in and you will only be enabling these....

MR. DEPUTY-SPEAKER: If I remember correct, the Finance Minister said that there would be money coming from the bank, 60 per cent for productive purposes. That is what the Finance Minister said.

SHRI GEORGE FERNANDES: I accept that position and I will come to that.

SHRI JYOTIRMOY BOSU: We are not living in a fools paradise.

SHRI GEORGE FERNANDES: After all, where is black-money generated? That is the main point that I want to make, Mr. Finance Minister. You said that we are interested in mopping up the black-money. You used Sama, Dana, Bheda, Danda theory also here. But where is this black-money being generated? Mr. Finance Minister, what is the black-money that is being generated today? This is a straight question and I am sure you are capable of giving a very straight answer to this question. My modest estimate—people have made their own estimates and anybody can make an estimate of this—is that anywhere between Rs. 25 crores to Rs. 30 crores of black-money is being generated in this country every day. And you know the key areas in which this black-money is being generated: steel, cement, paper, sugar, coal, and then, of course, you have smuggling activities that take place on a very large scale.

The most important of all is the building industry in the metropolitan centres of this country. I would like the Finance Minister to say that it is not Rs. 25 crores but it is Rs. 3-1/2 crores I would like to have a debate on this if he is prepared, a public debate in this House or a public debate outside or a private discussion, so that we may identify what are the areas where black money is being generated, if he is genuinely keen on putting an end to black money. There are hon. friends, Members of this House, who talk about politics and black money, parties and black money, being inter-related. But I would not go into that. Let us take this basic question how and where is the black money being generated in this country. This is not an issue that is top secret. And if we can identify those areas, then what is it that is preventing the Government from tackling at source these areas where black money is being generated and putting and end to this scourge at that point? If it is agreed—I assume that it is agreed—on both sides of the House that this

is an issue on which there must be some commonality of approach, then I would like the Finance Minister to tell us why it is not possible. I will make a submission here. Everybody is referring to the 1975 or 1976 scheme, whether it is Rs. 754 crores or how many crores, how they were secured, and so on. I sat in Government for two and a quarter years I asked my Government to disclose the names of those who had declared their black money. My Government refused to do it.

MR. DEPUTY-SPEAKER: You said that last time also.

SHRI GEORGE FERNANDES: I am making this point because the then Finance Minister was to say, "Government has made a commitment; there is a commitment in Parliament; therefore, we cannot disclose this".

SHRI JYOTIRMOY BOSU: Then you should have resigned.

SHRI GEORGE FERNANDES: We are not discussing Minister's resignations here; I am discussing a problem, and my point is this. Even my Government, which had the opportunity at a point of time to strike at the root, refused to do it. Therefore, I would like the hon. Finance Minister, for whom I have the greatest respect, to tell us where he thinks one should tackle, because, when some of us, men like me, made an effort, we failed. My Party, my Government, we have agitated this issue in every forum, but we have failed, we are still where we were. On a modest estimate, between Rs. 25 and 30 crores of black money are being generated today. So, when the Finance Minister is now coming forward with this Bill, it only seeks to convert the black money into white and it does not try to attack the source of black money. What you are in fact trying to do is to perpetuate the system, perpetuate all that is creating black money in this country. Let us face this.

The other hon. Members have spoken about the incentive that you

are giving. In fact, it is an incentive. I am sure the Finance Minister cannot dispute this. Hon. Members on the other side may otherwise defend this Bill; they may defend it; they have got their Party and Party whip; they may go ahead defending it. But my point is this. Can any hon. Member in this House state that this Bill and all that you are now seeking to do with these Black Money Bonds—is not going to be an incentive to create further black money.

SHRI JYOTIRMOY BOSU: It will, it will and it must.

SHRI GEORGE FERNANDES: Let some one tell me that this is the reason why it will no more make it profitable for people to generate black money. You make that statement. Then we will understand it. So, it is not going to touch at the root of the problem. You are not prepared to touch at the root of the problem.

Therefore, Sir, arises a question. What is all this intended for? I think the hon. Mr. Panika was heard to say that if Mr. George Fernandes has not made the statement that he made about seizing the black money at the gate of the banks and if the matter had not gone to the Supreme Court, much more money would have come. I want to make that statement again in this House and I will continue to make that statement not only from this House, but I am going to address several thousands of young people in the Boat Club and I will also tell them that one of the programmes for my Party youth to undertake is to stand outside every counter of the banks which are selling these black money bonds and snatch the money away from and snatch the money away from those who come to hand over their money. I want to go on record on this issue right here—why fear in this House—that we would like to snatch away that money—the money not the bonds—snatch away and go to a Police Station and surrender to the Police and say, 'Here I have got the black money which was sought to be surrendered to a bank,

[Shri George Fernandes]
and let us see who goes and files an FIR. You want to make them anonymous? You want to make them faceless people? You have produced a beautiful document here, Mr Finance Minister. I would certainly like to know who are the people, who are the faceless people, who are the faceless, nameless characters who want to seek shelter behind this beautiful document. I would therefore like them to go to the Police Station and say, 'Here is a young man who has robbed me of the money. I have come to file a First Information Report. Arrest him.'... (Interruptions) Sir, he is an old friend of mine. Though he is a member of the Youth Congress (I), he is an old friend of mine. We are now getting into the same age-group. Don't worry.

Sir, I make this statement. I would like the youth of this country and I would like anybody who is concerned with the values in this country to come out and campaign on this issue, and not to make this issue only a subject of debate in this House to score points.

I am not certainly trying, Mr. Finance Minister, to destabilise. I think some one has said that all that they are interested is to destabilise. If your case is that if you do not get your Rs. 1000 crores, it will destabilise your Government, I am very happy. I want your Government to fail. I never said that I wanted your Government to succeed. I want your Government to fail. There are no two views on this. Why are you getting excited, Mr Barot?

SHRI MAGANBHAI BAROT: I said that the grapes are sour.

SHRI GEORGE FERNANDES.
Grapes are sour? I eat very sweet grapes. I do not eat very sour grapes. Where is the question? We are not interested in your Government. Do you think that we want your Government to carry on? Do you think we want your Government to do all this havoc? We want your Govern-

ment to go. We will do everything to see that your Government goes....

AN HON MEMBER: It will not go.

SHRI GEORGE FERNANDES:
People will decide.... People will decide. There were others before you came into this House, there were others who spoke with the same arrogance and you know what happened in 1977. Read contemporary history. If you are not capable of reading history at least read the newspapers. Go to the students, go to the villages, go to the people, talk to them and they will tell you what they feel about your Government....

MR. DEPUTY-SPEAKER: You said you have got a meeting at the Boat Club

SHRI GEORGE FERNANDES. I can see how concerned you are about my activities. But, Sir, when they interrupt me, I will have to say these things.

I would like the Finance Minister therefore that if he is genuinely keen of mopping up the black money do two things. One is: don't make these bearer Bonds. Ask the people to identify themselves and let the country know who these honest crooks are. You want to finish black money? You want to hit at the root? I am sure you don't want to treat the symptoms only. Sir, if there is a genuineness, if there is a sincerity and if there is a seriousness then ask the people to identify themselves. After all the Finance Minister said—let me remind the hon. Minister that in 1976 it was Rs. 756 crores. You tried to refute my esteemed colleague...

SHRI R. VENKATARAMAN: I am sorry. I did not say that we got Rs. 750 crores. I only said that the amount disclosed was Rs. 750 crores.... (Interruptions)

SHRI GEORGE FERNANDES: Any way that is not the issue. Rs. 750 crores came to be disclosed.

Therefore, if Rs. 754 crores were disclosed in 1976, I am assuming that some years later, a lot more money

will come to be disclosed. You do not make the bearer-bond people to disclose their identities. Let them tell us who the people are? Why don't you mention their names? Why do you want them to be faceless and nameless because they are characterless? The second request I make to the hon. Minister is: since you are a better performing government and since yours is a government which is committed to do good things, will you, Mr. Finance Minister, publish the names of those who disclosed their money in 1976? Will you? Don't tell me that 'you did not do it.' I told you we failed. I failed. Will you do it? Will you let the names be known of those great philanthropists, the titled great people some of whom are great men? who disclosed these Rs. 754 crores? After all wherefrom does the money come? This money comes from the poverty, from the misery, from the disease or from the wretchedness of the people. That is what the money is. What else is your black money? This is a black money. Therefore, Sir, this is one positive point that I want the Finance Minister to answer.

I will conclude now. I will not take much time. I know you want to pass this Bill by 4 O' clock. I am also aware that they are not going to speak on this Bill. I am aware that they would like this debate to collapse. Would you like this Bill to be passed without even a debate?

MR. DEPUTY-SPEAKER: We have to take up another important subject.

SHRI GEORGE FERNANDES: I know. They have allowed five hours for this.

I would like the Finance Minister to answer my point. Another point is this. Why not try the same method on which the British tried to get money, namely by conferring titles on the people? We did away with these honours at least you have now restored the *Bharat Ratna* award. Why not, say, for Rs. 5 crores, disclosed, everybody will be given the *Bharat Ratna*? When you are asking them to

get away with this at least these recipients of the titles will be enabled to sit in the company and they will be in the same row—whether it be the *National Herald* or the Prime Minister—as the Prime Minister who has her *Bharat Ratna*? Why not? Perhaps the British succeeded in getting the money from the people by conferring the titles. In the same way, you may also succeed in making the people to disclose their names. They will be in the same row as the Prime Minister in all public functions. That is the title which our Prime Minister only has got now.

SHRI ARIF MOHAMMAD KHAN: Why don't you mention the Indian name?

SHRI GEORGE FERNANDES: I am suggesting to the Finance Minister my last point. Are you, Mr. Venkataraman, now trying to forgive all those who have earned the black money, the people who have robbed and who have cheated the exchequer and the people who have robbed and cheated the ordinary poor people of this country? Will you show some generosity to the poor pickpocket also for a change? I am told that there are a number of them in various lock-ups in this country. I think the punishment is from six months to one year for these small manipulators or frauds the least that you could do is to celebrate this Bearer Bond Bill that you have now brought forward which the hon. Members on the other side are supporting. I am sure they will at least like to celebrate this by declaring these small pickpockets free. After all you punish those who pick the pocket of somebody involving Rs. 5, 10 or 20. You are a lawyer, Dr. Subramaniam Swamy and you know that under the Penal Code how many months of imprisonment are given to these people? But what about the frauds committed by those involving additional amounts of money? How many years of punishment are given? If somebody picks the pocket amounting to Rs. 5/- or so, you send them to jail.

[Shri George Fernandes]

Mr. Venkataraman, in all sincerity, I ask you: please tell me one thing. Is it a virtue to quote Mr. Jaffer-son? I tell Shri Arif Mohammad Khan to know this. If someone picks the pockets of the poor of this country amounting to crores of rupees converting them into white money you allow them to get away with it through these beautiful bonds that you have produced.

With these words, I support the motion moved by Shri Jyotirmoy Bosu and I oppose the Bill which the Hon. Finance Minister has brought forward.

श्रीमती कृष्णा साहू (बेगूसराय) : उपाध्यक्ष महोदय, मैं माननीय वित्त मंत्री महोदय द्वारा प्रस्तुत विशेष बाहक बन्ध-पत्र (उन्मक्ति और छूट) विधेयक का स्वागत करती हूँ। यह जो योजना हमारी सरकार की ओर से रखी गयी है यह एक साहसिक प्रयास है जो प्रशंसनीय है।

मैं अभी बहुत ध्यान से जार्ज साहब का भाषण सुन रही थी। जार्ज साहब उद्योग मंत्री भी रह चुके हैं। वे हमारे वित्त मंत्री महोदय में जानना चाहते थे कि ऑनियर वाला धन कहाँ जेनरेट होता है, कहाँ से आता है, इसका पता लगाना होगा। मुझे आश्चर्य है कि वे तीन वर्ष तक सत्ता में रहे और फिर भी वे यह पूछ रहे हैं कि गह काला धन कहाँ जेनरेट होता है और कहाँ से आता है।

मैंने ज्योतिर्मय बस साहब की बातें भी सुनीं। उनकी बातों में मुझे ऐसा लगता है कि उन्हें दुनिया में कहीं अच्छाई नजर आती ही नहीं, सभी कुछ गलत नजर आता है। इन्सान की जैसी भावना होती है वैसे ही उसे सारी दुनिया पर दिखाई पड़ने लगती है। सारी अच्छी बातें भी उन्हें अच्छी नहीं लगती।

आप जानते हैं कि जिस उद्देश्य से यह विधेयक यहां पर रखा गया है वह उद्देश्य सिर्फ यह है कि किसी तरह से काला धन हमारी सरकार के खजाने में आये और आकर के वह राष्ट्र निर्माण में लगे। यह सभी

जानते हैं कि कालेधन की माहिमा बढ़ रही है। इसके सभी स्वीकार करते हैं। ऐसा नहीं है कि इसको कोई स्वीकार नहीं करता है। यह समस्या बराबर बढ़ती जा रही है। यह केवल हमारे राष्ट्र को ही समस्या नहीं है यह तो अन्तराष्ट्रीय समस्या हो गई है। यह एक वर्ल्ड-वाइड फिनोमिना हो गया है। इसके बारे में इन्टरनेशनल मोनेटरी फण्ड की गत वर्ष की रिपोर्ट में भी आपने देखा होगा कि उसमें 1976 तक के आंकड़ों के अनुसार कहा गया है कि ब्रिटेन में ग्रांस नेशनल प्राइक्ट्स का सात परसेंट कालेधन में है और 7.9 परसेंट अमेरिका में है। इस तरह से कालाधन चारों तरफ बढ़ता जा रहा है।

यह एक चिंता का विषय है और इसी समस्या को समाधान के लिए हम निरन्तर लगे हुए हैं और बराबर साधन रहते हैं। इसमें दो बातें नहीं हो गयीं कालेधन की वृद्धि को समाप्त करना है। इस पर अकुश लगाने का प्रभावी प्रयास किया जाना आवश्यक है। मैं यह कहना चाहती हूँ कि इसके लिए हमें वातावरण भी तैयार करना होगा। ऐसा वातावरण बनाना होगा कि जो हमारे करदाता हैं उनमें यह ज्ञान और भय व्याप्त हो। कि साथ ही साथ कर देने योग्य जो उसकी आय है, उसको वह स्वच्छता से सरकार को दे और उस पर जो उनकी निर्धारित निश्चित हिस्सा है वह भी वह सरकार को दे।

अब सवाल यह उठता है कि बिगोरर बाण्ड की आवश्यकता क्यों पड़ी? जो हमारे करों का ढांचा है वह हमेशा टूट-फूट रहा है। वह टूट-फूट इसलिए भी रहा है कि अगर एक मामूली औरत, गरीब औरत अगर रेलवे गार्ड से एक टिकट का फायदा उठा लेती है, या राशन शॉप पर जा कर एक मूटठी अन्न उठा लेती है अपनी भूख को शांत करने के लिए तो उसको जेल की हवा खानी पड़ती है। और जो ये बड़े बड़े लोग हैं, पहले हुए महात्मा हैं, ये बाह्य कालाधन स्मगलिंग के जाल में जमा करते जिससे कि देश को नुकसान पहुँचता तो भी वे कानून के अन्तर्गत पकड़ में नहीं आते, वे बरी हो जाते हैं और इस तरह काफी ज़ाराम की जिन्दगी बसर करते हैं। इस त्रुटि के कारण कर प्रणाली विभाग की

विस्थापित बहुत पंजीबा हो जाती है और आम जनता को काफी परेशानी होती है। इस परेशानी से बचने के लिए कई बार ऐसे आदमी भी जो कि कानून का उल्लंघन करना नहीं चाहते, वे भी कर को चोरी करने के लिए बाध्य होते हैं। इसलिए इस ओर वित्त मंत्री का ध्यान जाना चाहिए।

उपाध्यक्ष महोदय, यह योजना कोई नहीं है। पहले भी इस तरह की योजना आ चुकी है, लेकिन उसमें शंका बनी हुई थी। अभी हमारे वर्तमान वित्त मंत्री महोदय ने जो दावा किया है कि गार्ज महोदय तक 200 करोड़ रुपये की उपलब्धि होगी और 81-85 तक 800 करोड़ के बरॉर बांड्स की बरॉर होगी, यह दावा बहुत ही उत्साहवर्धक है और जो तरीका उन्होंने अपनाया है उससे आशा की जा सकती है कि इसमें सफलता मिलेगी। सबसे बड़ी प्रसन्नता की बात यह है कि इस योजना के अंतर्गत 60 करोड़ रुपये मिल चुका है और अभी जो काला धन कमाने वाले हैं, उनके लिए स्वर्ण अवसर है कि वे स्वच्छता से बता दें और यह काला धन राष्ट्र के विकास के काम आ सके।]

एक बात सबसे अधिक ध्यान देने योग्य है, वह यह कि हमारे अधिकारियों को अभय दान नहीं मिलना चाहिए, कर प्रत्यासन में जो भ्रष्टाचार या अनियमितता है उनके ऊपर अंकुश लगाना चाहिए, जेमे वित्त मंत्री महोदय ने स्वयं भी कहा था कि प्रशासन को चूस्त-दुरुस्त करना और उगमों दक्षता लाना आवश्यक है ताकि जनता के लाभ के लिए बनाए गए कानूनों द्वारा वे जनता का हित न कर सकें। मंत्री महोदय स्वयं सजग हैं। हमें आशा है कि यह जो विधेयक हमारे सामने आया है उसमें मूल्य वृद्धि और मुद्रा स्फीति पर रोक लगेंगी और आवश्यक पदार्थों का जो कठिन अभाव पैदा करके आर्थिक संकट उत्पन्न किया जाता है, इस प्रवृत्ति को रोकने में भी सहायता मिलेगी। इन बातों के साथ मैं बहुत धन्यवाद देती हूँ और विधेयक का स्वागत करती हूँ।

SHRI K. A. RAJAN (Trichur): I support the Statutory Resolution moved by Mr. Jyotirmoy Bosu and I oppose the Motion moved by the hon. Minister. The various ethical, moral,

political, constitutional and economic aspects have already been brought out by the hon. Members who have participated in the discussion. I would like to start by saying that this is only a premium on dishonesty. You are only giving respectability to tax evaders. You are making the black beautiful. Now the Minister is indulging in an Operation-Laundering, thereby making the dirty, clean.

Sir, let me now trace the history of these schemes and let me point out what has been the experience of these schemes. I quote from an Article.

"In 1946 Government resorted to demonetisation of high denomination notes. 5 years later in 1951 the Government was inclined to take a more conciliatory attitude and introduced Voluntary Disclosure Scheme (VDS). The penal provisions of the law were suitably relaxed to facilitate the disclosure of suppressed income. In 1956 the Government introduced a second Voluntary Disclosure Scheme. This scheme popularly known as the 60-40 scheme provided for the payment of 60 per cent of the concealed income as tax and bring the balance of 40 per cent into the books of the assesses. Closely following this yet another scheme of voluntary disclosure familiarly known as the 'Block scheme' was brought in, under which tax was payable at rates applicable to the block of concealed income disclosed and not at a flat rate as under the earlier 60-40 scheme.

All the three voluntary disclosure schemes however did not bring out much of the concealed income. The three schemes put together brought out only Rs. 267 crores which was only a small fraction of even the most conservative estimate of the concealed income during the 15 years, 1951-65.

As against this the concealment deducted by the Income-tax Department in ordinary course during the five years 1965 to 1969 was Rs. 161 crores and taxes and penalties on such concealed income worked out

[Shri K. A. Rajan]

to Rs. 105 crores or about 65 per cent of the income detected.

The relatively poor fare of the three Voluntary Disclosure scheme was due to the fact that much of the income disclosed under them had been either already detected or was about to be detected."

Sir, this is the history of the social steps which he has taken. I say it is an exercise in futility. In this connection, I would quite here the relevant portion of the Wanchoo Committee Report:

"We have carefully considered the pros and cons of this suggestion. The bearer bonds scheme is a poor substitute even for the disclosure as it can cover only black money which is not invested and is lying in cash. Further, the investment of black money in such bonds will not connect it up with any particular source of income and, as such, it does not offer to the investor immunity from investigation and proper assessment of the income from that source and penal consequences. The investor cannot also remain completely anonymous from the income-tax department when he sells the bonds or raises loans on their security or offers the interest from such bonds for taxation. These aspects will militate against the success of the scheme even within the limited sphere of persons having unaccounted cash. Making the interest tax free would tantamount to allowing a high rate of interest and would defeat the very purpose of offering a low yield on the investment. On the other hand, if the interest is taxable the chances are that most of the investors taking advantage of their anonymity would not disclose the interest income and the scheme might, in fact, lead to further evasions and build up of black money."

Apart from this, I would just read out another quotation of the speech made by the hon. Finance Minister in this House a few days back:

"While demonetisation may result in the public losing confidence in the currency, legitimisation of black money may encourage people to more and more accumulation of black money."

Mr. Deputy-speaker, Sir, this Bearer Bond Scheme keeps periodically to turn black money into white money with full official blessings and that inducement and concessions to those who break the Tax Laws. I would like to conclude by saying that various Finance Ministers had taken steps in this direction in the past and they had miserably failed. We have to identify where this black-money is being generated. It is certainly in the trade, among the film magnates and also among the corrupt politicians. So, this is not only relevant with India but it is the case with all the capitalist countries. Therefore, unless you take some drastic measures to see that the economic changes are made in the system, those people who hold black money cannot be caught. This is an in-built mechanism in black-money. Unless you go deep into the matter, deep into the malady, you won't be able to mop up black money. With all your pious wishes, this is all an exercise in futility.

SHRI XAVIER ARAKAL (Ernakulam). Sir, I oppose the Resolution moved by Mr. Jyotirmoy Bosu and I support the Bill moved by the hon. Finance Minister. Talking about the money, one eminent economist has said like this.

"Money is a singular thing. It ranks with love as man's greatest source of joy. And it ranks with death as his greatest source of anxiety."

These two aspects of money have been well explained in the previous speeches of the hon. Members here. It cannot be denied that black money is creating a serious threat to our economic development and growth.

In this connection, I would like to refer to the reports of the Ayyar Committee in 1936, the Nicholas Kaldor Committee in 1956 and the Wanchoo Committee in 1971. All these Committees have highlighted the problems of black money. The Wanchoo Committee Report has very elaborately dealt with the problems, the source and the net effect of black money. Those who had the privilege of possessing that report, or who have gone through chapter 2, will understand, what is the real black money and what is the role of black money in destroying our economic growth. Of course, there is a positive side of it also as far as the growth of economy is concerned and I am not denying that. But as far as our economic policies and programmes are concerned, its effects are disastrous. It has been very aptly described by the hon. Finance Minister in his budget speech, paragraph 28. The hon. Members, who have not gone through that, may kindly do it now to fully appreciate this aspect. It is, therefore, imperative that the velocity and rotation of black money ought to be curtailed. None of the hon. speakers have suggested any concrete steps which are conducive to our national growth. I heard what Dr. Subramaniam Swamy said in a laughing manner and Shri George Fernandes's brilliant suggestions, which only feels will follow....(Interruptions).

In this context, I would like to highlight one aspect. According to the report of the Comptroller and Auditor General of India, as on 31-3-1980, over Rs. 1011.85 crores are in tax arrears. I have said repeatedly in this House that the machinery to assess and to realise the tax arrears should be mobilised in a strong manner. Though I agree with the principles and the procedure adopted in this Bill, at the same time, I would emphatically demand that the machinery to assess and to realise the tax arrears should be mobilised to mop up the money. Some hon. Members may ask, why I should talk about the arrears of tax here. May I ask them: Is it not a fact

that it also generates black money? More money, as the hon. Minister has said, creates problems of liquidity ratio and this has to be brought at par with the economic growth and planning. If you envisage that the liquidity should be controlled, the pronounced principles of efficiency, production and credit system, as stated in the budget speech, should be strictly followed. Should we not, therefore, think of that aspect also and see that the arrears of tax do not generate black money and undesirable economic growth? Quite a number of hon. Members have highlighted the aspect how the black money affects the economic growth.

For whose advantage it is? It is not for the common man's advantage. The benefit is not going to the common man. There is a moral turpitude in this matter. I agree. The society is contaminated with this. We are part of it. But what is the solution to get out of it? Sir, action must be taken by the Government. Can you disagree on the principle that the black money should be curtailed? Therefore, I say it is a first step towards that object.

Sir, the Statement of Reasons for immediate legislation by Ordinance has said:

"to intensify and to invest, into productive purposes money is required."

Are we serious about that aspect, Sir? Have we invested our economic resources in a productive manner? Therefore, my submission is that this aspect also has to be looked into. I fully agree with the step taken by the Government. As a common man we have to do a re-evaluation of our priority investment, the productive investment and unproductive aspect of our economy as well. These things create the sum total of all this money. Nobody knows what is the quantum of black money, but everybody knows there is a parallel economy in our society. Nobody disputes on that point.

[Shri Xavier Arakal]

Therefore, my submission is that nobody can stop the growth of black money. Even in Russia it has not done it; in China it has not done it. No economic system has devised any system to stop the growth of black money. It has been perennial in our society. But my suggestion is that it is high time that Government should take a serious note of this. As the Hon'ble Finance Minister has stated in his Budget speech, if necessary, proper, effective, punitive measures should be brought in I hope that the Government will come forward with such a strong measure and help the economy and the common man to grow into prosperity.

SHRI HARIKESH BAHADUR (Gorakhpur): Mr. Deputy-Speaker, Sir, since this is an immoral Bill, therefore, I am also standing as a hurdle in the way of passing this Bill. But, Sir I know that this Government is quite capable of removing such hurdles by using its black and cruel hands, because this Government is committed to corruption. When I say this Government is committed to corruption, I remember a scandal in which black-money has been accumulated by the politicians of the ruling party. For example, Sir, this Thal-Vasht Hazira scandal I wanted to refer. Therefore, I support this statutory resolution moved by Hon'ble Jyotirmoy Bosu and oppose this anti-national, anti-people, black Bill. Sir, this Bill is nothing but it is only to give incentives to all sorts of corrupt, dishonest and anti-national people. Blackmarketeers, profiteers, hoarders, smugglers tax-evaders and such type of corrupt people who have accumulated black-money will be benefited by this Bill. That is why I am opposing this Bill. People feel that the ruling party politicians will take this money from people who have earned it through wrong means. That is why this Bill has been brought. There was no occasion to bring in this Bill. When Parliament was going to meet the ordinance was promulgated then. This Bill should not have been

brought in, because this matter is already before the Supreme Court.

15 hrs.

The Budget has also been prepared on the basis of this Bill. Suppose tomorrow the Supreme Court declares this Act—null and void, what will into an Act—null and void, what will happen ultimately? The entire budget which is already inflationary, will become highly inflationary because Rs. 1,000 crores are expected from these black money bonds, which will be purchased by people who will be taking them from the banks.

It is expected that Rs. 1,000 crores will be found. Suppose the Supreme Court gives a decision against it, what will ultimately happen? The Budget will become highly inflationary. That is why the Government's proposition is completely wrong, and I think this Bill is ultimately going to create a great economic crisis in this country.

Suppose agencies like C.I.A and others—KGB or any other agency. Dr Subramaniam Swamy will be better informed about all these agencies—purchase these bonds. Ultimately what will happen? After some time, they will paralyze the entire economy of our nation. This is a great threat to our economy. I feel that this Bill will generate further black money. In my opinion, de-monetization of Rs 100—currency notes would have been a better method to unearth black money. Our Finance Minister feels that our economy will get paralyzed if we do that. Perhaps Dr. Swamy also feels like that. But it is not correct. It would have given more benefit to this country. That is why this is an obnoxious and useless Bill which is going ultimately to harm our economy. Therefore, I oppose this Bill.

MR. DEPUTY-SPEAKER: Now Mr. Daga. You will have to complete within 5 minutes.

श्री मूल चन्द डागा (पाली) : उपाध्यक्ष महोदय, जब चम्बल घाटी में बहुत ज्यादा डाकू हो गये, राज लूट-लुट्ट हाने लगी और हम उस समस्या को हल नहीं कर पाये, तो क्रान्ति के अग्रदूत, जयप्रकाश बाबू ने डाकूओं से कहा कि वे पुलिस के सामने आत्म-समर्पण कर दें। मुझे याद है कि एक दिन आया कि कई डाकूओं ने अपना धंधा छोड़ दिया और आत्म-समर्पण कर कर दिया।

डा. सुबहमण्यम दत्तात्री : परन्तु उनके नाम और फोटो सब के सामने थे।

श्री अमर राय प्रधान (कूच विहार) : क्या उससे डकैतियां जन्म हो गईं ?

श्री मूल चन्द डागा : आज भी डाकू चालू हैं।

हमारी तरफ से बोलाये जाने कहे रहे हैं कि यह एक रेबेल्लियसरी कदम है। लेकिन व तो किंग्स मिनिस्टर ने और न सरकार ने यह बात कही है। कई बार इस तरह का रेगुलरिजेशन किया जा चुका है। आज जब हम लोग म्यून्सिपल मैजिस्ट्री में हैं, तब हमें इस राजनीतिक मंच पर निर्णायक कदम उठाने चाहिए और क्रान्ति के नये मूल्य स्थापित करने चाहिए। यदि हमने ऐसा नहीं किया, तो यह समय वापस नहीं आयेगा और सब कुछ यथास्थिति के दायरे में बड़ा रहेगा। जब जनता पार्टी का राज्य था, उस वक़्त भी ऐसे कदम उठाने चाहिए थे। हिन्दुस्तान में एक बात अच्छी है हजारों टन गीता यहाँ विक गईं, रामायण विक गईं, बाइबिल विक गईं लेकिन पाव रक्ती भर भी किसी के नीचे उतरी नहीं। लोग बड़ा अच्छा ओलते हैं और मुझे भी बड़ा अच्छा लगता है। लोग कहते हैं बक मनी, ब्लैक मनी लेकिन मैं यह कहना चाहता हूँ कि यह चुनाव लड़ कर जो लोग आते हैं वह क्या हलफनामा देते हैं ? "मैं हलफनामे में कहता हूँ कि मैंने 35 हजार रुपये खर्च किया है।" यह वह बयान देते हैं और बड़ा अच्छा बयान यह है। तो इसकी जो जड़ है वह कौन है, कहां पर है ? कोई भी सरकार आज तक रही, उसमें एक गुलती माननी चाहिए कि हमारे प्रशासन करने वाले आज कल जो लोग हैं, जो सरकारी नौकर हैं उन नौकरों में,

सठों में और बड़े-बड़े ब्लैक मनीकार करने वालों में एक सम्बन्ध रहता है। जीवन के सारे सम्बन्धों का निर्णायक यह पैसा है। इसको आप चाहे किसी रूप में देख लें। जो बड़े बड़े वकील हैं मैं जानता हूँ उन वकीलों की क्या फीस होती है और उस में वह क्या लिखते हैं, वह तो वही जानते हैं। मैं किसी एक का नाम नहीं लेता लेकिन मैं कहता हूँ यह क्या है ? मैं तो आज यह कह रहा हूँ कि कांग्रेस को ऐसे कदम उठाने चाहिए थे जैसे अर्धन सीलिंग ऐक्ट लागू करना था और दूसरे काम करने थे जैसे अभी हमारे अराकल साहब ने कहा कि कराइजें रुपये इनकम टैक्स के बकाया हैं, इन सारे कामों को करता था। हम जानते हैं कि कितने लोग इनकम टैक्स में छूट गए हैं। आप ने बड़ा अच्छा काम किया होगा लेकिन मेरे दिमाग में आज भी यह बात है कि अगर हमारे प्रशासन में भ्रष्टाचार न होता तो यह काला धन धनपन न पाला जो देश के लिए अभिशाप है, यह सबने माना है। यह सवालानारा अर्थ-व्यवस्था है, यह भी सब ने माना है और देश को खत्म कर देगा, यह भी सब ने माना है। अगर आप यह कहते हैं कि हमने कोई क्रान्ति का कदम उठाया है तो यह कोई क्रान्तिकारी कदम नहीं है। यह तो केवल एक ऐसा कदम है कि हम कूछ रुपये, शायद एक हजार करोड़ रुपये जमा करते हैं इस से आ जायगा और कूछ थोड़ा सा काम चल जायेगा, मुद्रा-स्फीति को रोकने में थोड़ा सा लाभ मिल जायगा।

यह जो नाम, दाम, दण्ड और भेद की बात वित्त मंत्री जी करते हैं, मैं तो उन से यह कहता हूँ कि यह मौका है, अखिर तक पहुँच जाना चाहिए और जो यह काला धन है जहां जहां भी यह है उसको खत्म करना चाहिए। यह धीरे धीरे उठाए गए कदम कभी कारगर नहीं होते। कदम उठाना है तो मजबूती से उठाना चाहिए और उन को खत्म करना चाहिये। ये कदम जो अधूरे मन से और अधूरे संकल्प से उठाए जाते हैं वह कभी सफल नहीं होते। इसलिए मैं यह कहना चाहता हूँ कि वह एक समय है, एक अवसर है जबकि हमें इन काले धन वालों को समाप्त करना चाहिए।

[श्री श्री चन्द बाग]

ये जो कासा धन रखने वाले और ब्लैक मार्केटियर्स हैं इन्होंने देश को किस प्रकार से लूटा है और किस प्रकार से देश की आर्थिक स्थिति को बिगाड़ा है यह आप खुद जानते हैं और कहते हैं। लेकिन उसके कहते हुए भी इसका कोई इलाज नहीं करते हैं। यह हमारे पास एक रोग है, अगर आप कहें कि उस का कोई इलाज नहीं है तो ऐसी बात नहीं है। रोग कोई भी लाइलाज नहीं हो सकता है। एवरी रंग हूजे ए रेमेडी। जहाँ काई रोग होता है वहाँ उसका इलाज भी होता है। इस रोग का इलाज करने के लिए इस तरह की दवाएँ मत करिए, यह कहिए कि हमें उस का मिटाना है। उस के लिए ऐसा बिल आप को लाना चाहिए था जिस से यह चीजें सारी खत्म हो जाती। आज जितने भी कानून बनाए जाते हैं उनकी क्या हालत है—मजबूत ही गया ज्यों ज्यों दवा की। यह कानून और नियम जो हम बनाते हैं, उस में क्या होता है? अच्छा है लोकतंत्र में हम एक बहस कर लेते हैं लेकिन इस बीमारी को हटाएगा कौन? अगर हम ब्लैक मनी को हटाना है तो इसकी जो जड़ें हो, गहरी जड़ें उनके लिए सख्ती से कदम उठाने होंगे, तभी हम देश में लोकतांत्रिक समाजवाद ला सकते हैं।

SHRI CHITTA BASU (Barasat): I am glad that the hon. Finance Minister made a statement not only today but on earlier occasions also, but I mention his submission today that black money has assumed alarming proportions. But my grouse against him is that while he accepts that black money operation has already assumed alarming proportions, the method he has chosen to fight it is not at all advisable. He is making an effort to remove the scourge of black money but my grouse is, my allegation is, that this instrument will further strengthen and will further spread the operation of black money. Therefore, this policy which is now being followed is not to eliminate or eradicate the operation of black money, but give an incentive for the growth of black money and it is detrimental to the cause of national

economy. The real nature of the Bill is to be realised and understood. And I do not like to describe it in my own language. I prefer to quote certain editorials of our country's news papers. Owners of the black money have never had it so good. This is the editorial comment of the *Times of India* of January 30, I would also quote the opinion of another financial paper:

"Hoarders, racketeers, black marketers and the over expanding population of black money operators could not have dreamt of a better method or gift than the bonanza offered in the form of Bearer Bonds of Mrs. Gandhi's Government."

This is the editorial comment of the *Business Standard*. Therefore, it is not my idea. I do not like to criticise it with some innovations of my own. It has been described in a very proper way in a proper perspective by these national papers, which are not in any way sympathetic to this side of ours. Therefore, the basic objective of the Bill is quite clear. And the basic objective of the Bill has been very aptly described by my hon. friend Mr. Jethmalani. I want also to add strength to his observation that this bearer bond is really a bond of the ruling party. The bond between the ruling party and the tycoons of the country and the tax evaders. Therefore, it is the bond that you do not like to break. You do not like to twist that bond and unless and until you dissolve that bond, unless and until you delete this black money the black money generation cannot be stopped. I expect that the Finance Minister will do something to the causes which led to the black money operation. He cannot. He cannot. But let me say what is the basic reason of the generation of the black money. The economic policies, the fiscal policies pursued by this Government for the last 30 years are the basic reason for the creation, generation and proliferation of the black money. The basic economic and fiscal policies are responsible for it. I am quite sure that none of them will agree with me that

this black money operation can be stopped and eliminated and eradicated only by economic and fiscal policies which have got an anti-imperialist and anti-monopoly direction. But you are committed to an imperialist economy, you are committed to a monopolistic economy, you are committed to develop capitalism in this country, you are committed to corruption. Therefore, it is not possible for you to eradicate, to stop the generation of black money. Therefore, this instrument as is being proposed now is not at all an instrument to liquidate or even to curb or lessen black money, but it is an instrument which will lead to further proliferation of black money. Arguments have been advanced how it will lead to proliferation of black money and I do not want to repeat them. I would only mention who are the beneficiaries of this Bill. The major beneficiaries of this Bill are those who are highly placed in the administrative hierarchy and politicians.

AN HON. MEMBER: What about the bureaucracy in West Bengal?

SHRI CHITTA BASU: West Bengal bureaucracy is also bureaucracy. Therefore, don't think that that bureaucracy is different from bureaucracy elsewhere. We very often hear of pay-offs and kick-backs. This Bill does not provide anything to bring them under the net of taxation. I am afraid that by the operation of this Act, even the Act to deal with corrupt practices will become ineffective in certain cases, because by virtue of this Act, the possessors of these bonds are kept beyond the pale of the entire tax laws of our country. Therefore, many corrupt practices, many allegation of corruption against many highly-placed people will be beyond the pale of laws of taxation and black money will be further proliferated.

Certain observations have been made regarding the quantum of money disclosed during the Voluntary Disclosure Scheme, 1975. It is a very

important question in the sense that Mr. Pranab Mukherjee made a statement in this House in January, 1976, giving the information that the disclosure was of the order of Rs. 741 crores. The Finance Minister also is holding to that view. I would only quote a certain portion from the 123rd Report of the P.A.C.:

They observed:

"The representatives of the Department of Revenue also concealed in evidence that the actual addition to economy and net wealth is not Rs 841 crores, but it may be of the order of Rs. 200 crores.

The Committee are unable to dispel their suspicion that a deliberate attempt was made to magnify the achievements of the Scheme nearly four times and thereby misled the Parliament and the people."

This is also a part of the 123rd Report of the PAC. Therefore, Sir, it is an attempt on the part of the Government to magnify the achievement of this kind of voluntary disclosure scheme. Already there were four such schemes. This is the fifth one. This kind of voluntary disclosure scheme is not going to curb the operation of black money. This is not going to stop the generation of black money. For that much more radical measures are necessary. I would only hope that the Finance Minister sincere as he is, honest as he is and as he is aware of the cause of operation of black money, would come with a more comprehensive measure, more radical measure and eradicate the growth of black money.

Therefore, I am opposed to this Bill mainly on the ground that it is not going to curb generation of black money. I support the Statutory Resolution moved by Shri Jyotirmoy Bosu.

SHRI R. VENKATARMAN: Mr. Deputy-Speaker, Sir, very early in my parliamentary career...

DR. SUBRAMANIAM SWAMY: When was it?

SHRI R. VENKATARAMAN: In 1950, when you were not born. Sir, I was sent on a Commonwealth Parliamentary Delegation, and I went to a country where they took me to, what is called, a cave of glow-worms. It was a cave in which there was a lot of glow worms, saparkling like diamonds. Then, along with me, was Mr. Deifenbaker, who later became the Prime Minister of Canada. When we were speaking later at one meeting, Mr. Deifenbaker, said I would like to borrow these glow-worms because, if you make a noise, the glow-worms will stop shedding their light and it will become dark. He said; I would like to take these glow-worms to my House and to give them to the Speaker so that, if he shows it, the members of my House may become silent. I was speaking after him. I said I will borrow the glow-worms for another reasons, that they will shed light without heat.

The debate in Parliament should be like glow-worms, shedding a lot of light without heat. This is a very simple Bill.

PROF. MADHU DANDAVATE (Rajapur): Light is the next stage of heat.

SHRI R. VENKATARAMAN: That is why I said glow-worm is a thing which sheds light without heat.

It is a very simple Bill. There is absolutely no reason why we should get so emotionally upset over this. The fact that there is unaccounted money, money circulating outside the banking system, is not denied. Also, the fact that it is causing havoc in our economy is not denied. The point really is this. The black money, or unaccounted money, money circulating outside the banking system, goes and exerts pressure on scarce commodities. If there is a shortage of sugar, it goes and buys sugar and thus accentuates the shortage. If there is a shortage of pulses, it goes and buys pulses and

thus accentuates the shortage. It is causing much graver damage to society than mere inflation, caused by an extra circulation of resources. We have done our best to arrest this, or control this. I may tell you that during the year 1980 we had increased the number of searches. As against 2,000 searches in 1979, we conducted 3,060 searches in 1980 and seized a number of books, records, unaccounted money etc.

DR. SUBRAMANIAM SWAMI: Prosecution.

SHRI R. VENKATARAMAN: But it has not touched the fringes of the problem.

SHRI JYOTIRMOY BOSU: It was done for a consideration. We know that.

SHRI R. VENKATARAMAN: I ignore all interruptions.

SHRI JYOTIRMOY BOSU: If inconvenient.

SHRI R. VENKATARAMAN: I shall reply to Mr. Basu separately.

SHRI JYOTIRMOY BOSU: Then I have the right of reply.

SHRI R. VENKATARAMAN: The idea of floating bearer bonds is not new. Even in the period of the Constitution Assembly and in the Provisional Parliament and ever thereafter, people then sitting in opposition used to suggest and there were any number of suggestions, that on way of mopping this liquidity is by issue of bearer bonds.

SHRI JYOTIRMOY BOSU: Opening the flood-gates.

SHRI R. VENKATARAMAN: Even in the Wanchoo Committee Report, which is quoted time and again, Mr. Chitale wrote a dissenting note—I hope people have read it—in which he has said again that one of the ways in which you can handle, and to some

extent control, this black money circulating outside the banking system is through the issue of the bearer bonds. Therefore, it is not as if we have done something which is not considered by people to be one of the methods by which this evil could be tackled.

A point which was made by Shri Somnath Chatterjee, Shri George Fernandes and a few others is that you are not doing anything to check the further growth of black money; even if you say you are trying to handle the situation, you are not doing anything to prevent the growth of black money and so what is the use of this It is a very legitimate argument.

All the earlier reports dealing with this subject, the PAC reports as well as the Wanchoo Committee Report, have stated that one of the main reasons for growth of black money is the high incidence of taxation. Shri Jethmalani has very forcefully stated today the effect of the high level of taxation. If you look at my budget proposals in the last two years, they go on the basis of a certain philosophy which reduces direct taxes. Last year we increased the exemption limit to Rs. 12,000. At the same time, we reduced the maximum marginal rate of tax, as well as the surcharge which is levied on income-tax, by ten per cent so that right from the small man who pays income-tax, right from Rs. 12,000 onwards to the maximum man who pays 72 per cent, they get a ten per cent reduction. Actually, the maximum rate was reduced from 72 per cent to 66 per cent. This year I have, again on the same lines, exempted people up to Rs. 15,000 and in the corporate taxes I have given relief of 5 per cent in the surcharge, reduced it from 7.5 per cent, to 2.5 per cent. You cannot give all the tax reliefs in one year. I will have to go step by step in such a way that I am able to absorb the loss of revenue by other means by which I can make up the loss. If the economy behaves like this, if

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the strain continues, I can assure the House that I will continue this trend in such a way that the maximum income-tax payable in this country would be 60 per cent and possibly, the maximum corporate tax payable would be 50 per cent. But it would certainly depend on the way in which the economy behaves and in order to do that, I must take a number of steps and one of the steps is to reduce the liquidity in the country now, increase the availability of resources in such a way as to counteract or counterbalance the loss of revenue that would occur by following a policy of having a fair tax system in the country. Nobody can say that in a welfare State as we have where we give free education, free medical aid, subsidised food and subsidised controlled cloth and all that, a 60 per cent rate of tax is levied. On the contrary, last year, I remember Mr. Somnath Chatterjee and a number of friends on the other side criticised me for having reduced the income-tax, the surcharge, and said 'you have given concessions to the well-to-do people who can afford.'

DR. SUBRAMANIAM SWAMY: You cannot please all the people at the same time.

SHRI R. VENKATARAMAN: I only pointed out the argument. I do not want to say that everybody said that.

My point here is that in order to do that, I may go for and have a tax system which will not generate any black money. I should create the conditions by which the new or fresh black money will not be generated. Therefore, to say that I have not done anything at all to stop further generation of black money is not correct. We are going on the lines and the lines we have taken are step by step and I also indicated the steps by which I proceed further provided again the economy behaves and the response is good. Otherwise, somebody asked 'What will you do if the Supreme Court strikes it down and your

[Shri R. Venkataraman]

bonds are not valid? Well the first option is to levy tax.

DR. SUBRAMANIAM SWAMY:
The option is to resign.

SHRI R. VENKATARAMAN: Then the very object which you people said, namely, of preventing the growth of black money or preventing the accretion of black money will be defeated. You must be consistent. You cannot be contradicting yourself in the same speech. You can at least contradict yourself in different speeches and at different times. (Interruptions).

Now, the second point which was raised was that these bonds will not reduce liquidity because you can offer this as a collateral security. Sir, these bonds can be offered as collateral for productive purposes within the parameters fixed by the Reserve Bank in their credit policy. The present credit policy is that we give assistance for production. We put severe restrictions on trade, on hoarding on cornering of goods etc. If these bonds can be produced, then 50 per cent of it will be given provided it has gone for production of goods and services according to the parameters laid down already by the Reserve Bank in respect of credit for productive purposes. Now if I do not give this, what is the use? I must bring this black money which is now circulating in a manner which is prejudicial to the economy, to a field in which it will be productive and useful to the economy. It will come to the economy in such a way that it will produce goods and it will be useful. On the other hand it does not produce goods it goes and corners goods and then accentuates the price rise. It is a diversion from that unhealthy and improper utilisation to a healthy and proper utilisation viz. or the production of goods and services.

Shri George Fernandes made a point that 14 lakh assesses have been exempted for the purpose of giving them relief etc. One event or one act can have several consequences. I hope he understands that. One act viz, giving exemption to the middle classes has several consequences. One of the consequences is it will reduce the burden on the Income Tax Department. Income Tax Department will be able to concentrate more on the larger incomes which are not now assessed properly for want of time.

Another point which was made was that there was no need for the Ordinance. Here I have a very simple answer. We wanted to take credit for certain sums of money for the year 1980-81 as well as 1981-82. In order to do that we had to issue something sufficiently before. This is number one.

You cannot print bonds without the authority or unless I have an Ordinance, I cannot print these bonds. After we got the Ordinance, we printed the bonds and then made them available on the 2nd February, 1981. This again had been done earlier.

In all these matters unless you do with suddenness it will not be possible for you to catch a certain measure.

DR. SUBRAMANIAM SWAMY:
How much have you collected so far?

SHRI R. VENKATARAMAN: Rs. 65 crores. It is coming at the rate of Rs. 2 to 3 crores every day and..

SHRI JYOTIRMOY BOSU: How much in foreign exchange?

SHRI R. VENKATARAMAN: I have no figures now.

But for the matter being pending in the court I have every confidence. Even now I may be able to get Rs. 100 crores. Even then it will go a long way to reduce the deficit. (Interruptions).

SHRI SOMNATH CHATTERJEE: Shri Subramaniam Swamy can organise it himself. He comes from Bombay and....

DR. SUBRAMANIAM SWAMY: Mine is a growing city and his is a declining city. It depends upon the dynamism of the people of that city.

SHRI R. VENKATARAMAN: I shall deal with two points. I have to finish before 4 o'clock. (Interruptions).

SHRI JYOTIRMOY BOSU: Like a magician pulls a rabbit of the hat (Interruptions).... Every time...

SHRI JYOTIRMOY BOSU: Rs. 82 lakhs. (Interruptions)

SHRI R. VENKATARAMAN: All of us know that the magician is only playing a trick. There is neither a rabbit nor the hat.

SHRI JYOTIRMOY BOSU: Here is the rabbit—Associated Journal Annual Report of Account. (Interruptions) Mrs. Gandhi....

SHRI R. VENKATARAMAN: So far as the allegation that the Prime Minister suppressed the Report of the Wanchoo Committee I may state that the questions were asked as early as 25th May, 1971. The question was asked on 25th May, 1971 and the answer was "the Direct Taxes Enquiry Committee has recently submitted its interim report."

"(b) and (c) Some recommendations of the Interim report are under examination."

This is the Answer dated 25th May, 1971.

Again the matter was pursued and a Question was asked. This was on 3rd August, 1971. The then Minister of Finance, Mr. Y. B. Chavan, answered like this:

"One of the recommendations in the Interim Report of the Direct

Taxes Enquiry Committee is that the Income-tax Act should be amended to empower the Central Government to acquire immovable properties which are the subject matter of transfer at prices which correspond to those disclosed in the instruments of transfer. The Government have accepted this recommendation."

That is, buying a thing at the false valuation given.

"A Bill to amend the Income-tax Act for the purpose is expected to be introduced in the current session of Lok Sabha."

Then, it goes on to say:

"Other recommendations concern demonetisation and related matters. On this, no action is contemplated." Therefore, where is the question of suppression? The Question was answered.

SHRI JYOTIRMOY BOSU: I will satisfy you.

SHRI R. VENKATARAMAN: It is only if somebody says that he has not received the report... (Interruptions) They say that they have received the report. No Government can be compelled to accept the report. The Interim Report was not accepted. You may criticise the Government for not accepting the report. You say, it must be accepted. It is the judgment of the Government to accept it or not. It cannot be a charge. You cannot say that they have suppressed the report merely because they have not accepted the recommendations.

Similar is a charge about the *National Herald*. What really happened was that they did not suppress anything. The *National Herald* reported to the Income-tax people and said, these are the business incomes.

SHRI JYOTIRMOY BOSU: And source?

SHRI R. VENKATARAMAN: They said, these are the business incomes.

SHRI JYOTIRMOY BOSU: I will read out.

SHRI R. VENKATARAMAN: This is one of the rare occasions on which you have a right of reply after me.

SHRI JYOTIRMOY BOSU: You have invited trouble now.

SHRI R. VENKATARAMAN: You cannot wait. You are always so ebullient that you cannot even restrain yourself for a few minutes.

On this, the Income-tax Officer said, "No; these are undisclosed incomes." They went in appeal and the Appellate Commissioner accepted the plea that these are business incomes. Therefore, you cannot go on challenging or questioning everybody in the world except yourself. I do not want to say very harsh things. This is very wrong. You say, the Income-tax Officer is bad; that man is bad; everybody who does not agree with you is wrong. How can Government function? I am not an Income-tax Officer. There is an appellate authority. The income-tax Appellate Authority accept it as a business income. Then, the contention raised by the *National Herald* was accepted. What is the secret about it? Therefore, there was neither a hat nor a rabbit out of it.

At the same time, I must confess, it is not as if I am not fully aware of the feeling of the House as well as of the hon. Members. I do not say that this Bill can be justified absolutely on equitable or moral grounds. But it is the exigencies of the circumstances in the country, a very difficult economic situation and the problems that the Finance Minister had to face, necessity of trying to control in some form or other the liquidity in the economy and to find some solution or other, that compelled me to take resort to this course. If I had not done this, what would have happened? You say, it is a sin to convert this money into bonds. If I had not done it, I would be living with sin.

This money will not be tapped in any other way. It will continue to operate in the way it is doing. It will continue to do havoc. You want this kind of a state of affairs to continue. If you say, that is your preference, then, when you come to power, you opt for that kind of life.

DR. SUBRAMANIAM SWAMY: The CIA and KGB have cornered the market.

SHRI R. VENKATARAMAN: I do not take notice of such trifles

SHRI JYOTIRMOY BOSU: It is very interesting. I would like first of all to deal with the *National Herald* because I really did not expect that he would really walk into my trap. If you please refer to the Short Notice Question No. 2 in the other House, the reply is:

"Miscellaneous receipts to the tune of Rs. 35 to Rs. 50 lakhs between 1974-75 and 1976-77 in respect of which sources of such receipts are not available."

Not available. It clearly says so. What is that money that is at their command? That is blackmoney. That is why the sources cannot be disclosed. Now I will come to the document. Generally, we trust the annual report of accounts of the Associated Journals Ltd., Lucknow. If you come to the page, the appropriate page, you will see in.....

SHRI R. VENKATARAMAN: Do you deny that the Appellate Commissioners, the Income-tax Commissioners, have accepted the statement of the *National Herald* that it is business income?

SHRI JYOTIRMOY BOSU: Without casting any aspersion on the Appellate Assistant Commissioner, I can say that there is no official in the country who dare say anything against excepting between 1977 and 1979. (Interruptions)

MR. DEPUTY-SPEAKER: Order, order.

SHRI JYOTIRMOY BOSU: Associa-

ted Journals Miscellaneous receipts. Mr. Finance Minister, you see that is the most interesting thing.

SHRI R. VENKATARAMAN: You know Appellate Authority has held that all the arguments put forward are not relevant.

SHRI JYOTIRMOY BOSU: I am taking it on my shoulders to prove that this is black-money.

SHRI R. VENKATARAMAN: This is not the forum to say anything. (Interruptions). The point is if Appellate Authority agrees, we do not know. (Interruptions).

SHRI JYOTIRMOY BOSU: On what date (Interruptions). Who will go against Mrs. Indira Gandhi? Which Officer has the courage? (Interruptions).

SHRI R. VENKATARAMAN: If he suspects the officers of the Government, I have every reason to suspect him also

SHRI JYOTIRMOY BOSU: I am telling this money (Interruptions). Accept it. I am proving it.

Mr. Deputy Speaker, the receipts up to 31st March, 1977, that is almost up to the end of the previous regime was Rs. 14,88,000/-. Now, you kindly see the fun. From 1-4-1976 to 31-3-1977 that is when they were out of power, the amount comes down to Rs. 74,800/- This is all the black-money that has gone into the National Herald. It started with Rs. 100. According to their advertisement, they say the market value of their wealth is Rs. 3 crores. that is on 21st November, 1977. Therefore, I do not wish to enter into argument. You kindly gracefully take it. The National Herald money is nothing but black-money entered into the books of account. Now I am saying...

SHRI R. VENKATARAMAN. I deny.

SHRI JYOTIRMOY BOSU: You go on denying. But, I take the responsibility for it. Let us have a debate on this. Now, Mr. Finance Minister for whom I have genuine regard. I am not a hypocrite. I do not pretend. I do not wish to offend him at any time. I do not wish to make him feel bad about me. I assure you, Mr. Finance Minister.

In the morning, you thought you are slanting at me. I was a little surprised. I do not understand. In the air-ports and sea ports, the Customs people have a list of items which cannot be exported, taken out, as a personal baggage or otherwise. Is that true or not? Now, the Customs is in the List or not, the Customs Officers, under the fiat of an executive order, they have been fully told that you cannot take out Indian currency beyond a certain limit. What is the limit? You can buy 3 pounds or 5 pound at the air-port and that is about it. I have consulted Customs Officer. Then and then only I venture to say that bearer bond is not included in banned list.

SHRI R. VENKATARAMAN: Again I ask: Was this answer not given to you?

SHRI JYOTIRMOY BOSU: After reading the answer, I verified it.

SHRI R. VENKATARAMAN: Do you say that the answer is incorrect?

SHRI JYOTIRMOY BOSU: No, I am saying I have asked ...

SHRI R. VENKATARAMAN: What are you saying? Excuse me. You speak to your heart's content.

SHRI JYOTIRMOY BOSU: You really some times get derailed (Interruptions) You have got your chelas, the hulla Parly That is their contribution.

MR. DEPUTY-SPEAKER: Order, Please.

SHRI JYOTIRMOY BOSU: Mr. Finance Minister, after reading the question I got in touch with some Customs people and I said, "If I take out a bundle of Bearer Bonds, can you show me an authority or a Government order by which you can prohibit me from taking them out?", and they said, "No, Sir". That is the answer. (Interruptions) I have to borrow from you or from Madam Gandhi because the National Herald will be buying the Bearer Bonds.

Therefore, Mr. Finance Minister, what you have stated in the morning sounds clever, but lacks substance. It is not correct.

Secondly, you have said....

MR. DEPUTY-SPEAKER: You do not believe the Minister's statement, but you believe the Customs Officer's statement.

SHRI JYOTIRMOY BOSU: I am not obliged to reply to you.

MR. DEPUTY-SPEAKER: I have only observed.

SHRI JYOTIRMOY BOSU: If you only knew things, definitely I will talk to you.

MR. DEPUTY-SPEAKER: I have only observed; I am not asking for a reply from you.

SHRI JYOTIRMOY BOSU: Mr. Finance Minister, the second thing I asked you was, "Why on earth did you make these Bonds available for sale abroad? Why did you want to sell them in exchange of foreign currency?" What is the answer? No answer has been given. I may tell you, Mr. Finance Minister: at least give the Devil its due; I have been a skull-digger as Chairman of the Public Ac-

counts Committee and as Chairman of the Public Undertakings Committee. Once you allow foreign exchange to get out of this country or come into this country, it will have its natural movement: you cannot stop it.

PROF. N. G. RANGA (Guntur): Today it is irrelevant.

SHRI JYOTIRMOY BOSU: I am telling you, this money, if it is bought in foreign exchange, will go out of the country with compound interest and in the meantime it will make 20 trips, or so through the hands of smugglers, and the country will be paying for it. That is why, precisely, I have raised this. But, there is no answer as to why it has been made saleable abroad.

Mr. George Fernandes spoke about the area of generation of black money. My friend, although he was Minister of Industries, forgot to tell one thing. The basic area is inflated cost of production and deflated sales revenue. There are other areas to but these are the basic areas. And, Mr. Finance Minister, I produced a document this morning, AICC Souvenir, collection of Rs. 10 crores, Rs. 12 crores. That is the colour of that money? A letter was written to you and your Government, a letter was written to the Government. What inquiry has been instituted? What have you done about that? You cannot touch them because all the major contributors' names are in that. If you touch them, your future will be dry. Therefore, your lipservice of control of black money is nothing but hypocrisy, Mr. Venkataraman, I am very sorry to say.

I know Mr. Venkataraman's philosophy a little bit. He has a right to have his own philosophy. His philosophy is the philosophy of the Forum of Free Enterprise. Mr. Venkataraman's philosophy is the philosophy of the Forum of Free Enterprise. He does not understand that Forum of Free Enterprise means freedom to loot, freedom to exploit, freedom to make profit. He says that it is a

simple Bill. But 'simple' for whom, Mr. Venkataraman? Simple, for the class that your leader is serving to-day, your party is serving today. It is simple and good for them.

Now, he talks about accentuation of shortages. How can he prevent it when he has granted advance overdrafts, when he has allowed the banks to grant overdrafts, against collateral security of these Bonds? How can you stop? Is not a cement-manufacturer a black-marketeer at the same time? Is not a sugar-manufacturer a black-marketeer at the same time? Is not a paper-manufacturer a Black-marketeer at the same time? You are granting him credit for production against these Bearer Bonds black money and you are then saying that you are mopping up the surplus money from the bazaar. What a joke it is! Mr. Venkataraman, you go and try to teach in a primary school and not to everybody here.

This Bearer Bonds idea was very much dissected and commented upon by the Wanchoo Committee. What was their report? I quoted in the morning. They are totally opposed to the Bearer Bonds. Is it not so? Yet, you have got your case.

Mr. Venkataraman, I want to be educated by you. What is the difference between a Bearer Bond and a legal tender? You tell me what the difference is.

SHRI R. VENKATARAMAN: Why not Mr. Jethmalani help him? You are on the same side. You want to be educated? Please sit down. I will tell you....

A legal tender must be accepted by everybody but a Bearer Bond need not be accepted by everybody.

SHRI JYOTIRMAY BOSU: A legal tender can be....

SHRI R. VENKATARAMAN: Must be.

SHRI JYOTIRMAY BOSU: So a legal tender must be going to the black-marketeers and the Bearer Bonds can go to the criminals only. That is the difference, I understand it. I agree. I stand educated. So, it will not be checking the growth of black money but it will help the proliferation of black money as I have just quoted the cases of sugar, paper, cement and what not.

You have raised the exemption limit to Rs. 15,000. Mr. Venkataraman, I know you were a Member of the Planning Commission. You understand economics very well and much better than I do. I do not understand it at all. Nothing at all I know. What was the purchasing power of Indian rupee when the lowest taxable limit, i.e., the floor was fixed? And what is the purchasing power of the Indian rupee to-day? Have you given any relief? You have given no relief at all to the common man.

Mr. Venkataraman should understand that as long as this, capitalist system lives, you have to live with black money and where the profit is the only motive, you cannot do away with black money and if you do away with the black money, Mr. Venkataraman, you and your leader and all your chaps here will vanish from this House. You must be sure about that. You will absolutely vanish.

You talk of welfare State. Mr. Venkataraman, if you analyse the Budget yourself, keeping your conscience clear and forgetting that you are the Finance Minister, you see how much you are spending for education and how much for health. Even now in the CGHS dispensaries there was no medicines available at the present moment there budget is exhausted forget about the dispensaries, what about schools, etc., etc.? The Finance Minister wants us to live in a Fool's Paradise, but all of us may not agree to do that.

I would only say a word about the suppression of the report. I will finish with that. What a baseless thing was put before the House—

[Shri Jyotirmoy Bosu]

Mr. Venkataraman, you have taken the House for a ride. I am very sorry to say that. Sir I come to the Lok Sabha Debates of May 17, 1972.....

SHRI K. LAKKAPPA (Tumkur): It was denied already, Sir. Even on that day—in 1972 I was in the House—you raised it and it was denied and the same thing is repeated here.

MR. DEPUTY-SPEAKER: Both of you are in the same place.

SHRI M. M. LAWRENCE (Idukki): The only difference is that while Mr. Jyotirmoy Bosu was in the same party, Mr. Lakkappa was not in the same Party.

SHRI JYOTIRMOY BOSU: We are old friends.

The Lok Sabha debates of May 17, 1972. Thiru Venkataman I beg of you. This is what this humble self said:

"SHRI JYOTIRMAY BOSU. The report of this High-power Committee you even did not publish. You did not publish the interim report saying these are the recommendations. There is a skeleton in the cupboard.

SHRI Y. B. CHAVAN (the then Finance Minister): You have never run an administration. So you don't know.

Such reports are not published. Even if these things are to be implemented, they are not announced like that. Do you expect that in 1971 when the country was at war.

Then I intervened:

"SHRI JYOTIRMOY BOSU. On 7th December you pressurised them not to publish the report."

The reply was:

SHRI Y. B. CHAVAN. When the country is facing an emergency, a

crisis, you want to demonetise the currency and create a no-confidence in your own currency?"

"It is a most childish thing one can think of."

This is an admission that this interim report is a suppression.

I do not wish to proceed any further.

I oppose this pernicious Bill and I oppose it lock, stock and barrel.

SHRI R. VENKATARAMAN: Mr. Bosu will go to Heaven because he called me so many times as the Lord of Tirupati.

SHRI JYOTIRMOY BOSU: You buy your ticket first.

16 hrs.

STATEMENT RE. PROCUREMENT PRICE FOR WHEAT AND BARLEY

MR. DEPUTY-SPEAKER: Rao Birendra Singh will make a statement regarding the procurement policy for wheat and barley.

THE MINISTER OF AGRICULTURE AND RURAL RECONSTRUCTION AND IRRIGATION AND CIVIL SUPPLIES (RAO BIRENDRA SINGH): Sir, I rise to announce the following decision taken by the Government in respect of price policy for wheat and barley for 1980-81
(Interruptions)

MR. DEPUTY-SPEAKER: He is now making statement at 4 O'clock. Just a minute. Please listen. I think it has already been announced that the Minister is to make a statement.
(Interruptions)

Please sit down. I ask him to make the statement.

SHRI RAMAVATAR SHASTRI. You should not do like this.

MR. DEPUTY-SPEAKER: Please sit down. It has already been circulated. (Interruptions).

श्री राम विलास वासवान (हाजीपुर) :
मेरा रजोलूशन भी 4 बज है और इन का